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Seventh Austrian Creative Industries Report

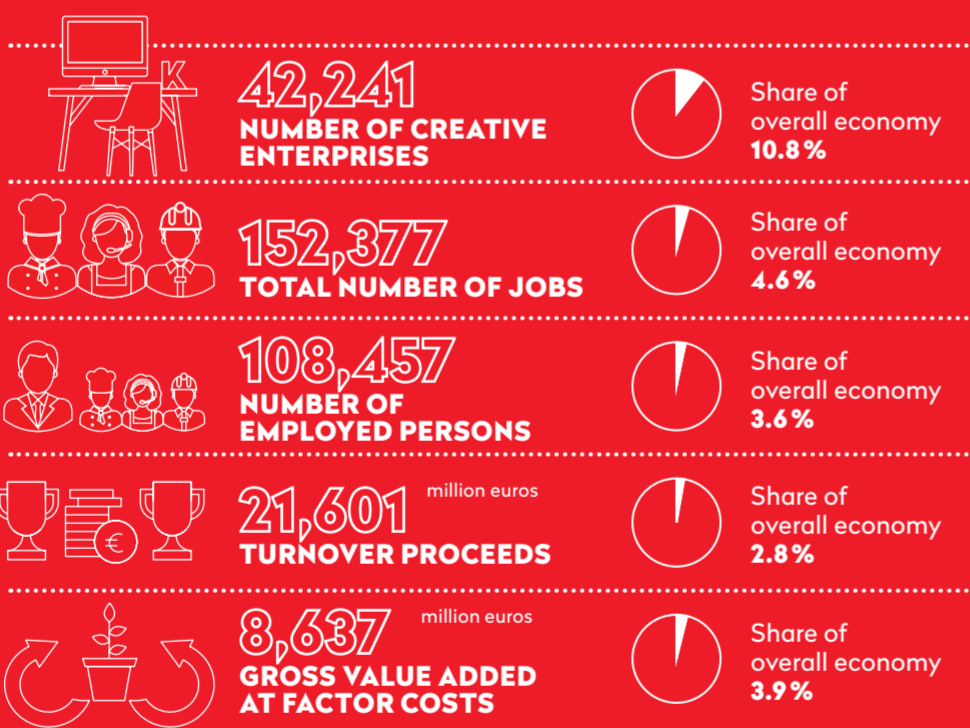
Focus: Cross-over Effects and Innovation

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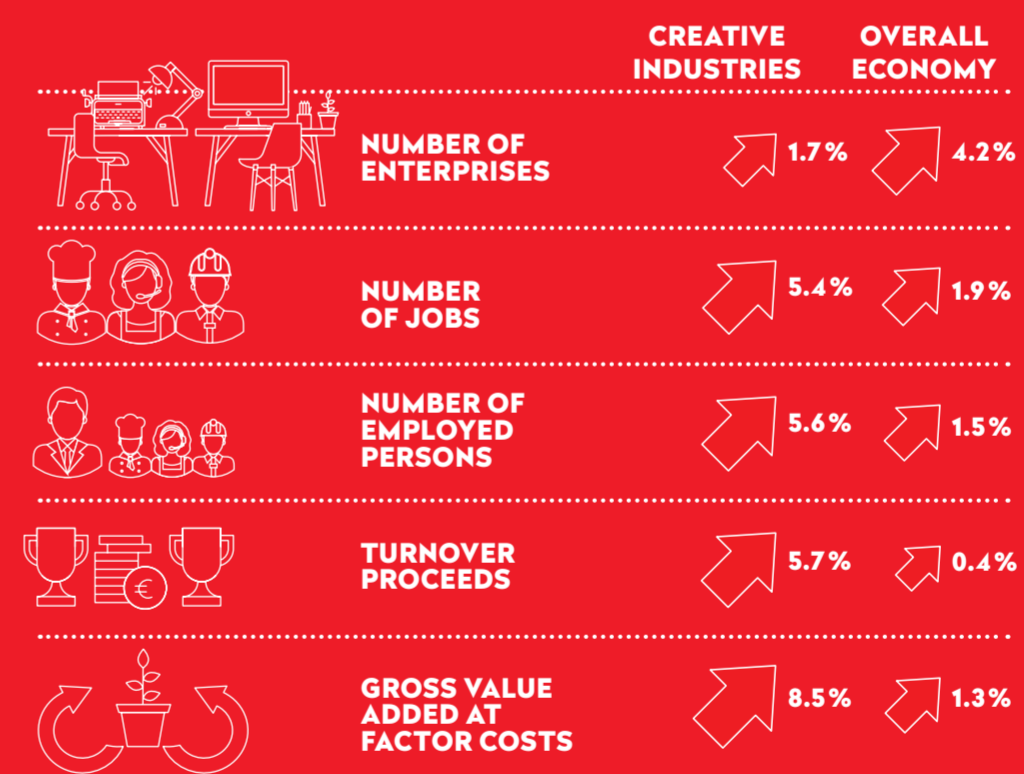


