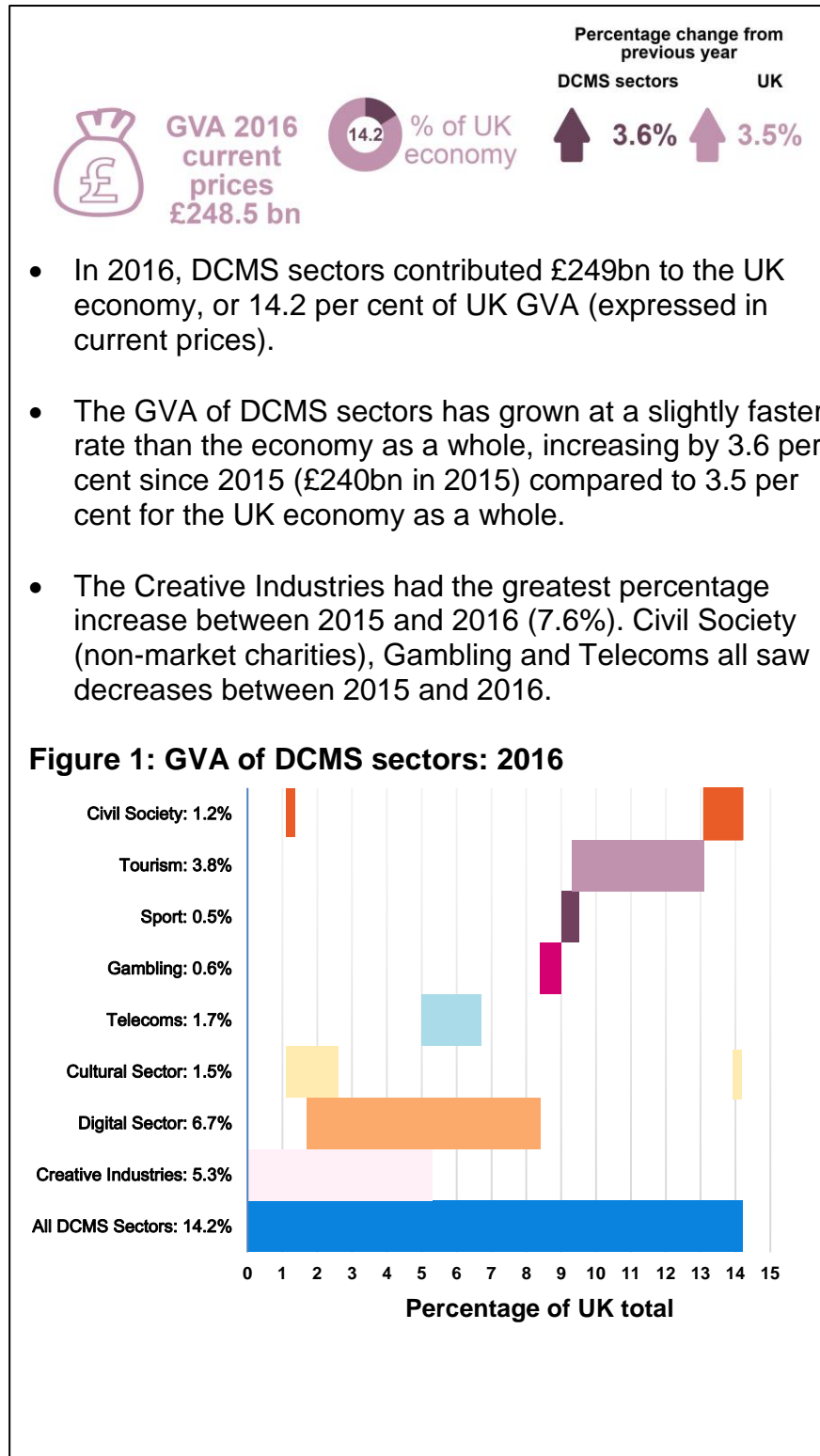




DCMS Sectors Economic Estimates 2016: Gross Value Added



This release provides estimates of the contribution of DCMS sectors to the UK economy, measured by gross value added (GVA). Other economic measures, such as employment and trade, are available in separate publications. These releases enable stakeholders to value the economic contribution of DCMS sectors, which are not traditional National Account sectors, and to understand how current and future policy interventions can be most effective. The DCMS sectors cover:

- Civil Society
- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms
- Tourism

Note, the 2016 estimates are provisional and subject to change when National Accounts are published next year.

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Chapter 1: Introduction

Code of Practice for Official Statistics

DCMS Sector Economic Estimates is an Official Statistic and has been produced to the standards set out in the Code of Practice for Official Statistics.

Background

Released: 29 November 2017

Geographic Coverage: United Kingdom

This release provides estimates for the contribution of DCMS sectors to the UK economy, represented by:

- Gross Value Added (GVA), shown in current prices (i.e. not adjusted for inflation)
- Gross Value Added (GVA), shown in chained volume measures (i.e. adjusted for inflation)

Both of these estimates are available from 2010 to 2016. The same data sources are used for DCMS estimates as for national estimates, enabling comparisons to be made on a consistent basis. Chained volume measure GVA estimates are being published for DCMS sectors for the first time, and are therefore labelled experimental to reflect the fact that the methodology is still under development and is subject to consultation with users.

