Creative Industry Trends

——The Creative-Industry Profiles of Japan’s Ordinance-Designated Cities

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Creative industries have grown in prominence over the years. We refined our initial 2003 mapping document of Japan’s creative industries by drawing on the most recent 12th revision of the Japan Standard Industrial Classification of 2007. Based on the new mapping, our analysis of official data revealed domestic trends as well as distinctive creative-industry profiles of 12 ordinance-designated cities. The results offer rich implications for creative city policy in the future.

Much time has passed since attention first focused on creative industries. After the U.K. Department for Culture, Media and Sports first defined 13 creative industry sectors in the *Creative Industries Mapping Document 1998*, countries and cities around the world took note of the inherent possibilities and conducted their own mapping based on the U.K. model. [1]

In the November 2003 issue of *NLI Research*, we presented a preliminary mapping of Japan’s creative industries based on the U.K. model and explored policy issues and directions for promoting growth. [2] At that time, the mapping relied on the 1993 revision of the Japan Standard Industrial Classification (JSIC), which was imperfect in many ways and thus hindered an accurate understanding of creative industries. Since then, however, the industrial classification has been revised twice, enabling us to greatly improve the accuracy of the extracted data.

In this paper, we first present a new mapping of creative industries based on the 12th revision of the JSIC in 2007. Then drawing on data from the *2006 Establishment and Enterprise Census*, we analyze the overall direction of creative industries in Japan.

The related concept of creative cities also emerged in the U.K. in the late 1990s and subsequently took the world by storm. In Japan, a growing number of cities have adopted the creative cities approach in their policy agenda. As foreign case studies show, a thorough understanding of the characteristics of local creative industries is fundamental to the development of creative city policy. Thus in addition to overall domestic trends, we also analyze the composition and size of creative industries in terms of number of establishments and employees in 12 major cities known as ordinance-designated cities.

1——Creative Industries and the Japan Standard Industrial Classification

As a result of two revisions in 2002 and 2007, the JSIC now identifies 529 industry groups (an increase of 109 from 2002) and 1,445 classes (an increase of 186 from 2002).

The latest JSIC revision has allowed us to refine our initial mapping of creative industries. For example, architectural design now appears as a separate sector, while the dynamics of Japan’s distinctive creative industries of animation production, karaoke boxes, and game software can be better grasped. [3]

Exhibit 1 Creative Industries Mapping (based on 2007 JSIC)

① ADVERTISING

731	ADVERTISING		
	7311		Advertising
415	COMMERCIAL ART AND GRAPHIC DESIGN		
	4151		Commercial art and graphic design

② ARCHITECTURAL DESIGN

742	ENGINEERING AND ARCHITECTURAL SERVICES		
	7421	74A	Architectural design services

③ CRAFTS, ART, ANTIQUES & TRADITIONAL CULTURE

327	LACQUOR WARE		
	3271		Lacquor ware
609	STORES, N.E.C.		
	6097	60E	Antique stores
	6098	60E	Secondhand stores, except antique
821	SOCIAL EDUCATION		
	8213	82C	Museums and art museums
824	INSTRUCTION SERVICES FOR ARTS, CULTURE & TECHNICALS		
	8242	82G	Calligraphy instructions
	8243	82H	Flower, tea ceremony instructions
	8249	82M	Miscellaneous instruction services for arts, culture and technicals

Notes: Art dealers are excluded because they cannot be extracted from 6099 (retail trade not elsewhere classified), which includes retailers of name cards, seals, artificial flowers, specimens, and old stamps. In the Establishment and Enterprise Census*, 6097 and 6098 are reported together as secondhand retail stores (60E).*

④ DESIGN

726	DESIGN SERVICES		
	7261		Design services

⑤ FILM, VIDEO, AND PHOTOGRAPHY

411	VIDEO PICTURE INFORMATION PRODUCTION & DISTRIBUTION		
	4111		Motion picture and video production, except television program and animation production
	4112		Television program production(Teleproduction), except animation production
	4113		Animation production
	4114		Motion picture, video and television program distribution
416	SERVICES INCIDENTAL TO VIDEO PICTURE, SOUND INFORMATION, CHARACTER INFORMATION PRODUCTION AND		
	4169	41B	Miscellaneous services incidental to video picture, sound information, character information production and distribution
801	CINEMAS		
	8011		Cinemas
709	MISCELLANEOUS GOODS RENTAL AND LEASING		
	7092	70A	Audio and visual recordings rental, except otherwise classified
746	PHOTOGRAPHIC STUDIOS		
	7461		Photographic studios, except commercial photography
	7462		Commercial photography
799	LIVING-RELATED AND PERSONAL SERVICES, N.E.C.		
	7993	79D	Film developing and finishing

Notes: Classes 4112 and part of 4114 should belong in ⑫TV and radio, but are included because the Establishment and Enterprise Census does not itemize 4111 to 4114. Also included is 7092, which relates to ⑥music.