More than one in ten enterprises in Austria belong to the creative industries, totalling approx. 42,200 creative enterprises that provide jobs to roughly 152,400 persons, while the creative industries continue to retain a structure of many small businesses. In a year-by-year comparison, the creative industries hold their place as a driver of growth with an annual turnover of 2.8 billion euros. The number of employees has increased by more than 5%, as compared to slightly under 2% in the overall economy.

The creative industries grow from solo freelancers to micro-enterprises



The creative industries prove resilient even in times of uncertainty



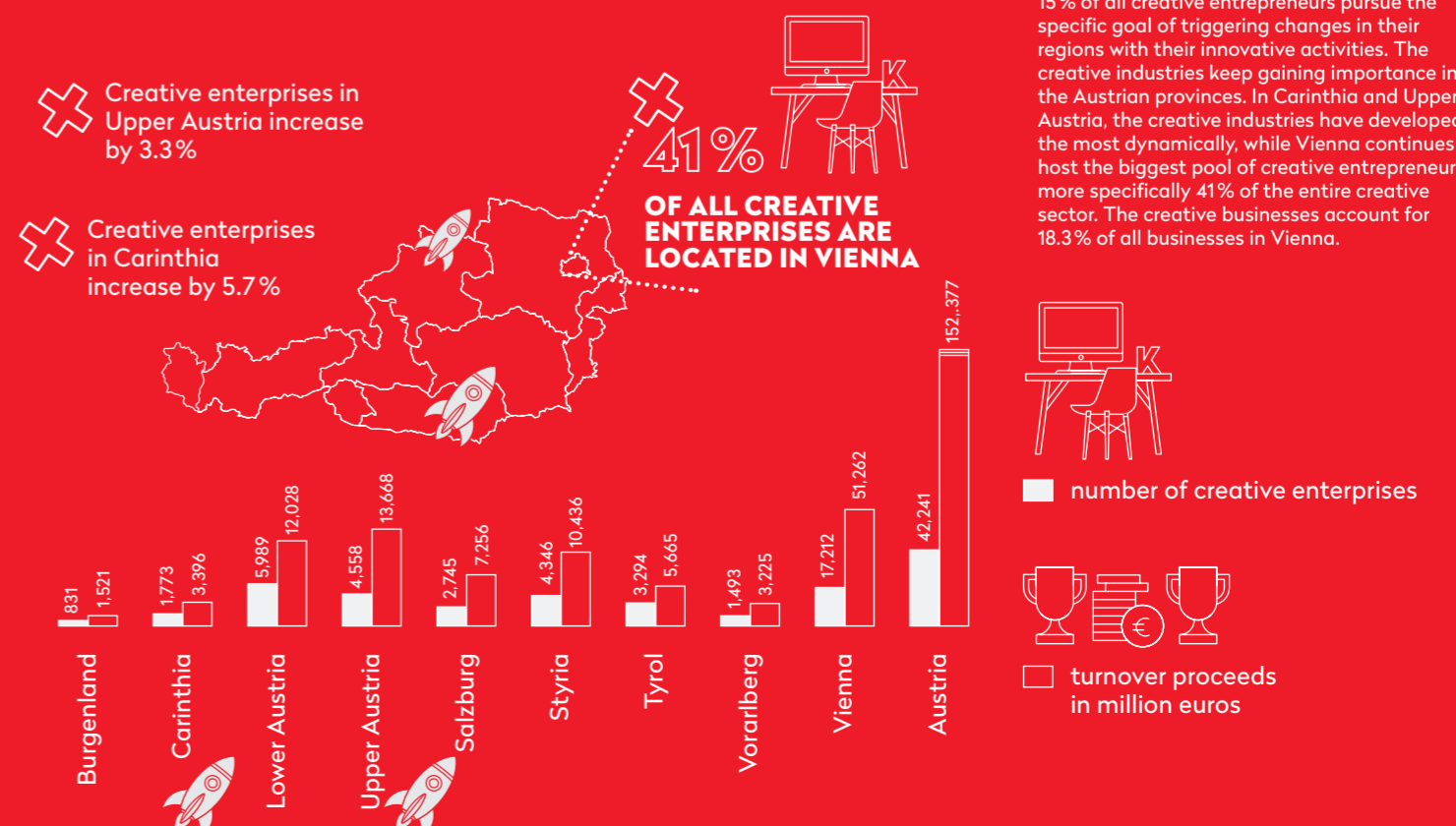
Turnovers (+5.7%) and gross value added (+8.5%) have developed more dynamically in the creative industries than in the overall economy. Average profits as compared to turnover are also higher among the creative industries. Especially smaller enterprises in the creative industries are more successful and have higher profits as compared to turnover.