The DCMS sectors cover:

- Civil Society
- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms
- Tourism

The contribution of the sectors covered by the Office for Civil Society are included in the current price GVA estimates for the first time. The GVA expressed in chained volume measures does not currently include the sectors covered by the Office for Civil Society but this will be developed for 2018.

A definition for each sector is available in the associated [methodology note](#), along with details of methods and data limitations. There is significant overlap between DCMS sectors so users should be aware that the estimate for **“DCMS sectors total”** is lower than the sum of the individual sectors.

Limitations

The estimates set out in this report are robust but there are some limitations which users should be aware of:

Sport - For the purposes of this publication the statistical definition of sport has been used. This incorporates only those 4 digit Standard Industrial Classification (SIC) codes which are predominately sport (see methodology note Table 2.1). DCMS also publishes estimates of sport based on the EU agreed Vilnius definition. The Vilnius definition is a more comprehensive measure of sport which considers the contribution of sport across a range of industries, for example sport advertising, and sport related construction. The methodology for the DCMS Sport Satellite Account is currently being reviewed and therefore has not been used in these estimates.

Tourism – Estimates for tourism used in this publication are based on a different methodology to all other sectors, as they are taken from the Tourism Satellite Account. This is an internationally recommended methodology for measurement of the contribution of tourism to the economy. The latest Tourism Satellite Account was published by ONS on 27th November 2017, and includes the latest estimates for direct tourism GVA, employment and trade.

Heritage – The heritage sector is depicted in our estimates by one SIC code “*91.03 Operation of historical sites and building and similar visitor attractions*”. DCMS use standard industrial classification (SIC) codes to construct these estimates, which enables international comparability as well as comparability with national estimates. As the balance and make-up of the economy changes, the international SIC codes used here are less able to provide the detail for important elements of the UK economy related to DCMS sectors. It is therefore recognised that the published estimates are likely to be an underestimate for the Heritage sector.

Office for Civil Society – Responsibility for the Office for Civil Society (OCS) was transferred from Cabinet Office to DCMS on 21 July 2016. OCS leads cross-government work in support of the voluntary, community and social enterprise sector (VCSE). The estimates included in this report attempt to measure the contribution of the civil society sector the UK economy.

For GVA expressed in current prices, the estimate for the Civil Society covers non-market charities sitting in the NPISH (non-profit institutions serving households) sector. It does not include market provider charities who have passed the market test and therefore sit in the corporate sector (These data are not currently measured by ONS on a National Accounts basis), mutuals, social enterprises or community interest companies. An estimate of the economic contribution of volunteering is also included, but this is not included in the “All DCMS Sectors” total due to it being part of the informal economy and therefore not part of the traditional methodology of calculating GVA.

NPISH data includes non-market charities, universities, trade unions and political parties. Of these, OCS only covers charities. As balanced industry data are not available split by source (i.e. the 4 sources covering charities, universities, trade unions and political parties), we have assumed that the balancing adjustment and other inputs used during data processing, are applied in proportion to the underlying size of each source data. Furthermore, it is not possible to identify the overlap between NPISH sectors and DCMS sectors due to the way the data are processed, unless there is an exact 1:1 match. For example NPISH data are processed for SIC 90, which is also within the Cultural and Tourism sector, and therefore this overlap can be

removed in the 'All DCMS Sector' value. Conversely, NPISH data are provided for SICs 68.1 and 68.2 combined and cannot be separated. SIC 68.1 is not a DCMS industry, but SIC 68.2 is, and therefore a slight overlap will be included in the 'All DCMS Sector' value. It is estimated that the overlap is a maximum of 0.2% of total UK GVA. However given that the estimates for Civil Society as a whole are an underestimate for the sector (not including market provider charities, mutuals, social enterprises and community interest companies), the 'All DCMS Sector' value is not an overestimate even when compensating for this small overlap.

An estimate for the Office for Civil Society has not been included in the GVA expressed in chained volume measures.

2010 - 2015 GVA – 2015 GVA has been updated from the figures published in August 2016 to take into account the latest balancing of the National Accounts and finalisation of the Annual Business Survey data. National Accounts Supply Use Tables are open to revisions back to 1997 each year resulting in some changes to the back series too.

2016 GVA - For 2016, the GVA data are taken from the output measure of GVA to allow consistency with the sector measures. This is aligned to average GVA up to and including 2015 (last Supply Use balanced year) but then uses growth in the output measure as a proxy for GVA beyond that. The 2016 figure therefore differs from National Account GVA at current basic prices (series named ABML). The only exception is for Civil Society where a different approach is used. Please note that the overall 2016 GVA figure is provisional and subject to change when National Accounts are published in 2018.

2016 Civil Society GVA - The Civil Society GVA figures are based on NPISH (Non-profit institutions serving households) data. The 2016 figures cannot be identified in the output approach to GDP, which is the approach taken for other DCMS sectors. Between Blue Books the only data published on NPISH is their final consumption expenditure. It is not appropriate to use this for the 2016 estimate as it captures only one element of output with no information on intermediate consumption. The 2016 estimates published by DCMS therefore assumes the average proportion of the UK economy that is attributed to NPISH from 2010 to 2015 to be the same for 2016. The same approach is taken to identify the overlap between NPISH and other DCMS sectors (where possible).