⑥ MUSIC

329	MANUFACTURING INDUSTRIES, N.E.C.		
	3296	32C	Information recording materials, except newspapers, books, other printed products, etc.
412	SOUND INFORMATION PRODUCTION		
	4121		Recording and disk production
	4122		Radio program production
607	SPORTING GOODS, TOY, AMUSEMENT GOODS AND MUSICAL INSTRUMENT STORES		
	6073	60C	Musical instrument stores
824	INSTRUCTION SERVICES FOR ARTS, CULTURE AND		
	8241	82F	Music instructions
809	MISCELLANEOUS AMUSEMENT AND RECREATION SERVICES		
	8095	80N	Karaoke boxes

Note: Class 3296, which contains video disks etc., relates to ⑤film, video and photography. Although 4122 should belong in ⑪TV and radio, the Establishment and Enterprise Census reports it and 4121 together as 412. Class 6073 (musical instrument stores) is included because it contains record and CD sales.

⑦ PERFORMING ARTS

802	PERFOMANCES (EXCEPT OTHERWISE CLAASIFIED), THEATRICAL COMRANIES		
	8021		Legitimate theatres
	8022		Performances
	8023		Dramatic companies
	8024		Orchestra and dancing companies
	8025		Entertainment and sports companies
951	MEETING HALLS		
	9511		Meeting halls

Note: 8021 and 8024 relate to ⑥ music. 8023 relates to ⑥ music and ⑪ TV and radio. 8022 and 8025 include sumo, boxing, professional baseball and soccer. All of 802 is included because 8021 to 8025 are not itemized in the Establishment and Enterprise Census. 9511 contains meeting halls for labor and women.

⑧ ARTISTS, ACADEMIC & CULTURAL ORGANIZATIONS

727	AUTHORS AND ARTISTS		
	7271		Authors
	7272		Artists
933	NON-PROFIT CULTURAL, SCIENCE AND ART ORGANIZATIONS		
	9331		Science and art organizations
	9332		Cultural organizations

Notes: 7271 relates to ⑥film, video and photogrpahy and ⑧ performing arts, while 7272 relates to ⑥film, video and photography, ⑦music, and ⑧performing arts. Since 9331 and 9332 are not itemized in the Establishment and Enterpise Census, science organizations are included.

⑨ PUBLISHING

413	NEWSPAPER PUBLISHERS		
	4131		Newspaper publishers
414	PUBLISHERS, EXCEPT NEWSPAPERS		
	4141		Publishers, except newspapers
416	SERVICES INCIDENTAL TO VIDEO PICTURE, SOUND INFORMATION, CHARACTER INFORMATION PRODUCTION AND		
	4161	41A	News syndicates (News suppliers)

Note: 4161 relates to ⑪TV and radio.

⑩ COMPUTER SOFTWARE

391	COMPUTER PROGRAMMING AND OTHER SOFTWARE SERVICES		
	3911		Custom software services
	3912		Embedded software services
	3913		Package software services
	3914		Game software services
401	INTERNET BASED SERVICES		
	4011		Web portal providers
	4012		Application services providers
	4013		Internet support services
607	SPORTING GOODS, TOY, AMUSEMENT GOODS AND MUSICAL INSTRUMENT STORES		
	6072	60B	Toy and amusement goods stores
806	AMUSEMENT AND RECREATION FACILITIES		
	8065	80L	Game centers

Note: 6072 is included because it contains TV game machine and game software stores.

⑪ TELEVISION AND RADIO

381	PUBLIC BROADCASTING, EXCEPT CABLECASTING		
	3811		Public broadcasting, except cablecasting
382	PRIVATE-SECTOR BROADCASTING, EXCEPT CABLECASTING		
	3821		Television broadcasting, except satellite broadcasting
	3822		Radio broadcasting, except satellite broadcasting
	3823		Satellite broadcasting
	3829		Miscellaneous private-sector broadcasting
383	CABLECASTING		
	3831		Cable television broadcasting
	3832		Cable radio broadcasting

Note: 3-digit number denotes industry group, 4-digit number denotes class, and 2-digit number plus letter denotes a class itemized in the Establishment and Enterprise Census (sometimes aggregating several classes).

