



## Estimates of Productivity of the 'Creative' and 'Tourism & Leisure' Industries

Revised estimates for 2007

Statistical Release

8 June 2010

### Background to the indicator

For the purposes of this report, productivity is estimated by dividing gross value added (GVA) by total employment. Gross value added and total employment are both sourced from the [Office of National Statistics \(ONS\) Annual Business Inquiry](#). Baselines and performance progress are reported under two headings: "Tourism and Leisure Related Industries" and "Creative Industries".

Performance is assessed by comparing annual percentage increases in the productivity figures against those for the UK service sector as a whole.

The base year for the data on productivity performance is 2004.

### Revised 2007 results – Creative Industries

This report presents an update of the indicator based on revisions made by DCMS to the series for "Creative Industries".

These revisions are in line with those made to the Department's latest [Creative Industries Economic Estimates Bulletin](#) that were made due to problems in ONS source data for the GVA series for the Radio & TV sector. The impact of these problems on the productivity series was outlined in the previous version of this statistical release ([30 June 2009](#)). The updated indicator incorporates the following adjustments to the series for the Radio & TV sector within the Creative Industries:

- ONS further investigated the exact magnitude of the overestimation that was occurring in the GVA series between 2000 and 2005, and the series has been adjusted accordingly by DCMS.
- Data for all years since 2000 has been revised due to a change by ONS in the treatment of grant income within the definition of turnover/GVA.
- For this reason, and in order to preserve the time-series, GVA data for 1997-99 has been further adjusted by DCMS using the trend in the employment series for the sector (based on Labour Force Survey data).

These adjustments have therefore contributed to a lower estimate for GVA in the Radio & TV sector (and correspondingly to the Creative Industries overall) in all years since 1997.

All other data remains unchanged from the previous statistical release. Provisional data for 2008 has not been included in this report.

### **Measurement Limitations**

The limitations of this approach to measurement are explained in full in the [Technical Note](#) for the DCMS Public Service Agreement 4 (Spending Review 2004). In particular, low-level results are used which are more prone to sampling variation, meaning that some fluctuations remain in the data. These may indeed be correct but it is nevertheless advisable to consider the trend and averages over several years, rather than solely the change between any two particular years.

### **Future Progress Reports**

A further assessment of the productivity of these industries will be published later in 2010 incorporating the release of revised ABI results for 2008. This update will necessarily take account of recent changes to the standard industrial classification system on which source data outputs are based.

### **Report Structure**

The report presents the latest data, in chart and tabular form, for the indices of productivity (based to 2004) for the creative and tourism and leisure related industries as well as for the service sector and UK economy as a whole.

