

27 August, 2015

Culture Satellite Account 2010-2012

Culture accounted for 1.7% of national GVA in 2010-2012

In the 2010-2012 period, economic activities related to culture were developed by around 66,000 entities which represented, on average, 1.7% of national GVA, 2.0% of total employment and 2.2% of the total Compensation of employees.

In terms of the number of covered entities, the cultural domain of Performing arts stands out, attaining close to 1/3 of the total. Concerning GVA and employment, with relative weights of 33.2% and 36.6%, respectively, stands out the Books & press domain, followed by the Audiovisual & multimedia domain (22.6% and 11.7% in the same order).

In this three-year period, the Portuguese economy suffered a significant contraction in domestic demand, which was expressed in the reduction of the relative importance of economic activities related to culture: 1.8% of total GVA in 2010 to 1.7% in 2012 and 2.0% of total employment in 2010 to 1.9% in 2012.

Statistics Portugal publishes, in this press release, the results for the Culture Satellite Account (CSA) for the period 2010/2012, which are entirely consistent with National Accounts (base 2011). The analysed period corresponds to the last three years for which National Accounts final results are available.

This new satellite account aims to match the expressed interest, at different moments and by various entities, namely by the Secretary of State of Culture, in having a comprehensive and detailed assessment of the culture economic dimension in Portugal. The project was developed by Statistics Portugal in partnership with the Office of Strategy, Planning and Cultural Assessment (GEPAC), under a protocol signed by the two institutions.

CSA follows two fundamental methodological references: the manual of the European System of National and Regional Accounts (ESA 2010) and the 'ESSnet-Culture final report'¹ from 2012. The latter document, developed in the European Statistical System context, was essential to delimit the cultural activities to be considered, identifying two structuring dimensions of the economic activities related to culture: cultural domains (set of cultural practices, activities or products focused on expressions recognized as artistic) and cultural functions (that translate the different stages of cultural products production). According to these dimensions, for the reporting period, CSA presents a number of key economic variables, namely

¹ http://ec.europa.eu/culture/library/reports/ess-net-report_en.pdf

Gross Value Added (GVA), Employment, Compensation of employees, Final Consumption, Investment, Imports and Exports, divided into 10 domains and 6 functions. More detailed information can be found on Statistics Portugal website, in the area dedicated to National Accounts (section of Satellite Accounts).

1. Main results

Approximately 66,000 entities were identified in the CSA scope, whose activity represented, on average, 1.7% of GVA and 2.0% of employment (Full Time Equivalent - FTE) of the Portuguese economy in the 2010-2012 period. The two major domains, both in terms of GVA and employment, were Books & press and Audiovisual & multimedia, although, in the case of employment, the Performing arts present a very close value to Audiovisual & multimedia.

Table 1 – Key activity indicators (by domain) in the 2010-2012 period

Domains	Kind of activity units	Employment	Gross Value Added
	No	FTE	10 ⁶ Euros
Heritage	578	5,042	145.7
Archives	64	1,138	26.7
Libraries	44	2,515	55.8
Books & press	9,179	32,454	884.3
Visual arts	6,494	5,944	133.9
Performing arts	20,453	10,262	215.7
Audiovisual & multimedia	3,407	10,399	602.1
Architecture	8,866	4,472	120.5
Advertising	7,637	6,685	240.3
Inter-disciplinary	9,554	9,837	241.9
Culture	66,276	88,749	2,666.9
Total economy	-	4,485,982	153,310.1
Culture / Total economy	-	2.0%	1.7%

