

BUILDING THE CREATIVE INDUSTRIES FOR SUSTAINABLE ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Oluwayemisi Adebola Oyekunle

Business School, Tshwane University of Technology, Pretoria, South Africa.

Corresponding author: yemisuga@yahoo.com

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Abstract: The creative industries have long been ignored in conventional trade and industry policy in South Africa, despite the fact that it is perceived as an important contributor to the economy of developed countries, for example, Australia and the UK. In its elaborated concept, the creative economy in OECD countries grows annually at a rate that was more than twice of the services industries and more than four times of manufacturing. The creative industry has become an increasing driving force in the international marketplace; hence, it is crucial to measure their effect not only on the society at large but also to the sustainability of economic.

The creative industries are amongst the main dynamic sectors of world trade. According to the Creative Economy Report 2010, world exports of creative goods and services are growing quickly and attained \$592 billion in 2008 with an annual growth rate of 14 per cent during the 2002-2008 periods. In the UK, Gross Value Added of the Creative Industries were £71.4 billion in 2012 and accounted for 5.2 per cent of the UK Economy, with a growth of 15.6 per cent since 2008, creating 1.68 million jobs in 2012, 5.6 per cent of the total number of jobs in the UK (United Kingdom, 2014). South Africa reported 3.7% annual growth for creative goods during 2005-2012, which generates revenues from the industry of about US \$9.2 billion in 2012 (Zambia. United Nations Conference on Trade and Development (UNCTAD), 2012). However, enough data are not available for the creative services. Services are of essentially significant for most economies in Africa. Therefore, two main sectors are briefly examined, the art and craft and the tourism sectors, because of their close linkages with the rural creative economy.

The purpose of this study is to make an evaluation of the current position of creative industries in South Africa with a perspective to identify key issues to help the government to form a strategic plan of action aiming at building a strong premise for building its creative economy for employment, trade and development gains.

The study provides a broad introduction to South Africa's economic, political and social environment. Throughout each of the sections of the study, solid action steps are proposed with the aim to promote and build the creative industries in South Africa. It gives an outline of macroeconomic issues and crosscutting factors that have an effect on the advancement of the creative industries.

Collection of data for the creative industries continues to be very important for a clear picture of the country situation and for policy formulation. UNESCO has dependably been at the cutting edge of addressing the cultural and economic nature of creative goods and services, exploiting both the theory and its practice. The analysis in this study is the result of research based on primary and secondary material.

A broad collection of economic indicators provides evidence on the possibility of the creative industries to promote comprehensive and sustainable development. On the premise of the UNCTAD global database, the country profile was presented, highlighting the trade performance of the South African creative industries, as an instrument to formulate a strategy to building creative capacity and trade opportunities in the future. Conclusions and policy actions are integrated into the analysis.

Keywords: *Creative Industries, Economy, Development, employment, Sustainable Development.*

INTRODUCTION

For the past twenty years, the creative industries have been an issue of key point reference in both governmental policy and broader public discussion in South Africa. This discussion is mainly related to the ways in which creative industries might provide important sources of wealth, employment and meaning for a post-apartheid South Africa needed to achieve and readdress the transformation of the society and the economy. The Accelerated and Shared Growth Initiative of South Africa (ASGISA) has now identified the creative industries, as one of the identified drivers of sustainable economic opportunities and livelihoods for local communities whilst expanding business opportunities for small, medium and micro enterprise (SMMEs) (Joffe & Newton, 2008). However, the recognition of the creative industries in the ASGISA programme is a direct result of the efforts of the Department of Arts and Culture (DAC) to remedy the neglect of this important sector from mainstream trade and industry policy (Joffe & Newton, 2008).

Estimates show that the creative economy is growing annually at 5% per annum and is likely to triple in size globally by 2020 (Howkins, 2001 in Joffe & Newton, 2008). In the UK, in the period 2011 and 2012, for instance, the output of the creative industries, measured as gross value added, grew at 9.4 percent per annum, compared to 5.4 per cent growth for the rest of the economy while employment growth grew at a rate of 8.6 percent per annum compared with 0.7 percent for the whole of the economy, accounted for 1.68 million jobs in 2012 which is 5.6 percent of the total number of jobs in the UK (United Kingdom. DCMS, 2014). According to the International Visual Communications Association, China is the third largest exporter of creative industries after the United Kingdom and the United States; experienced a trade surplus, with exports increasing from 2005 to 2011, and from 2010 to 2011, exports increased by 31.38%, and imports increased by 33.34% (South Africa. Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO), 2012). The United Nations Educational, Scientific and Cultural Organisation (UNESCO) (2012) put forward that creative industries represent one of the most rapidly expanding sectors in the global economy with a growth rate of 17.6 % in the Middle East, 13.9 % in Africa, 11.9 % in South America, 9.7 % in Asia, 6.9 % in Oceania, and 4.3 % in North and Central America, moreover, promoting this sector requires limited capital investment, low entry barriers and can have a direct impact on vulnerable populations, including women.

The Accelerated and Shared Growth Initiative of South Africa (ASGISA) recognized the creative industries, as one of the identified operators of sustainable economic opportunities and livelihoods for local communities, and at the same time expanding business opportunities for small, medium and micro enterprise (SMMEs) in the country. The recognition of the creative industries in the ASGISA programme is a direct result of the ongoing efforts of the Department of Arts and Culture (DAC) to remedy the neglect of this important sector from mainstream trade and industry policy, with the primary starting point of initiation of the Cultural Industries Growth Strategy (CIGS) process by the then Department of Arts, Culture, Science and Technology (DACST) (Joffe & Newton, 2008). A fundamental reason for proposing the CIGS process was to induce dialogue within the government, especially between the departments of trade and industry and that of arts and culture with the use of an industry strategy approach.

The United Nations report (United Nations. UNESCO, 2013) provides that in unlocking the potential of the creative industry, therefore involves promoting the overall creativity of societies, affirming the distinctive identity of the places where it flourishes and clusters, improving the quality of life where it exists, enhancing the local image and prestige and building the resources for imagining diverse new futures.

Established the creativity of individuals and groups in South Africa, the creative sectors also embodies in full measure the spirit and vision of the 2012 United Nations Conference on Sustainable Development, which acknowledged that people are at the centre of sustainable development and, based on this, the nation should strive for equitable, and commitment to work together to promote sustained and inclusive economic growth, social development and environmental protection. The creative industries, while not providing a quick fix for the achievement of sustainable development, are nevertheless among the most powerful sources for “new development pathways that encourage creativity and innovation in the pursuit of inclusive, equitable and sustainable growth and development” that the United Nations System Task Team on the Post-2015 United Nations Development Agenda has exhorted the international community to take (United Nations. UNESCO, 2013). Therefore, unlocking the potential of the creative industries in South Africa calls for promoting the general creativity of societies, building the unique identity of the people and places where it flourishes and clusters, improving the quality of life where it exists, enhancing the local image and status and building the resources for visualising various new futures.

DEFINITION OF THE CREATIVE INDUSTRIES

According to Joffe and Newton (2008) increasingly, the changing DCMS definitions used by the British Council have influenced the South African community of creative industry researchers, consultants and policy advisors as well as government officials in such that the term creative economy has been adopted, both for the DAC's Creative Mapping Study in collaboration with the British Council and by the Gauteng Government in their branding of Creative Gauteng, with this usage, the larger set of creative industries (of which cultural industries are a part) as well as the broader cluster of industries which support them is what we call the creative economy. The United Kingdom (DCMS) (2014) describes the Creative Economy to include: the contribution of those who are in creative occupations outside the creative industries as well as all those employed in the Creative Industries; a subset of the Creative Economy which includes only those working in the Creative Industries themselves (and who may either be in creative occupations or in other roles e.g. finance).

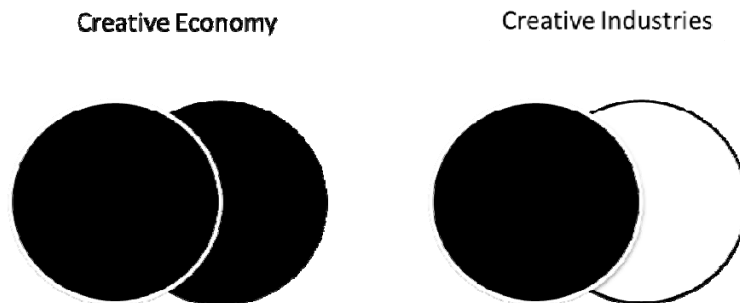


Fig : 1

The United Nations on Trade and Development (2010) defines creative industries as:

“The cycle of creation, production and distribution of goods and services that uses creativity and intellectual capital as primary inputs. Comprising goods and services focused but not limited to arts with creative content, economic value and market objectives. Producing tangible goods and intangible services able to generate revenues through trade and intellectual property rights”.

The United Kingdom (UK, 2011 in UNCTAD, 2010) defines “Creative industries” as those requiring creativity, skill and talent, with potential for wealth and job creation through the exploitation of their intellectual property.

Van Gran (2005) gives a working definition of creative industries as those areas of social and economic activity that are founded on – or closely allied with –

- a. Individual or collective intellectual or artistic creativity, innovation and originality and/or
- b. The conservation, teaching and celebration of cultural heritage, as well as language and which have the ability to offer work and generate income for the original creators and also for others involved in education and training, production, distribution, documentation and support for creative products or cultural experiences, whether in a not-for-profit capacity or for commercial gain.