## Productivity estimates of the 'creative' and 'tourism & leisure related' industries

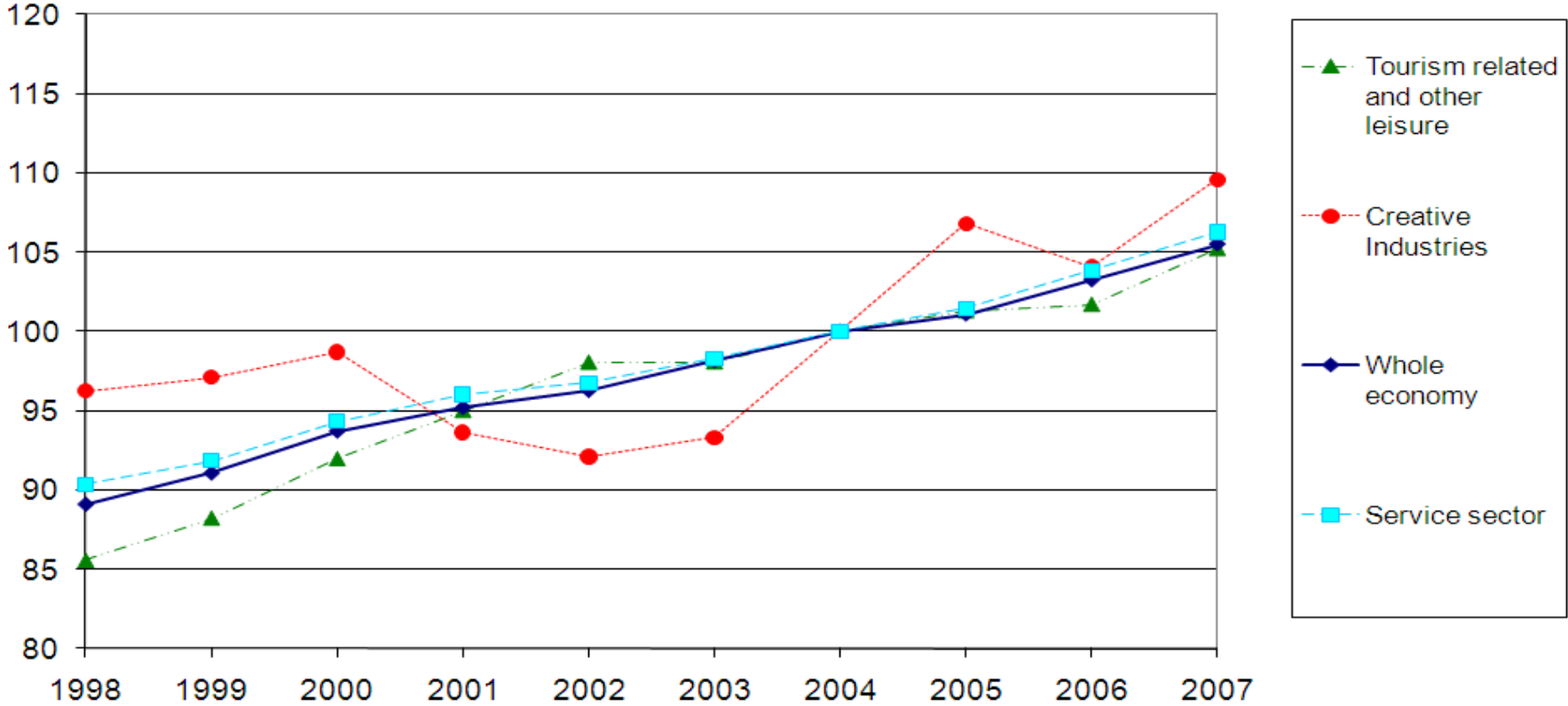
- The estimated level of productivity in 2007 for the 'creative' industries is above that of the base year and for the service sector as a whole.
- For the 'tourism & leisure' industries, the level of productivity is above that of the base year but growth since 2000 remains below that for the service sector as a whole.
- The growth in productivity in both sectors has been driven predominantly by higher growth in GVA than employment.

**Table A: Indices of productivity for DCMS sectors, service sector & whole economy (base = 2004)**

Sector		2000	2001	2002	2003	2004	2005	2006	2007	Average 1998 - 2007	Average 2005 - 2007
<b>Creative industries</b>	<i>Index</i>	98.7	93.6	92.1	93.3	100.0	106.8	104.1	109.6		
	<i>Change</i>	+1.6%	-5.1%	-1.6%	+1.3%	+7.2%	+6.8%	-2.6%	+5.3%	<b>+1.5%</b>	<b>+1.3%</b>
<b>Tourism &amp; leisure related industries</b>	<i>Index</i>	92.0	95.0	98.0	98.1	100.0	101.3	101.7	105.2		
	<i>Change</i>	+4.2%	+3.3%	+3.2%	+0.0%	+2.0%	+1.3%	+0.4%	+3.5%	<b>+2.3%</b>	<b>+1.9%</b>
<b>Service Sector</b>	<i>Index</i>	94.3	96.0	96.8	98.3	100.0	101.4	103.8	106.4		
	<i>Change</i>	+2.7%	+1.8%	+0.8%	+1.6%	+1.7%	+1.4%	+2.3%	+2.4%	<b>+1.8%</b>	<b>+2.4%</b>
<b>Whole Economy</b>	<i>Index</i>	93.7	95.2	96.3	98.1	100.0	101.1	103.2	105.5		
	<i>Change</i>	+2.9%	+1.6%	+1.1%	+1.9%	+1.9%	+1.1%	+2.1%	+2.2%	<b>+1.9%</b>	<b>+2.2%</b>

Chart A: Indices of real changes in productivity

### Indices of real changes in productivity



## Background note

1. For more information about the target and its measurement, including the Standard Industrial Classifications used to define the industries, please see the Technical Note for PSA4 from Spending Review 2004.

<http://webarchive.nationalarchives.gov.uk/+/http://www.culture.gov.uk/images/research/PSATarget4release2009-06-30.pdf>

2. We can also provide documents to meet the specific requirements of people with disabilities. Please call 020 7211 6000 or email [enquiries@culture.gov.uk](mailto:enquiries@culture.gov.uk).

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