The results of our efforts to extract and identify creative industries based on the 2007 JSIC revision are shown in Exhibit 1. In the previous 2003 mapping, lacquer ware comprised a separate sector corresponding to the crafts sector of the U.K. But since lacquer ware is a minor industry, the new mapping combines it into a new sector called ③ crafts, art, antiques, and traditional culture (the latter encompasses instruction in calligraphy, flower arrangement and tea ceremony).

In addition, the new mapping separates video and music into two sectors: ⑤ film, video and photography, and ⑥ music. Similar to the 2003 mapping, both sectors include sales and rental activity. Moreover, both ③ crafts, art, antiques, and traditional culture and ⑥ music include instructional activity. [4]

2———Status of Creative Industries in Japan

1. Domestic Trends

According to the *2006 Establishment and Enterprise Census*, Japan's creative industries comprised 250,000 establishments and 2.19 million employees, representing 4.4% and 4.0% respectively of all industries. By comparison, creative industries in the U.K. comprised 157,400 establishments in 2008, or 7.3% of the total. [5] Even if we take into account differences in definitions, this large disparity suggests that creative industries in Japan are still somewhat underrepresented.

By number of establishments, the sector of ③ crafts, art, antiques and traditional culture boasts the largest size, comprising 24.8% of Japan's creative industries. This is attributed to the prevalence of traditional culture classes (tea ceremony, flower arrangement, etc.) across Japan. The next largest sectors are② architectural design and ③ computer software.

By employment, the largest sector is ⑩ computer software, comprising 38.8% of employees in the creative industries, followed by ② architectural design and ⑤ film, video and photography. Thus two out of five employees in Japan's creative industries work in the computer software industry.

From 2001 to 2004, creative industries shrank -8.2% in establishments and -4.0% in employment. However, from 2004 to 2006, the two indicators rebounded and grew 1.3% and 7.0% respectively. For the period from 2001 to 2006, creative industries contracted as much as all industries in terms of number of establishments, but employment actually grew 2.7%, compared to a -1.3% decline in all industries.

Growth was conspicuous in three sectors: ⑤ film, video and photography; ⑥ music; and ⑩ computer software. In particular, establishments and employment grew 153.4% and 116.3% respectively in class 4169 (miscellaneous services incidental to video picture, sound information, character information production and distribution), 145.3% and 39.5% respectively in industry group 412 (sound information production), and 287.5% and 468.0% in industry group 401 (Internet based services).

Exhibit 2 Overview of Japan's Creative Industries (2001 to 2006, private establishments)

	Number of establishments					Number of employees				
	2006	As share of creative industr.	Percent change			2006	As share of creative industr.	Percent change		
			2001-2004	2004-2006	2001-2006			2001-2004	2004-2006	2001-2006
① Advertising	13,379	5.3%	-6.9	9.4	1.8	156,231	7.1%	-6.3	3.3	-3.3
② Architectural design ∗	41,245	16.5%	-10.7	0.3	-10.4	244,992	11.2%	-14.8	-3.1	-17.4
③ Crafts, art, antiques, trad. culture ∗	62,161	24.8%	-7.8	1.5	-6.5	191,207	8.7%	-2.1	8.2	6.0
④ Design	9,904	4.0%	-5.9	5.2	-1.1	47,159	2.2%	-1.1	1.8	0.6
⑤ Film, video, photography	33,018	13.2%	-14.5	-7.6	-21.0	244,419	11.2%	-11.6	2.8	-9.2
⑥ Music ∗	33,824	13.5%	-4.7	-0.9	-5.5	155,789	7.1%	-5.2	-3.8	-8.8
⑦ Performing arts	4,515	1.8%	-4.1	4.0	-0.2	44,090	2.0%	0.1	0.4	0.5
⑧ Artists, academic and cultural org.	2,265	0.9%	-1.1	7.3	6.1	10,887	0.5%	-3.0	4.1	0.9
⑨ Publishing	9,814	3.9%	-4.8	2.0	-2.8	180,659	8.2%	-4.8	0.9	-4.0
⑩ Computer software ∗	38,400	15.3%	-5.3	8.5	2.7	850,714	38.8%	3.9	17.4	22.0
⑪ TV and radio	1,647	0.7%	-5.9	0.7	-5.2	64,909	3.0%	-6.4	3.2	-3.4
TOTAL	250,172	100.0%	-8.2	1.3	-7.0	2,191,056	100.0%	-4.0	7.0	2.7
All industries (excl. public sector)	5,722,559	—	-6.7	-0.1	-6.8	54,184,428	—	-5.2	4.1	-1.3
As percent of all industries	4.4	—				4.0	—			

Note: * indicates industries for which 2001 data includes estimates.
Source: Compiled from *Fiscal 2006 Establishment and Enterprise Census* (special tabulation based on 2007 revision of Japan Standard Industrial Classification).