The sectors software and games, advertising, artistic activities and books and publishing are the largest sectors of the creative industries in terms of employment, turnovers and gross value added. Software and games has had the most dynamic development in recent years, in that the number of enterprises has increased by 3.8% and that of employees even by 9.9%. That being said, video and film, music and advertising are also growing sectors! A particularly high return on sales can be found with the sectors software and games, architecture and artistic activities.

Software, games and advertising produce the highest turnover



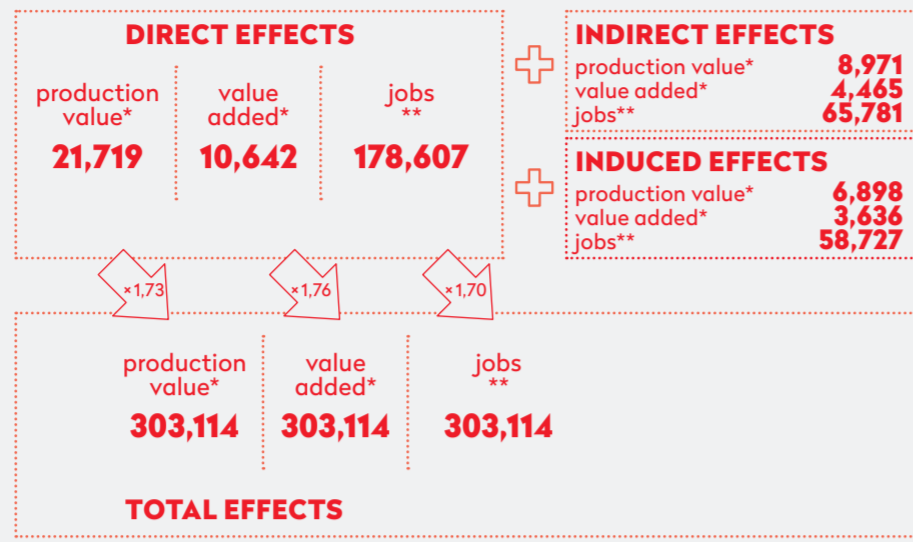
The creative-industries effect by regions



The creative industries are firmly rooted in their respective home regions. Their most important clients, co-operation partners and suppliers are typically found nearby. As a result, the creative industries give important impulses to strengthen regional value-added and innovation systems. 15% of all creative entrepreneurs pursue the specific goal of triggering changes in their regions with their innovative activities. The creative industries keep gaining importance in the Austrian provinces. In Carinthia and Upper Austria, the creative industries have developed the most dynamically, while Vienna continues to host the biggest pool of creative entrepreneurs, more specifically 41% of the entire creative sector. The creative businesses account for 18.3% of all businesses in Vienna.

