

SACO report highlights growth of trade in cultural goods and services

SA's cultural goods exports are growing faster than imports, according to a new report that examined the growth and structure of the country's cultural and creative industries trade between 2007 and 2016.



Prof. Jen Snowball.

The report, released by cultural think tank the South African Cultural Observatory (SACO), highlights the need for a promotion of value-added trade in cultural goods and services, both with BRICS and other trading partners.

“International trade is an important driver of the economies of many African countries, and has the potential to create higher value-added employment. This report provides a clear understanding of the country’s cultural goods trade trends over the past decade,” said Prof Jen Snowball, SACO chief research strategist, co-author of the report with Rhodes University trade expert, Nicolette Cattaneo.

Rapid growth in trade

The global data on the sectors is improving and the creative economy is now recognised as one of the most rapidly growing sectors of the world economy. World trade in creative goods and services more than doubled between 2002 and 2011 with an average annual growth rate 8.8%.

Although cultural trade is largely dominated by developed countries – with North America and Europe accounting for 49% of the world’s cultural exports – recent UNESCO reports have found that developing country export share in world trade grew steadily between 2002 and 2011 with an average annual growth of 12.1%. They also found that world flows of cultural trade doubled between 2003 and 2014, despite the 2008/9 financial crisis which resulted in many countries suffering a recession.

“In South Africa, cultural goods exports accounted for 0.46% of the country’s total commodity exports in 2016, while cultural goods imports accounted for 0.66% of total commodity imports,” Cattaneo and Snowball said.

Despite a significant slowdown in South Africa’s total cultural goods trade in 2015, in line with slower growth in the economy more broadly, there was evidence of a comfortable recovery in 2016, the report notes.

Visual Arts and Craft significant traded domain

“Cultural goods exports grew faster than cultural goods imports for much of the post-crisis period, reducing the country’s trade imbalance in cultural goods markedly. The Visual Arts and Crafts domain was a significant driver of this trend,” Cattaneo and Snowball said.

“Visual Arts and Craft is a significant traded domain on both the export and import side in South Africa’s trade with its BRICS partners. On the export side, Cultural and Natural Heritage is an important domain, together with Books and Press. With respect to imports, Visual Crafts and Arts, Performance and Celebration, and Books and Press are significant domains.”

Although the report focused on cultural goods trade, it also emphasised that the role and significance of trade in cultural services is likely to increase with online digitisation affecting a number of CCI product categories.

“Since cultural services trade is likely to grow in relative importance under digitisation, better services trade data for the CCI sector is also needed to facilitate growth in this area,” Cattaneo and Snowball added.

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