2. Creative Industries in Ordinance-Designated Cities

We next examine the status of creative industries in the 12 ordinance-designated cities (including the Tokyo 23-ku). Exhibit 3 shows the number of establishments and employees in each city based on the industry definitions in Exhibit 1. The 12 cities together account for 36.2% of Japan's creative industries in terms of number of establishments, and 59.5% in terms of number of employees.

Moreover, in terms of number of establishments, creative industries comprise 6.2% of local industries in the 12 cities, compared to 4.4% nationwide. Similarly, in terms of employment, creative industries comprise 7.9% in the 12 cities, compared to 4.0% nationwide.

Creative industries are most concentrated in the Tokyo 23-ku, which accounts for 17.1% of Japan's creative establishments and 35.0% of creative employees. Moreover, as a share of local industry, Tokyo's creative industries also lead the nation with a 7.8% share of all local establishments and 11.2% share of all local employees.

As a result, Tokyo 23-ku also excels in the specialization coefficient (local creative share ÷ national creative share) for both establishments and employees. The specialization coefficient for establishments is next highest in Fukuoka, Sendai, and Osaka, while the specialization coefficient for employment is next highest in Kawasaki, Osaka, and Fukuoka. The specialization coefficient for establishments is lowest in Kita Kyushu, Kawasaki, and Kyoto, while the specialization coefficient for employment is lowest (and below 1.0) in Kita Kyushu, Kobe, and Kyoto.

By plotting radar charts for each city using the specialization coefficients of all 11 creative industry sectors, we can obtain a clearer view of each city's creative profile. The radar charts of Yokohama, Kobe, and Kita Kyushu not only have a small area, but reveal the absence of a prominent creative industry. This could be attributed to their proximity to cities with large creative concentrations (Tokyo 23-ku, Osaka, and Fukuoka respectively), making it more difficult to establish their own presence.

Being situated next to Tokyo, Kawasaki has a low 0.86 specialization coefficient for establishments, which is second lowest after Kita Kyushu. Even so, its computer software sector scores high at 1.36 by establishments, and 3.40 by employment. Moreover, its overall score of 1.77 for employment is second highest after Tokyo. These results show Kawasaki is characterized by large-scale establishments engaged in computer software.

Exhibit 3 Size of Creative Industries by City (2006, private sector)

	Number of establishments in 2006					Number of employees in 2006				
	Creative industries	(Share in Japan)	All local industries	(Creative share)	Spec. coef.	Creative industries	(Share in Japan)	All local industries	(Creative share)	Spec. coef.
Sapporo	4,066	(1.6%)	72,900	(5.6%)	1.28	41,826	(1.9%)	780,524	(5.4%)	1.32
Sendai	2,756	(1.1%)	45,943	(6.0%)	1.37	27,385	(1.2%)	498,333	(5.5%)	1.36
Tokyo (23-ku)	42,770	(17.1%)	549,199	(7.8%)	1.78	768,596	(35.0%)	6,859,800	(11.2%)	2.77
Yokohama	4,959	(2.0%)	107,557	(4.6%)	1.05	65,729	(3.0%)	1,271,937	(5.2%)	1.28
Kawasaki	1,478	(0.6%)	39,260	(3.8%)	0.86	32,940	(1.5%)	459,768	(7.2%)	1.77
Nagoya	7,236	(2.9%)	128,419	(5.6%)	1.29	80,743	(3.7%)	1,375,262	(5.9%)	1.45
Kyoto	3,306	(1.3%)	77,108	(4.3%)	0.98	25,888	(1.2%)	689,074	(3.8%)	0.93
Osaka	11,678	(4.7%)	199,853	(5.8%)	1.34	148,007	(6.7%)	2,121,613	(7.0%)	1.72
Kobe	3,345	(1.3%)	71,469	(4.7%)	1.07	23,445	(1.1%)	668,985	(3.5%)	0.87
Hiroshima	2,863	(1.1%)	54,051	(5.3%)	1.21	26,367	(1.2%)	536,151	(4.9%)	1.21
Kita Kyushu	1,687	(0.7%)	46,219	(3.7%)	0.83	13,184	(0.6%)	419,919	(3.1%)	0.78
Fukuoka	4,352	(1.7%)	69,164	(6.3%)	1.44	51,586	(2.4%)	769,900	(6.7%)	1.66
12-city TOTAL	90,496	(36.2%)	1,461,142	(6.2%)	1.42	1,305,696	(59.5%)	16,451,266	(7.9%)	1.96
JAPAN	250,330	(100.0%)	5,722,559	(4.4%)	1.00	2,193,286	(100.0%)	54,184,428	(4.0%)	1.00