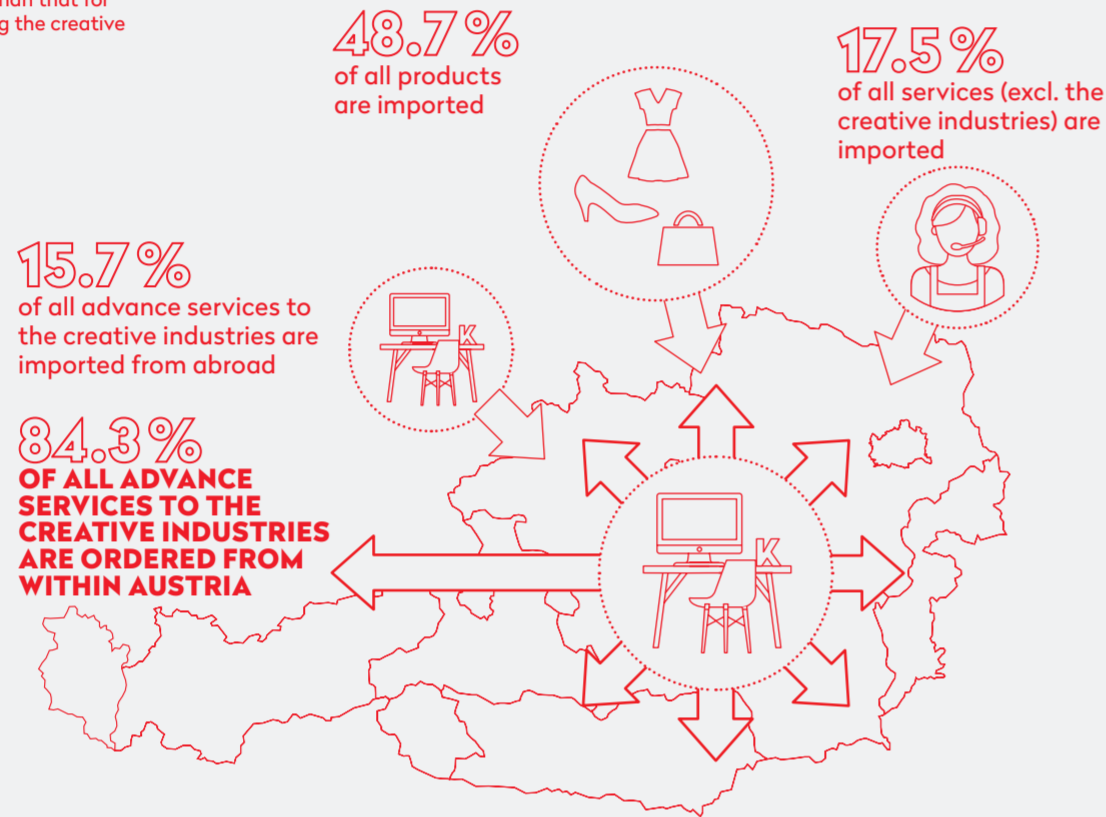
The creative industries create value added and employment in the rest of the economy. This means that the creative industries secure more than 300,000 jobs in the entire economy. In other words, 3 jobs in the creative industries are responsible for securing 2 other jobs in other industries. In addition to jobs in creative businesses as such, based on advance services ordered, approx. 66,000 jobs are secured in the Austrian economy, with another 59,000 retained by induced effects. Any one euro of value added in the creative industries produces another .76 euros in the rest of the economy.