The creative industries sector constitutes a range of activities, which is related to the professional services, innovation, information economy, manufacturing activities and research and development and cultural activities. United Nations Conference on Trade and Development (UNCTAD, 2010) categorises the activities of this sector as follows:

- Advertising
- Music
- Performing arts
- Industrial design
- New media
- Radio and television
- Visual art
- Graphic design
- Film and Video
- Fashion and jewellery
- Product and surface design
- Publishing
- Architecture
- Crafts

SOUTH AFRICAN CREATIVE SECTOR OVERVIEW

In South Africa the Arts, Culture, Heritage and Creative Industries were affected by apartheid as all other aspects of human, social, political and economic life of the people. The allocation of financial resources was unfair, likewise infrastructure and even skills development between whites and blacks. Thus, the educational scheme of blacks did not offer arts education and there were little or no job opportunities in the Creative Industries for black people. However, for reasons ranging from unfair skill development practices of the apartheid era to a narrow understanding of the role of the Creative Industries since 1994, the active and sustained involvement of previously disadvantaged individuals at all levels within cultural and Creative Industries, i.e. creation, production, dissemination, transmission and consumption, have yet to be achieved (South Africa. White Paper on Arts Culture and Heritage, 2013).

In 1996, the government adopted the White Paper on Arts and Culture and Heritage (the 1996 White Paper) as an appropriate delivery of its policy position, highlighting the right for everyone to freely practice and satisfy the artistic and cultural expression, and enjoy the protection and development of their heritage; emphasising on the important social cohesion, nation building and economic development role of the Cultural and Creative Industries. The purpose of the 1996 white paper thus centres on the role of government in funding the creative industries. The White Paper depicts the aim of the then Department of Arts, Culture, Science and Technology as creating an environment favourable to the promoting, protecting and realizing the full potential of South Africa's Cultural and Creative Industries. Eighteen years after the adoption of the 1996 White Paper has revealed many changes in the composition, governance and role of Creative Industries.

In 1997 the Department of Arts, Culture, Science and Technology (DACST) founded the first study on the creative industries in South African. Some of the objectives the study intended to achieve were to:

- A. Introduce the creative industries as a significant sector in its own right
- B. Recognise the changing aspect of four sectors i.e. film and television, music, publishing and craft and
- C. Make recommendations on developing the creative industries to the Department and to the industries themselves

The Western Cape Investment and Trade Promotion Agency (WESGRO 2013) provide the following key features of the South African Creative Industry sector:

- According to the DTI (2012), the recording industry is estimated to be worth ZAR1.6bn, with indigenous South African productions selling more records domestically when compared to sales of international recordings.
- The South African craft sector contributed 0.14% to GDP in 2011, approximately ZAR3.32bn and employs approximately 273,495 people (DTI, 2013).
- According to estimates from the National Film and Video Foundation (NFVF, 2011), the film industry contributed approximately ZAR2.2bn to the total entertainment industry in South Africa in 2003/2004. According to IDC estimates and the 10-year review of the industry by the NFVF (2005) film production ranging from commercials and shorts to full-length movies was estimated to contribute about 0.2% to the national economy.
- There are approximately 150 registered production companies currently active in South Africa, with about 15 of these commanding over 90% of feature films and television production. According to the NFVF database, over 200 production companies are active in the industry.
- The South African Film and Television Production and Co-Production Incentive offer financial support to South African productions and official treaty co-productions with budgets of at least ZARzse 2.5m (about USD310, 000). The Location Film and Television Production Incentive aims to attract big-budget overseas film and television productions. It offers a 15% rebate to foreign-owned productions with a South African spend of at least ZAR12m (about USD1.5m).

IMPORTANCE OF INVESTING IN SOUTH AFRICA CREATIVE INDUSTRIES

In South Africa, unemployment continues to be a challenge for the country. Generally, unemployment stays high at 24.1% and 64.8% for youth between the ages of 15 and 24. Recently the government launch a form of employment tax incentives aims to address this challenge by empowering private area retention of youth by financing the compensations of recently enlisted specialists matured somewhere around 18 and 29 (United Nations. UNCTAD, 2014). In 2013 the performance of manufacturing was mixed. Nevertheless, the general labour market remains

constrained and labour unrest kept reducing South Africa's human capital output in 2013, particularly in agriculture, mining and manufacturing industries, and thereby depressing growth. Moreover, the possibility of the output is strained by shortage of skills, thus, the calls for further investment and transformation of the poor situation of the national economic system. Van Graan (2014) contributes to the importance of creative industries is not limited to, their economic value, however as they are also key bearers of cultural traditions, moral values, worldviews, ideological assumptions and ideas. Particularly, the 2013 Report found that: “adequately nurtured, creativity fuels culture, infuses a human-centred development and constitutes the key ingredient for job creation, innovation and trade while contributing to social inclusion, cultural diversity and environmental sustainability” (United Nations. UNESCO, 2013).

Extensively, the South African economy stayed within the Reserve Bank's (SARB) target inflation range of 3% to 6%, assessed at 5.7% in 2013. Frequently, high inflation was connected to a weakening of currencies, but in South Africa, where the Rand has depreciated significantly, inflation did not increase, but remained below 6% (United Nation. UNCTAD, 2014). The South African Rand (ZAR) was under pressure in 2013, with the national government debt increasing to 42.5% of gross domestic product (GDP) in 2012/13, up from 36.2% two years earlier.

The European Union (2012) give the following as reasons why it is worth investing in the creative industries:

- It contributes to the GDP, growth and employment
- It contributes to the local and regional development, and
- It contributes to the rest of economy, innovation and social well-being.

ECONOMIC AND SOCIAL INDICATORS

South Africa is a middle-income, emerging market with an abundant supply of natural resources; well-developed financial, legal, communications, energy, and transport sectors; a stock exchange that is the 18th largest in the world; and modern infrastructure supporting a relatively efficient distribution of goods to major urban centres throughout the region.

Table 1: Socio-Economic indicator 2014

Socio-Economic indicator	South Africa, 2014
Population (millions)	54 million
Population growth (annual %)	0.69
Gross National Income per capita, US\$	7610
Gross National Income per capita, PPP US\$	11,021
GDP per annual growth rate (%)	2.7
Inflation, consumer prices (annual %)	5.7
Agriculture (% of GDP)	2.4
Services (% of GDP)	70.0
Industry (% of GDP)	27.6
Manufacturing (% of GDP)	11.6
Mining and quarrying (millions of Rand)	388. 772

Source: OECD South Africa. <http://www.oecd.org/southafrica/>

Table 2: Selected economic indicators

Selected economic indicators						
	Percentages changes, volume (2005 prices)					
	2009	2010	2011	2012	2013	2014
GDP	-1.5	3.1	3.5	2.5	2.8	3.8
Private consumption	-1.6	4.4	4.8	3.0	2.9	4.0
Government consumption	4.8	5.0	4.6	3.6	3.3	3.5
Gross fixed capital formation	-4.3	-2.0	4.5	6.5	4.5	6.6
Final domestic demand	-0.8	3.1	4.7	3.4	3.3	4.5
Stock building ¹	-1.0	1.3	0.3	0.1	0.0	0.0
Total domestic demand	-1.6	4.4	4.6	3.4	3.3	4.4
Exports of goods and services	-19.5	4.5	5.9	0.7	3.7	7.0
Imports of goods and services	-17.4	9.6	9.7	5.9	3.6	7.6
Net export (percentage of real GDP in previous years).	-0.2	-1.5	-1.1	-1.1	-0.3	-0.8
Memorandum items						
GDP deflator	8.3	7.2	6.0	5.5	5.0	4.8
Consumer price index	7.1	4.3	5.0	5.6	5.4	5.0
Output gap	-1.3	-1.8	-1.8	-2.7	-3.3	-3.3
Private consumption deflator	6.5	3.9	5.0	5.6	5.3	4.9
Unemployment rate	23.9	24.9	24.9	25.1	24.3	23.8
Household saving ratio (as % of disposable income)	-0.7	-0.3	-0.1	0.0	0.1	0.0
General government financial balance (as % of GDP)	-4.9	-6.0	-5.3	-5.0	-4.7	-4.0
National government gross debt (as % of GDP)	30.9	35.3	39.2	40.0	41.0	41.3
Current account balance (as % of GDP)	-4.0	-2.8	-3.4	-6.0	-6.1	-6.2

1. Contributions to changes in real GDP (percentage of real GDP in previous years).

Source: Statistics South Africa and OECD estimates, 2013.

MANUFACTURING

The total turnover of all industries for the second quarter of 2014 was estimated at R1 863 028 million (R.86 trillion), compared with R1, 706 292 million for the second quarter of 2013, representing an increase of 9.2%. There is a decrease of 0.5% compared with the revised first quarter of 2014 (R1 873 232 million or R.87 trillion). The largest increase in turnover was recorded for real estate and other business services (excluding financial intermediation and insurance) (+18.1%), followed by electricity, gas and water supply (+12.2%), manufacturing (+9.4%), trade (+8.6%), transport, storage and communication (+8.5%), construction (+7.8%), mining and quarrying (+1.9%) and community, social and personal services (excluding government institutions) (+1.0%), as shown in table 3, below

Table 3: Turnover by industry and percentage change

	Turnover June 2014	Turnover March 2014	Turnover June 2014	Difference between March 2014 and June 2014	Difference between June 2013 and June 2014
	R million	R million	R million	%	%
Mining and quarrying	126 067	136 142	128 434	-5.7	1.9
Manufacturing	525 265	589 725	574 780	-2.5	9.4
Electricity, gas and water supply	39 598	38 815	44 445	14.5	12.2
Construction	70 905	73 220	76 440	4.4	7.8
Trade	576 047	626 991	625 759	-0.2	8.6
Transport, storage and communication	150 385	159 743	163 231	2.2	8.5
Real estate and other business services, excluding financial intermediation and insurance	173 561	201 573	205 033	1.7	18.1
Community, social and personal services, excluding government institutions	44 464	47 023	44 906	-4.5	1.0
All industries	1 706 292	1 873 232	1 863 028	-0.5	9.2

Source: Statistics SA: Quarterly financial statistics; June 2014.

