

Georgia

Cultural and Creative Industries: Research and Evidence Framework



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Contents

1.	2	
1.1	Why the Creative Industries matter for Georgia	3
1.2	Developing the Georgia REF – the process	7
2.	8	
2.1	The economic profile of the Georgian CCIs – what we know	10
2.2	Emerging CCI policy, partnerships and infrastructure – a cross cutting theme	13
2.3	International cultural relations, partnerships and trade – cross cutting theme	14
2.4	Talent development education and skills – a cross cutting theme	15
2.5	Creative Spillovers	16
3.	<i>Creative sub sector overviews</i>	17
3.1	Advertising	17
3.2	Architecture	18
3.3	Crafts	20
3.4	Cultural and arts education	21
3.5	Cultural Heritage	23
3.6	Design and Fashion	26
3.7	Digital Technology Industry	27
3.8	Film and Video	29
3.9	Literature and Publishing	32
3.10	Media and Broadcasting	33
3.11	Music	34
3.12	Visual Arts and Performing Arts	36
3.13	Gastronomy and Culinary Industry	39
4.	40	
5.	44	
	<i>Appendix 1: Literature, Research and Data Review</i>	52
	<i>Appendix 2: List of interviewees</i>	55
	<i>Appendix 3: Classification of Creative Industries and corresponding NACE Rev. 2 code based on data availability</i>	56

1. Introduction

The Development of the Georgia Creative Industries Research and Evidence Framework (Georgia CI REF) project comes at an important time for Georgia as the country re-frames its approach to culture and the creative economy, with ambitious plans to grow capacity, drive innovation and deliver inclusive growth.

Commissioned with the support of the British Council, Tom Fleming Creative Consultancy (TFCC)¹ has worked alongside Creative Georgia, and key partners across the Creative Industries in Georgia on the development of this Georgia CI REF.

The focus of the Georgia CI REF project is to provide a structured and robust approach to creative industries policy and investment. Through consultations with a range of strategic stakeholders across the Georgian Creative Industries (and wider cultural, social and economic policy landscape), the project also aims to:

- Increase recognition of the role of culture and the creative industries in social and economic welfare.
- Encourage sector representatives in Georgia to work towards a Research and Evidence Framework outlining the needs of creative sub sectors as well as the creative industries sector as a whole. This includes the links between cultural activities which were traditionally state-led and financed and an increasingly mixed economy of public / private activities
- Raise the awareness of the importance of systematic data collection in strategic planning, project management, etc.
- Review existing research and data and support the collection and analysis of additional research data on the creative industries.
- Facilitate capacity building of creative sector representatives in systematic data collection, research and evidence collection.

The Georgia CI REF project is part of the British Council's new three-year Creative Economy Programme with a focus on policy development, enterprise and cultural leadership across Wider Europe (Central Asia, South Caucasus, Turkey, Ukraine and Western Balkans) through connections with the UK.

The project builds on work which the British Council in Georgia facilitated in 2021, when TFCC collaborated with Creative Georgia and the Ministry of Education, Science, Culture and Sport of Georgia in the research skills development project for creative industries mapping. This previous project highlighted the need for a Creative Industries Research and Evidence Framework to provide an overarching structure for systemic research and data collection and to start to address the current lack of data and intelligence on the creative industries and wider creative economy in Georgia.

The Georgia CI REF will inform and is closely aligned with the wider work of the Creative Georgia and partners. This includes the development of the Georgia Creative Industries Strategy, led by Creative Georgia and supported through UNESCO, due for completion in late 2022.

¹ Leading international culture and creative industries consultancy: www.tfconsultancy.co.uk

*"The creative economy is not a single superhighway, however, but a multitude of different **local trajectories**. Many of these pathways are to be found in cities and regions. It is clear that the next frontier of knowledge generation rests on understanding interactions, specificities and policies at local levels, and how the creative economy might be practically promoted in communities, cities and regions."*

UNESCO CREATIVE ECONOMY REPORT 2013.

UNESCO define the cultural and creative industries as:

"sectors of organised activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialisation of goods, services and activities of a cultural, artistic or heritage-related nature."

Cultural and Creative industries (CCIs) are those based on individual creativity, skill and talent, or which have the potential to create wealth and jobs through the development or production of intellectual property. They include: Advertising and marketing, Architecture; Crafts; Design (product, graphic and fashion design); Film; TV productions; TV, video, radio and photography; IT, software and computer services; Publishing; Museums, galleries and libraries; Music, performing and visual arts.

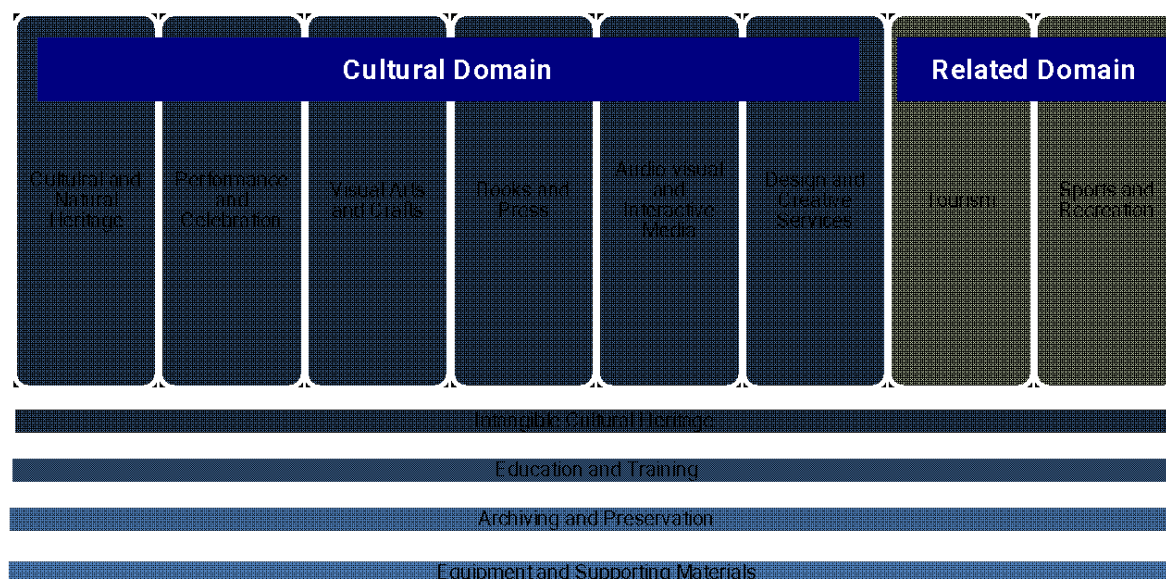
1.1 Why the Creative Industries matter for Georgia

"Cultural and creative sectors are important for ensuring the continued development of societies and are at the heart of the creative economy. Knowledge-intensive and based on individual creativity and talent, they generate considerable economic wealth. More importantly, they are critical to a shared sense of European identity, culture and values. In economic terms, they show above-average growth and create jobs - particularly for young people - while strengthening social cohesion" (European Union²).

Culture defines us. It is our heritage, how we live our lives, express our identities and shape the future. For municipalities, culture is a resource which helps build community and distinctive senses of place. It contributes to wellbeing and quality of life, to social engagement and trust, and to economic activity from the creative industries to tourism. A dynamic cultural sector can drive impact: to develop social cohesion, enhance wellbeing and health, give confidence, and catalyse innovation across the economy. This provides the foundations for a thriving creative industries sector, providing the inspiration, content and talent upon which sectors such as film, design, music and computer games thrive.

In 2009, UNESCO adopted the following model, which is the most widely used definition of the Cultural and Creative Industries as part of a wider creative economy:

² <https://culture.ec.europa.eu/cultural-and-creative-sectors/cultural-and-creative-sectors>



1.1.1 Culture and Creative Industries (CCIs) as a Foundation for Sustainable Development

Nations across the world are re-evaluating their approach, putting arts and culture to the core of a broader creative economy which connects to a wider set of social and economic impacts. This is because Covid-19 has brutally exposed the structural fragility of arts, culture and the creative industries, while also demonstrating how paramount these sectors are to our wellbeing. It is also because, during this time of uncertainty and crisis, we need new tools and a fresh value proposition for the role of these sectors in society; and thus we need to conceptualise a different type of economy which values arts, culture and the creative industries as part of its foundation and as central to its resilience. This is an economy which supports diverse creative talent to thrive and, as a consequence, encourages value creation and innovation in health and wellbeing, community and place, and sustainable development.

2021 was the UN Year of Creative Economy for Sustainable Development, with many activities postponed to 2022 due to the pandemic. In February 2022, UNESCO launched its *Re | Shaping Policies for Creativity* report³, which champions the role of culture and the creative economy in addressing global challenges. The report identifies four goals:

- Goal 1: Support sustainable systems of governance for culture
- Goal 2: Achieve a balanced flow of cultural goods and services and increase the mobility of artists and cultural professionals
- Goal 3: Integrate culture in sustainable development frameworks
- Goals 4: Promote human rights and fundamental freedoms

UNESCO advocates an 'ecosystem perspective,' recognising the interdependence of 'not-for-profit' and 'commercial' creative work; where artists and creative practitioners are to the core of a resilient and sustainable creative economy, delivering intrinsic and social value which underpins any possibility of 'economic growth'. Their central argument is that for a nation to genuinely embrace

³ <https://www.unesco.org/reports/reshaping-creativity/2022/en/download-report>

its creative potential requires a holistic and 'talent centred' approach where talent is a diverse and sustainable resource which can deliver a return on investment across a range of policy areas.

An earlier report, *A Global Agenda for the Cultural and Creative Industries 11 key actions*, published by UK Creative industries Policy and Evidence Centre (PEC) and the British Council in December 2021⁴, also affirms the importance of a values-based and talent-centric approach, with a focus on sustainable, inclusive and equitable development. The report calls for dedicated investment to support creative livelihoods, via cross cutting themes such as skills, innovation, R&D and creative hubs.

Since the *Shaping Policies for Creativity* report, UNESCO has developed a major new report: *Culture in Times of COVID-19 – Resilience, Recovery and Revival*⁵. This report offers key insights on trends and structural transformations that can boost the culture sector as a cornerstone of an economy built on sustainability and well-being. A set of strategic development considerations are put forward for governments and their partners, in both the public and private sectors, to promote the value of culture as a public good, encourage cross-sector collaboration and holistically address the essential needs of the sector, while supporting cultural professionals in adapting to a changing world and providing equal access and opportunities across the cultural value chain.

The report identifies 5 core trends which are of relevance to Georgia as the Government seeks to deliver impact for the nation's prosperity and wellbeing through its support for the CCIs:

1. Enhanced emphasis on the culture sector's social value. The social outcomes of culture and the Creative industries have come to the fore, evidenced by the ways in which culture is understood and valued by communities with recognition of the essential contribution of cultural participation to communities' well-being:

"This new value proposition for culture must prioritize equality of access and participation across every part of the cultural ecosystem. Central to this will be the promotion of gender equality, boosting representation, supporting equal rights and nurturing the emergence of a diversity of cultural expressions".

2. Growing awareness of the importance of ensuring the livelihoods of artists and cultural professionals. While many governments and NGOs have provided assistance to artists and cultural professionals in the form of culture sector-specific relief programmes during the pandemic, there are growing concerns about the systemic issue of precarious employment modalities in the culture sector:

"This precarity, which pre-dates the pandemic, is especially acute for individual artists, freelancers and micro-organizations and enterprises, and affects their capacity to access relief programmes and to ensure the necessary cash flow to withstand crises such as the COVID-19 pandemic. The pandemic also exposed existing inequalities in remuneration, access to social and economic benefits (for example, pensions, childcare, unemployment benefits and access to health care) and access to resources such as digital infrastructure or social capital".

3. Rise of collaboration and increased sectoral solidarity. The COVID-19 pandemic required distinct parts of the culture sector to work together with a new sense of urgency and shared

⁴ <https://www.pec.ac.uk/assets/publications/PEC-A-Global-Agenda-for-the-Cultural-and-Creative-Industries-FINAL.pdf>

⁵ Published by UNESCO and the Department of Culture and Tourism, Abu Dhabi. This report is co-authored by Tom Fleming. <https://unesdoc.unesco.org/ark:/48223/pf0000381524.locale=en>

purpose – from cultural organisations to networks of artists and creative enterprises. This is very evident in Georgia, with Creative Georgia playing a vital connecting role:

"These various collaboration modalities, while emphasizing the structural challenges facing the culture sector, have not only re-energized sector solidarity, but also reinforced a shared vision about the role and value of culture in society".

4. Accelerated adoption of digital practices and techniques. The pandemic has accelerated digital transformation across many parts of the sector, though access to digital resources remains uneven. This is the case in Georgia – e.g. in terms of the varied quality of digital infrastructure and digital skillsets across different regions:

"While new technologies have increased the range and relevance of some parts of the cultural ecosystem, they can also pose a threat to the viability of other parts of the ecosystem, especially in the absence of enlightened and effective policies and support mechanisms to enable the whole cultural ecosystem to leverage the opportunities offered by a rapidly evolving technological landscape".