Note: Since the above data is based on the 2002 Japan standard industrial classification, totals for creative industries do not match those shown in Exhibit 2.
Source: Compiled from *Fiscal 2006 Establishment and Enterprise Census.*

Exhibit 4　Creative-Industry Profiles of Ordinance-Designated Cities

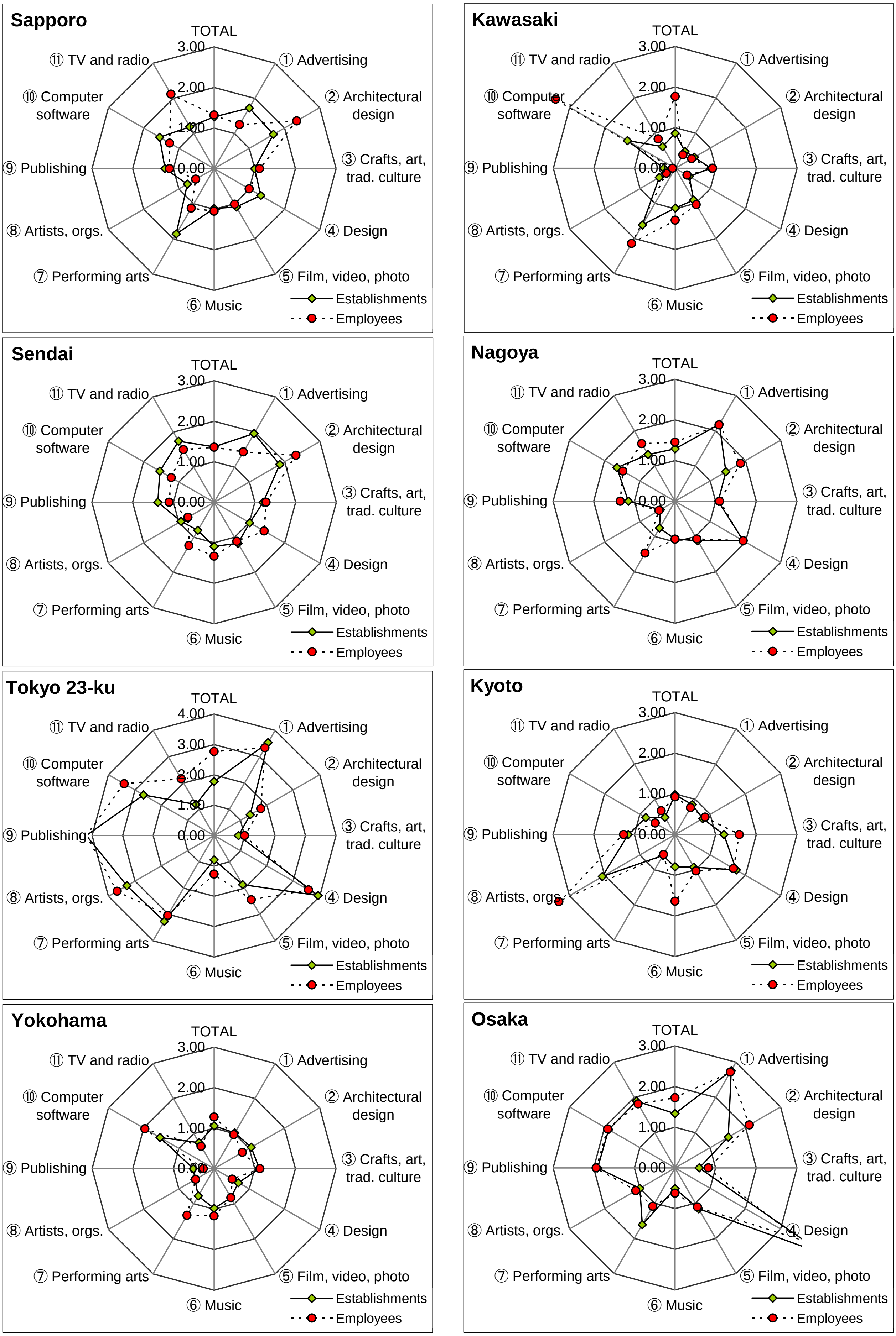
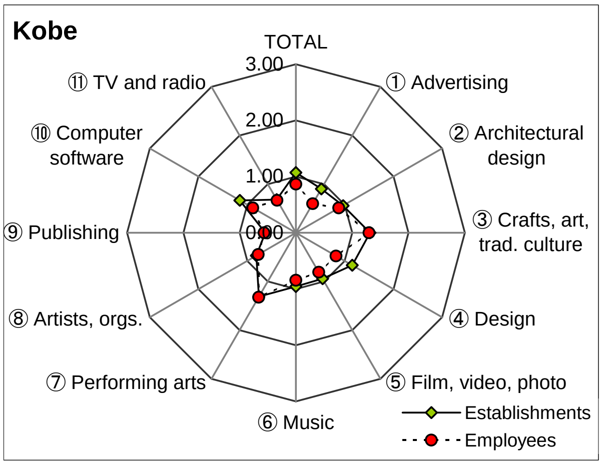
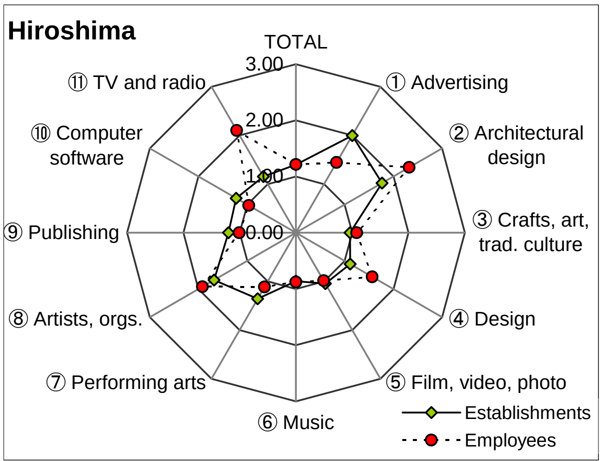
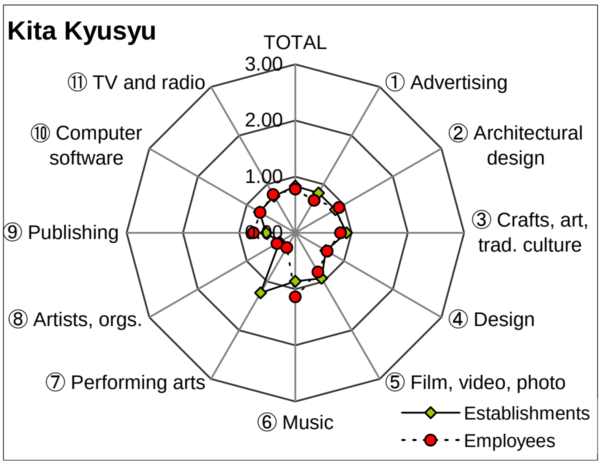