The creative-industries effect on the national economy

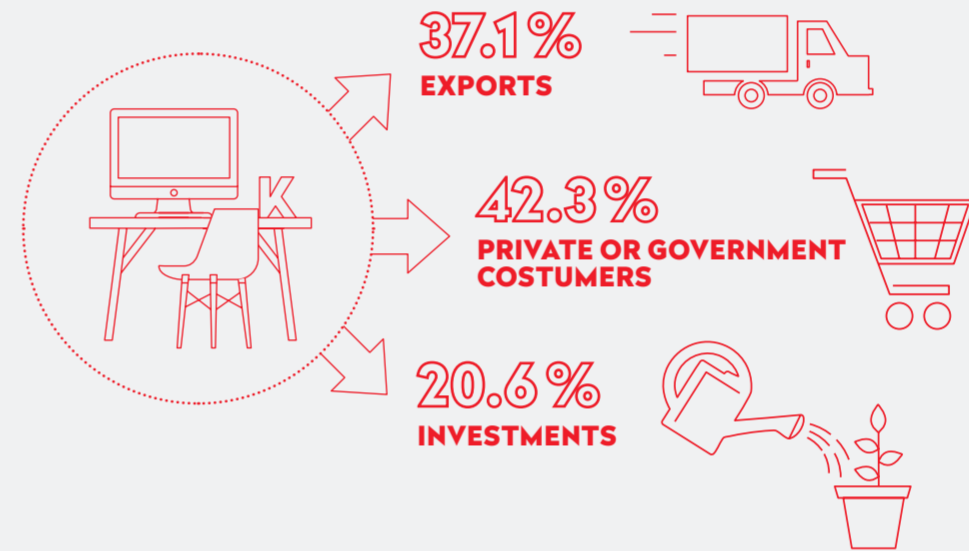


To perform, the creative industries requires are relatively high number of advance services, and they order almost all of them within Austria. In doing so, they help push domestic consumption. Only 15.7% of all advance services to the creative industries are ordered abroad. This value is directly at odds with the average share of imported advance services in the area of products (48.7%) and also lower than that for the entire service sector (excluding the creative industries), which is 17.5%.

The creative-industries effect on the Austrian market



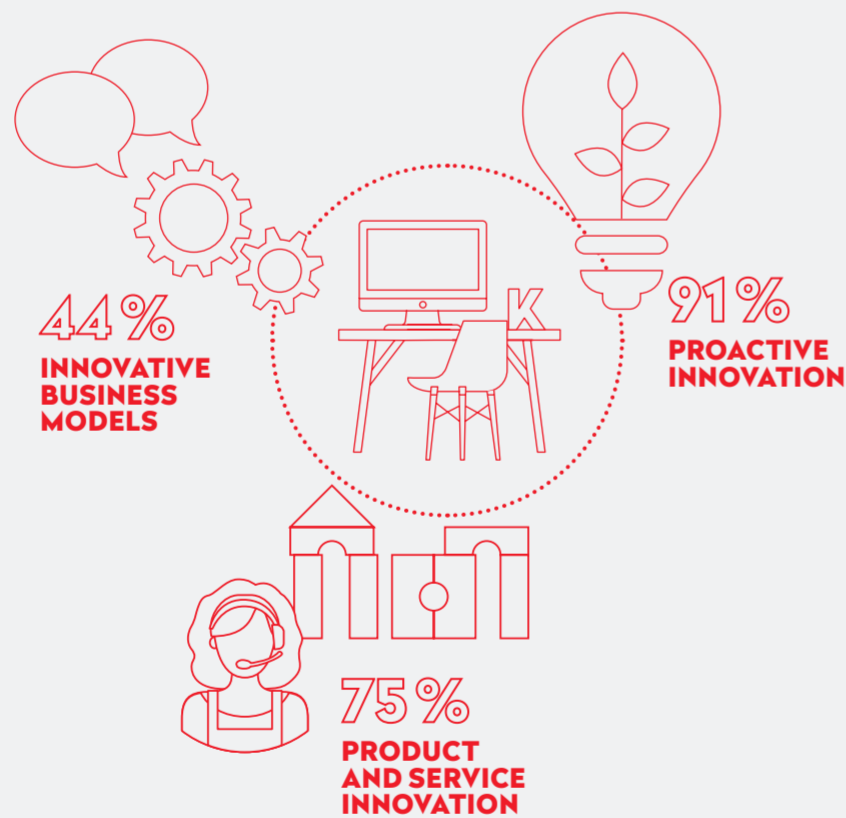
The creative-industries effect on investments and exports in the economy