The utilisation of production capacity by large manufacturers was 81.0% in August 2014 compared with 81.7% in August 2013, with a decline of 0.7 of a percentage point. The increase in under-utilisation of 0.7 of a percentage point between August 2013 and August 2014 can mostly be credited to increments in deficient demand (contributing 0.6 of a percentage point) and shortage of raw materials (contributing 0.3 of a percentage point) – see Table 4 below.

Table 4: Utilisation and under-utilisation of production capacity in the manufacturing industry

Estimates	August 2013 (%)	May 2014 (%) 1/	August 2014 (%) 1/	% point difference between August 2013 and August 2014
Utilisation of production capacity	81.7	80.4	81.0	-0.7
Under-utilisation of production capacity	18.3	19.6	19.0	0.7
Reasons for under-utilisation:				
Shortage of raw materials	1.7	2.0	2.0	0.3
Shortage of labour	1.3	1.4	1.3	0.0
Insufficient demand	10.4	11.8	11.0	0.6
Other reasons	4.9	4.4	4.7	-0.2
Total reasons	18.3	19.6	19.0	0.7

Source: Statistics South Africa. Manufacturing: Utilisation of production capacity by large enterprises (Preliminary) August 2014
1/Preliminary.

EMPLOYMENT

As South Africa has progressively become prosperous and the market has expanded, educated young people are become more interested in creative employment. The most important goal of the South African government is the shift of the ownership and employment profile of South African firms to represent more carefully through

demography of the country, emphasising specifically for the promotion of black people (B-BBEE Act, 2003:1-6). The creative economy is also excellent at generating jobs and developing new skills, in the USA; it contributes 11% to the and provides work for over 30m people, and it has a similar impact on the Indian economy (Van Graan, 2014:20).

Chart 4, indicates employment by enterprise size showing that the large enterprises had the highest number of employees (460 219 or 65%), followed by micro enterprises (105 967 or 15%), small enterprises (87 582 or 12%) and medium enterprises (53 093 or 8%).

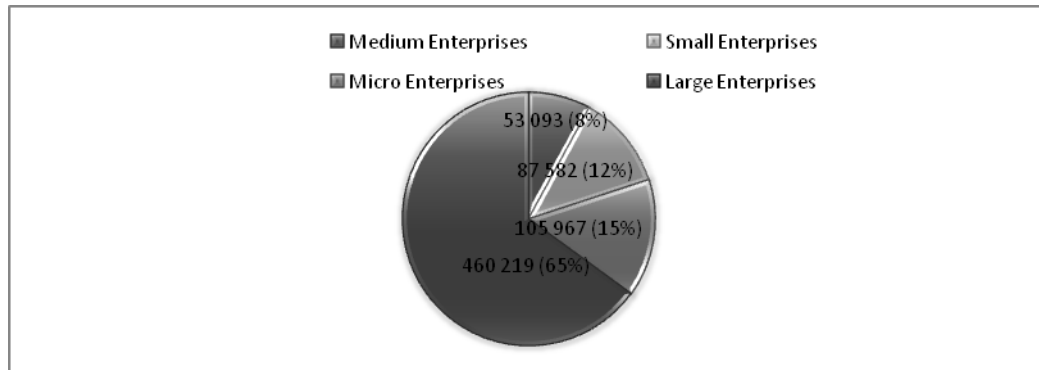


Fig 2: Employment by Enterprises. Source: Statistics South Africa (Lehohla, 2014).

Table 12, shows that there was a quarter-on-quarter increase in employment of 155 000 from 8 511 000 in March 2014 to 8 666 000 in June 2014. This was mainly as a result of increases in the following industries: community services industry increased by 143 000 (5.8%); trade industry increased by 17 000 (1.0%); construction industry increased by 5 000 (1.2%) and finance industry increased by 2 000 in the (0.1%).

Table 5: Employment by industry

	Jun-13	Mar-14	Jun-14	Q/Q Change	Y/Y Change	Q/Q Change	Y/Y Change
	Thousand				%		
Mining	511	491	490	-1	-21	-0,2	-4,1
Manufacturing	1 144	1 143	1 137	-6	-7	-0,5	-0,6
Electricity	63	62	61	-1	-2	-1,6	-3,2
Construction	428	426	431	5	3	1,2	0,7
Trade	1 689	1 698	1 715	17	26	1,0	1,5
Transport	375	373	369	-4	-6	-1,1	-1,6
Finance	1 843	1 856	1 858	2	15	0,1	0,8
Community services	2 385	2 462	2 605	143	220	5,8	9,2
Total	8 437	8 511	8 666	155	229	1,8	2,7

Source: Statistic South Africa, 2014

TRADE

SOUTH AFRICA AND GLOBAL TRADE IN CREATIVE GOODS

The creative goods for global trade is classified into arts and crafts, audio visuals, design, new media, publishing and other printed matter.

During 2012, global exports of creative goods totalled USD454bn, and decrease by 3.20% from 2011. From 2003 to 2008 a positive trade increase of 8.74% has been recorded. The trade experience a decline in 2009 by 8.39%, and rise with 8.2% in 2010. Total global imports totalled USD417.62bn, an increase of 9.23% from 2010.

Table 6: Global Import and Exports of Creative Goods, 2012

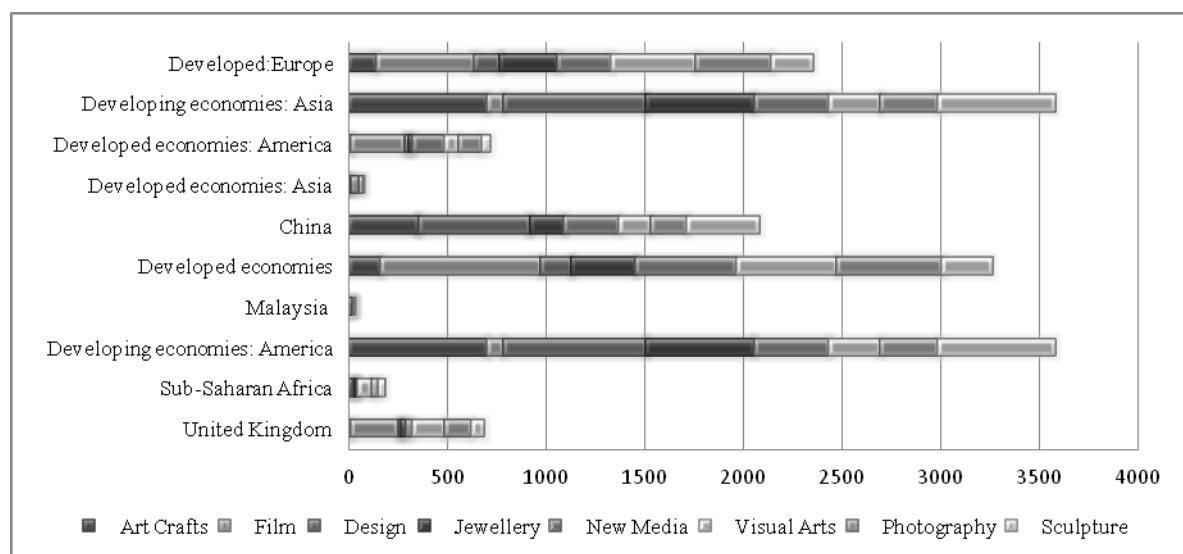
	GLOBAL EXPORTS OF CREATIVE GOODS, 2012		GLOBAL IMPORTS OF CREATIVE GOODS, 2012	
	VALUE 2012 (USDm)	% GROWTH, 2008-2012	Value 2012 (USDm)	% GROWTH, 2008-2012
Art Crafts	34339.45396	5.639303882	27741,0705	2.294455437
Carpets	7757.527789	7.957586197	6542,113658	1.734911403
Celebration	5124.314519	9.926625028	5774,205262	0.988382283
Other	3433.121603	6.683859155	2946,154479	-1.254091316
Paperware	88.806167	-1.981919928	146,248938	0.779685967
Wickerware	1950.572556	-3.693569046	1591,948208	-0.732349843
Yarn	15985.11132	4.611981642	10740,39996	4.989959587
Audio Visuals	32053.9664	-3.146980048	29748,22889	-5.91222664
Film	138.967765	-31.68478014	139,726994	-29.37661977
CD, DVD, Tapes	31914.99863	-2.766195242	29608,5019	-5.633119038
Design	284888.0987	9.087924516	255077,3191	4.509003311
Architecture	226.052081	-16.35040976	151,513199	-1.872634802
Fashion	72141.56962	8.668752736	71136,98631	6.168974491
Glassware	2826.702953	11.7541229	1045,681063	-3.600870693
Interior	71155.23277	4.161215315	69274,40788	1.737500315
Jewellery	101199.0037	19.94911619	64568,93452	12.22313752
Toys	37339.53757	-0.325286703	48899,79613	-0.946309298
New Media	40873.42507	-2.55268931	45905,10242	-3.716081441
Recorded Media	22385.2838	5.155123703	25345,74693	7.940619216
Video Games	18488.14128	-9.452625486	20559,35549	-12.83842343
Performing Arts	5051.710079	5.027000963	5166,248275	1.081833429
Musical Instruments	4946.524211	5.216744208	5067,896485	1.187627485
Printed Music	105.185868	-2.498289113	98,35179	-3.82440212
Publishing	38260.25359	-3.474754276	38132,17983	-2.971678625
Books	16718.19104	-1.465061771	16888,99004	-1.907530808
Newspaper	13054.67094	-4.519153171	13143,42293	-4.491913317
Other Printed Matter	8487.391608	-5.413059689	8099,766866	-2.524097403
Visual Arts	38324.50889	9.244202834	29933,26553	5.345003055
Antiques	3917.463113	8.880373005	4818,430526	7.97028046
Paintings	15260.16683	2.99771437	14553,50882	6.499285295
Photography	2266.284675	0.770671318	2403,44416	3.337203238
Sculpture	16880.59428	19.41392262	8157,88202	2.830802841