5. Adaptation of strategic, operational and business models and practices across the value chain. Organisations, artists and cultural professionals have reimagined the ways in which they create, produce and distribute cultural and creative content, with many now questioning the long-term viability of their pre-pandemic models and practices:

"This is a moment of hyper-innovation, with a new generation of approaches to cultural production and consumption that include the use of blockchain, immersive and interactive technologies and increasingly cross-art-form and cross-sector (transdisciplinary and transmedia) approaches to creation. Nonetheless, excitement at such technological, creative and innovative progression must be tempered by the inequalities that it can introduce or exacerbate."

The opportunity for Georgia is to re-frame the value proposition for arts, culture and the creative industries, so they form the foundation of a sustainable economy. The opportunity for Creative Georgia is to play a leadership role as a development agency, delivering programmatic investment which embeds creative practice led by diverse creative talent within a system based on shared values of inclusion, fairness, and sustainable development.

Development of the Creative Industries is one of the eight priorities in the Georgia National Culture Strategy 2025. The UNESCO Culture for Development Indicators study in 2017 revealed a high contribution of CCI to economy and employment in Georgia with a total output of 2.8% of the economy. However, the study also highlighted the lack of detailed and consistent research and data on CCIs in Georgia as a key challenge facing the growth and development of the creative economy.

The Georgian government's commitment to leading national reform agendas aimed at resolving the economic and social issues and strengthening the mid to long-term outlook, puts Georgia in a position of strength compared to some other countries and bodes well for the CCIs to play a central role in economic and social recovery.

While the CCIs in Georgia are still nascent and the sector fragmented, there is great potential for the creative economy to drive wider economic growth and diversification, provided there are the structures and evidence to support policies and decision-making. Ongoing efforts to attract investment and promote the country internationally, the creation of tech-innovation ecosystems and policy incentives, including for film and fashion and helping the development of CCIs as one of the eight priorities in the national Culture Strategy 2025, is an excellent base to build from.

14 creative sub sectors have been identified in Georgia. These are:

1. Advertising
2. Architecture
3. Arts and Culture Education
4. Crafts
5. Cultural Heritage - Museums, Libraires, Historic buildings etc.
6. Design and Fashion
7. Digital Technologies
8. Film and video – cinema, video and TV production
9. Literature and Publishing
10. Media and Broadcast
11. Music
12. Performing Arts
13. Visual Arts
14. Gastronomy

1.2 Developing the Georgia REF – the process

TFCC has worked closely with Creative Georgia on the research methodology and to map the current knowledge of the Creative Industries and its sub sectors across a series of cross cutting themes.

The cross-cutting themes are:

- Economic contribution – businesses, jobs, GVA
- Policy and infrastructure
- Skills and talent
- International- cultural relations and export
- Spillovers

The 14 creative industries and the five cross-cutting themes provide the architecture for the Georgia CI REF. A key task has been to map the current data, research and intelligence of the CCIs as a whole, its sub sectors and across each of the cross-cutting themes. Gaps in knowledge and approaches to research as well as key strengths and barriers to growth have also been explored. The approach to this data, evidence and knowledge mapping has been to carry out:

- A detailed literature review of research, strategies and evaluations of CCIs and related programmes in Georgia. (See Appendix 1 for details of documents reviewed)
- A literature review of international CCI research and strategies. (See Appendix 1)
- Interviews with 14 key CCI sector representatives in Georgia, in addition to the team at Creative Georgia and the British Council. (See Appendix 2 for a list of interviewees).

The Creative Georgia and TFCC teams have collated the research from the literature review and interviews into a summary Georgia CI data and evidence table. Wider findings and narrative were collated in word document which form the basis of Section 2 of this report.

2. Georgia Cultural and Creative Industries – the profile, opportunities and challenges

The CCI in Georgia are nascent but in recent years have shown significant growth and demonstrated their potential to deliver socio-economic impact and support sustainable development. The Covid-19 pandemic has halted growth and exposed the fragility of the sector, especially for micro-enterprises and freelancers, plus for sectors which depend on live in-person audiences such as music and performing arts. The illegal Russian invasion of Ukraine has heightened this sense of fragility and dampened sector confidence. However, the war has also sparked a new level of national unity and heralds the importance of culture for tolerance, cohesion and peace. In addition, the war serves as a reminder that many of the challenges facing the cultural sector in Georgia are born of a Soviet-era legacy, with, for example, inflexible organisational and governance models and out-dated cultural infrastructure.

The lack of consistent research and data on the CCI and its sub sectors, plus the informality of large sections of the industry mean a true picture of the size and profile of this vital sector is hard to define. The establishment of Creative Georgia and the identification of creative industries as one of the eight priorities in the Georgia National Culture Strategy 2025 is a significant step which will enable the collection of higher quality data and evidence over the coming years. This will support the case for investment in the CCI and enable partners in Government and the private sector to review impact. In turn, strong data and evidence will allow partners to review progress in the reform and rejuvenation of the Georgian CCI:

"For the last 30 years Georgia has been going through the process of democratisation and transformation but its cultural sector and its administrative principles remain in need of reforms, especially when it comes to the establishment of support systems for strengthening of independent actors and acknowledgement of potential creative industries in boosting the creative economy."

EU4Culture National Coordinator, Georgia – Khatia Tchokhanelidze.

Significant research has been undertaken by Creative Georgia and partners in recent years to analyse the size, scope, strengths, opportunities and challenges for the creative industries in Georgia⁶. This has also further highlighted some of the **research and data challenges**. These include:

- The inability to access data at a four-digit NACE Rev 2 within Georgian national enterprise survey statistics means it is not possible to access a true picture of the contribution of CCI to the economy. For example, NACE Rev 2 code 71.11 is the code for Architectural activities, however data is only available at the two-digit code level 71, from the enterprise survey, so much of the data for the Architecture sub sector also includes related engineering activities, technical testing and analysis. No data is available for cultural education NACE 85.52 from either the national enterprise survey or the business register.
- The informality and small-scale nature of much of the CCI, with many individuals often not officially registered as employees or self-employed, mean the size, scale and contribution of the creative industries is not picked up in official data. This is the case across the CCI as a whole and within every creative sub sector when accessing and analysing national level data.
- A lack of CCI mapping, at a local, city and regional level means the role, profile and impact of the CCI are unclear.

⁶ This research has been implemented in the framework of the project - "Creative Twist – Boosting Creative and Cultural Industries in Georgia" supported by the UNESCO International Fund for Cultural Diversity (IFCD).

- Linked to the lack of mapping, there is a general lack of database development – e.g. of CCI enterprises, in particular micro-enterprises and freelancers. This makes sector networking and exchange more challenging. It also limits the reach of research exercises to map or consult the CCIs.
- Other research and programme evaluations across all sectors of the CCIs are also lacking – e.g. impact assessments of cultural investment, feasibility studies for CCI infrastructure, and strategies – e.g. for festivals, cultural education programmes and other interventions.

2.1 The economic profile of the Georgian CCIs – what we know

Creative Georgia has led a process of research in the last two years to better understand the economic profile and contribution of the CCIs in Georgia through the project “Creative Twist – Boosting Creative and Cultural Industries in Georgia” supported by the UNESCO International Fund for Cultural Diversity (IFCD). As a result the research report *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*⁷ has been elaborated. While there are some limitations with the statistics, due to the challenges with accessing suitably granular sub sector data and informal and unregistered nature of much of the CCIs, the findings provide an excellent baseline to work from and the most comprehensive analysis of the CCIs to date. The headlines from the data analysis of the CCIs as a whole are summarised in Table 1 below. Headlines are:

- The Georgian CCIs were growing in terms of employment, turnover and GVA until 2020. There has been a constriction of the sector as a result of the pandemic with businesses closing due to the lockdown.
- The CCIs are largely made up of very small businesses and individual practitioners.
- Export in creative industries goods and services have been growing year on year, yet weak supply chains within Georgia, mean much of the export revenue is taken up in the cost of importing materials and some services.
- Sub sector strengths: Advertising and architecture appear to dominate the CCIs in terms of employment and output. Yet the limitations with the data and inability to analyse these sub sectors at a suitably granular level mean their proportionate contribution may be over-estimated. Sub sectors, such as film and video, digital technology and craft are growing faster than the larger sectors of advertising and architecture.

⁷ The Creative Georgia *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs* has comprised four research parts 1) General overview of Creative industries in Georgia - supporting mechanisms and legislative framework. 2) Economic analysis of Creative Industries in Georgia. 3) Needs and Challenges of Creative Industries sector in Georgia - qualitative research report. 4) Challenges related to internationalisation of Creative Industries.

Table 1: Summary of Georgia Creative Industries Economic profile

(Data is drawn from the Creative Georgia report *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*)

Creative industries size and economic output	A sector of small businesses paying relatively well	Export and international trade	Sub sector strengths
<p>The CCI in Georgia were growing until the Covid-19 pandemic:</p> <ul style="list-style-type: none"> - Number of CCI organisations: Between 2015 and 2019, the number of active organisations operating in the CCIs increased by 7.9 % from 5,579 to 6,019. In 2020, the number of organisations had fallen to 5,728 with the sector badly hit by closures due to the pandemic⁸. - Turnover: Over the same period (2015-2019), the average annual turnover to CCI organisations grew by a similar 8.0%. Total CCI turnover by 2019 exceeded 1.8 billion GEL (0.6 billion USD), 1.7% of the Georgian business sector turnover⁹. However, indicators show that CCI turnover is growing more slowly than that of the business sector as a whole, highlighting interventions are needed to boost growth in what should be a highly competitive and expanding sector. - GVA: In 2019, the total GVA of the CCIs amounted to 876 million GEL (3.8% of the business sector in 2019), a 9% average 	<p>An industry of small businesses in Georgia as elsewhere in the world:</p> <ul style="list-style-type: none"> - According to 2020 data, 77.3% of CCI organisations are small, 3.0% medium and just 0.4% are large organisations. Information on the size of the 19% of organisations is unknown¹¹. - 52.6% of active organisations are limited liability companies, 36.7% are individual enterprises, and 7.1% are non-entrepreneurial (non-commercial) legal persons. <p>Salaries The average salary of hired employees in CCIs in 2019 was 1,608 GEL (555 USD), significantly higher than the average salary in the wider</p>	<p><u>Export in goods</u></p> <ul style="list-style-type: none"> - International exports in CCI goods (e.g. crafts, textiles, fashion, digital components etc,) grew by an average of 11.8% annually between 2015 and 2019. The average growth rate of local exports was 7.6%, while the growth rate of re-exports was 13.8%. - In 2019, total exports amounted to USD 25.7 million. - The main market for local exports are: Azerbaijan: 31.2% of total exports; Switzerland: 12.8%; the Netherlands: 11.4%) and Kazakhstan: 6.7%. - In 2019 design and fashion industry accounted for 65% of local exports, followed by handicrafts (21%) and digital technology industry (6%). However, under-developed local supply chains mean design and fashion and handicrafts are also the largest importers. The crafts industry accounts for 55.0% of CCI sector imports, followed by the design and fashion industry (27.6%)¹² <p><u>Export in services</u></p> <ul style="list-style-type: none"> - Exports in CCI services is also growing more than exports in goods. (This may in part be due to overinflating the size of the CCI sector through the inability to drill down sufficiently within the data). Between 2015 and 2019, the average annual growth rate was 27%. 	<ul style="list-style-type: none"> - Advertising, architecture and literature and publishing are the largest sub sectors accounting for 85% of CCIs by turnover and GVA, plus 75% of CCI employees in 2019. (However, it should be noted that the size and output of the architecture sub sector is overinflated due to the inability to drill down sufficiently within the data. The data on architecture includes related but not creative aspects of engineering activities, technical testing and analysis.) - Smaller creative sub sectors are currently growing faster than the larger more established CCIs. For example, turnover in the film and video industry grew by an average of 53% per year between 2015 and 2019. The digital

⁸ Business Register statistics from the National Statistics Office of Georgia. Gives a truer picture of the creative industries as able to drill down to four-digit NACE Rev 2 code level so able to identify creative sub sectors not possible to same detailed level for the enterprise survey data.

⁹ Enterprise survey data from the National Statistics Office of Georgia.

¹¹ The recommendation would be to only report on the size of organisations where details are known but to note elsewhere that data is missing for the whole sector.

¹² Goods traded in CCIs were identified according to the classification of United Nations Conference on Trade and Development (UNCTAD), along with The Harmonised System (HS) codes of these trading goods. Such goods were then matched to corresponding CCIs (see Appendix 3 for more details).

<p>annual growth rate between 2015 and 2019¹⁰.</p> <p>- Employment: The number of employees in CCI's grew on average by 3.6% between 2015 and 2019 to 31,453 (4.5% of the total business sector).</p>	<p>business sector in (GEL 1162/400 USD).</p> <p>The average salary of women in the creative sector is 1,119 GEL (387 USD) way below that of men 1,965 GEL (680 USD).</p>	<ul style="list-style-type: none"> - The total value of CCI services exported in 2019 exceeded \$89.4 million. - CCI imports have also grown but at a lesser rate. However, the \$85.1 million of imports in 2019 almost offsets the exports value that year. - In 2019, Computer and Information Services were leading exports and imports with 75.5% and 58.3% share in total service exports and imports, respectively¹³. 	<p>technologies industry grew by 36% and the cultural heritage industry by 22%.</p> <p>Strengths and weaknesses of 13 the CCI sub sectors are explored in Section 3 below.</p>
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¹⁰ Enterprise survey data from the National Statistics Office of Georgia.