Classifications - Estimates have been constructed from ONS Official Statistics which use international classifications. This is an important element of the methodology due to availability of data and to enable international comparability. The ability to produce consistent figures each year also allows trends over time to be measured. However, as a result there are substantial limitations to the underlying classifications. As the balance and make-up of the economy changes the international classifications are less able to provide the detail for important elements of the UK economy related to DCMS sectors, and therefore best fit SIC codes have been used to produce these estimates.

More details of limitations are available in the [methodology note](#).

Feedback and consultation

DCMS aims to continuously improve the quality of estimates and better meet user needs. In response to user requests, this release includes experimental statistics on Gross value added estimates in chained volume measures, i.e. taking into account inflation, for the first time. DCMS particularly welcomes feedback on this element of the release. Feedback and responses should be sent to DCMS via email at evidence@culture.gov.uk by 31 January 2018.

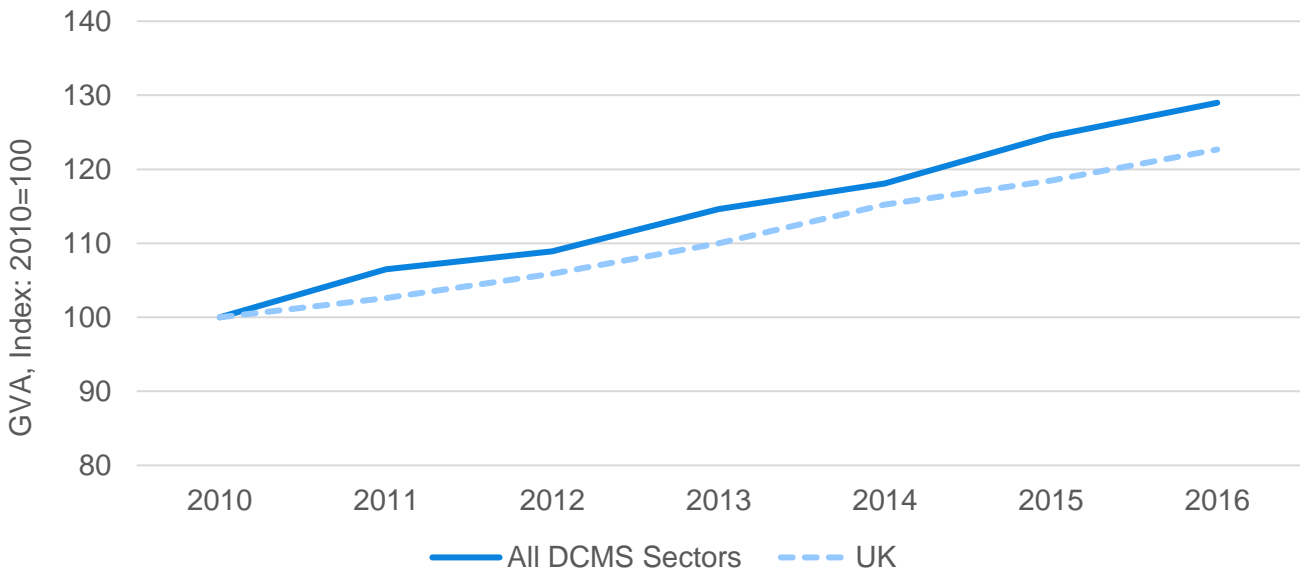
Chapter 2: GVA – current prices

This chapter presents UK GVA estimates for each DCMS sector at a headline level. All estimates of GVA are shown in current prices (i.e. not adjusted for inflation). GVA estimates are consistent with the Office for National Statistics National Accounts. Where data are not available directly from the Supply and Use tables, the Annual Business Survey (ABS) has been used to allocate GVA within the categories available in the Supply and Use tables. Further information on the methodology is available in the associated [methodology note](#).

Summary

It is estimated that in 2016 the contribution of DCMS sectors to the UK economy (GVA) was £249bn¹, or 14.2 per cent of UK GVA. The GVA of DCMS sectors has grown at a faster rate than the economy as a whole, increasing by 3.6 per cent since 2015 (£240bn in 2015), and 29.0 per cent since 2010 (£193bn in 2010). This compares to increases of 3.5 per cent and 22.7 per cent respectively for the UK economy as a whole. Figure 2.1 shows the growth rate for DCMS sectors as a whole, whilst Table 2.1 outlines the GVA contribution in £billions for each of DCMS sectors.

Figure 2.1: Indexed growth in GVA (expressed in current prices, 2010 =100) in DCMS sectors and UK: 2010-2016



¹ All estimates of GVA in this chapter are shown in current prices (i.e. not adjusted for inflation). For the UK, GVA in current prices (ABML, nominal GVA, not adjusted for inflation) increased by 22.9 per cent between 2010 and 2016 and 3.7 per cent between 2015 and 2016, compared with an increase of 12.2 per cent for GVA in constant prices (ABMM, real GVA, adjusted for inflation) between 2010 and 2016 and 1.6 per cent between 2015 and 2016.