Source: UNCTADStat, 2013

Table 7: South Africa Creative Industries Trade Performance by sectors, 2008 and 2012

	2012							Growth rate	
	Value			Share (%)					
	(in million US\$)			(% of total product)		(% of world)		2008-2012	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports	Exports (USDm)	Imports (USDm)
Art Crafts	22.42	141.33	-118.91	6.18	1.58	0.07	0.51	-11.50	10.89
Carpets	8.34	32.83	-24.49	2.30	0.68	0.11	0.50	-11.73	10.22
Celebration	1.47	14.18	-12.70	0.41	0.61	0.03	0.25	-7.18	12.15
Other	3.29	12.57	-9.28	0.91	0.01	0.10	0.43	2.69	1.58
Paperware	0.36	0.28	0.09	0.10	0.31	0.41	0.19	9.04	0.18
Wickerware	2.38	6.36	-3.98	0.66	3.61	0.12	0.40	-3.84	5.62
Yarn	6.58	75.11	-68.54	1.81	16.83	0.04	0.70	-18.41	13.37
Audio Visuals	57.44	349.63	-292.19	15.83	0.12	0.18	1.18	33.37	-0.19
Film	0.08	2.59	-2.52	0.02	16.70	0.05	1.85	-42.69	-4.68
CD, DVD, Tapes	57.36	347.04	-289.68	15.81	45.55	0.18	1.17	34.22	-0.15
Design	133.23	946.42	-813.20	36.71	0.01	0.05	0.37	-4.67	11.93
Architecture	0.12	0.24	-0.12	0.03	14.49	0.05	0.16	-59.71	10.97
Fashion	17.30	301.05	-283.76	4.77	0.32	0.02	0.42	-1.23	13.68
Glassware	1.50	6.59	-5.09	0.41	15.16	0.05	0.63	6.87	-3.47
Interior	61.47	314.95	-253.49	16.94	5.01	0.09	0.45	-0.59	10.76
Jewellery	42.21	104.19	-61.98	11.63	10.56	0.04	0.16	-12.01	14.59
Toys	10.63	219.39	-208.77	2.93	15.04	0.03	0.45	3.27	10.98
New Media	20.27	312.54	-292.27	5.59	8.29	0.05	0.68	-0.36	20.99
Recorded Media	14.64	172.23	-157.60	4.03	6.75	0.07	0.68	6.06	29.67
Video Games	5.64	140.31	-134.67	1.55	1.10	0.03	0.68	-10.99	10.59
Performing Arts	1.61	22.86	-21.25	0.44	1.07	0.03	0.44	0.62	7.24
Musical Instruments	1.61	22.21	-20.60	0.44	0.03	0.03	0.44	0.83	7.51
Printed Music	0.00	0.65	-0.65	0.00	11.55	0.00	0.66	-28.49	-1.26
Publishing	86.11	239.97	-153.86	23.73	8.98	0.23	0.63	6.63	2.50
Books	30.58	186.69	-156.11	8.43	1.42	0.18	1.11	5.53	0.73
Newspaper	40.64	29.51	11.14	11.20	1.14	0.31	0.22	6.94	19.18
Other Printed Matter	14.89	23.77	-8.89	4.10	3.14	0.18	0.29	8.02	4.01
Visual Arts	41.82	65.18	-23.37	11.52	0.38	0.11	0.22	-12.34	-2.04
Antiques	22.42	141.33	-118.91	6.18	1.58	0.07	0.51	-11.50	10.89
Paintings	8.34	32.83	-24.49	2.30	0.68	0.11	0.50	-11.73	10.22
Photography	1.47	14.18	-12.70	0.41	0.61	0.03	0.25	-7.18	12.15
Sculpture	3.29	12.57	-9.28	0.91	0.01	0.10	0.43	2.69	1.58

Source: UNCTADStat, 2013

Fig 3: Values and shares of creative goods, South Africa imports, annual, 2004 - 2012 (percentage by destination)

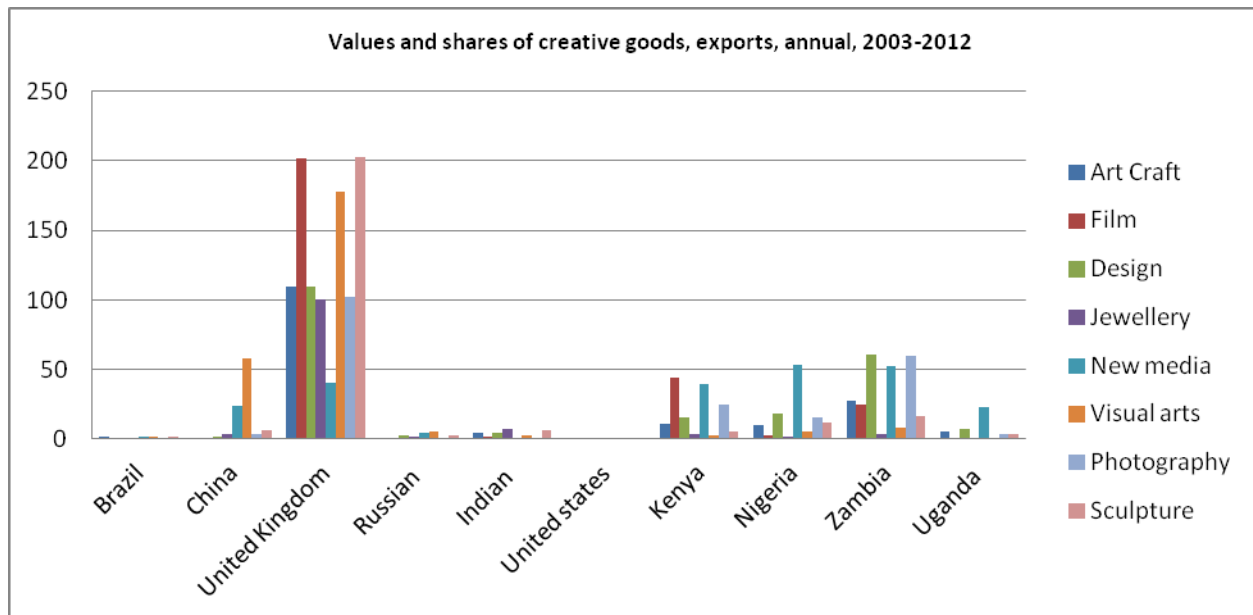
Source

e: UNCTADStat, 2013

Table 8: Volume growth rates of merchandise exports and imports, quarterly, Q1 2010-Q2 2014

Volume Growth Rate Over Previous Period						
Country Year	South Africa	Kenya	Mauritius	United Republic Of Tanzania	Nigeria	
2010	Q1	6.7	15.1	-13.9	-3.3	-0.4
	Q2	6.4	-2.9	17.0	-4.9	3.5
	Q3	9.3	-3.3	0.3	22.4	5.0
	Q4	-0.4	5.5	10.3	0.3	2.8
2011	Q1	-11.5	-1.7	-18.2	-9.8	-4.2
	Q2	5.2	-0.9	9.5	-15.9	1.3
	Q3	3.9	0.9	4.3	17.5	1.9
	Q4	-2.0	-2.5	1.3	7.6	-5.6
2012	Q1	-6.1	11.6	-8.0	5.6	4.5
	Q2	3.4	-4.6	12.5	6.3	-3.3
	Q3	1.2	3.8	-5.7	2.1	2.7
	Q4	-3.9	3.2	10.6	-2.2	-5.2
2013	Q1	-6.2	-1.3	-3.5	-16.5	-10.2
	Q2	11.2	2.1	7.0	1.1	5.0
	Q3	2.9	-2.9	4.6	16.0	6.5
	Q4	0.2	2.2	5.6	21.9	-4.6
2014	Q1	-7.5	5.3	-8.5	-20.4	2.9
	Q2	4.3	5.3	9.0	4.7	-10.1

Source: UNCTADStat, 2013

Fig 4: Values and shares of creative goods, exports, annual, 2003-2012 (Percentage by destination)

Source: UNCTADStat, 201

Services

The table 7 below shows growth rates of various creative services exports from 2003 to 2011 and 2008 to 2011, arranged into categories of developed, developing and transition economies. Globally, Franchises and similar rights exports increased by 17.54% from 2003 to 2011, while exports of Computer services increased by 17.06% from 2003 to 2011.