¹³ Economic analysis of creative industries is based on the 2nd part of the *research report Creative Economy in Georgia - baseline research of main indicators, characteristics and needs* that has been elaborated within the framework of LEPL Creative Georgia project "Creative Twist – Boosting economic capacity of creative and cultural industries in Georgia".

2.2 Emerging CCI policy, partnerships and infrastructure – a cross cutting theme

At a national level, the Ministry of Culture is the key ministry governing policy developed for the CCIs. Formerly part of the Ministry of Education Science and Culture, the ministries were split into two separate departments in 2020. Prior to the split, in 2019 the Ministry of Education, Science, Culture and Sports announced the establishment of the *Georgian National Culture Fund* to provide financial support for cultural and creative development initiatives. However, sadly, it was announced in December 2021 that the establishment of the Fund would not now go ahead. In July 2021, the newly appointed Minister of Culture, Sports and Youth of Georgia presented a 10-year action plan for the CCIs. This aims to increase the share of the CCIs in the country's GDP (from 2.8% to 3.5%)¹⁴; to increase creative employment and grow cultural tourism.

Other key relevant policy makers and public bodies involved in / responsible for the cultural development in Georgia include The Parliament Cultural Committee, The Ministry of Economy and sustainable development of Georgia, the Ministry of Infrastructure and Regional Development, City Halls and City Councils, the local tourism office and local cultural and other departments.

At an international level Georgia signed the Association Agreement (AA) with the European Union in 2014 incorporating the Deep and Comprehensive Free Trade Agreement (DCFTA). This has acted as an important catalyst for strengthening EU-Georgia partnerships across economic development, culture, education, and trade. The AA has opened up a range of partnership and research opportunities including the Eastern Partnership initiative which has supported EU-EaP Culture and Creativity Programmes (2015-18) and EU4Culture (from 1st of January 2021 onward), EU4Business, EU4Youth, EU4Digital and Twinning initiatives. Georgia was also the first European Neighbourhood country to join the Creative Europe Programme in 2015.

Creative Georgia, the Ministry of Culture and other strategic bodies have been initiating different international partnerships to support policy and sector development and research. These include:

- The UNESCO supported project "*Creative Twist – Boosting Economic Capacity of Creative and Cultural Industries in Georgia*". Within this project the first extensive research of the CCI sector has been conducted "*Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*". The key highlights from this are summarised in the table above and throughout this report. The research is also feeding into the development of a Cultural and Creative Strategy for Georgia.
- UNESCO Creative Cities. A collaborative initiative between Tbilisi City Hall, Creative Georgia and The Ministry of Culture, Sport and Youth of Georgia that has seen Tbilisi become a member of the UNESCO Creative Cities Network, as a city for media arts, along with 48 other cities around the world. The four-year programme in Tbilisi combines digital art, photography, painting, multimedia art, video game creation, interactive media, and other innovative projects. Batumi, designated as a UNESCO city of music is also part of the wider network of 295 creative cities from 90 countries.
- EU4Culture, an EU programme to support culture's role as an engine for growth and social development across the Eastern Partnership (EaP) countries of Armenia, Azerbaijan, Georgia, Republic of Moldova, and Ukraine. This will see the development and

¹⁴ 10-year action plan for CCIs presented in July 2021 by the newly appointed Minister of Culture, Sports and Youth of Georgia, cited in EU4Culture *BASELINE REPORT on Culture and Creativity in Non-Capital Cities and Towns in Eastern Partnership Countries*.

implementation of cultural development strategies in selected cities and towns, including three in Georgia. It will also involve capacity-building for local cultural strategies, support for artist mobility, and for local and regional festivals, cultural and cross-innovation projects. It is informed by a research programme which provided insights to the development needs of municipalities, including a sample of municipalities in Georgia. The programme is being led by Goethe Institute, Tbilisi.

The **British Council** has been a long standing international partner of the cultural and creative sector in Georgia. In recent years collaborations have included the UK / Georgia Season in 2019 connecting UK and Georgian culture; Creative Sparks – Higher Education and Creative Economies programme; working alongside Creative Georgia to support research and development including this Research and Evidence Framework.

Key individuals and organisations within creative sub sectors have also been developing associations, international connections to support research, creative ecosystem and infrastructure development. For example, the Cultural and Creative Industries Union¹⁵ (CCIU) set up in response to the pandemic to champion the electronic music, club scene and wider night time economy connected internationally from its inception. Tbilisi is the 11th global city to join United We Stream¹⁶ response to pandemic shut down of clubs. CCIU are in discussion with VibeLab¹⁷, the global consultancy for the night time economy. (More about CCIU in the music sub sector below). The fashion sector has had a long standing partnership with Mercedes Benz, sponsors of Tbilisi Fashion Week.

2.3 International cultural relations, partnerships and trade – cross cutting theme

As highlighted above, strong partnerships are emerging at Government level through the Association Agreement with the European Union. Creative Georgia has led on international partnerships with UNESCO, EU and British Council. A key part of Creative Georgia's *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, considered the challenges of internationalisation for creative industries.¹⁸ The research found the main barriers for Georgian creative businesses in accessing international markets were the lack of financial resources, the lack of staff with knowledge of international trade and lack of assistance from relevant state bodies with export and international trade. Despite the challenges, exports of creative goods and services are increasing – 12% annual growth in export of creative goods since 2015 and 27% annual growth in export of creative services.¹⁹

Much of the international partnership and associated investment in Georgia is through sectors related to the CCIs and for which the CCIs can play a major role in terms of innovation and value-added. This includes the wine industry, cultural tourism and heritage. Since 2009, more than 63,000 SMEs, microenterprises and farmers have received loans provided by the EU. In addition, a total of €130 million in loans are made available for innovative SMEs and small midcap companies under

¹⁵ <https://www.nighttime.org/features/protecting-the-tbilisi-night-how-a-new-organisation-is-saving-georgian-club-culture/>

¹⁶ <https://unitedwestream.org>

¹⁷ <https://vibe-lab.org/home/#about>

¹⁸ Challenges related to the internationalization of the Creative Industries was the 4th part of the Creative Georgia's *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*. The research is based on a survey of 150 creative businesses from all sub sectors.

¹⁹ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia (2021)

Horizon 2020. Through its ENPARD programme, the EU is supporting the modernisation of Georgian agriculture by supporting the roll out of the agriculture cooperative model and providing 1,600 cooperatives with financial and technical support. EU support has also helped establish 59 information and consultation centres around the country, which have trained over 250,000 farmers to date.

To help stabilise the Government's macro-economic policies, the EU provides macro financial assistance to Georgia – a third operation for up to €45 million was initiated in 2018. The EU has also invested in technical assistance in sectors such as law, governance, environmental protection, transport and digital infrastructure.

2.4 Talent development education and skills – a cross cutting theme

Talent is the raw material for the CCIs and offers a sustainable resource for socio-economic development. In Georgia, which has a relatively small population, creative talent has to work harder and show incredible resourcefulness and resilience to access employment and achieve a level of sustainability and stability as creative enterprises. It is, quite simply, enormously challenging to gain a foothold in the CCI sector and follow a successful pathway toward both creative and financial success. However, there are examples of success stories where creative entrepreneurs have flourished at both a national and international level. There are also growing numbers of creative enterprises which are 'born global', recognising the need to trade internationally at the same time as building local roots in Georgia.

However, such success stories are often described as happening in spite of a set of structural barriers which make it very difficult for creative talent to flourish and thus hold back the potential of the country. These include:

- A lack of arts and creative education in all levels of the education system. Where such education does exist, it is often focused on technical skills to the exclusion of management and entrepreneurial skills or the competencies required in the 4th industrial revolution – e.g. in digital and language skills.
- A lack of dedicated and consistently accredited training and skills programmes across the CCI value chain.
- A lack of centres of excellence or talent hubs, with reform required in the cultural sector to re-position cultural infrastructure as centres of CCI talent development.
- Limited access to specialised business support, investment and access to market for CCI entrepreneurs.
- Limited investment in innovation and R&D, with universities focused more on teaching than industrial innovation and knowledge transfer.
- Lack of targeted support for women and minorities – who face additional barriers to enter the creative labour market.
- Limited cultural leadership programmes and low levels of labour market flexibility make career progression challenging for all but a few.

Creative Georgia, working with the Government, are aware of these challenges and working hard to champion creative talent. Structural reform of the education and cultural system will take time, but is paramount for long term sector growth and development.

(See also Section 3.4 Cultural and Art Education sub sector and skills issues in other sub sectors)

2.5 Creative Spillovers

The CClIs are increasingly well-known for the spillovers they generate to other parts of the economy, as well as to wider factors in sustainable development (e.g. on wellbeing and health).

UNCTAD'S landmark creative economy report in 2010²⁰ outlined the spectrum of cross-sectoral phenomenon of creative spillovers in terms of the following:

- Knowledge spillovers (new ideas, discoveries or processes developed by one firm can benefit or feed into the production of another firm, such as with certain kinds of R&D)
- Product spillovers (where product demand can rise as a result of the product development in another firm, or market); Network spillovers (social or legal interconnections, such as place-based creative clusters, can involve shared resources, increase in rapidity or access to information)
- Training spillovers (labour trained in one industry moves to another)
- Artistic spillovers (where artistic work by one artist or group advances or benefits another in some way).

In Georgia, the spillover potential of the CClIs is beginning to gain profile, in particular in relation to wine / gastronomy, heritage and cultural tourism. A major opportunity exists to connect approaches to cultural heritage with new models for cultural tourism, including those, which develop the CClIs. Tourism directly contributed 9.3%²¹ to Georgian GDP in 2018 and is poised for growth post-Covid. One priority area is the participation of Georgia in transnational cultural routes (e.g., the Europe Cultural Routes Programme and UNWTO Silk Road Programme). In 2015 the Georgian Tourism Strategy 2015 – 2025 was developed with the support of the World Bank Group.

The focus today is on supporting tourism recovery post-Covid19. The CClIs can play a major role in the country's tourism revival – e.g. through supporting the brand and profile of cultural tourism products and services; by generating content and interactive experiences which add depth and dynamism to the tourism sector; and by driving digital innovation across the heritage sector.

(See also Section 3.13 gastronomy sub sector – link to tourism)

²⁰ UNCTAD Creative Economy Report 2010: Section 3: p.80

²¹ <https://wtcc.org/Research/Economic-Impact>

3. Creative sub sector overviews

The sub sector overviews in this section present a summary of the economic contribution of each of the 14 creative sub sector and a review of the policy environment, infrastructure and leading networks and associations. Unless otherwise stated, the economic data presented is taken from Creative Georgia's *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*.

3.1 Advertising

Advertising is the largest creative sub sector in Georgia in terms of economic contribution. In 2019:

- Advertising had the highest turnover (695 million GEL, 246 million USD) of all the creative sub sectors and the largest contribution in creative sector GVA (38%).
- Advertising was the second largest creative sector employer with 7,924 employees in 2019 (24% of creative industries employment).

The Advertising sector has been expanding with the total number of active organisations increasing on average annually by 22.4% between 2015 and 2019. Yet, even though the number of organisations had been growing (until a small reduction of 2.9% to 1,318 organisations in 2020), the growth in output has been comparatively modest. Just a 2.3% growth in turnover and 6% growth in GVA between 2015 and 2019. This suggests the Advertising sub sector, predominantly made up of small organisations (80% are small), is not as productive as it might be.

However, it is unclear if some parts of the Advertising sub sector have a greater output than others. The economic output and performance data includes market research and opinion polling in addition to advertising agencies and media representation. The number of Advertising organisations excludes 'market research and opinion polling', not included within the NACE Rev 2 creative industries definition.²² (See data challenge below).

Advertising is the highest paying sub sector in the creative industries with an average monthly salary of 2,068 GEL (733 USD), well above the wider CCI average salary of 1,608 GEL (570 USD).

Advertising sector data challenge

According to the classification of creative Industries by the European Union, the advertising industry includes the following NACE rev.2 industry codes: 73.11 - Advertising agencies and 73.12 - Media representation. However, data from Statistical Survey of Enterprises is not available for the preferred 4-digit code level. Therefore, data related to economic performance of businesses in this industry is analysed for available 2-digit code, 73 - Advertising and market research, which, in addition to the 'creative' 4-digit codes: 73.11 - Advertising agencies and 73.12 - Media representation, also includes 73.20 - Market research and public opinion polling. Business Register data, for number of businesses is available for the preferred 'creative' 4-digit codes so does include market research and opinion polling.

Policy, partnerships and infrastructure

The Association of Communication Agencies of Georgia (ACAG)²³ was created in 2015 to address some of the key challenges facing the Advertising industry in Georgia and increase professionalism and collaborative practice. It started with 10 and now has 30 members. One of the primary challenges was the lack of value being placed on creative content and ideas development. Clients would frequently expect creative ideas for free. The first action of ACAG was the signing of a

²² *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

²³ <https://acag.ge/en/about-association/>

memorandum between members to require a 'security fee up front' from a client for creative ideas and proposals. This led to wider choices being made by clients and greater value being placed on creative content and ideas generation. There is still a challenge for local agencies producing quality work to secure Government contracts and procurement policies mean the government always selects the lowest price tender.