Table 2.1: GVA contribution (£bn, expressed in current prices) by DCMS sectors: 2010 - 2016

Sector	2010 ^(r)	2011 ^(r)	2012 ^(r)	2013 ^(r)	2014 ^(r)	2015 ^(r)	2016 ^{(p) 1}	% change 2015 - 2016	% change 2010-2016	% of UK GVA 2016
Civil Society (Non-market charities) ²	19.3	19.6	16.1	18.7	19.8	21.3	20.9	-1.7	8.7	1.2
Creative Industries	63.4	67.2	70.7	74.9	80.0	85.3	91.8	7.6	44.8	5.3
Cultural Sector	21.1	21.7	22.6	23.3	24.5	25.6	26.8	4.4	27.1	1.5
Digital Sector	94.5	99.6	101.7	106.8	108.4	110.2	116.5	5.8	23.3	6.7
Gambling	8.4	9.3	9.9	10.0	10.4	11.1	10.6	-3.7	26.7	0.6
Sport	7.0	7.4	7.9	7.5	7.8	8.6	9.0	4.9	28.6	0.5
Telecoms	24.7	25.5	26.0	28.1	30.0	30.4	30.0	-1.4	21.1	1.7
Tourism	49.2	53.9	57.3	59.0	60.4	64.6	66.1	2.2	34.4	3.8
All DCMS sectors³	192.7	205.2	209.9	220.8	227.5	239.8	248.5	3.6	29.0	14.2
UK	1,422.0	1,458.8	1,505.7	1,564.4	1,638.7	1,684.9	1,744.4	3.5	22.7	100.0

Notes

1. 2016 GVA is based on the output measure of GVA to allow consistency with the sector measures for 2016. This is aligned to average GVA up to and including 2015 (last Supply Use balanced year) but then uses growth in the output measure as a proxy for GVA beyond that. The 2016 figure therefore differs from the ONS series named ABML (GVA in current prices). 2010 – 2015 GVA estimates are balanced GVA at current prices (ABML). The 2016 GVA figure will be revised next year, once the Supply Use tables have been balanced. This approach is different for Civil Society where the average proportion of the UK economy that is attributed to NPISH for 2010 to 2015 is assumed to be the same for 2016.
2. Civil Society in this table represents non-market charities sitting in the Non-profit Institutions Serving Households (NPISH) sector. This is an underestimate for the sector and does not include market provider charities who have passed the market test and therefore sit in the corporate sector, social enterprises and mutuals.
3. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps between sectors.
4. (p) = provisional
5. (r) = revised. Text in red show where the data have been revised due to the balancing of Supply and Use tables.
6. Data are in current prices (i.e. have not been adjusted for inflation).

Volunteering is a key element of the Civil Society sector. However it has not been included in the above figures due to volunteering being part of the informal economy, and therefore not captured in the ONS's methodology for calculating GVA. Any overlaps between other DCMS sectors and volunteering cannot be calculated. If we were to include volunteering in the GVA figure, then you would also need to include other unpaid home production such as child and adult care in the UK GVA total. It is estimated that in 2016, volunteering contributed £32.0bn*, 1.8 per cent to the UK economy. This includes both formal and informal volunteering activities.

* The total number of hours are taken from the Community Life Survey (2015/16) and multiplied by an appropriate wage rate from the ASHE survey to estimate output of frequent volunteering. Currently, we are unable to identify intermediate consumption of the voluntary activity, and have therefore assumed, the gross value added (GVA) is equal to output.