Main creative services exports in developed economies were:

- Other personal, cultural and recreational services (14.36% growth 2008-2011; 12.42% from 2003-2011)
- Franchises and similar right services (17.54% from 2003-2011; 9.77% from 2008-2011)
- Royalties and licence fees services (11.37% from 2003-2011)

Main creative services exports in developing economies were:

- Research and Development services (24.77% growth from 2003-2011; 6.19% from 2008-2011)
- Computer and information services (24.69% from 2003-2011; 12.99% from 2008-2011)
- Computer services (23.83% from 2003-2011; 10.98% from 2008-2011)

Main creative services exports in transition economies were:

- Computer and information services (37.75% growth from 2003-2011; 9.57% from 2008-2011)
- Personal, cultural and recreational services (24.49% from 2003-2011; 7.31% from 2008-2011)
- Computer services (37.56% from 2003-2011; 5.64% from 2008-2011)

see Next Page

Table 9: Growth Rates of Exports of Global, Creative Services, 2011

Service Category	WORLD		DEVELOPED ECONOMIES		DEVELOPING ECONOMIES		TRANSITION ECONOMIES	
	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011
Advertising, market research and public opinion polling	14.11	6.81	12.85	4.52	20.93	21.06	16.95	8.24
Research and Development	10.03	5.46	9.97	5.52	24.77	6.19	2.70	-4.02
Architectural, engineering and other technical services	9.96	3.57	7.81	3.37	21.49	5.22	22.50	2.26
Personal, cultural and recreational services	6.09	7.38	6.78	9.73	1.93	-2.25	24.49	7.31
Audiovisual and related services	4.04	5.92	3.85	7.51	3.29	-8.70	23.29	9.02
Other personal, cultural and recreational services	11.50	14.09	12.42	14.36	8.16	13.61	21.27	11.60
Computer and information	15.96	8.08	13.36	6.25	24.69	12.99	37.75	9.57
Computer services	17.06	8.10	13.77	6.68	23.83	10.98	37.56	5.64
Information services	5.37	-1.13	5.27	-1.42	8.68	8.62	13.98	-1.15
Other information services	-20.14	-4.73	-20.77	-5.47	14.43	9.03	45.44	-3.23
Royalties and licence fees	11.42	7.85	11.37	7.85	12.67	8.05	14.88	7.45
Franchises and similar rights	17.54	9.98	17.54	9.77	0.00	47.45	0.00	-47.26
Other royalties and license fees	8.03	6.07	8.05	5.93	5.34	11.19	2.09	13.16

Source: UNCTADStat, 2013

The table below demonstrates growth rates of various creative services imports from 2003 to 2011 and 2008 to 2011, arranged into categories of developed, developing and transition economies. Globally, Franchises and similar rights services imports increased by 7.71% from 2008 to 2011, while imports of other information services increased by 19.82% from 2003 to 2011.

Main creative services imports in developed economies were:

- Computer services (7.46% growth from 2008-2011; 18.08% from 2003-2011)
- Other information services (19.15% from 2003-2011; 2.39% from 2008-2011)
- Information services (18.43% from 2003-2011; 5.30% from 2008-2011)

Main creative services imports in developing economies were: 36.11 27.53

- Other information services (65.33% growth from 2003-2011; 19.25% from 2008-2011)
- Franchises and similar rights services (48.80% from 2003-2011; 17.37% from 2008-2011)
- Other personal, cultural and recreational service (36.11% from 2003-2011; 27.53% from 2008-2011)

Main creative services imports in transition economies were:

- Computer services (29.49% growth from 2003-2011; 17.36% from 2008-2011)
- Royalties and licence fees (26.11% from 2003-2011; 7.95% from 2008-2011)
- Computer and information services (25.97% from 2003-2011; 14.44% from 2008-2011)

Table 10: Growth Rates of Imports of Global, Creative Services, 2011

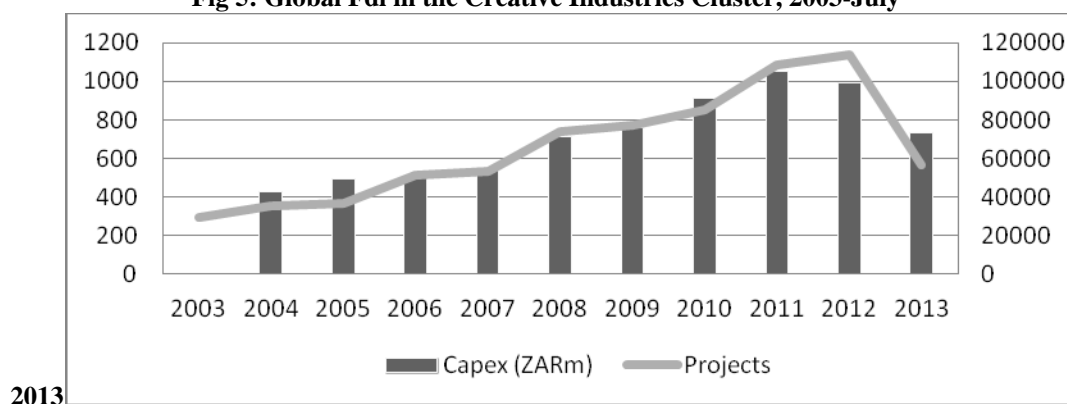
Service Category	WORLD		DEVELOPED ECONOMIES		DEVELOPING ECONOMIES		TRANSITION ECONOMIES	
	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011	% Growth 2003-2011	% Growth 2008-2011
Advertising, market research and public opinion polling	12.82	0.13	11.52	-1.72	23.88	11.35	12.85	-2.55
Research and Development	12.17	4.95	12.08	4.70	13.92	10.03	11.33	-1.74
Architectural, engineering and other technical services	11.12	7.38	7.28	5.02	22.44	15.70	21.45	6.20
Personal, cultural and recreational services	6.07	6.14	4.47	2.42	9.37	16.34	22.55	8.17
Audiovisual and related services	3.92	3.66	2.45	2.11	12.62	13.25	22.49	9.67
Other personal, cultural and recreational services	18.06	10.03	9.83	1.88	36.11	27.53	18.36	6.59
Computer and information	14.04	6.41	13.48	6.27	15.65	6.00	25.97	14.44
Computer services	18.17	6.98	18.08	7.46	17.18	1.12	29.49	17.36
Information services	18.40	6.47	18.43	5.30	16.84	9.80	22.96	10.83
Other information services	19.82	5.37	19.15	2.39	65.33	19.25	19.91	10.17
Royalties and licence fees	11.80	7.46	11.11	6.42	13.09	10.70	26.11	7.95
Franchises and similar rights	14.53	7.71	14.38	7.42	48.80	17.37	0.00	7.10
Other royalties and license fees	9.80	4.61	9.81	4.29	23.88	11.35	19.61	-0.27

Source: UNCTADStat, 2013

Foreign and Direct Investment (Fdi)

Global Fdi

Chart (1) below, demonstrates between January 2003 and July 2013, a total of 7,216 FDI projects were shown in the creative industries cluster, equating to a 4.6% share of global FDI. These projects represent a total capital expenditure (CAPEX) of R753.14bn which is an average investment of R104.15m per project. Through the period, a sum of 335,833 jobs was created.

Fig 5: Global Fdi in the Creative Industries Cluster, 2003-July

2013

Source: FDI Intelligence, 2013

The top source markets, in relation to number of projects, were the United States (2,889 projects), the United Kingdom (1,142 projects), France (419 projects) and Germany (358 projects). Regarding the capital investment value of projects, the top source markets were the United States (R337bn), the United Kingdom (R107.09bn), France (R51.6bn) and Germany (R35.19bn).

Table 11: Top 10 Source Markets For Global Fdi in the Creative Industries Cluster, 2003-July 2013

Rank	Source country	Projects	% Projects	Capex (ZARm)	% Capex	Companies	% Companies
1	United States	2 889	40.04%	337 271.97	44.78%	1576	39.93%
2	United Kingdom	1142	15.83%	107 094.57	14.22%	617	15.63%
3	France	419	5.81%	51 596.08	6.85%	193	4.89%
4	Germany	358	4.96%	35 185.42	4.67%	193	4.89%
5	Ireland	253	3.51%	15 165.79	2.01%	98	2.48%
6	Japan	243	3.37%	30 985.42	4.11%	128	3.24%
7	India	171	2.37%	26 738.31	3.55%	90	2.28%
8	Canada	164	2.27%	17 477.81	2.32%	111	2.81%
9	Spain	136	1.88%	8 424.79	1.12%	72	1.82%
10	Netherlands	125	1.73%	10 726.07	1.42%	78	1.98%
Other Countries		1316	18.24%	112 477.45	14.93%	791	20.04%
TOTAL		7216	100.00%	753 143.67	100.00%	3947	100.00%

Source: FDI Intelligence, 2013

The top companies investing in the global creative industries cluster, from 2003 to 2013, was Facebook with 35 projects with a capital value of R22.7bn. Other top investing companies include Ubisoft Entertainment (R16.28bn) and News International (R10.75bn).