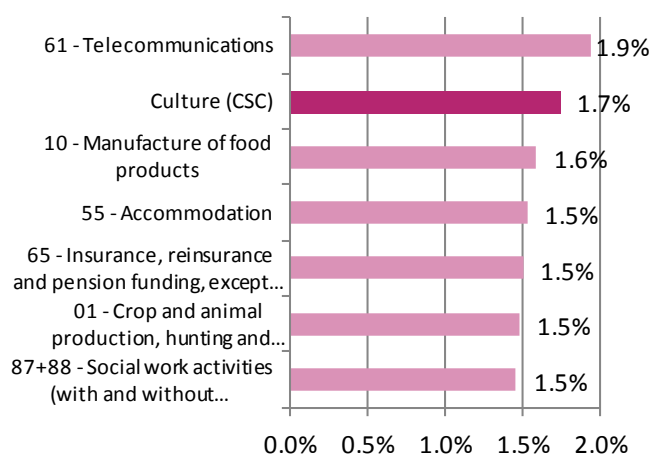
As far as functions are concerned, the main one corresponds to Production / Publishing, in terms of GVA and employment. Dissemination / Trade should be pointed out as a relevant function, as well as Creation in terms of the number of units.

Table 2 – Key activity indicators (by function) in the 2010-2012 period

Function	Kind of activity units	Employment	Gross Value Added
	No	FTE	10 ⁶ Euros
Creation	23,847	12,079	351.4
Production / Publishing	13,087	34,498	1,095.1
Dissemination / Trade	25,373	28,373	850.9
Preservation / Conservation	2,011	7,667	208.8
Education	1,926	3,766	91.4
Management / Regulation	32	2,365	69.4
Culture	66,276	88,749	2,666.9
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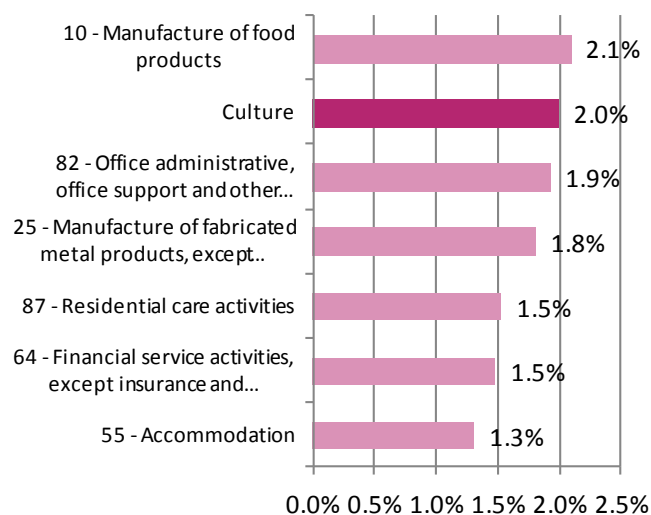
The following graph, comparing to some of the National Accounts branches, enables a better understanding of the culture relative size in the Portuguese economy GVA. As it can be noticed, the culture relative weight is higher than branches like Agriculture or Manufacture of food products.

Graph 1 – GVA weight of culture and of some branches in the national economy in the 2010-2012 period



In terms of employment, culture has a similar dimension to the Manufacture of food products branch, and surpasses the weight of branches like Social work activities or Financial service activities, except insurance and pension funding.

Graph 2 – Employment weight of culture and of some branches in the national economy the 2010-2012 period



The considered period corresponds to a general contraction phase of the economic activity in Portugal. Indeed, there were significant decreases in Gross Domestic Product (GDP) and employment. The economic activities related to culture were naturally affected by this economic context, particularly by the sharp contraction of domestic demand, which was reflected in the behaviour of key indicators.

In terms of annual averages, the GVA and the employment of culture related activities decreased in this period, 7.6% and 6.5% respectively (reductions of 3.5% and 3.9% in the same order in the national economy).

Effectively, these activities were affected by the fact that they are largely targeted to the domestic market and by the nature of the produced goods and services, whose demand tends to be very sensitive to changes in

household income and, more generally, to the evolution of the economy financial situation. It should be noted, in any case, that the contraction in the private consumption of cultural goods and services was less intense than in the private consumption of durable goods, also a class of goods very sensitive to the short term economic evolution. Similarly, the significant reduction of investment (GFCF) in cultural products was still less significant than the observed for the whole economy.