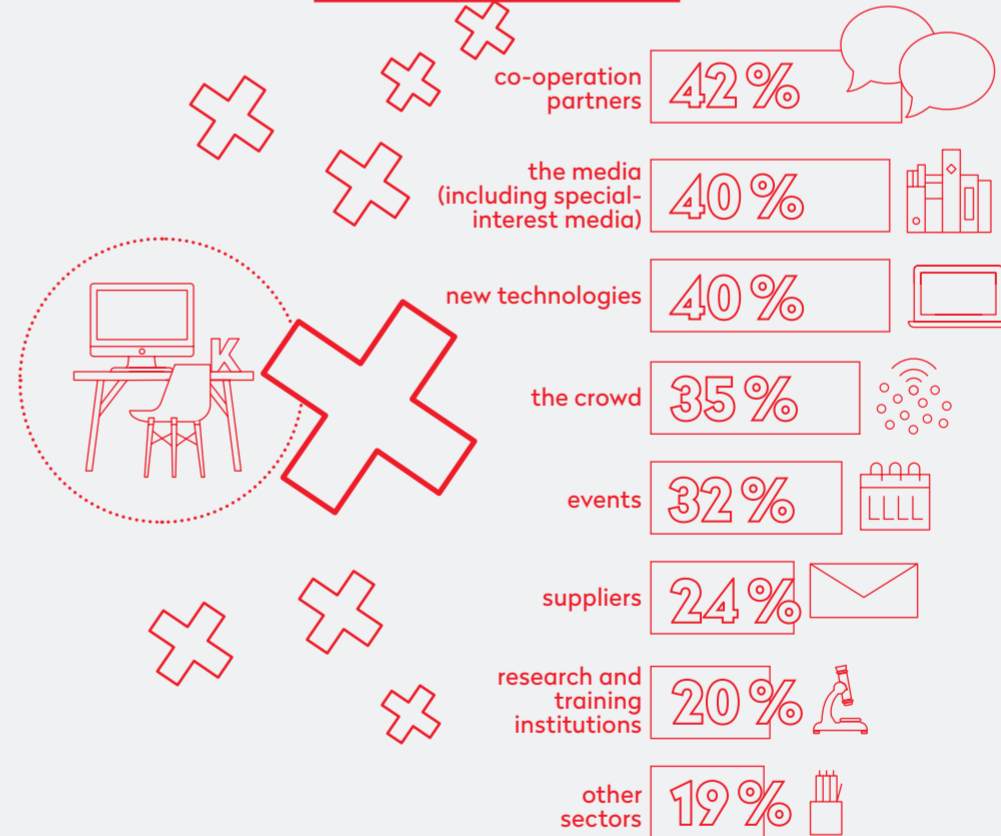
By supplying their clients, the creative industries support production and investment activities in vast areas of the economy. For the most, their achievements satisfy the demands of other industrial sectors for advance achievements, in particular contributing to the production of other services and creative achievements. If one follows the value-added chain of the creative industries' output through all steps, ending with the final demand, 42.3% are consumed by private individuals or government institutions, 20.6% end up in investments and 37.1% in exports. In other words, a predominant share of creative enterprises support investments and exports. The competitiveness of the Austrian economy to a substantial extent.

The creative industries have a very broad concept of innovation. 91% of their enterprises innovate, 75% create product and service innovation and 44% have innovative business models. The creative industries sector is a trendsetter and driving force for new forms of innovation.

A creative-industries effect based on innovation



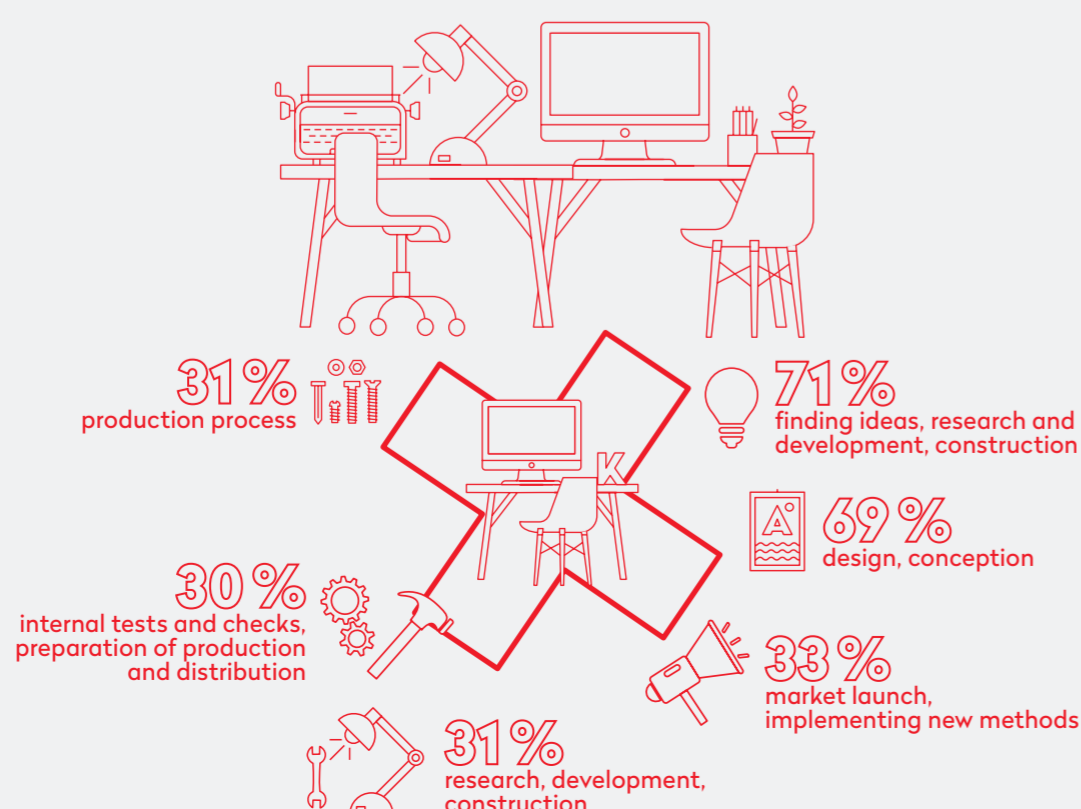
Innovation in the creative industries is largely based on co-operation