ACAG also now produces an annual ranking system for Advertising Agencies and Design Studios based on market performance.

ACAG is actively involved in organising festivals and forums and its members participate in the annual regional festival "Ad Black Sea".

A lack of research and understanding of the size, scope and value of the advertising sector for the economy of Georgia, remains a key challenge. The recent research by Creative Georgia provides an important baseline to work from.

Other challenges include:

- **Lack of internal research and review by agencies** of success or otherwise of advertising campaigns.
- **Significant skills gaps.** There is high demand for talented creative advertising and design professionals, yet a lack of quality education at all levels. In 2019, ACAG implemented a project called "Advertising Days at Schools" to promote the advertising sector as a profession. However, the need for higher quality vocational and Higher Education advertising and design curricula remains a challenge. European Miami Ad School²⁴ offers 5 or 6 Georgian students a place, but as a fee paying course, access is not open to all.
- There are talented creators, yet they **lack business skills**. It is vital for the advertising agencies and design studios as a whole to become more business oriented.
- **Digital design skills require constant development** – especially as advertising sits at the intersection of publishing, audiovisual and IT, including new technologies in extended reality (XR).
- **Creative brain drain.** Many talented Georgian advertising and design professionals who were working at Georgian agencies are now working internationally. This shows that Georgia can produce talented creators but losing this talent creates problems in the local market.
- **Government tax incentive cash rebates for films do not cover advertising videos.** This creates a significant barrier to attracting shorter shoots for advertising videos to Georgia.

3.2 Architecture

The recent baseline research by Creative Georgia²⁵ identified Architecture as the second most significant economic sub sector within the creative economy. However, due to the data challenges (see below) and inclusion of engineering and technical testing activities, alongside creative architectural activities, overinflates the economic output of the sector.

The data analysis found that Architecture was second after Advertising in terms of output, generating a turnover of 505 million GEL (179 million USD) and 36% of creative industries GVA.

²⁴ <https://miamiadschool.com>

²⁵ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

The wider Architecture industry, including engineering and technical testing, is the largest creative sector employer, with 9,303 employees in 2019 (31% of creative industries employment). The wider Architecture sector is also the second highest paying sector with an average salary of 2,014 GEL (714 USD) and salaries increasing: an average of 22% per year increase (25% increase for men and but just 9% for women).

The Architecture sector is not growing in terms of number of organisations but economic output is increasing. In 2020 there was slight decline in the number of active architecture organisations down to 1,126. 86% of these organisations are small business architects practices.

The turnover in the wider Architecture industry, including engineering and technical testing, between 2015 and 2019 grew by an average of 21.2% each year reaching 505 million GEL (179 million USD) in 2019. Architecture GVA reached 312 million GEL (111 million USD) in 2019, an average annual growth rate of 18%. So, output has been increasing. This could be due to increasing efficiency or the loss of smaller organisations and growth in some of the larger businesses. Without knowing whether the number of organisations in the wider Architecture sub sector, including engineering and testing is growing or declining, it is hard to make assumptions.

Architecture sector data challenge

According to the classification of creative Industries by the European Union, the Architecture industry includes the following NACE rev.2 industry codes: 71.11 - Architectural Activities. However, data from Georgia Statistical Survey of Enterprises is not available for the preferred 4-digit code level. Therefore, data related to economic performance of businesses in this industry is analysed for available 2-digit code, 71 - Architectural and engineering activities, technical testing and analysis. In addition to 71.11 Architectural Activities, 71 includes 71.12 Engineering activities and related technical consultancy and 71.20 Technical testing and analysis. Data from Business Register on the number of active organisations is available at the 4-digit level so just include 71.11 Architectural Activities.

Policy, partnerships and infrastructure

*Tbilisi Architecture Biennial (TAB)*²⁶ is the leading event in the field of architecture in Georgia. An international festival of architecture, founded in 2017 by Otar Nemsadze, Gigi Shukakidze, Tinatin Gurgendze, and Natia Kalandarishvili, the inaugural Biennial was held in 2018 around a core theme of *Informal architecture*. In 2020 the theme was *What Do We Have In Common* and in 2022 it will be *What's Next?*. TAB brings together national and international creatives, architects, urbanists, artists and scholars, over a three week programme of exhibitions, installations, lectures, workshops and symposia, connecting people in Tbilisi, with cities around the globe. People from Berlin, Milan, London, Dnipro, Warsaw, Izola, Skopje and more took part in 2020. There are open calls for participation with the event providing a huge opportunity to connect with peers, promote practice and discuss key issues pertinent to the sector.

Most architect practices are based in Tbilisi. There are seven University faculties offering architecture course in Tbilisi but many Georgian architects study abroad.

The **main challenges for the Architecture** industry in Georgia, identified through interviews, are:

- **Absence of data / research** on the sector, including its changing business model, skills profile and development needs.
- The **inability to access data down to the four digit level** in national data sets creates a slightly distorted profile especially when the number businesses only includes Architecture

²⁶ <https://biennial.ge>

businesses (71.11) and employee levels, GVA and turnover include the wider Architecture (71.11 + 71.12 + 71.2).

- **Weak local market for contemporary architecture** – e.g. for domestic architecture, with limited spending power and unclear planning laws.
- **Low levels of design literacy / appetite from public officials** – e.g. with regard to architectural commissions for the built environment / public realm.
- **Lack of project management skills and limited provision of professional courses in contemporary architectural practice** (to include approaches to sustainable architecture, to place-making and to smart urban development).
- **Disconnect between the distinctive architectural heritage of Georgia and its contemporary architecture model.** The convergence of heritage and contemporary will be key to building international markets for Georgian architecture.

3.3 Crafts

Crafts are a vital part of Georgian heritage and central to the nation's cultural identity and creative renaissance. The last comprehensive study of the Georgia Heritage Craft Sector was carried out in 2012, supported by the EU Eastern Partnership²⁷. The study identified around 1500 people working in the heritage crafts sector in textiles, metalwork, woodwork, ceramics, glass, leather, paper, enamelling and stonework.

In 2019, 88 crafts businesses, were identified through the analysis of the Georgian Business Register²⁸. The numbers had however, decreased in 2020 by 13% to 77 active business organisations. These very low numbers of craft businesses really highlight the key limitation with relying on national data sets to measure the CCIs: the under representation of creative sectors. The Georgian Heritage Craft Association alone currently has nearly 300 members, crafts people and small businesses across the country. Crafts continue to influence a range of CCI sectors, from fashion to gastronomy, with craft central to the nation's aesthetic and cultural identity.

Crafts data challenge

According to the classification of creative Industries by the European Union, the crafts industry includes the following NACE rev.2 industry codes: 32.11 - Striking of coins and 32.12 - Manufacture of jewellery and related articles. However, data from Georgia Statistical Survey of Enterprises is not available for the preferred 4-digit code level. Data available at the 2-digit code level, 32 – other manufacturing, is too broad to identify any economic data on the crafts industry, therefore data related to economic performance of businesses in this industry has not been able to be analysed. It is probable that most crafts enterprises will be very small, often freelance, with many part-time or operating in the informal economy. This limits their visibility in data and signifies a lack of capacity and professionalisation, which will be needed for growth.

Policy, partnership and infrastructure

The Georgian Heritage Crafts Association is a membership organisation, which acts to safeguard Georgian heritage craft traditions and works towards a sustainable framework for the sector's development. Established in 2015, it now has a membership of 300 individuals and organisations. The priorities for the Georgian Heritage Craft Association in the support they provide for the sector

²⁷ The Heritage crafts in Georgia, comprehensive Research and Development Strategy for the Sector. Georgian Arts and Culture Centre (GACC) in collaboration with partner organizations - the Tbilisi Municipality, the European House, the National Tourism Administration.

²⁸ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

are around marketing and sales, product development and export. Currently, the Association is working closely with Georgia Revenue Service to allocate codes to craft export items.

The Association holds annual meetings and carries out research with members to discuss and identify sector needs. The Georgian Heritage Crafts Association has led a number of studies that are informing their approach to sector support and development. Recently this has included USAID supported *Existing Crafts Knowledge And Resources Akhmeta Municipality And Samtskhe-Javakheti Region* in 2018 and the study of *Artisan Sectors in Keda, Khulo, Borjomi, Akhalkalaki, Tetrtskaro, Kazbegi, Lagodekhi, and Dedoplistskaro municipalities* in 2021²⁹. The recommendations from the 2021 study highlight the **key challenges and development needs of the sector**:

- **Product development for a contemporary market** and diversification of product lines
- **Access to materials** particularly for crafts people in rural areas
- Need for **business development** and marketing support
- **Technical and infrastructure support gaps** from access to new equipment, developing digital skills and opening up workspaces to tours.
- **Bringing together formal and informal craft education** – bringing skilled crafts people into vocational skills settings to learn and teach skills.
- **A crafts strategy is needed** - through integration of key players from central and local authorities, through donor organisations, private sector representatives, to professional networks such as artisan guilds and associations.

Additional considerations to boost the dynamism of Georgian crafts include:

- **A focus on environmentally sustainable approaches**, including the use of recycled materials and natural products which are sustainably farmed
- Crafts innovation – through the **use of smart materials, integration of digital technologies and collaboration with other creative sectors**
- **Ecommerce models** to enhance market development and distribution
- Access to key fairs and markets – via a **strategic approach to export**.

3.4 Cultural and arts education

Art and cultural education are critical to the development of the creative industries. Skills and talent development is a cross cutting theme for this Research and Evidence Framework. One of the primary goals of the Georgia Culture Strategy 2025 is that: *Culture and creativity is integrated across all levels of the education system and the public is aware of its importance*. Despite this ambition and statement a key challenge is the lack of experience of Georgian policymakers in a) supporting enterprise education and creative industries and b) developing policy in this area. This means whilst there is increased awareness of the critical need for quality arts and cultural education, at all levels, there is still a challenge translating the awareness and will into policy³⁰.

Cultural and arts education data challenges

According to the classification of creative Industries by the European Union, the arts and cultural education industry includes the following NACE rev.2 industry code: 85.52 - Cultural education. However, data from Georgia Statistical Survey of Enterprises is not available for the preferred 4-digit code level. Data available at the 2-digit code level, 85 – Education, is considered too broad for meaningful analysis of the cultural and arts education sector. Therefore, the Creative Georgia,

²⁹ Supported by UNDP Project for Improving Rural Development in Georgia (2021)

³⁰ Georgia Creative Sparks Evaluation, British Council

Creative Industries Baseline Mapping Study used alternative data sources: The number of students in higher education institutions and vocational education institutions enrolled in creative industry-related programs and student funding in these programs. (See Appendix 3 for further details).

The **number of students enrolled** in creative industry-related courses in higher education institutions, **has been declining since 2017**. 2,818 were enrolled in CCI related course in 2019. 800 new students enrolled that year, 1.6% of all students enrolled in higher education. 474 students graduated from creative industry-related programmes in 2019.

- Composers, musicians and singers hold the leading position with 21.5% among the creative industry related graduates between 2015 and 2019.
- Film, stage and related actors and directors made up 20.0% of graduates
- Decorators and commercial designers 19.8%
- Sculptors, painters and related artists 16.2%.

The majority of these graduates come from Apolon Kutateladze Tbilisi State Academy of Arts, Tbilisi Vano Sarajshvili State Conservatory and Shota Rustaveli Theatre and Film Georgia State University. These graduates benefit from a strong technical education (a legacy of Soviet era approaches), but they do not access a comprehensive approach to management, entrepreneurship or technological transformation.

In addition to Higher Education art schools, there are eight non-formal artistic educational institutions funded and operating under the Ministry where 2133 students are enrolled. In 2021-2022, 415,000 GEL (143,380 USD) was awarded by the Ministry within the programme of "Promoting the Education of Talented Young Artists" competition, supporting 32 scholarships for Georgian students to study academic arts courses at bachelor, masters or doctorate level at overseas Higher Education Institutions.

The total state educational grants awarded to students in creative industry-related courses amounted to 1.7 million GEL (0.59 million USD) in 2019, increasing to 1.9 million GEL (0.67 million USD) in 2020. The percentage of industry-related grants to students in higher education state institutions also increased from 2.3% in 2019 to 2.6% in 2020. With the overall number of students on creative courses declining but the overall investment through grants growing this suggests fewer students are getting larger grants.

Enrolments in creative industry related vocational training have been declining too since 2017. For 2019, the share of new enrolled students on creative courses in vocational educational institutions, was 7.8% (900 students). There were 2,211 active students registered, and 626 students graduated from creative industry-related programs in 2019. Graduations are follows:

- Handicraft workers in textile, leather and related materials hold the leading position with 42.9% among creative graduates between 2015 and 2019
- Hairdressers, barbers, beauticians, and related workers, 32.2%.