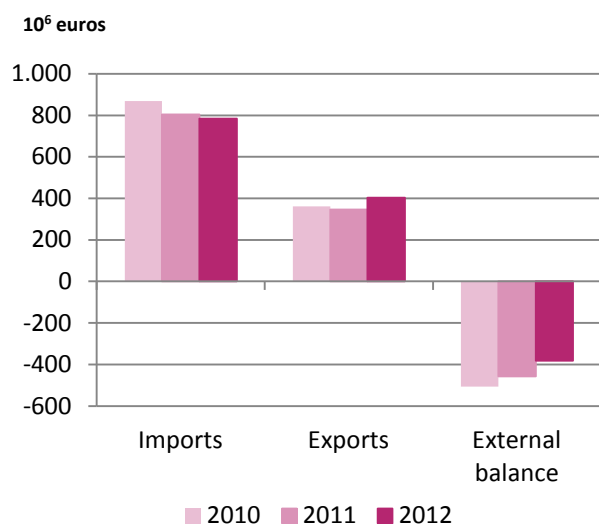
The average compensation of employees was, in culture related activities, around 13% above the average compensation of employees for the economy in the three year period considered. It should be noted that in 2011, the average compensation of employees increased, in these activities, reflecting the fact that the significant decrease of the paid employment was concentrated in the lower compensation of employees.

Table 3 – Main results of the Culture Satellite Account (CSA), with reference to the total economy of National Accounts (NA)

	unit		Levels:			Change rate (%)		CSA/NA (%)		
			2010	2011	2012	2011	2012	2010	2011	2012
GVA	10 ⁶ Euros	CSA	2.888,3	2.648,8	2.463,7	-8,3	-7,0	1,8	1,7	1,7
		NA	158.325,9	154.242,8	147.361,6	-2,6	-4,5			
Employment (FTE)	No	CSA	94.956	88.339	82.953	-7,0	-6,1	2,0	2,0	1,9
		NA	4.644.624	4.527.650	4.285.672	-2,5	-5,3			
GVA/FTE	10 ³ Euros	CSA	30,4	30,0	29,7	-1,4	-0,9	89,2	88,0	86,4
		NA	34,1	34,1	34,4	-0,1	0,9			
Compensation of employees	10 ⁶ Euros	CSA	1.895,8	1.813,2	1.631,5	-4,4	-10,0	2,2	2,2	2,2
		NA	84.841,6	81.617,3	75.304,7	-3,8	-7,7			
Employees (FTE)	No	CSA	80.068	74.636	69.876	-6,8	-6,4	2,0	1,9	1,9
		NA	3.976.360	3.871.271	3.657.067	-2,6	-5,5			
Average compensation of employees	10 ³ Euros	CSA	23,7	24,3	23,3	2,6	-3,9	111,0	115,2	113,4
		NA	21,3	21,1	20,6	-1,2	-2,3			
Compensation of employees/GVA	%	CSA	65,6	68,5	66,2	4,3	-3,3	122,5	129,4	129,6
		NA	53,6	52,9	51,1	-1,3	-3,4			
Private consumption	10 ⁶ Euros	CSA	1.874,1	1.656,5	1.494,3	-11,6	-9,8	1,6	1,4	1,3
		NA	119.862,0	117.888,0	113.880,3	-1,6	-3,4			
Public consumption	10 ⁶ Euros	CSA	651,7	585,6	574,4	-10,1	-1,9	1,7	1,7	1,8
		NA	37.270,0	34.983,4	31.176,8	-6,1	-10,9			
GFCF (products)	10 ⁶ Euros	CSA	353,9	347,6	317,0	-1,8	-8,8	1,0	1,1	1,2
		NA	36.937,7	32.451,8	26.672,0	-12,1	-17,8			
Exports	10 ⁶ Euros	CSA	362,0	346,8	402,7	-4,2	16,1	0,8	0,6	0,7
		NA	47.160,7	53.361,3	55.933,8	13,1	4,8			
Imports	10 ⁶ Euros	CSA	868,3	804,0	784,1	-7,4	-2,5	1,3	1,2	1,3
		NA	65.559,1	66.180,8	62.448,0	0,9	-5,6			
External balance	10 ⁶ Euros	CSA	-506,3	-457,2	-381,4			2,8	3,6	5,9
		NA	-18.398,4	-12.819,5	-6.514,2					
<i>Memo items:</i>										
		<i>GDP</i>	179.929,8	176.166,6	168.398,0	-2,1	-4,4			
		<i>Domestic demand</i>	193.529,5	183.708,6	169.253,1	-5,1	-7,9			
	10 ⁶ Euros	<i>Private consumption of durable goods</i>	11.164,5	9.311,6	7.107,7	-16,6	-23,7			