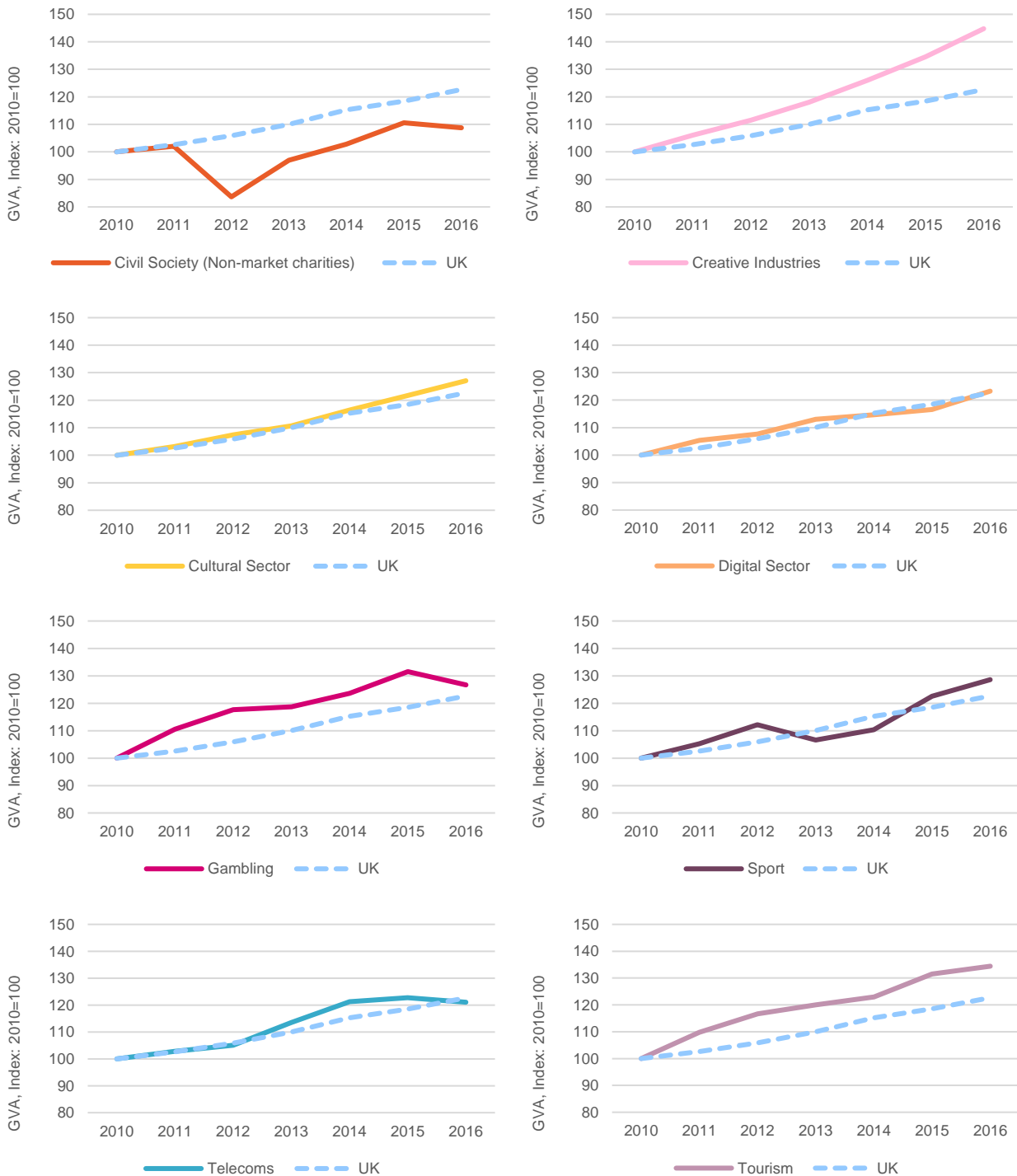
The Creative Industries had the greatest percentage increase between 2015 and 2016 (7.6%), and since 2010 (44.8%). The IT, software and computer services sub-sector drove this growth in the Creative Industries, with 11.4 per cent increase from 2015 and 2016, and a 52.8 per cent increase since 2010. This sub-sector contributed over a third (37.8%) of the Creative Industries GVA in 2016.

The Digital Sector increased by 5.8 per cent between 2015 and 2016, and by 23.3 per cent since 2010. The Computer programming, consultancy and related activities sub-sector contributed over a third (36.1%) of the Digital Sector GVA in 2016, and increased by 11.6 per cent from 2015 to 2016, and 40.6 per cent since 2010.

The Cultural Sector increased by 4.4 per cent between 2015 and 2016, and by 27.1 per cent since 2010. Nearly three fifths (59.1%) of the Cultural Sector GVA was in the Film, TV and music sub-sector, where GVA increased by 5.5 per cent between 2015 and 2016, and 23.9 per cent since 2010.

Civil Society, Gambling and Telecoms all saw decreases between 2015 and 2016. Figure 2.2 shows the growth rate for each DCMS sector.

Figure 2.2: Indexed growth in GVA (expressed in current prices, 2010 = 100) in each DCMS sector: 2010-2016



The Digital Sector alone made up nearly half of the DCMS sectors' GVA in 2016 (6.7% of UK GVA), whilst Creative Industries represented over a third (5.3% of UK GVA). There is considerable overlap between the DCMS sectors, for example 3.6 per cent of UK GVA is in both the Creative Industries and the Digital Sector. The overlap between sectors is represented in Figure 1 on the first page of this report, and means that the individual sectors cannot be summed to get an estimate of the GVA for all DCMS sectors combined.

Chapter 3: GVA – chained volume measures

This chapter presents UK GVA estimates for each DCMS sector at a headline level. All estimates of GVA are shown in chained volume measures (i.e. adjusted for inflation)². These experimental estimates meet user demand and enable DCMS to produce productivity estimates (to be published in February). These estimates of GVA are based on a similar methodology as used in the UK National Accounts, which describe volume measures derived by linking to the current monetary value in 2015. Further information on the methodology is available in the associated [methodology note](#). These estimates are experimental, building on a methodology derived by the Office for National Statistics producing deflators for DCMS sectors. Feedback to evidence@culture.gov.uk is therefore welcome on the methodology.