Between 2016 and 2019, the student funding for creative industry-related vocational courses has also increased by an average of 33% annually, amounting to 3.2 million GEL (1.1 million USD) in 2019 when it accounted for 17.5% of all grant funding for vocational training.

Policy, partnership and infrastructure

One of the main goals of the Cultural Strategy 2025 is:

- *Culture and creativity is integrated across all levels of the education system and the public is aware of its importance.*

As highlighted above, there is an awareness and willingness to reform education, yet the lack of expertise in this area remains a challenge.

The British Council's five-year Creative Sparks Higher Education Enterprise Programme was launched across Wider Europe in 2018 including in Georgia, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Ukraine and Uzbekistan. The aim is to drive enterprise and entrepreneurship skills training, support the development of the creative economy, and support higher education (HE) reform. Creative Georgia is central to this programme and has launched the Creative Entrepreneurship Toolkit and Creative Industry Glossary. The programme has also seen a new strategic partnership, Georgian Enterprise Education Alliance, critical in driving forward higher education reform and embedding enterprise and entrepreneurship into arts, culture and creative curricula. UK and Georgia University partnerships have been working on Knowledge Transfer and Innovation Centre developments. Hundreds of University staff and students have been trained.

The Creative Sparks Georgia Evaluation has identified there is a definite will to reform education policy and progress is being made. However, the lack of experience of Georgian policymakers remains a primary barrier to the reform required for thriving a creative economy. **Other key challenges are highlighted above in Section 2.4.**

3.5 Cultural Heritage

Despite the importance of cultural heritage to Georgia's identity within the country and internationally, economically the cultural heritage sub sector is clearly under-represented and undervalued when considering purely the available economic data. Heritage is a vital driver of tourism, whether through the country's incredible built heritage, intangible heritage or the distinctive heritage of key industries such as wine.

The recent Creative Georgia study³¹ shows the cultural heritage creative industry sub sector as being one of the least developed among CCIs. However, while the number of organisations in the official data remained largely static, the sub sector has experienced output growth in recent years.

- The number of heritage organisations, largely small non-commercial entities, has remained stable between 2015 and 2019, yet the number identified through official data are very small, just 124 active organisations identified in 2020, clearly an under representation of the wider cultural heritage sector. Just 18% of those identified are legal entities of public law. A large proportion of cultural heritage sites and museums are within the structure of Ministry of Culture, Sports and Youth, Adjara semi-autonomous province ministry of Education, Culture and Sport or municipal governments, so do not appear as separate entities in the data.
- The output of the heritage sector did grow between 2015 and 2019. The average annual turnover grew by 22.4%, GVA by 38.3% average annual growth reaching 6.1 million GEL (2.2 million USD). 272 additional jobs were created in the industry during this period.

³¹ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs, Creative Georgia 2021*

- Despite a small growth in rates, 7% per year, salaries in the cultural heritage sector remain low, 751 GEL (266 USD), with women being paid slightly more than men: 738 GEL (262 USD) for men, 772 GEL (274 USD) for women.
- In 2019, the share of the heritage sector in the total turnover of the CCI reached 10.4 million GEL (3.7 million USD). This is compared to 695 million GEL (246 million USD) for the largest creative sub sector advertising.

Cultural Heritage data challenges

According to the classification of creative Industries by the European Union, the cultural heritage industry includes the following NACE Rev.2 industry codes: 91.01 - Library and archives activities, 91.02 - Museums activities, 91.03 - Operation of historical sites and buildings and similar visitor attractions and 91.04 - Botanical and zoological gardens and nature reserves activities. Analysed data from Georgia Statistical Survey of Enterprises, as well as Business Register data includes all preferred business activity codes for this industry.

Policy, partnership and infrastructure

The protection of cultural heritage is regulated by the *Law of Georgia on Cultural Heritage protection*. This defines different types and levels of cultural heritage protection including movable and immovable, tangible and intangible cultural heritage.

The main body responsible for the protection of cultural heritage is the Ministry of Culture, Sport and Youth in particular the General Inspection for Cultural Heritage and Cultural Property Protection (new Department) and the National Agency for Cultural Heritage of Georgia.

There are 43 Intangible Cultural Heritage Monuments, 4,221 movable listed properties and 7,917 immovable listed properties monuments³², 3 cultural and one natural site of international significance (World Heritage Properties) and 986 of national significance in Georgia. The lists are updated on an ongoing basis, so figures do change.

The National Agency for Cultural Heritage Preservation of Georgia (NACHPG), is the operational institution responsible for the implementation of national cultural heritage policy.³³ The Cultural Policies Georgia profile study 2021 identifies 249 museums in Georgia, 18 of which are part of the Georgian National Museum³⁴.

The Fund for Preservation and Rescue of Georgian Historical Monuments, is a privately funded donor organisation active in the cultural heritage field since 2004. It has financed more than 430 projects all over the country, including the restoration of 390 Orthodox churches. The Fund also provided financing to equip conservation research laboratories at the Restoration Faculty of the Academy of Fine Arts and the Nokalakevi museum-reserve³⁵.

Georgia's Culture Strategy 2025 sets out 27 tasks and priorities for protecting, developing and promoting Georgia's cultural heritage. These set out the extent of the challenge and opportunities for the sector. Some of the key tasks include:

³² <https://heritagesites.ge/uploads/files/6284d8dce6dd.pdf>

³³ <https://www.coe.int/en/web/herein-system/georgia>

³⁴ https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf. Page 14. June 2022

³⁵ https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf. June 2022

- Introducing the Code on Cultural Heritage in compliance with ratified international conventions, to harmonise existing legislation around cultural heritage and ensure that all relevant aspects (intangible, tangible and natural heritage) are adequately covered.
- Further developing systems to classify and categorise the breadth of internationally recognised cultural heritage (e.g. cultural landscape, cultural space, natural heritage, urban space, urban heritage, historic heritage, industrial heritage, film heritage, literature heritage, agricultural heritage, digital heritage, etc.).
- Coordinating the range of institutions and stakeholders involved in the protection, development and promotion of cultural heritage (e.g., the state, private proprietors, Georgia's Orthodox Church, civil society).
- Contributing to the development of the clusters and networks of cultural and natural heritage sector organisations and supporting national and international events.
- Facilitating and promoting research activities regarding tangible and intangible cultural heritage in Georgia and beyond, including supporting international research and scientific collaboration (e.g. exchange programmes, residencies and research laboratories).
- Supporting the transfer of relevant knowledge and skills and diverse forms of expression connected to the traditional craftsmanship and facilitate ways of their practising.

"Museums, galleries and heritage institutions are beginning to recognise that they cannot just respond to change generated elsewhere and that it is not enough to simply document and present the world. They must and are priming themselves as activists, as responsible custodians and as providers of an alternative reality based on tolerance, inclusion, criticality and environmental sustainability" (British Council 2022).³⁶

Other key challenges for the cultural heritage sector include:

- The need to **develop capacity and expertise** which enables the cultural heritage sector to enhance its relations with an increasingly diverse set of stakeholders.
- Need to develop new strategies and skillsets which help to **build local audiences** and which cater for a new reality of a balance of international tourists and local visitors.
- The cultural heritage sector requires support, advice and training to enable them to both **measure and describe their value to partners** – Government, private sector and international partners – as well as audiences. This includes support which enables museums to better evaluate, measure and describe their impact.
- The need for enhanced **digital skills and strategies** are vital for the cultural heritage sector to enable new ways of presenting collections, connecting with partners and audiences and for the sector to play its critical role as centres for shared histories and hubs for inspiring new creativity and innovation.

3.6 Design and Fashion

Georgian fashion brands have been increasing their profile in the international market for the last five years. Five Georgian brands, in particular, have sparked interest from international media and buyers: "Anouki", "Material", "Situationist", "Aleksandre Akhalkatsishvili", "Mach & Mach". International awareness of Georgia fashion has been largely driven through *Tbilisi Mercedes Benz Fashion Week*, launched in 2015 by Sophia Tchkhonia. Georgia and Georgian Fashion Designer, Demna Gvasalia and his team of close collaborators, including his brother Gurma, have also helped to bring Georgia to the fore as a country of fashion talent. With a grounding with the likes of Margiela and Louis Vuitton, Demna launched his own brand Vetements before being appointed by Balenciaga in 2015 as artistic Director.

³⁶ Museums Revisited Report 2021, by Tom Fleming Creative Consultancy supported by the British Council. A study of museums, galleries and heritage institutions in Greece, Poland, Romania, Germany, Ireland, Portugal and Italy.

Despite some high profile success, the fashion sector is still small and many brands that gain initial recognition lack the capacity, cash flow and networks to break into international markets.

"Out of around 40 Georgian Brands participating in the Mercedes Benz Fashion Week, around 5 became highly recognisable internationally, but I would also say 10 more brands are known among international public. Georgian Brand "ANOUKI" was the first Georgian label to participate in Milan Fashion Week official schedule. It was the first fashion brand doing the large- scale runway shows in Georgia. "ANOUKI" now has 2 mono-brand stores in Georgia and is sold in around 40 multi-brand stores around the world right now". Beka Gvishiani, Fashion communications and PR

The fashion supply chain is also underdeveloped with large scale imports of textiles. The fashion and design sector accounted for 27.6% of creative industries imports in 2019³⁷. The small local market also makes it difficult to gain scale for early-stage fashion enterprises.

Design and Fashion data challenges

According to the classification of creative Industries by the European Union, the design and fashion industry includes the following NACE Rev 2 industry code: 74.10 - Specialised design activities. **This does not allow for detailed analysis of the fashion or any other design sub sectors.** Data from Georgia Statistical Survey of Enterprises is also not available for the preferred 4-digit code level. Data available at 2-digit code level 74 – other professional, scientific and technical activities, is considered too broad to observe the design and fashion industry, therefore data related to economic performance of businesses in this industry has not been analysed.

There is little research and knowledge on the design sector, outside fashion. This will have cross over with other creative sectors – advertising, film, media, publishing, performing and visual arts, as well as design in manufacturing. NACE Rev 2 do not allow for analysis at detailed designed level. Standard Occupation codes can consider some aspects of design jobs in other sectors if 4-digit codes data is available.

The data available on the number of design and fashion related businesses points to an expanding sector:

- An average annual increase of 42% between 2015 and 2019. Unlike other creative sub sectors, the number of design and fashion related organisations also increased in 2020, by 20%. However, the numbers are still small, just 172 organisations identified in 2020. 70% of organisations are individual enterprises³⁸.

In addition to **supply chain and capacity challenges**, the fashion sub sector is also faced with considerable **skills gaps in logistics and business skills** with Higher Education Institutions not addressing the skills needs.

Policy, partnership and infrastructure

The founder of *Mercedes Benz Tbilisi Fashion Week*, Sophia Tchkhonia, is working towards the establishment of a Centre of Education of Fashion and Design in Georgia. It is in the early stages of scoping and partnership development, looking to identify and secure a location and the necessary investment to launch the centre.

More opportunities are needed for Georgia fashion students to gain international experience at all levels and facets of the industry. Additional development needs include:

³⁷ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

³⁸ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

- Targeted **international marketing and showcasing**, bringing a cohort of fashion design talent to potential buyers in priority markets, both online and through key industry events.
- Flexible **early stage and project investment** which enables designers to build collections and go to market.
- Targeted skills development in **digital and ecommerce**.
- **Collaboration opportunities with different parts of the CCIs** – e.g. music, digital and audiovisual talent – to facilitate innovative products and services as a shared prospectus of Georgian creative practice.
- **R&D activities** in partnership with universities to drive innovation – e.g. in sustainable fashion and wearable technologies.

3.7 Digital Technology Industry

According to the data from the recent Creative Georgia baseline study³⁹, the digital technology sector in Georgia is still very small but with a growing output.

- Just 113 active organisations were identified in 2020. A slightly higher proportion were limited liability companies (60%) than some other creative sectors and 4% were registered as medium or large.
- While the number of organisations grew by an average of 17% between 2015 and 2019, the output growth was higher, 35.9% average annual growth in turnover and 29.2% growth in GVA to 28.3 million GEL (10 million USD) and 16.5 million GEL (5.83 million USD) respectively.
- 749 people were employed in the industry in 2019, with a high average salary, for men at least: 2,404 GEL (850 USD) 1,118 GEL (395 USD) for women, **a gender gap between salaries is 115%**.

Digital Technology Industry data challenges

According to the classification of creative Industries by the European Union, the digital technologies industry includes the following NACE Rev 2 ty codes: 26.40 Manufacture of consumer electronics, 58.21 Publishing of computer games, 58.29 Other software publishing (NACE rev.2). Since no active enterprises are recorded in the 26.4 code between 2015 and 2019, this code has been excluded from the analysis. Analysed data from Georgia Statistical Survey of Enterprises, as well as Business Register data includes all other preferred business activity codes for this industry.

Policy, partnership and infrastructure

However, digital technology is an integrator and accelerator for CCI development across all sub-sectors. Plus, the wider IT sector is a key element of the Georgian economy.

A key goal in Cultural Strategy 2025 is:

- The infrastructure of culture is developed, necessary professional environment is provided and the application of new technologies is ensured.
- The accompanying Objective 5.2 is: The development and effective application of new technologies and the integration of culture into the digital realm contributes to the strengthening of the cultural sector, intensification of creative processes, and the creation of innovative products and services.