Table 12: Top 10 Companies for Creative Industries Fdi, 2003-July 2013

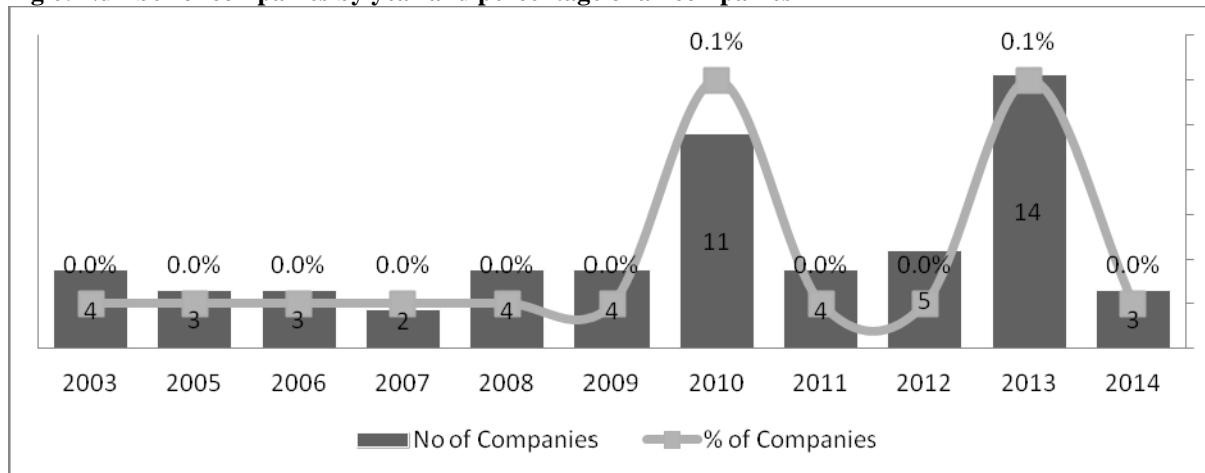
RANK	INVESTING COMPANY	PROJECTS	CAPEX (ZARm)
1	Face book	35	22 705.3
2	Ubisoft Entertainment	14	16 283.4
3	News International	1	10 745.9
4	eBay	19	10 334.3
5	Pinewood-Shepperton Studios	6	9 748.2
6	Stanford University	1	8 266.1
7	QiQ	7	7 289.0
8	Image College of Art Animation and Technology (ICAT)	2	5 558.9
9	Avenues: The World School	26	5 167.1
10	PVR Leisure	3	4 756.3
Other Companies		7 102	652 289
TOTAL		7 216	753 143.7

Source: FDI Intelligence, 2013

South Africa Fdi

State-of-the-art FDI inflows have contributed to the necessary change of the economic base and exports. In South Africa, there has been some evidence indicating that FDI has contributed to skills and technology transfer of a nation. South Africa can achieve its potential, but needs to work hard on bringing its investment policy framework, its macroeconomic policies, its infrastructure and the costs of doing business to levels that make the country's producers and creators more competitive regionally and globally (United Nations. UNCTAD, 2011).

A total of 56 companies invested in South Africa in creative industry clusters between January 2003 and September 2014, out of a total 48,896 companies investing in FDI globally.

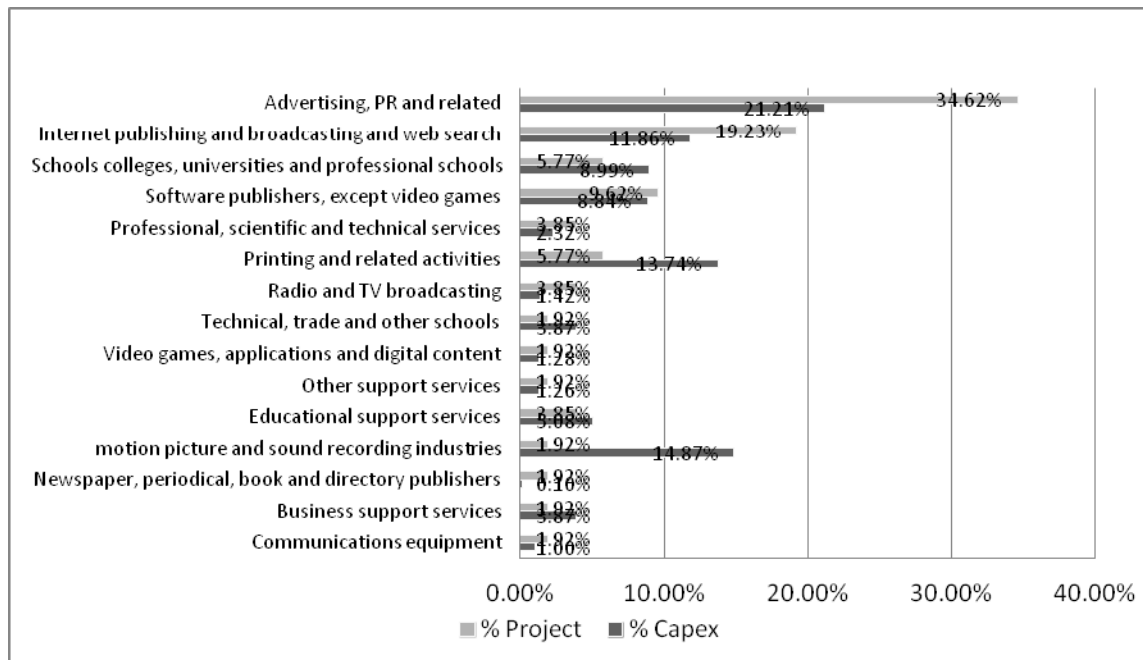
Fig 6: Number of companies by year and percentage of all companies

So

Source: FDI Intelligence from the Financial Times Ltd

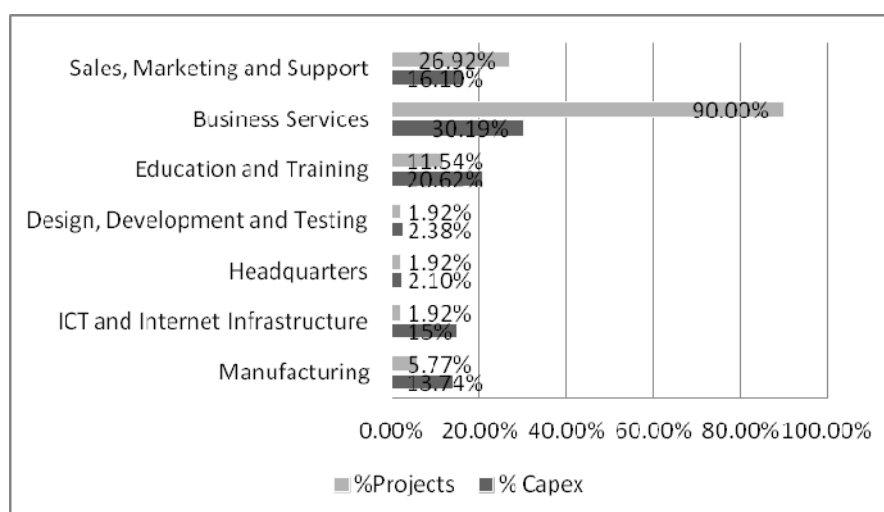
The chart 2, below, illustrates a sub-sector and business activity breakdown of inward FDI to South Africa in the creative industries group, from 2003 to July 2013. The top sub-sectors are shown:

- Advertising and PR-related services (34.62% of projects; 21.21% of capex)
- Internet publishing and broadcasting and web search (19.23% of projects; 11.86% of capex)
- Software publishers except video games (9.62% of projects; 8.84% of capex)

Fig 7: Sub-Sector Breakdown of Fdi to South Africa in Creative Industries, 2003-July 2013

Source: FDI Intelligence, 2013

The top business activities for FDI to South Africa were: business services; sales, marketing and support; and education and training activities.

Fig 8: Business Activity Breakdown of Fdi to South Africa in Creative Industries, 2003-July 2013

Source: FDI Intelligence, 2013

The top source markets, in terms of number of projects, were the United Kingdom (17 projects), the United States (10 projects) and the Netherlands (5 projects). As far as the capital investment value of projects, the top-most source markets were the Netherlands (ZAR1.25bn), the United Kingdom (ZAR1.2bn), the United States (ZAR0.7bn) and India (ZAR0.36bn).

TABLE 13: Top 15 Source Markets for Fdi into South Africa in the Creative Industries Cluster, 2003-July 2013

TOP 15 SOURCE MARKETS FOR FDI INTO SOUTH AFRICA IN THE CREATIVE INDUSTRIES CLUSTER, 2003-JULY 2013							
RANK	SOURCE COUNTRY	PROJECTS	% PROJECTS	CAPEX (ZARm)	% CAPEX	COMPANIES	% COMPANIES
1	United Kingdom	17	32.69%	1 203.5	24.11%	16	31.37%
2	United States	10	19.23%	701.8	14.06%	10	19.61%
3	Netherlands	5	9.62%	1 253.1	25.10%	5	9.80%
4	Ireland	4	7.69%	314.1	6.29%	4	7.84%
5	India	4	7.69%	363.7	7.29%	4	7.84%
6	Australia	2	3.85%	125.6	2.52%	2	3.92%
7	Germany	2	3.85%	257.1	5.15%	2	3.92%
8	Russia	1	1.92%	63.6	1.28%	1	1.96%
9	Nigeria	1	1.92%	11.6	0.23%	1	1.96%
10	Switzerland	1	1.92%	62.8	1.26%	1	1.96%
11	Qatar	1	1.92%	5.0	0.10%	1	1.96%
12	Vietnam	1	1.92%	318.2	6.38%	1	1.96%
13	Canada	1	1.92%	60.3	1.21%	1	1.96%
14	France	1	1.92%	193.4	3.87%	1	1.96%
15	UAE	1	1.92%	57.9	1.16%	1	1.96%
TOTAL		52	100.00%	4 991.9	100.00%	51	100.00%

WESGRO, 2013

The table 13 below show; South African Business Services has produced the highest number of total jobs and highest investment with a total of 402 jobs and USD 212.90 million investments. ICT & Internet Infrastructure and Design, Development & Testing have the biggest project size on average in terms of investment and jobs creation, respectively.