Summary

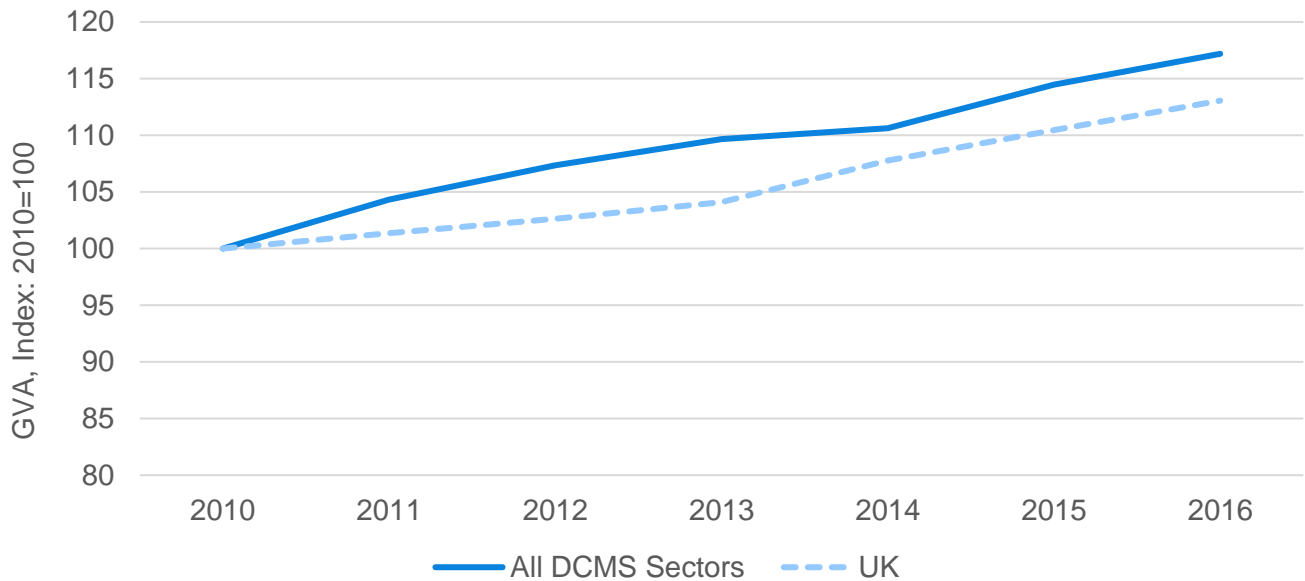
It is estimated that in 2016 the contribution of DCMS sectors to the UK economy (GVA) was £223bn³, or 12.9⁴ per cent of UK GVA, expressed in chained volume measures (CVM). The GVA of DCMS sectors⁵ has grown at a faster rate than the economy as a whole, increasing by 2.4 per cent since 2015 (£217bn), and 17.2 per cent since 2010 (£190bn). This compares to increases of 2.3 per cent and 13.1 per cent respectively for the UK economy as a whole. Figure 3.1 shows the growth rate for DCMS sectors as a whole, whilst Table 3.1 outlines the GVA contribution in £billions for each of DCMS sectors.

² Chained Volume Measures (CVM) are different to constant prices. In CVM, the base period is updated each year, rather than the 5 year update. CVMs are created by linking together series with different base years. In this analysis we calculate Previous Year Prices and Current Year Prices (volume series in terms of last year's prices and current year prices). Constant Price is simply the current price data deflated using a price from a base period. Generally the base period is updated every 5 years (in this analysis it is 2010 as prices are based at 2010). It can be thought of as Constant Price Value. Further information on the difference in current price, constant price and chained volume measure is available at: <http://webarchive.nationalarchives.gov.uk/20160107002820/http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/faqs/gdp-questions/index.html>

³ All estimates of GVA are shown in chained volume measures (i.e. adjusted for inflation). For the UK, GVA in chained volume measures (ABMM, real GVA, adjusted for inflation) increased by 12.2 per cent between 2010 and 2016 and 1.6 per cent between 2015 and 2016, compared with an increase of 22.9 per cent for GVA in current prices (ABML, nominal GVA, not adjusted for inflation) between 2010 and 2016 and 3.7 per cent between 2015 and 2016.

⁴ The GVA expressed in Chained Volume Measures is lower than in current prices because of the effects of inflation being taken into account, but mainly due to civil society not currently being included in the Chained Volume Measures estimate.

⁵ Excluding Civil Society. The GVA expressed in chained volume measures does not include an estimate for Civil Society.

Figure 3.1: Indexed growth in GVA (expressed in chained volume measures, 2010 =100) in DCMS sectors (excl. Civil Society) and UK: 2010-2016

Table 3.1: GVA contribution (£bn, expressed in chained volume measures) by DCMS sectors (excl. Civil Society): 2010 - 2016