³⁹ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

The Georgian Agency for Innovation and Technology (GITA) is playing a leadership role to develop and grow the IT and wider innovation ecosystem in Georgia. This includes a focus on supporting start-ups, advancing commercialisation and encouraging R&D. GITA's activities include start-up funding, innovation programmes and the provision of sector networks, hubs and clusters (including FabLab facilities). In 2022, GITA signed an agreement with Catapult venture capital in the USA to establish an early stage venture capital fund in Georgia. This is a sign of a maturing IT and digital sector and of confidence in potential for Georgia to develop a high growth and high value sector which can drive innovation and growth across the economy.

Opportunities to position the CCIs to the heart of this wider innovation push include:

- **Accelerating digitalisation** across the CCIs to access new markets and drive innovation
- **Initiate innovation in extended reality** across all areas of the CCIs – e.g. virtual reality, augmented reality and other interactive and immersive technologies. This can add depth and quality to the Georgian CCIs and deliver positive spillovers to other sectors
- Build **cloud solutions / big data** to power CCI growth – e.g. to enhance market reach and consumer relations
- Explore opportunities in **bitcoin / cryptocurrency** as part of the future business models for CCI enterprises.

3.8 Film and Video

The **film and video industry is the fastest growing industry among the CCIs**, according to the Creative Georgia baseline study⁴⁰. This no doubt has been spurred on by the Government cash rebate scheme offering a 25% rebate on local spending, to attract international investment in productions and the internationally facing work of Enterprise Georgia Film in Georgia programme. Recent international films shooting in Georgia have included:

- *Fast and Furious 9*, which spent more than \$8 million in Georgia - the first studio project in the region.
- British drama *The Lady of Heaven*.
- Sharan Sharma's Bollywood biopic *Gunjan Saxena: The Kargil Girl*, about India's first female air force pilot.

The average annual growth rate of turnover between 2015 and 2019 exceeded 50% and the turnover reached 114.6 million GEL (40.5 million USD) in 2019. GVA for film and video reached 37.6 million GEL (13.3 million USD) in 2019, an average annual growth rate of 42.3% since 2015. This growth has been likely spurred on by the Government cash back incentive and the investment in film.

- Between 2015 and 2019, the total number of active organisations in the film and video industry increased on average annually by 7%, however declined in 2020 by 2% to 189.
- 69% of these organisations are limited liability companies, followed by individual enterprises (25%). The majority, 75%, of these organisations are small. While the overall share of the creative industries remains small, the significant growth in output in the film and video sector provides grounds for optimism.
- The number of employees in the sub sector was 1,764 in 2019. With sector employment growing by nearly two thirds between 2015 and 2019.

⁴⁰ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

There has also been a rebalance of the gender divide in salaries in the film and video sector with the average salary for men 2.7 times higher than for women in 2016 but **by 2019 women's salaries exceeded those of men:** for men it amounted to 1,207 GEL (427 USD) and for women – 1,562 GEL (552 USD). In this respect the film and video industry appears to be one of the exceptions. The unreliability of the data could be misrepresenting what is actually happening with salaries.

Film and video data challenges

According to the classification of creative Industries by the European Union, the film and video industry includes the following economic NACE Rev 2 industry codes: 59.11 Motion picture, video, and television programme production activities; 59.12 Motion picture, video and television programme post-production activities; 59.13 Motion picture, video and television programme distribution activities and 59.14. Motion picture projection activities. Analysed data from Georgia Statistical Survey of Enterprises, as well as Business Register data includes all preferred business activity codes for this industry (see Annex 4).

Film and video is the sub sector with the greatest level of data and evidence on economic value and policies supporting development. Research and data on the impact of Covid 19 on the Georgia cinema sector collated by Film New Europe (FNE) Association, the networking platform for film professionals, shows:

- Cinemas closed on 16 March 2020 due to the pandemic. Prior to that, the Georgian cinemas were visited by an average of 100,000 viewers every month till the closing.
- Total admissions decreased by 83% from 1,359,365 in 2019 to 230,160 in 2020, according to the cinemas.
- Admissions to domestic films decreased from 37,865 in 2019 to 2,000 in 2020.
- Total gross income decreased by 86 percent from 4.2 million EUR / 13.3 million GEL (4.6 million USD) in 2019 to 0.56 million EUR / 2.3 million GEL (0.78 million USD) in 2020. Domestic box office sales decreased significantly. It was 119,979 EUR / 383,934 GEL (132,602 USD) in 2019, but the final statistics for 2020 were not ready at the beginning of 2021⁴¹.

Policy, partnership and infrastructure

Georgia National Film Centre invested in 37 international co-productions in 2020 generating 32 million GEL (11 million USD). The Government film cash rebate policy incentive for filming in Georgia appears to be attracting productions to Georgia with up to a 20% cash rebate on local spend and a further 5% for productions 'promoting Georgia as a destination'. This must meet a 'Cultural Test'.

Despite the growth in recent years, the film sector in Georgia has been badly impacted by the Covid 19 pandemic, with productions shutting down. It remains to be seen how quickly the gains secured pre pandemic in raising the profile of Georgia as a shoot location, can be won back. Three filming location scouts from Universal Pictures did visit Georgia in September 2020. Their visit was part of the partnership between Enterprise Georgia, USAID's Economic Security Programme, the Georgian National Film Centre, and the Georgian Film Cluster.

Through this policy drive between 2016 and 2020, 30 film contracts were signed and 22 of them have been completed. The Film in Georgia team plans to continue active promotion of Georgia abroad, including the participation in major industry events (AFCI, AFM Location Expo, Focus Expo, Winston Baker Film Finance Forum and Cannes 2022), meetings with major studios, location managers and independent producers, as well as organising tours to introduce filming locations and

⁴¹ <https://www.filmneweurope.com/countries/georgia-profile>

existing relevant infrastructure in Georgia. The team also continues to monitor the impact of the productions they attract to the country in terms of revenue and jobs created.

In the years prior to the pandemic the profile of Georgian film internationally had been growing:

- Georgian films received new awards at international festivals: The Georgian actor Levan Gelbakhiani was among the top ten European Shooting Stars at the 70th Berlin Film Festival. He was selected for his lead role in Levan Akin's *And Then We Danced*, produced by French Quarter Film and Takes Film, in coproduction with AMA Productions, RMV Film, Inland Film, in cooperation with Sveriges Television.
- Georgian cinema days and retrospectives were held in Brussels, Tallinn, Split and Lisbon, and Georgia was the Focus Country at the 2020 Trento Film Festival.
- Film heritage: Hundreds of Georgian films made between 1921 to 1991 are to be returned to Georgia under a deal signed with the film archives of the Russian Federation in 2016. The Georgian National Film Center (GNFC) declared 2020 the year of 1920s cinema. Despite the pandemic situation, eight films from the 1920s brought from the Russian film archives "Gosfilmofond" were restored, in cooperation with the National Archives. With the war in Ukraine, it is unlikely that more films will be returned for now.
- The annual Tbilisi International Film Festival (TIFF), organised by Cinema Art Center Prometheus in Tbilisi, works to present the best films from all over the world to Georgian and international audiences. It plays an important role in nurturing film culture in Georgia and connecting Georgia to global networks in the industry.

However, there is still very limited screen infrastructure in Georgia. This is seriously impacting the ability to grow local audience. There are currently six cinemas in Georgia with 35 screens (including one IMAX). All except one screen are digitalised, but there is virtually no infrastructure outside Tbilisi, just Cinema Apollo LTD with one screen and 154 seats in Batumi.

Education, skills and audience development

Film culture and film-making are being encouraged through education provision. This is through specialist film schools such as the Caucasus School of New Cinema, Tbilisi, which opened in 2016; and the Shota Rustaveli Theater and the State Film University. Other film education initiatives include:

- The project Film at School started in 2014. By 2018, a total of 800 schools from all regions of Georgia had taken part and 9,800 screenings had taken place since 2014. 90 schools participated in 2019 with 1,024 film screenings. Due to the Coronavirus pandemic, a new online film education platform was launched with support from Creative Europe. Children watch films, discuss them and learn to make short films with the help of professionals. The project became part of Creative Europe The Film Corner Reloaded - A Cultural Approach Together with Foreign Partners, organised by Fondazione Cineteca Italiana (Italy), The Film Space (UK), The Nerve Center (Northern Ireland), the National Cinématheque of Serbia (Belgrade, Serbia), Kino Otok (Slovenia) and the University of Milano Bicocca, Dipartimento di Scienze Umane per la Formazione Riccardo Massa (Italy).
- The sixth "Summer Film School" was held over two weeks in the villages near the occupation line of Georgia in 2020. Due to the pandemic, the film screenings were held outdoors. The project partners are the GNFC, the Ministry of Education, Science, Culture and Sports of Georgia and Creative Europe.

- The GNFC film educational project - History-Film-History won a 205,295 EUR grant from the Creative Europe 2020 MEDIA sub-programme. This is the first time Georgia has been awarded funding as a lead country. The project partners are: Fondazione Cineteca Italiana, The Film Space Ltd., and the National Cinèmatheque of Serbia. History-Cinema-History will produce materials in - teaching the history of 20th century Europe using films and teaching the history of cinema.

The film and wider audiovisual sector of Georgia has the potential to play a starring role in the development of the country's creative economy. It can showcase the country's distinctive landscapes and heritage and provide a platform for story-telling and creative expression which brings together different creative sub-sectors. The sector can also drive innovation and growth in the performing arts, publishing, gaming and extended reality. However, the Covid-19 pandemic has exposed the fragility of the sector and provides a focus in terms of the challenges to overcome and opportunities to pursue. These include:

- **Skills:** building skills across the film value chain, including script-writing and a range of engineering and post-production skills.
- **Investment:** project finance to support independent producers and incentivise a diversity of film-making. Plus boosting the role of the Georgian Film Cluster to establish a fully-fledged national film fund.
- **Infrastructure:** expand cinema capacity, including the development of a film cluster model with facilities capable of delivering large-scale productions and in providing services as part of global value chains
- **Showcasing:** boosting the profile of Georgian film abroad and continuing to attract co-production and inward investment.

3.9 Literature and Publishing

Literature and publishing is the third largest creative sector in terms of output and employment, according to the Creative Georgia baseline study⁴². It accounts for 20% of creative sector employment (6,044 employees in 2019) and 11% of GVA. But the **size of the sector is decreasing** as publishing models change.

- Between 2015 and 2019, the total number of active organisations in the literature and publishing industry was decreasing on average annually by 1.8%. It declined further in 2020 by 6.7% to 1,342 active organisations.
- 53% of organisations are individual enterprises, followed by 43% of limited liability companies. Majority, 85% of these organisations are small.

The average annual growth rate of turnover in the literature and publishing industry during 2015-2019 was 5.9% and the turnover reached 327.3 million GEL (113.1 million USD) in 2019. As for the GVA, it amounted to 100.2 million GEL (34.6 million USD) in 2019, with 4.2% average annual growth rate. Number of hired employees in the literature and publishing industry in 2019 was 6,044.

In 2015-2019, the average monthly salary of hired employees increased by an average of 3% per year (growth was 2% for men and 4% for women). Salaries are quite low in the literature and publishing sub sector compared to other creative sub sectors. According to 2019 data, the average

⁴² *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

salary was 893 GEL (309 USD) for men, 539 GEL (186 USD) for women, and the aggregate average of the industry was 683 GEL (236 USD).

As of 2019, share of turnover, GVA and number of hired employees in total CCIs are 18%, 11% and 19%, respectively.

Literature and publishing data challenges

According to the classification of creative Industries by the European Union, the literature and publishing industry includes the following NACE rev.2 industry codes: 18.11, 18.12, 47.61, 47.62, 58.11, 58.13, 58.14, 58.19. However, data from the Georgia Statistical Survey of Enterprises is not available for some of the preferred 4-digit code levels. Therefore, data related to economic performance of businesses in this industry is analysed for available 2-digit codes. As for the Business Register data on number of businesses, it is available for the preferred 4 digit level industry codes. (See annex 4).

Policy, partnership and infrastructure

The Georgian Publishers and Booksellers Association (GPBA) plays a vital role promoting, connecting and championing the book publishing industry. 90% of publishers registered in Georgia are members of the Association.

The Association defines and protects the interests of the book sector, copyright and freedom of printing in the field of publishing. The GPBA recognises the distinctive heritage and qualities of Georgian literature, with a unique language and diversity of narratives across the country's regions and communities. This is an asset base which can be more effectively leveraged in international markets – as a way of promoting Georgian stories and identity, as well as building the foundations for other creative sub-sectors to flourish (such as film and TV, even computer games).

Tbilisi was the UNESCO World Book Capital in 2021. Through this honour Tbilisi City Hall and its partners ran over 50 projects supporting the professional development of people in the literature and publishing sector.