Exhibit 4 (continued from previous page)







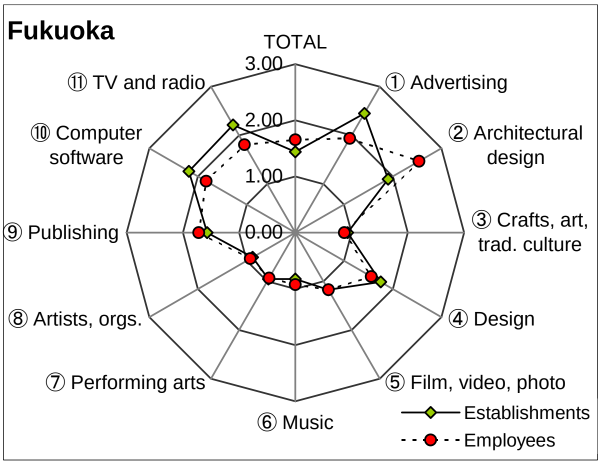


Exhibit 5 Top 3 Cities by Sector

Creative industry sector	No. of establishments		No. of employees	
	Top 3 cities	Spec. coef.	Top 3 cities	Spec. coef.
① Advertising	Tokyo	3.53	Tokyo	3.34
	Osaka	2.76	Osaka	2.72
	Fukuoka	2.45	Nagoya	2.17
② Architectural design	Fukuoka	1.90	Fukuoka	2.54
	Sendai	1.86	Sapporo	2.35
	Hiroshima	1.76	Hiroshima	2.32
③ Crafts, art, antique and traditional culture	Kobe	1.32	Kyoto	1.58
	Sendai	1.20	Kobe	1.30
	Kyoto	1.20	Sendai	1.28
④ Design	Osaka	4.24	Tokyo	3.57
	Tokyo	3.95	Osaka	3.49
	Nagoya	1.94	Nagoya	1.94
⑤ Film, video, photography	Tokyo	1.86	Tokyo	2.44
	Fukuoka	1.17	Fukuoka	1.18
	Sendai	1.17	Sendai	1.11
⑥ Music	Sendai	1.09	Kyoto	1.64
	Sapporo	0.98	Sendai	1.33
	Yokohama	0.98	Kawasaki	1.28
⑦ Performing arts	Tokyo	3.26	Tokyo	3.04
	Sapporo	1.86	Kawasaki	2.14
	Kawasaki	1.61	Nagoya	1.47
⑧ Artists, academic & cultural organizations	Tokyo	3.30	Tokyo	3.67
	Kyoto	2.06	Kyoto	3.30
	Hiroshima	1.68	Hiroshima	1.92
⑨ Publishing	Tokyo	4.19	Tokyo	4.21
	Osaka	1.91	Osaka	1.94
	Fukuoka	1.57	Fukuoka	1.72
⑩ Computer software	Tokyo	2.67	Tokyo	3.41
	Fukuoka	2.18	Kawasaki	3.40
	Osaka	1.88	Yokohama	1.96
⑪ TV & radio	Fukuoka	2.21	Tokyo	2.16
	Osaka	1.90	Sapporo	2.12
	Sendai	1.74	Hiroshima	2.11
TOTAL	Tokyo	1.78	Tokyo	2.77
	Fukuoka	1.44	Kawasaki	1.77
	Sendai	1.37	Osaka	1.72

Notes: For music, the low specialization coefficient for establishments is attributed to the nationwide distribution of musical instruction. If limited to industry group 412 (sound information production), the specialization coefficient is 7.81 for Tokyo and1.19 for Osaka.
Source: Compiled from *2006 Establishment and Enterprise Census*.

Nationally Ranked Sectors of Each City (shows sectors ranking in top 3 by spec. coef.)

Sapporo: architectural design; music; performing arts; TV & radio

Sendai: architectural design; crafts, art, antiques & traditional culture; film, video & photography; music; TV & radio

Kawasaki: music; performing arts; computer software

Yokohama: music; computer software

Nagoya: advertising; design; performing arts

Kyoto: craft, art, antiques & traditional culture; music; artists & organizations

Osaka: advertising; design; publishing; computer software; TV & radio

Kobe: crafts & art

Hiroshima: architectural design; artists & organizations; TV & radio

Kita Kyushu: none

Fukuoka: advertising; film, video & photography; publishing; computer software; TV & radio

Exhibit 5 ranks the top three cities in each sector based on coefficient of specialization. From these results, the prominent sectors of each city other than Tokyo are listed (these are the sectors in which each city ranks in the top three by specialization coefficient).

We must keep in mind that the specialization coefficient measures the relative concentration of creative industries, and not their absolute size. Still, it serves as a useful gauge for assessing creative industry growth policy, and for discussing creative city policy in ordinance-designated cities.

3——Issues in Promoting Creative Industries and Creative Cities

1. Avoiding Overdependence on Hard Data for Policy Formulation

The statistical indicators used above to analyze the status and trends of creative industries in ordinance-designated cities provide basic data necessary to formulate growth policies for creative industries and creative cities. At the same time, however, we must keep in mind the limitations of data.

In the past, policies to promote creative industries single-mindedly targeted the content industries. However, when we peruse the full spectrum of creative industries, it becomes apparent that Japan already boasts world class status in other areas such as architectural design and fashion, and is also home to many prominent young product designers such as Tokujin Yoshioka.

Alternatively, from the perspective of "soft power," Japanese cuisine clearly demonstrates creative elements in its sublime attractiveness and hospitality. Unfortunately, when formulating policy, an overdependence on quantitative data tends to obscure the qualitative characteristics and future potential of creative industries such as the above. Thus after analyzing the hard data to grasp status and trends, it is imperative to construct a clear vision and strategy for promoting creative industries.

In the policy debate leading up to the recent general election, the proposed National Media Arts Center planned by the Agency for Cultural Affairs was characterized by some as a manga parlor and an example of wasteful spending in the supplementary budget. However, the fact is that media arts such as animation, which comprise a creative industry unique to Japan and are closely watched by the rest of the world, now have no domestic venues that comprehensively exhibit and introduce them. In this sense, there is a clear need for such a facility. Indeed, a comprehensive policy is desperately needed in this sector to improve the dismal work environment of animators who create the animation, train and develop new human resources, and construct a growth strategy that encompasses international markets.