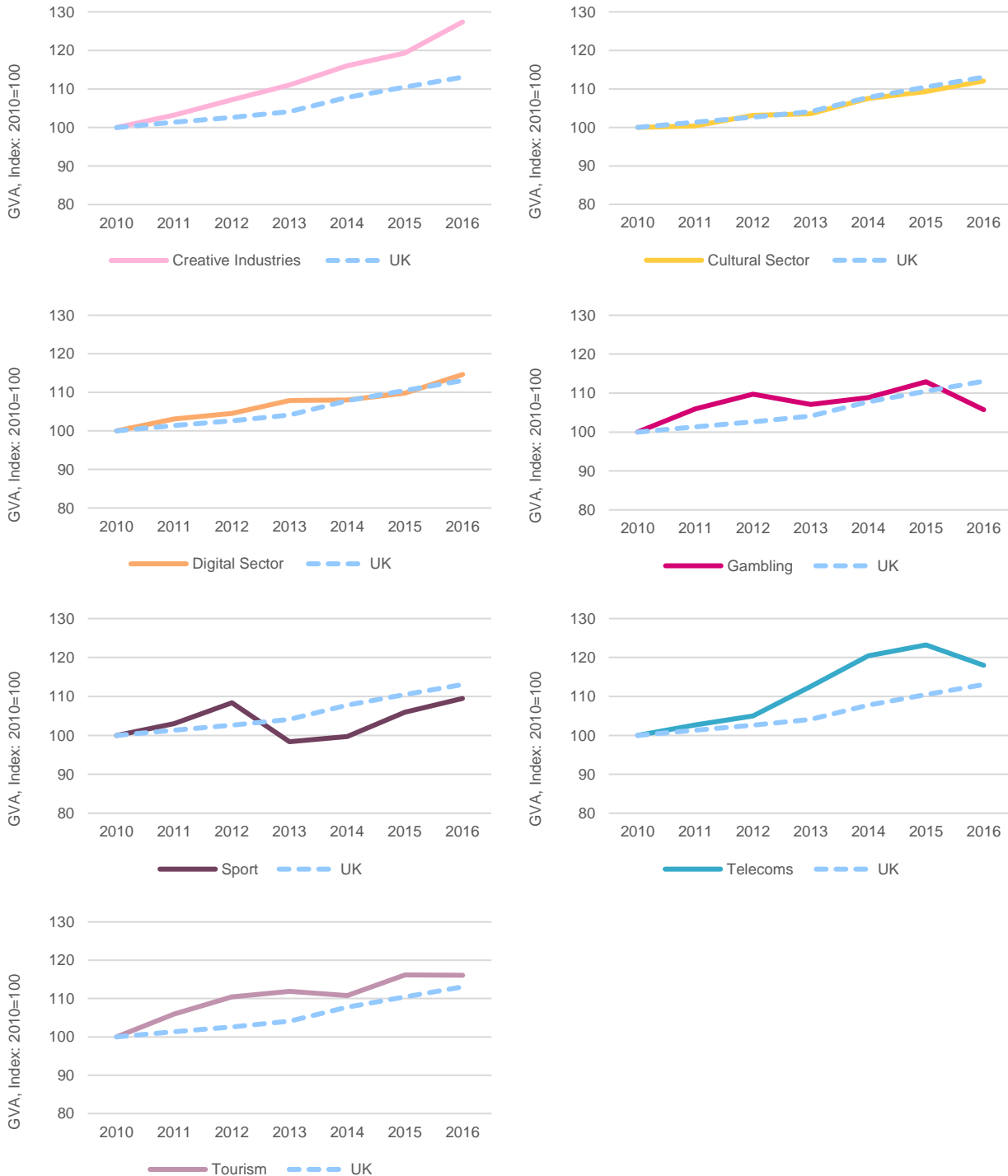
Sector	2010	2011	2012	2013	2014	2015	2016 (p) ¹	% change 2015 - 2016	% change 2010-2016	% of UK GVA 2016
Creative Industries	69.2	71.5	74.2	76.9	80.3	82.6	88.2	6.7	27.4	5.1
Cultural Sector	23.1	23.2	23.8	23.9	24.8	25.2	25.8	2.5	12.0	1.5
Digital Sector	100.3	103.5	104.9	108.2	108.3	110.2	115.0	4.4	14.6	6.7
Gambling	9.8	10.4	10.7	10.5	10.7	11.1	10.3	-6.4	5.7	0.6
Sport	7.8	8.0	8.4	7.7	7.8	8.3	8.5	3.4	9.5	0.5
Telecoms	24.6	25.3	25.9	27.7	29.7	30.4	29.1	-4.3	18.0	1.7
Tourism	51.9	55.0	57.3	58.0	57.5	60.3	60.2	-0.1	16.1	3.5
All DCMS sectors²	189.9	198.1	203.8	208.3	210.1	217.4	223	2.4	17.2	12.9
UK	1,525	1,546	1,565	1,588	1,644	1,685	1,724	2.3	13.1	100.0

Notes

- 2016 GVA is based on the output measure of GVA to allow consistency with the sector measures for 2016. This is aligned to average GVA up to and including 2015 (last Supply Use balanced year) but then uses growth in the output measure as a proxy for GVA beyond that. The 2016 figure therefore differs from ABMM. 2010 – 2015 GVA estimates use balanced GVA in chained volume measures (ABMM).
- DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps between sectors.
- Data are in chained volume measures (i.e. have been adjusted for inflation).
- (p) = provisional.
- Data are not available for Civil Society at present.

The Creative Industries had the greatest percentage increase between 2015 and 2016 (6.7%), and since 2010 (27.4%). Gambling, Telecoms and Tourism all saw decreases between 2015 and 2016 (-6.4%, -4.3% and -0.1% respectively). However all DCMS sectors showed an increase since 2010. Figure 3.2 shows the growth rate for each DCMS sector from 2010 to 2016.