- With the rapid decline in printed media such as magazines and newspapers, and the move toward a 'hybrid' book (including printed books, audio-books and electronic publishing), there is a **need for constant renewal and innovation in the Georgian publishing industry**. This requires investment in R&D and the active development of literary talent.
- **Showcase and market-making events** such as the Tbilisi International Book Festival can be developed to increase the profile and collaboration potential of the Georgian publishing industry. Festivals such as the Graneli Literary Festival in Tsalenjikha can also be developed to increase the profile of Georgian writing and validate Georgian literature.
- **Opportunities for writers' residencies** will also help to promote exchange and boost the profile of Georgia as a strong literary and publishing nation.

3.10 Media and Broadcasting

Media and broadcasting in Georgia have received one the highest levels of Government investment in recent years of all the CCI sub sectors: more than 167 million GEL (57.7 million USD) between 2015 and 2019. Despite such investment, the sub sector has experienced negative

growth in output and number of employees, according to the Creative Georgia baseline study⁴³. Media and broadcasting is a small sub sector with just 122 active organisations registered in 2019. But has a higher number of limited liability companies than most other creative sub sectors, 80%.

The average annual decrease in turnover, in the media and broadcasting industry between 2015 and 2019, was -8.0% with a turnover of 86.6 million GEL (29.9 million USD) in 2019. GVA was 54.9 million GEL (19.0 million USD) in 2019, a -10.4% average annual decrease since 2015. The number of employees in the media and broadcasting industry in 2019 was 3,780, a decrease of 700 since 2015.

The average monthly salary has grown 5.4% annually (growth was 5.8% for men and 5.3% for women). According to 2019 data, the average salary was 1,721 GEL (595 USD) for men, 1,433 GEL (495 USD) for women.

Media and broadcasting data challenges

According to the classification of creative Industries by the European Union, the media and broadcasting industry includes the following NACE Rev 2 industry codes: 60.10 Radio broadcasting and 60.20 Television programming and broadcasting activities. Data from Georgia Statistical Survey of Enterprises, as well Business Register data is available for the preferred business activity code.

Policy, partnership and infrastructure

Private channels, Broadcasting Company Rustavi 2, Formula and TV Imedi, are usually the producers of TV series. Public Broadcasting – First Channel also produces documentaries. TV channels do not fund independent film production as a rule, so there remains quite a clear distinction between film and media broadcasting although there may be some cross-over in talent.

New TV series continue to be produced. In 2020 these included:

- Tesea (Formula TV) and Seance (Public Broadcasting – First Channel).
- The first Georgian children's animated TV series Rescuers also started broadcasting on the First Channel in 2020.
- One new TV channel opened in 2020, Lider TV.

The most popular TV series in Georgia are: Friends of My Wife / Chemi Tsolis Dakalebi (Formula TV, formula.ge), In the City / Shua Kalakshi (Imedi) and Around Us / Chven Gverdit (Maestro). The most popular domestic online platform is Myvideo.ge, a video sharing platform providing live streaming for dozens of TV channels⁴⁴.

Georgia's media and broadcasting landscape is, like elsewhere, increasingly cross-platform and multi-channel. Central to its future success will be:

- Investing in and commissioning **new original content** from the Georgian CCIs – to boost local content creation and production and grow the international market for Georgian content
- **Investing in skills across the value chain** – to improve the quality and innovation of the sector. This includes collaboration with the performing arts, digital / IT and film sectors to establish a high value creative media sector in Georgia
- **Regulation** – to encourage international co-production and incentivise investment in independent media production.

⁴³ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

⁴⁴ <https://www.filmneweurope.com/countries/georgia-profile>

3.11 Music

The music industry is very poorly documented through official data. According to the recent Creative Georgia baseline research⁴⁵, there are only 69 music organisations (2019 figures), the majority of which (67%) are individual enterprises. The music industry has been growing and turned over 4.9 million GEL (1.7 million USD) and had a GVA of 3.5 million GEL (1.2 million USD) in 2019. Annual growth of 10.5% in turnover and 22.5% in GVA between 2015 and 2019.

The number of employees in the music industry is registered as just 104 in 2019, a huge under-representation of the many musicians, orchestras, composers, DJs, music venues and festivals. The Creative and Cultural Industries Union of Georgia (CCIUG) set up in 2020 to represent the electronic music and night club industry in response to the pandemic, has identified 300 DJs and over 20 festivals and events in Tbilisi alone. This under-reporting is further highlighted in that the official data finds the music industry as the smallest creative industries sector accounting for less than 0.5% of employees, turnover and GVA.

Music data challenges

According to the classification of creative Industries by the European Union, the music industry includes the following NACE rev.2 industry codes: 32.20 - Manufacture of musical instruments and 59.20 - Sound recording and music publishing activities. However, data from Georgia Statistical Survey of Enterprises is not available for 32.20 code. Available 2-digit code, 32 – other manufacturing, is considered too broad for the analysis, therefore data related to economic performance of businesses in this industry has been analysed only for 59.20 - Sound recording and music publishing activities. Business Register data is available for both preferred business activity codes.

The CCIUG 2020 study identified more than 100 electronic music organisation entities (2019 figures), where the vast majority (76%) are Limited Liability Companies (LLC) and the rest are individual enterprises or simply “collectives”.

The number of employees in the electronic music industry was also under registered in 2019, primarily because large portion of the employees in this industry are freelancers and do not have an employment agreements with the organisations they provide services to, such as: musicians, artists, producers, DJs, audio and lighting engineers, video specialists, designers, projection specialists, etc.

Policy, partnership and infrastructure

In Georgia, the electronic music sector is incredibly active, with multiple festivals and events, a vibrant clubbing scene and some well-known and innovative DJs, VJs and producers.

In 2021, the Association CCIUG (the Creative and Cultural Industries Union of Georgia) which supports and lobbies collective interests of electronic music industry and nightlife, in response to the Covid-19 pandemic, created the sector subsidy programme that was funded by Tbilisi City Hall with 1.7 million GEL (0.59 million USD). The research behind the subsidy programme gives the most up to date glimpse of the electronic music industry scale in Tbilisi:

- Night clubs, pre-clubs & musical bars: 18
- Festivals: 13
- Event series: 25
- Music labels: 21
- Music schools: 7
- Artists' agencies: 4

⁴⁵ *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

- Music radios: 6
- Vinyl shops: 3
- Online ticket sales platforms: 3
- Artists and DJs: 253
- Sector creative/technical employees: 291

CCUIG estimates the total pre-pandemic electronic music industry employment to be around 5,000 in Georgia. Post-pandemic sector growth has been exceptional and by internal research of the association, the number of clubs, musical bars and DJs in Tbilisi has grown by at least 50% during two years of Covid-19 (2020-2021). Additionally, new clubs have opened in other Georgian towns: Gori, Samtredia, Bagdati and Batumi.

Elsewhere music is largely still state run. There are 4 state supported symphony orchestra and 3 folk ensembles⁴⁶.

Additional strategic opportunities for music development in Georgia include:

- **Professional development** for musicians and music managers – to boost their competence as enterprises and support sustainable career progression
- **Targeted investment in emergent music talent** – to support affordable recording and production of new music, live performance and touring, and showcasing to international markets
- **Tailored outward missions to international markets** / festivals / events for diverse Georgian music talent (across all genres) – to boost the profile of Georgian music and generate a strong reputation for Georgian music
- Support the transfer of skills and approaches to music making from **traditional music** – to ensure intangible Georgian music heritage survives and thrives
- **Boost the festivals and events sector** – establishing Tbilisi and other cities as dynamic hubs for music and for the associated cross-artform experiences. This can play a vital spillover role – in terms of the soft power and cultural tourism offer of the country.

3.12 Visual Arts and Performing Arts

Georgia has a strong tradition in both visual and performing arts. However, both sectors struggle in terms of providing sustainable careers for artists and producers, and infrastructure is in need of comprehensive revitalisation to ensure a move away from Soviet-era models.

The Visual and Performing Arts are defined as two distinct sub sectors in Georgia. They are combined into a single sub sector in this report reflecting, the second part of the Creative Georgia baseline research⁴⁷ where they were also combined due to lack of statistical data.

- The total number of active organisations in the visual arts industry amounted to 482 in 2019. 64% of organisations are individual enterprises.
- The total number of active organisations in the performing arts amounted to 266 in 2019. 43% of organisations are individual enterprises, followed by limited liability companies (25%).

⁴⁶ https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf. P 14. June 2022

⁴⁷ Economic analysis of Creative Industries in Georgia, part two of *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*, Creative Georgia 2021

- 53% of these organisations are small, 13% are medium and 2% are large. For the remaining companies, information about size is unknown.

The output and employment within the visual and performing arts was growing pre pandemic.

- The average annual growth rate of turnover in the performing and visual arts industry for 2015-2019 was 11.6% and the turnover amounted to 28.4 million GEL (9.8 million USD) in 2019.
- As for the GVA, it amounted to 16.0 million GEL (5.5 million USD) in 2019, with 18.7% average annual growth rate.
- The number of hired employees in the performing and visual arts industry amounted to 1,135 in 2019, with 10.3% of average annual growth rate. In total, hired employment increased by 369 during 2015-2019.
- During 2015-2019, the average monthly salary of hired employees was increasing by an average of 13% annually (growth was 17% for men and 5% for women). According to 2019 data, the average salary was low at 911 GEL (315 USD) for men, 558 GEL (193 USD) for women, and the aggregate average of the industry was 780 GEL (269 USD).
- As of 2019, share of turnover, GVA and number of hired employees in total creative industries are 1.6%, 1.8% and 3.6%, respectively.

Visual and performing arts data challenges

According to the classification of creative Industries, the European Union, the performing arts industry includes the following NACE Rev. 2 industry codes: 90.01 - Performing arts and 90.02 - Support activities to performing arts. As for the visual arts industry, it considers 74.20 Photographic activities, 90.03 Artistic creation and 90.04 Operation of arts facilities. Data from Georgia Statistical Survey of Enterprises is not available for the preferred 4 and 3-digit code levels, consequently the economic performance of businesses for performing and visual arts industries together are analysed together, and observe aggregate code 90 - Creative, arts and entertainment activities (See Annex 4 for more information). Business Register data is available for all preferred business activity codes.

Policy, Partnership and Infrastructure

Performing arts

There are 52 theatres in Georgia, including 3 opera and ballet theatres, 41 drama theatres, a musical comedy theatre and miniature theatres, 2 youth theatres, 7 puppet theatres.

The Ministry of Culture, Sports and Youth manages 29 theatres and the Centre for the Development of Contemporary Theatre Art. The rest of the theatres are either under municipal jurisdiction or are private or nongovernmental run.

Ten theatre festivals are held in Georgia including the Tbilisi International Festival of Theater and GIFT - Georgian International Festival of Arts in Tbilisi.

Over the years, the Cartu Charitable Foundation⁴⁸ has restored, reconstructed and equipped theatres including Tbilisi Opera and Ballet Theatre, Rustaveli National Theatre, Marjanishvili Theatre, Batumi Drama Theatre, A. Griboedov Russian Drama Theatre, Armenian Drama Theatre of Tbilisi, Senaki, Zugdidi, and Ozurgeti Drama Theatres.

In May 2021, the Ministry of Culture, Sports and Youth of Georgia and the Theatre Society defined the basic principles of theatre reform to be carried out. This included a commitment to work together to identify the issues relating to performing arts and performing arts education to be included in the draft Code of Culture for theatre development and human resource needs to ensure access to the theatre arts, as well as the financial and creative sustainability of theatres.

⁴⁸ <https://www.kiu.edu.ge/index.php?m=185>

In 2022, the total budget of theatres funded by the Ministry of Culture amounted 36.4 million GEL (12.6 million USD). An additional budget of 1.52 million GEL (0.53 million USD) through the cultural promotion programme, financed around 56 projects with various Georgian theaters (including regional, independent and private ones). 1500 performances were funded by the Ministry over a 6-month period in 2022. Also, nine vehicles have been purchased by the Ministry for the state funded theatres. The international touring of ten Georgian theaters was also financed in 2022.

The Cultural Strategy 2025 sets out a number of key tasks relating to performing arts including:

- Improving the legal and regulatory framework of the performing arts sector in order to raise administrative effectiveness and quality across the sector.
- Advancing the professional level of performing arts by facilitating the organization of different events, festivals, master-classes. Plus supporting the participation of Georgian actors, directors, playwrights, choreographers, etc. in international events (competitions, festivals, residencies etc.).
- Improving educational standards and teaching methodologies.

The lack of a sectoral research-based strategy developed by theatre experts, will hinder the development of the sector and is a necessary tool to enable the performing arts sector to thrive⁴⁹.

Visual arts

The state has made the support for contemporary art a priority despite very limited funding. In 2021, 450,920 GEL (155,786 USD) was allocated for 'Promoting the Development of Fine and Contemporary Art' through the Culture Promotion Programme of the Ministry of Culture, Sport and Youth.

- 21 projects have been financed in fine, applied and contemporary arts fields by the Ministry amounting to 396,493 GEL (136,983 USD) in 2021-2022.
- The Ministry has allocated about 1.5 million GEL (0.5 million USD) to the Georgian State Museum that purchased more than 700 artworks by 113 artists.

Over several decades, the Ministry of Culture, Sports and Youth of Georgia has been supporting participation of Georgia with national pavilion at arts biennale in Venice.