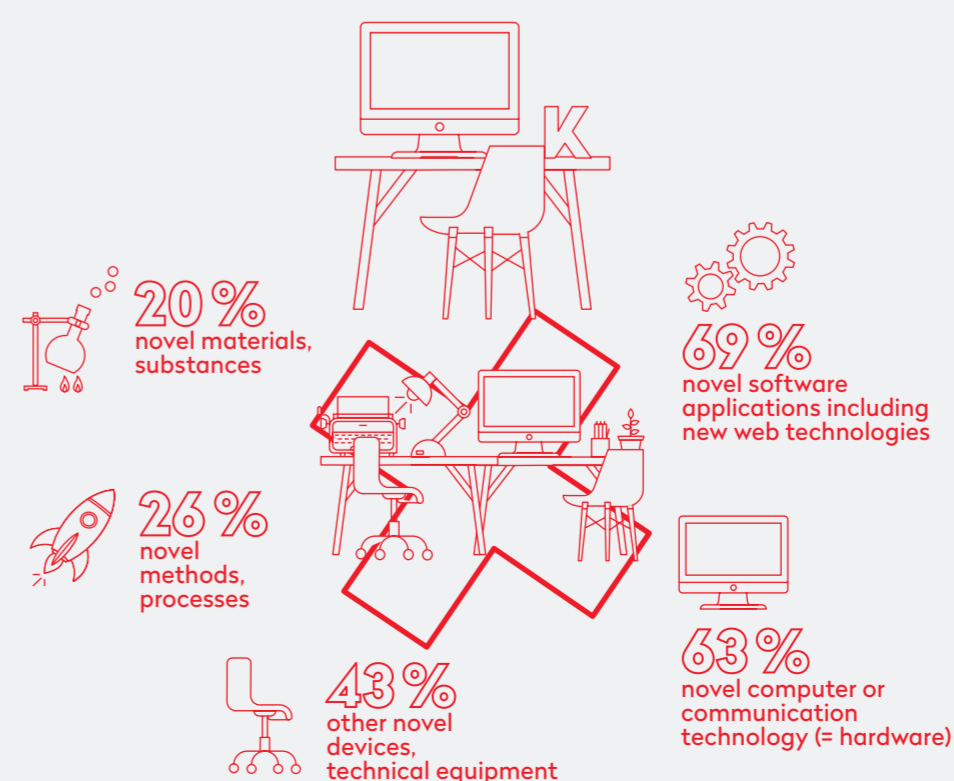
The creative industries' own innovative achievements are driven by external impulses and co-operation. Roughly half of all creative enterprises pursue their innovative activities together with co-operation partners. 69% of all creative entrepreneurs are driven by incentives external to their own businesses.

The creative industries focus specifically on business clients from across all sectors and all parts of the value-added chain. This results in them having a particularly strong effect on other businesses and enterprises. 40% of all creative entrepreneurs help other enterprises innovate, in particular those from other sectors. For roughly a third, innovative activity even constitutes the predominant business model.

The creative-industries effect on businesses



Always one step ahead with the creative industries



Creative people like to be up to speed with technology and other developments. 87% use novel products, methods or technologies developed by other enterprises; 69% use new software applications and web technologies in their every-day workflows and thus play an important role in digitisation. Moreover, not only do the creative industries employ new technologies as passive users, they also actively order novel and tailor-made applications, which makes them important initiators for innovation.