2. Creative City Policy and the Promotion of Creative Industries

At the local level, even greater clarity is needed in strategy formulation. For reference, below we introduce two examples from Asia. [6]

Singapore has defined its creative industries to consist of four sectors and 21 industries, and has formulated promotion policies targeted at each.

① *Arts*: fine arts, performing arts, culture and heritage

② *Design*: advertising, architecture, interior design, graphic design, fashion design, industrial design, display design

③ *Media*: printing, publishing, film and video, broadcasting, games, music, digital media

④ *Software & IT services*: IT consulting, IT development, IT service industries, software

Since the arts sector tends to be incompatible with market principles, generous subsidies are provided by the Arts Council. In the other three sectors, however, the main thrust of policy is to promote economic activity in the private sector.

The overall promotion strategy for creative industries consists of three policies: human resource development, infrastructure construction, and corporate-led development.

Special emphasis is placed on the training and development of human resources. Recently, the Labor Development Board initiated a Competency and Qualification Framework specifically for creative industries. This was formulated as part of the Singapore Workforce Skills Qualification (WSQ), which defines creative industries and occupations and the necessary skills and qualifications of each. The system is huge and consists of over 750 competencies, and training and development programs based on these requirements have been started by specialized institutions.

The city of Pusan, South Korea has been vigorously promoted growth of the film industry ever since the first Pusan International Film Festival was held in 1996. Led by local film critics among others, the film festival features a non-competitive format with the aim of rediscovering Asian films and reaching a global audience. The Pusan Promotion Plan (PPP), set up in 1999 to encourage film production by connecting investors and producers with emerging Asian film directors, has gained worldwide attention.

Today, the city vigorously supports the film festival by funding 40% of the festival's 740 million yen budget. However, the city takes no part in the internal operations or film selection process, which are entrusted to the nonprofit Pusan International Film Festival (PIFF). After the festival gained momentum, the city and PIFF organized a research team to study how other countries promoted their film industry. In 1999 the Pusan Film Commission was established to actively promote the city as a location for filming.

The city has also compiled a roadmap for promoting the film industry. As part of the second phase, movie studios have already been constructed. They are now in the third phase of constructing facilities for post production and other facilities, as well as construction of the Pusan Film Center (slated for completion in 2011), which will serve as the festival's permanent home.

Started as a cultural event led by the private sector, the film festival gradually engaged local residents as it developed into a major cultural festival and tourist attraction. To further expand on this cultural achievement, the next step for the city is to attract the film and video industry now centered in Seoul.

In Japan, many cities have adopted a creative city policy including Sapporo, Sendai, Yokohama, Kanazawa, and Takamatsu in Kagawa prefecture. However, in most cases, policies are limited to harnessing the arts and culture for regional transformation purposes. Rarely is a creative industry promotion policy clearly defined or linked to producing tangible results.

Within the creative industries, the promotion policy for the arts and culture industry is relatively clearcut as it involves reinforcing and enhancing the conventional cultural policy. In contrast, specific promotion policies are more difficult for cities to formulate for other creative industries led by the private sector. However, as the first step, each city needs to grasp the characteristics of its creative industries, and to identify those most in need of promotion. We hope the statistical analysis presented in this paper will prove useful toward this end.

Endnotes

1. At the time, the U.K. defined creative industries as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property". Thirteen sectors were defined: advertising; ① advertising; ② architecture; ③ art and antiques market; ④ crafts; ⑤ design; ⑥ designer fashion; ⑦ film & video; ⑧ interactive leisure software; ⑨ music; ⑩ performing arts; ⑪ software; ⑫ software & computer services; and ⑬ television & radio.

2. See Mitsuhiro Yoshimoto, "The Status of Creative Industries in Japan and Policy Recommendations for Their Promotion," *NLI Research*, December 3, 2003 (http://www.nli-research.co.jp/english/socioeconomics/2003/li031202.pdf).

3. In the 2007 JSIC, a new class called "establishments engaged in administrative or ancillary economic activities" was set up in each industry group to categorize head offices and similar establishments. However, since the *2006 Establishment and Enterprise Census* does not reflect this change, it is omitted from our report.

4. As seen in Exhibit 1, when a class encompasses creative industries from more than one sector, it is assigned to the creative sector that best fits the industry class shown. In addition, classes containing both creative and non-creative industries are included in whole because the creative industries cannot be extracted.

5. See U.K. Department for Culture, Media and sport, *Creative Industries Economic Estimates Statistical Bulletin*, January 2009.

6. Information on the creative industry policies of Pusan, Korea and Singapore is drawn from NLI Research Institute, *Survey of Creative Cities in Japan and Abroad,* March 2009. The survey was commissioned by the City of Yokohama.