It should also be noticed the decrease in the external trade deficit of cultural goods and services. This evolution reflected the more intense reduction in imports than in exports in 2011. In 2012, the deficit reduction was caused by the significant growth of exports and the decrease in imports.

Graph 3 – External balance of cultural products



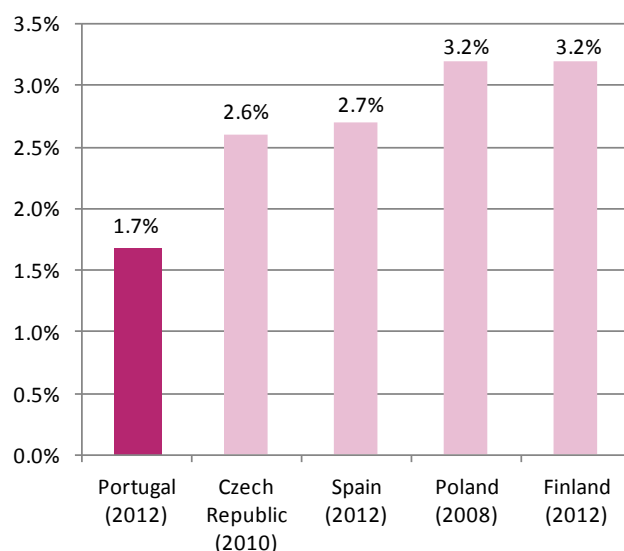
2. International comparisons

Currently, in addition to Portugal, only four countries in the European Union (Spain, Finland, Poland and Czech Republic) have available CSA. Comparisons with the results of these countries should be cautious, not looking for quantifying differences, namely for three reasons: (i) not all CSA present data on ESA 2010 (only the Portugal and Finland CSA do); (ii) no full temporal coincidence of the several CSA (one of the countries have data only for 2008, not being much conditioned by the international crisis context); and (iii) there is no full harmonization in the considered activities (e.g.: Finland CSA includes, for example, amusement parks, games and other entertainment and recreation and Cultural Satellite Account – 2010-2012

entertainment electronics sale and production, which correspond to 9.7 % of the culture GVA; industrial design is recorded with architecture in Finland; Spain CSA does not account advertisement in culture, but in activities related to intellectual property, being fully considered).

Among the five countries, Portugal presents the smaller relative weight of culture in the GVA.

Graph 4 – Culture GVA weight in the national GVA of the countries with CSA



Note: The Spanish CSA includes the "cultural activities" and the "activities related to intellectual property". To allow comparisons, only the "cultural activities" were considered from the Spanish CSA. The "activities related to intellectual property" were not included, since they comprise, for example, the entire advertising, activities related to intellectual property and information technology.

However, these data analysis should be complemented with other structurally related indicators with the economic importance of culture, including on income and on the education level.

Indeed, linking the relative weight of culture GVA with GDP per capita (in Purchasing Power Parity - PPP) and with the percentage of population that has completed at least secondary education (from 25 to 64 years), it is

possible to observe that the remaining European countries with CSA have, in general, income and/or education levels higher than in Portugal.

Graph 5 – Culture GVA weight in the national GVA, GDP per capita and population with secondary education, in countries with CSA