Table 14: South Africa FDI trends by business activity

Business activity	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (USD m)	Average (USD m)
Business Services	31	402	12	212.90	6.90
Sales, Marketing & Support	17	235	13	101.50	6.00
Education & Training	6	225	37	81.90	13.70
Manufacturing	3	241	80	175.40	58.50
Headquarters	2	160	80	24.40	12.20
ICT & Internet Infrastructure	1	93	93	150.00	150.00
Design, Development & Testing	1	169	169	15.30	15.30
Total	61	1,525	25	761.40	12.50

Source: FDI Intelligence from the Financial Times Ltd

Netherlands has both the most remarkable total and most prominent normal venture at USD 263.20 million general and USD 43.90 million for all undertaking. UK has created the highest number of total employments, while Netherlands has the biggest undertaking size with 39 occupations for every venture as a whole.

Table 15: FDI trends by source country

Source country	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD m)	Average (USD m)
UK	18	17	493	27	141.90	7.90
United States	12	12	220	18	82.80	6.90
Netherlands	6	6	238	39	263.20	43.90
India	5	4	89	17	41.00	8.20
Ireland	4	4	81	20	34.70	8.70
Switzerland	2	1	24	12	14.00	7.00
Canada	2	2	24	12	14.00	7.00
Australia	2	2	28	14	12.80	6.40
Germany	2	2	53	26	21.20	10.60
Russia	1	1	16	16	6.20	6.20
Other source countries	7	7	259	37	129.60	18.50
Total	61	58	1,525	25	761.40	12.50

Source: FDI Intelligence from the Financial Times Ltd

The table below shows Western Cape has both the highest total and highest average investment at USD 389.20 million overall and USD 17.70 million per project. Gauteng has received the highest number of total jobs, while Western Cape has the largest project size with 30 jobs per project on average.

Table 16: FDI trends by destination states, 2014

Destination state	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD m)	Average (USD m)
Gauteng	31	31	755	24	318.20	10.30
Western Cape	22	22	670	30	389.20	17.70
Not Specified	8	8	100	12	54.00	6.80
Total	61	58	1,525	25	761.40	12.50

Source: FDI Intelligence from the Financial Times Ltd

Out of a total of three destination cities, Johannesburg of Gauteng province is the top destination city, accounting for almost half of projects tracked. Project volume in this destination city topped out in both 2010 and 2013 with eight projects tracked in each of these periods.

Cape Town, of Western Cape Province has received the highest number of total jobs and greatest investment with a total of 670 jobs and USD 389.20 million investment. Pretoria of Gauteng has the largest project size on average in terms of both investment and job creation.

Table 17: FDI trends by destination city, 2014

Destination city	Projects		Companies		Jobs Created	Capital Investment (USD m)
	No	%	No	%		
Johannesburg	28	45.90	28	48.28	621	211.70
Cape Town	22	36.07	22	37.93	670	389.20
Pretoria	3	4.92	3	5.17	134	106.50
Not Specified	8	13.11	8	13.79	100	54.00
Total	61	100.00	58	100.00	1,525	761.40

Source: FDI Intelligence from the Financial Times Ltd

Out of a total of three destination cities, Johannesburg is the top destination city, accounting for almost half of projects tracked, with total investment into resulting in the creation of 621 jobs and USD 211.70 million capital investment, equating to an average of 22 jobs and USD 7.60 million investment per project (FDI Financial Times Ltd, 2014).

THE DEVELOPMENT AGENDA IN GAUTENG

In 2005 the Gauteng Provincial Government (GPG) (South Africa, 2005) released the provinces Growth and Development Strategy (GDS). The strategy provides an action-oriented approach that integrated the activities of all stakeholders into a holistic economic development and job creation plan that aims to achieve concrete goals. Focusing on the “smart province” concept the GDS is based on six core strategies:

1. Provision of social and economic infrastructure.
2. Accelerating labour absorbing growth.
3. Sustainable economic development.
4. Enhanced government efficiency and co-operative government.
5. Deepening participatory democracy, provincial and national unity.
6. Contributing to the successful achievement of NEPAD’s goals and objectives (SA, 2005)

The primary mechanisms for implementing these strategies are:

1. Investment and support to targeted economic growth sectors such as smart industries, trade and service industries and tourism

2. SMME support and Broad Based Black Economic Empowerment (BBBEE)
3. Skills development
4. Social grants and social services
5. Expanded Public Works Programme (EPWP)
6. E-governance
7. Multi-purpose Community Centres (MPCCs)
8. Intergovernmental relations
9. The Integrated City Region Strategy
10. Mainstreaming transversal issues. (South Africa, 2005)

WESTERN CAPE CREATIVE SECTORS

The Western Cape is poised to become a world-class destination for creative industries with Cape Town being awarded the World Design Capital 2014 designation, with the various provincial and city authorities having pooled efforts towards creative clustering in the city to showcase the role of design and the creative economy in community upliftment, job creation and social cohesion (South Africa. WESGRO, 2013). In conjunction with Cape Town Partnership, the Creative Cape Town theme was developed to promote cultural and creative industries as part of the economic strategy for the Central City, and national events like the Design Indaba, the advertising sector's Loerie Awards, and the country's leading fashion week takes place in Cape Town (South Africa. WESGRO, 2013). WESGRO further explain that the city also offers affordable production costs for film and video production (15% cheaper than Australia and 20% cheaper than Europe), and also the biggest visual effects studio in South Africa.

South Africa, WESGRO (2013) presents the strengths and weaknesses of the creative industries sector in the Western Cape can be shown below:

Weaknesses and Threats

- Sustained energy in sector promotion
- Promoting business skills amongst cultural actors

Strengths and opportunities

- Creative clustering: strong organisation of agencies
- Shared services across the sector; physical hubs
- New media and new technology
- Diverse global target markets: US, EU, China, Brazil, Nigeria

MILLENNIUM DEVELOPMENT GOALS

The Millennium Development Goals (MDGs) represent the international policy environment within which national strategies for building the creative economy in developing countries are being implemented. The MDGs express the international community's commitment to the global development agenda with its specific targets to be reached by 2015. Some of the goals related to the creative industries of the developing economy are to: (1) promote gender equality and empower women; (2) achieve universal primary education; (3) eradicate extreme poverty and hunger; (4) ensure environmental sustainability; and (5) develop a global partnership for development (United Nations. UNCTAD: 2011). The MDGs address development challenges as an integral part of the global economy. The post-2015 development agenda should also recognize the specific contribution that culture as a sector, encompassing tangible and intangible heritage, cultural and creative industries and cultural infrastructures, has made towards achieving sustainable development, as evidenced in terms of poverty alleviation, social inclusion and environmental sustainability (United Nations. UNESCO, 2010).

The creative industries have a large number of scopes and it contributes to social, economic, cultural and sustainable development in many ways. From the economic point of view, it promotes economic diversification, revenues, trade, creativity and innovation. According to the creative economy report (United Nations. UNCTAD, 2010), world trade in creative industry products continues to increase; trade in creative goods and services grew on average 14 per cent annually through the period 2002-2008, and this upward trend is likely to continue, given the positive prospects for global demand even in turbulent times. The major ways in which the creative industries make social impact is through their contribution to employment, especially for women and the youth, mainly for the disadvantage communities. Another key aspect of the creative industries relates to their role in fostering social inclusion, cultural diversity and human development. Also from grass-root level, the creative industry includes cultural activities that are essential in linking social groups in communities and contributing to social cohesion and cultural identity.

Finally, the expressions of a people's culture - customs, religion, traditional rituals, minority languages, artefacts, heritage sites and music; permeate the daily lives of men, women and children and constitute an important part in providing for their education, health, culture, happiness and well-being.

SUSTAINABLE DEVELOPMENT

Sustainability Beacon Project in its Final Report (2010) defined sustainable development as: "Dynamic process, by which sustainability is achieved, enabling all people to realise their potential and improve their quality of life in ways which simultaneously protect and enhance the Earth's life support systems. Sustainability is an all-encompassing concept, spanning political, economic and technological spheres, and ecological, social and business issues." Acknowledging and promoting respect for cultural diversity within a human right based approach, moreover, can facilitate intercultural dialogue, prevent conflicts and protect the rights of marginalized groups, within and between nations, thus creating optimal conditions for achieving development goals, therefore, culture understood this way, makes development more sustainable (United Nations. UNESCO, 2010).

It is important for Creative Industries to understand that their businesses will not be the same in the next five -10 years, from an operational point of view and in terms of content generation, product and service creation and the knowledge and skills required (Beacon Project,2010). UNESCO in its 2010 High-level Plenary Meeting on the Millennium Development Goals (United Nations. UNESCO) attest that, development interventions that are responsive to the cultural context and the particularities of a place and community, and advance a human-centred approach to development, are most efficient, and likely to yield sustainable, inclusive and equitable outcomes. An example of how development strategies can contribute to the achievement of Millennium Development Goals is provided by the Creative Industry Development Framework in the Gauteng province of South Africa. This framework makes explicit the contribution of the creative industries to social development goals such as community participation in cultural activities; regional integration across Africa; poverty alleviation, particularly in previously disadvantaged communities and among the youth; and public-private partnerships in community-based cultural programmes such as indigenous dance and music, carnivals and festivals (United Nations. UNCTAD, 2010).

It has been founded that the creative industries also contribute in diverse ways to sustainable development. It is getting to be progressively perceived that the concept of "sustainability" has a bigger scope past its application to the environment. The tangible and intangible cultural assets of the community, the country or its district is something that must be preserved for future generations, as much as natural resources and environment need to be protected.