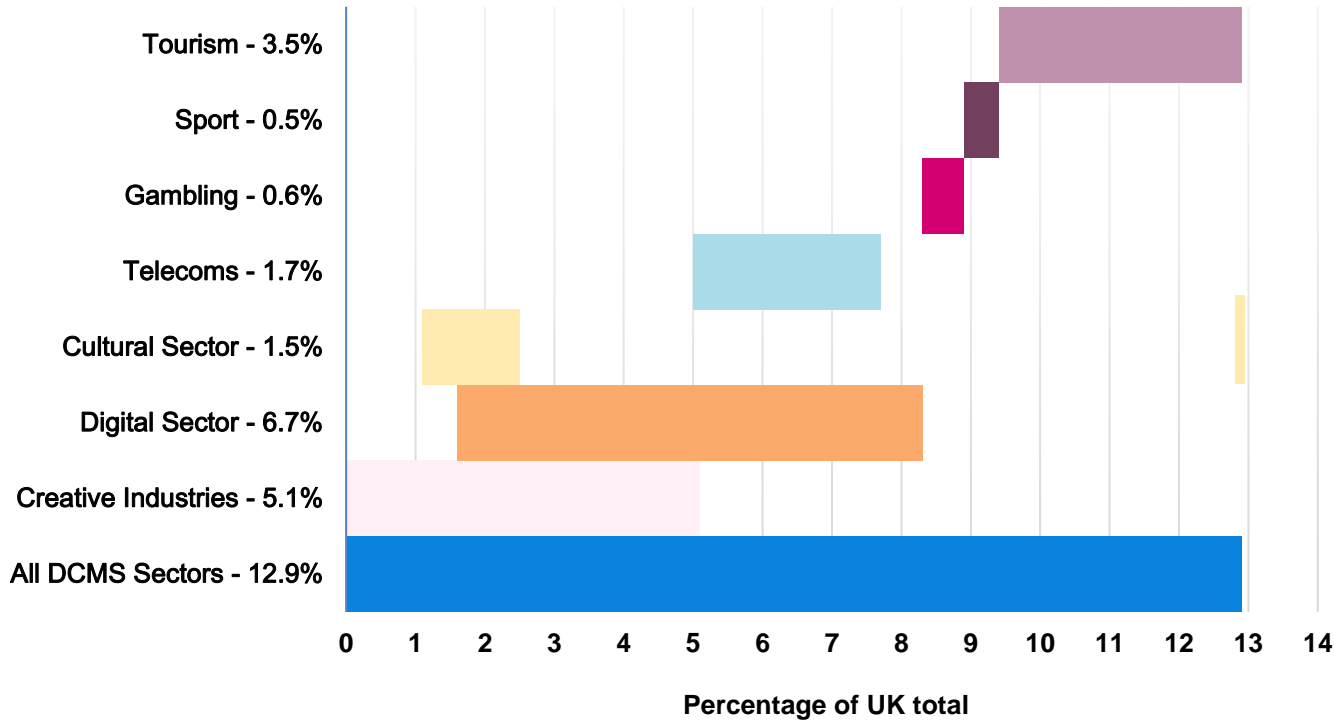
Figure 3.2: Indexed growth in GVA (expressed in chained volume measures, 2010 = 100) in each DCMS sector: 2010-2016



The Digital Sector made up half of the DCMS sectors' GVA in 2016 (6.7% of UK GVA), whilst Creative Industries represented nearly two fifths (5.1% of UK GVA). There is considerable

overlap between the DCMS sectors for example 3.5 per cent of UK GVA is in both Creative Industries and the Digital Sector. The overlap between sectors is represented in Figure 3.3 below, and means that the individual sectors cannot be summed to get an estimate of the GVA for all DCMS sectors combined.

Figure 3.3: GVA (expressed in chained volume measures) overlaps in DCMS sectors: 2016



Chapter 4: Next Steps

DCMS will continue to take forward work to develop our economic estimates for DCMS sectors further:

- **Business Characteristics of the DCMS Sector** - In December 2017, DCMS will publish 2016 estimates of the number of businesses in DCMS sectors, split by different characteristics, for example age, size and region (sample size permitting).
- **Sport Satellite Account** - DCMS are reviewing the methodology for the Sports Satellite Account to ensure that it is robust and replicable on an annual basis. A provisional Sport Satellite Account for 2016 will be published in January 2018, based on the same methodology as for the 2015 estimates.
- **Regional GVA** – DCMS are aware of the importance of the regions and variations in economic output across the UK. We have therefore worked with ONS to adopt a methodology to enable us to publish regional GVA estimates for each of our sectors. We will be publishing these in February 2018.
- **Productivity** - Understanding productivity is of critical importance to understanding the economic impact of DCMS sectors. We will be publishing productivity estimates for DCMS sectors in February 2018.
- **GVA, employment and trade** – Updates to these publications will be available in 2018. Dates of publication will be made available on our [upcoming releases web page](#).

The next publication of DCMS Sectors Economic Estimates will be on 20th December 2017 and will include Business Characteristics in DCMS sectors.

Annex A: Further information

1. The next update to these statistics will be published in November 2018, once the National Accounts have been published.
2. The responsible statistician for this release is Penny Allen. For enquiries on this release, please contact Penny on 0207 211 2380 or evidence@culture.gov.uk.
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Telephone: 020 7211 6000
4. DCMS statisticians can be followed on Twitter via [@DCMSInsight](https://twitter.com/DCMSInsight).
5. The Economic estimates of DCMS Sectors release is an Official Statistics publication and has been produced to the standards set out in the Code of Practice for Official Statistics. For more information, see <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>. Details of the pre-release access arrangements for this dataset have been published alongside this release.



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