Creative sustainability involves a development process that preserves all types of creative assets, from minority cultures and traditional rituals to artworks, artefacts and heritage buildings and sites, etc. The contributions that artistic and creative production, dissemination and participation make to economic empowerment, cultural enrichment and social cohesion in the community, with the purpose of promoting major social progress, are the principle motivations to backing the principles of creative industries sustainable development.

The primary contribution for creative activities is creativity, a regular asset in plenty in South Africa. Generally, the creative industries production does not require heavy industrial infrastructure, and can be effortlessly compatible with the national environmental protection and preservation. In order for the trade to be ethically sustainable, producers are encouraged to concentrate on innovation, and not just to search out minimal effort arrangement solutions. Recently, there are campaigns on consumer protections. This has made both producers and consumers of creative products to at all-time question the accuracy in cultural value, economic and environmental value of what they produce, buy and sell. In terms of this, United Nation, UNCTAD (2010) has been propagating the subject that creativity and biodiversity are generally matched and ought to be seen as having a benefit to both parties to promote responsible use of the world's biodiversity, while advancing the development aspect of the creative economy.

BUILDING SOUTH AFRICA CREATIVE INDUSTRIES

The main undertakings is to determine at what time general business support mechanisms can address the specific needs of Creative Industries and at what time new sector-specific measures should be introduced.

Capacity building

Capacity building of the creative industries is important because the present environment in which the sector is operating is experiencing rapid and strong structural change. This change is as a result of fast technological development, outstanding digitisation, in addition to the global development happening in the market, concerning the supply and marketing of goods and services. Hence, the creative entrepreneurs are a great deal lacking necessary business skills like marketing, project management, and technological skills. Therefore, there is a need for a strong

professional education at all levels of education scheme. The activities should provide supplementary training, advisory, financing and development services to creative operators and entrepreneurs, offering consultancy and coaching for entrepreneurship, business skills and product and service development of creative industries (European Union, 2012).

Creative business development

To a greater extent business developers are looking into accepting creative businesses into their development programmes. The European Union (2012) gives three main reasons for the importance of specialised development of the creative industries as:

- Creative industries are generally looking for an inspiring, lively environment to operate in;
- The creative industries need specialised consultancy services that take into account their specific operating models;
- The creative sectors frequently operate on prototype- or project base and profit from like-minded co-tenants from other creative industries that create synergy and new business opportunities.

Access to finance

The creative industries most especially Small and Medium Enterprises (SMEs), often encounter difficulties in accessing the funds they need to finance their business activities. Therefore, there is an essential role to be played by public authorities (specifically provincial authorities) in inspiring private investment and promoting public and private partnerships for the benefit of their creative sectors SMEs.

Networking and clustering

The European Union (2012) provides that, Clustering and network activities build connections between various stakeholders: related industries, creative industries, academia, public bodies, companies and investors. The European Union defined cluster as: “the co-location of producers, service providers, educational and research institutions, financial institutions and other private and government institutions related through linkages of different types. There is a therefore, need for creative industry clusters because mostly, the enterprises in the sector are micro-enterprises, which work together in the form of alliances to work on projects or form a partnership, with each bringing in its specific expertise.

FINDINGS

The findings from the research suggest a number of key opportunities and way forward.

Opportunities

- The growth in the consumption of imported creative goods and the stopover operation that South Africa appears to be performing suggests that there is nevertheless significant growth in the consumption base for these classes of goods.
- This call could ideally be met through domestic production and more effective marketing of locally produced goods, rather than through import. This could have important positive effects for both the domestic creative economy and for national trade relationship with the rest of Africa.
- Need for more analysis of the data, and capacity to compete internationally in specific product areas would need to be undertaken.
- The analysis should also be able to provide direction as to what measures need to be taken, in relations to more investment in production capacity of which the country can compete more successfully.
- The substantially positive growth trend in the provision of services is one which needs to be better understood in order to be able to identify measures that might help to amplify this trend, and the economic benefits that flow from it
- Remarkable progressive growth in the service provision needs to be more understanding with the aim to ascertain measures that might help to strengthen this progress and its economic benefits.
- The nation’s resilient political and economic relationships with the developing economies can present a significant opportunity for initiating these major and growing markets to South African creative goods and services

Way forward

From the study, a number of recommendations for action emerged. These recommendations is more or less based on five key areas for practical intervention, with precise attention given to the future relationship between South Africa and the world within each of these areas of intervention:

- Need for capacity building for policy making
- Amending and improving on data collection
- An intelligible International Strategic approach
- Organising social structure for the forum and dialogue
- Integrating creative industries in the conception, measurement, and practice of development with a perspective of encouraging inclusive, equitable, and sustainable development.
- Building on creative industries to Promote Social cohesion.

Problem analysis

The fundamental problem is that many or most cultural and artistic forms in developing countries will always be dependent on grant funding and the focus on commercial viability can obscure this (Joffe & Newton, 2008).

The following main issues and gaps were identified from the study.

- Lack of organisation within the industry: it was noted from past and present studies that there are readiness and ability on the part of government to invest and promote export, but for this support to be achieved, there is a need for the industry to relate with the government as an organisation, instead of as an individual entities. Therefore a stronger membership-based industry structure, associations and networks need to be put in place. This will also help in gathering accurate data on trade and other issues. Van Graan (2005) put forward that, UNESCO has hosted numerous workshops, seminars and consultations of experts and others on the theme of cultural industries, but very little has happened in practice as a result of these meetings, notwithstanding the establishment of a Global Alliance for Cultural Diversity to stimulate the growth of cultural industries in developing countries and the redressing of international flows of cultural products.
- Inadequate data: to adequately provide a high profile image of the creative industries there is a need for adequate, valid and current data and statistics. It is clear that the present data have limited value in guiding policy and strategy, both on the part of government or the industry.
- Weak coordination and communication: it was observed that there is a general lack of communication between government and the creative sector on industry development subjects.
- An incoherent international strategy for the creative sector: in order to promote South African creative industries internationally, there is need to develop a more coherent approach to the presentation of South African good and services in the global marketplace.

RECOMMENDATIONS

With the target of working towards a thorough, innovative creative industries policy, the recommendations made in this study are structured around seven parts:

1. Strengthening the industries structure and policy framework;
2. Capitalizing on the creative Sector's Contribution to Economic Development and Poverty Reduction
3. Allowing capacity-building activities at different levels;
4. Invest in sustainable creative industry development around the value chain
5. Acknowledging that despite its economic benefits, the creative economy also generates non-monetary value that contributes to achieving people-centred, inclusive and sustainable development
6. A systematic communication system and awareness-building for the creative industries.
7. Examine the relationships between the informal and formal sectors as central for modified creative industry policy development

One key need was the preparation of the relevant government ministries to concur and implement an inter-ministerial policy to promote the development of the creative industries. Joffe and Newton (2008) contributes that: "The core recommendation made in Creative South Africa was to establish the Cultural Industry Development Agency (CIDA) as "a public-private partnership agency specifically geared towards building up the cultural industries, of which the primary functions would be knowledge and information management, human resource development, strategic investment, grant funding as well as advocacy on behalf of the creative industry sector". The recommendation was for CIDA to develop cultural industry initiatives with" a high potential for commercial success

as well as stimulating some already flourishing enterprises, unfortunately, this agency was never established (Joffe & Newton, 2008). This was an exceptionally positive conclusion for these explore, additionally to guarantee the not just the successful implementation of this study, but at the same time to ensure the sustainability of a comprehensive and long-term development strategy for the creative industries in South Africa.

CONCLUSION

South Africa is one of the few developing countries where the trade and industry department has taken responsibility for enhancing the growth potential of the creative industries, but this has also resulted in a tension as to which department (trade and industry or arts and culture) has interest over the creative industries (Joffe & Newton, 2008). As the United Nations, UNCTAD (2010) report states: "The growth is a confirmation that the creative industries hold great potential for developing countries that seek to diversify their economies and leapfrog into one of the most dynamic sectors of the world economy."

A Distinction can be drawn between those sectors that have good development potential of the national market and, those good for export. In South Africa, two groups in the creative sector point out as having the highest potential of development. The first is in fact a multi-sector strategy that connects the visual arts, crafts and design. Working on the development of each of these sectors can serve as a process that will profit all of them. South Africa has two types of natural resources that could be utilised through design skills. Firstly, the country has gemstones and gold, which can be used for making jewellery, as the product serves as one of the major exports showing an increase of 19.95% on export with a value of US \$10.1million in 2012. Likewise, the metalworking could be a source of raw material for new and innovative designs and creative production. Lastly, cotton is also natural resources, which possess the potential for development in the area of innovative textile design and garments.

In the near future, the crafts sector can be built through a social process whereby: large number of people can engage in its profession as a means of livelihood; capacity-building to promote the quality of the work; and capacity-measure to develop entrepreneurial and marketing skills. Also, building the crafts sector conform to the government strategy plan of developing cultural villages throughout the country.

At first, a communication strategy to improve understanding and awareness of the growing importance of the creative industry in South Africa is very important. UNCTAD has invited and welcomed new initiatives, which began in September 2009, to set up a communication and networking campaign for encouraging and to intensify public opinion and the Government on the significance of building the creative economy as a major aspect of an overall development strategy.

Subjects, for example, the new cultural policy and the budget allocation for arts and culture have as of now been examined, in the context of the present debate on the importance of the creative economy to promoting socio-economic and inclusive development in South Africa. Secondly, empowering arts professionals to network abroad, go to fairs and build associations are essential for opening up markets. Thirdly, the production of celebrations and big events can be greatly helpful to the development of the creative sectors. Creating an area of specialization and expertise can pull in individuals and promote exchanges and learning within a particular sector.

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