In recent years, contemporary art activities have been shifting from public museum spaces to the private and non-governmental sectors. Today, there is one state-funded national gallery in Georgia, which was part of the National Museum. The lack of data and evidence on private art galleries sector, could hinder its further growth and development.

The art scene of independent Georgia has sought to restore Tbilisi as a hub of contemporary art, formerly the centre of modernist bohemia in the early twentieth century. In 1996, the first Tbilisi Biennale of Contemporary Art was held. Despite the lack of data on the commercial arts sector it is seen to be active and growing.

- Tbilisi Art Fair (TAF) is an international contemporary art market focused largely on galleries and artists from the Black, Caspian and Baltic States. 12 galleries from Georgia are consistently participating in it.

⁴⁹ https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf

- The works of Georgian artists have been sold at Sotheby's and Crossroads art auctions.

The Adjara Group (a leading Georgian company in hospitality, lifestyle development and agro production) has established two multi-functional cultural spaces, emerging hubs: Stamba and Fabrika). Hotel Stamba also houses the Tbilisi Museum of Photography and Multimedia⁵⁰.

The Cultural Strategy 2025 identifies key tasks which need to be implemented for a sustainable and impactful visual arts sector:

- Create and develop the system of visual arts schools in order to develop professional skills and thinking.
- Support the development of business models and business skills for the personnel of galleries, curators and arts consultants in order to promote visual arts and stimulate the domestic art market.

Major strategic opportunities to develop and grow the visual and performing arts include:

- **Young talent:** supporting arts and creative practice in schools to boost creative skills and validate careers in the visual and performing arts
- **Professional development** – including entrepreneurship and management skills programmes to boost the professional capacity of the sector
- **Market development:** promoting local consumption for Georgian visual arts and supporting artists to reach markets. Plus tailored audience development strategies for the performing arts
- **Festivals and events:** to boost audiences and develop national and international profile – showcasing the best Georgian talent and investing in innovative new work (e.g. in outdoor theatre)
- **Structural reform and governance** – e.g. for state / municipal theatres to re-model them as contemporary creative hubs which support talent development, facilitate collaboration with other art forms, and produce new creative work
- **Cluster development** – to nurture dynamic clusters of art and theatre production, inclusive of affordable production and rehearsal space, and platforms and spaces to show new work – through the gallery system and via performing arts infrastructure.

3.13 Gastronomy and Culinary Industry

The gastronomy and culinary industry is one of the important high profile and most valued CCI sectors in Georgia, bringing together heritage and contemporary elements. Most countries do not feature gastronomy and culinary activities within their definition of the CCIs. However, given the distinctive and compelling traditions of Georgia and the potential for these sectors to drive innovation and growth across the CCIs, these sectors are central to the success of the Georgian CCIs. Since the gastronomy and culinary industry is not represented by the economic activity classifier, the analysis of the industry is based on the alternative data source – Georgian National Tourism Administration (GNTA).

The number of international visitors to Georgia amounted to 7.7 million in 2019, with the average annual growth rate of 10.1% during 2015-2019 was 10.1%. The majority of the international visitors during 2015-2019 travelled to Georgia for 'holiday, leisure and recreation'. In 2019, 3.4 million

⁵⁰ https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf

international visitors travelled to Georgia for this purpose (43.5% of total international visitors). There were also 14.3 million domestic visitors in 2019, an average annual growth in domestic visitors of 3.5% between 2015 and 2019.

According to 2019 data, expenditure on food and drinks accounted for the largest share of total international visitor spending, 27.5%. As for the domestic visitors, expenditure on food and drinks accounted for the second to largest share (after shopping), 24.5%.

Gastronomic tourism is one of the main priorities for the Georgian tourism industry. According to the International Visitors Survey of GNTA, between 2015 and 2019 the number of international visitors involved in activities related to tasting Georgian cuisine and wine increased by an average of 24.8% per year. In 2019, the number of international visitors involved in this activity exceeded 5.4 million and accounted for 75% of the total international visitors. The number of domestic visitors engaged in gastronomic tourism-related activities in 2016-2019 increased by an average of 11.8% annually. In 2019, the figure reached 5.7 million (40.0% of total domestic visitors).

Within the gastronomy and culinary industry, indicators for the Food Service Sector are also relevant, which considers the following economic activity code: 56.1 – Restaurants and mobile food service activities (NACE rev. 2). Even though the food service sector is not entirely part of the tourism sector, a portion of the demand on food services derives from international visitors. Moreover, food service establishments are one of the most frequently visited places for international visitors. As mentioned above, in 2019, 75% of the total international visitors were involved in activities related to tasting Georgian cuisine and wine.

The sector has been growing, or at least it was pre-pandemic:

- The average annual growth rate of turnover in the food service sector 2015-2019 was 15.8% and the turnover amounted to 825.4 million GEL (285.2 million USD) in 2019.
- As for the GVA, it amounted to 313.1 million GEL (108.2 million USD) in 2019, with 26.6% average annual growth rate.
- The number of hired employees in the food service sector amounted to 20,900 in 2019, with 7.7% of average annual growth rate.
- In total, hired employment increased by 5,390 during 2015-2019. In this period, the average monthly salary of hired employees was increasing by an average of 12% annually and amounted to 688 GEL (238 USD) in 2019.

Policy, partnership, infrastructure

The Georgian National Tourism Administration (GNTA) is a Legal entity of Public law, part of the Ministry of Economy and Sustainable Development of Georgia. GNTA has responsibility for developing strategic priorities for tourism development and implementing state policy. GNTA's main priorities are:

- Developing Georgia's brand and positioning its tourism industry on the international market
- Increasing Georgia's competitiveness with similar tourist markets; market share growth; infrastructure development
- Improvement of the service sphere
- Education quality enhancement

- Attracting investors; and promoting the local private sector through effective partnership and cooperative development⁵¹.

Hospitality sector bodies including Georgian Hotel, Restaurant and Café Federation (HOREKA) and Georgian Restaurateurs Association were central in pushing for re-opening of the country to kick-start the tourism and hospitality sector after the pandemic lockdown.

The gastronomy and culinary sector has shown huge innovation in recent years – both in terms of the quality of the products and the experiences they generate. This has included considerable investment in modernisation projects (e.g. for food / agriculture and wine production). It has also included a range of cross-over projects which connect the sector to the wider CCIs – e.g. in the development of promotional films, digital platforms, and contemporary design for packaging and for restaurants and hotels.

The Association of Gastronomy of Georgia has also been active in raising awareness of gastronomic tourism in Georgia. They have implemented a number of projects, in association with the National Tourism Administration and international organisations. These include:

- Microfilms about the gastronomy of the regions of Georgia and the creation of a gastronomic tourism route in the regions
- Research of heritage gastronomy of different regions
- Research of gastronomy of the Kvemo Kartli region and publication of the book *Ethno Tabla*.
- Research of Khachapuri as a tradition.

Such activities demonstrate real potential for the gastronomy and culinary sectors to drive Georgia's creative and tourism revival post-Covid-19. To deliver success, this will involve targeted skills and capacity building, R&D and knowledge exchange and the commissioning of collaboration activities.

⁵¹ <https://gnta.ge>

4. Research and Evidence Case Studies

UNESCO, in its two most recent studies on the global CCI sector, point to the importance of data and evidence capture as fundamental to effective strategy and policy. The lack of data has held-back investment and reduced opportunities for culture to make a difference to socio-economic wellbeing. Countries are being urged to focus on data and evidence as a precursor to strategic development and policy-making. This includes a focus on refining national data-sets, building detailed sub-sector profiles and generating intelligence on trends and sector development needs.

UNESCO calls for tailored data and evidence collection: an upsurge in mapping, evaluation and strategic analysis on the profile, dynamics, role and impact of culture.

"The COVID-19 pandemic created significant new complexity for policy-makers and highlighted the importance of ongoing shared learning between stakeholders. Supporting the development of statistical capacities at all levels and establishing a centralized system accessible to all will be instrumental in strengthening transparency and supporting evidence-based decision-making" (UNESCO 2022)⁵².

To achieve this, a range of methodologies and tools are required. Some of these are highlighted as priorities for Georgia in the Action Plan introduced in **Section 5** below. Ideally, Georgia can establish a centrally coordinated portfolio of research activities which collectively provide the strategic evidence framework to underpin strategy, policy and investment. No single country has managed to get this right: the lack of data, under-coordinated research and limited data and evidence sharing remain a challenge all over the world. However, there is good practice to draw on, not least in the ways data and evidence is being put to the heart of the strategic process, not as a luxury or optional item. The Table below provides a snapshot of exemplars from across the world:

Exemplars of National CCI Baseline Studies	Exemplars of CCI Sub-sector Baseline Studies	Exemplars of CCI-impact and Sustainable Development Studies	Exemplars of place-based CCI Studies / Strategies
<p>UK: National Mapping Exercises in 1998 and 2001 – the first globally. The UK Government provided annual data bulletins across the CCIs up to 2017. However, these have now been integrated into national economic estimates across all sectors⁵³.</p>	<p>Scotland: A 2022 report – the Economic value of the screen sector in Scotland – provides for the first time a detailed overview of the sector. This includes analyses of the economic contribution of the screen sector value chain - film and TV development and production, animation, VFX and post-production, film and TV distribution, TV broadcast, film exhibition - and extends into the supply chains that provide services at each stage of the content process, including facilities, equipment,</p>	<p>Creative Denmark: a national development programme underpinned by action research on the role of culture and creativity for wellbeing and sustainable development. Creative Denmark has commissioned multiple research projects including focus areas such as the role of design for a circular economy and the impact of creativity on place-making. Creative Denmark is a not-for-profit, public-private partnership, Creative Denmark fosters relations between international</p>	<p>Kuala Lumpur Creative Economy Blueprint – the first major baseline mapping study of the CCIs in Malaysia. This was commissioned by the national Government and a partnership of NGOs and businesses to better understand the profile and ecosystem of the CCIs and to build strategic networks and partnerships which can utilise the data and drive strategic development. This involved an extensive mixed method approach, with sector surveys, a programme of interviews and round tables, and data</p>

⁵² Culture in times of COVID-19: resilience, recovery and revival: <https://unesdoc.unesco.org/ark:/48223/pf0000381524.locale=en>

⁵³ <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016>

	transport, catering and accommodation ⁵⁴ .	stakeholders and Danish CCIs ⁵⁵ .	scraping from online sources. The outcome catalysed a process of investment and partnership development, including the launch of the new national CCI Agency, CENDANA ⁵⁶ .
Brazil: collation of national data as part of an action research programme to develop data on the development needs of creative SMEs: The Brazilian Creative Economy ⁵⁷ . However, this was mostly a qualitative literature review exercise, with accurate data hard to access via national data sets.	UK: Design in Innovation Strategy - an extensive research and strategy programme to understand the role and impact of design across the economy. Published by Innovate UK in 2020, the report makes the case for investment in design; advocates for reducing the cost of entry for those new to design; and helping businesses Helping businesses maximise the value contribution of design ⁵⁸ .	Creative Ireland: a five-year Programme which connects people, creativity and wellbeing. Creative Ireland is an 'all-of-government' culture and wellbeing programme. It invests in cultural activation projects, often positioned as action research to test the impact of the CCIs on wellbeing and sustainable development. Research projects include the role and value of creativity in ageing and in healthcare settings ⁵⁹ .	Cultural and Creative City Profiles for Vietnam, Malaysia, Indonesia and China. In 2021, the British Council commissioned a portfolio of deep-dive place-based mapping exercises to provide detailed overview of the CCIs across multiple cities. With a mixed method of interviews and desk-based research, this major research programme is catalysing a new era of CCI strategies and exchange and sets a template for an approach which can be adopted in other global regions ⁶⁰ .
Mongolia: a new National Strategy for the Creative Economy, underpinned by detailed baseline mapping across all CCI sub-sectors. This involved some reform of the industrial and occupational classification system and a qualitative exercise with CCI enterprises and industry leads. The Strategy is yet to be launched ⁶¹ .	South Korea: Extensive baseline research across the digital content industries. The Korea Creative Content Agency (KOCCA), a governmental agency that oversees and coordinates the promotion of the Korean content industry, was established in May 2009 by integrating five related organizations, including the Korean Broadcasting Institute, the Korea Culture & Content	Portugal: The National Plan for the Arts (PNA) was co-commissioned by the Ministries of Education and Culture with a goal to enhance the overall wellbeing of the country. It aims to make the arts more accessible to citizens, in particular to children and young people. It encourages culture as a pathway for social cohesion and makes the link between cultural	London: Creative Enterprise Zones. From 2019 to 2021, The Greater London Authority commissioned a series of baseline research projects to provide detailed analysis of the CCIs in 9 areas of the city which have shown significant CCI growth yet are vulnerable to incoming property development which can out-price CCI enterprises. Baseline research explored the

⁵⁴ <https://www.screen.scot/news/2022/06/new-report-gives-first-clear-picture-of-the-economic-value-of-screen-sector-across-scotland>

⁵⁵ <https://www.creativedenmark.com/>

⁵⁶ [https://www.cendana.com.my/clients/asset_7133D9E8-5529-4477-AE06-9B65BE281DE3/contentms/img/Library/Report/CendanaReport_Option-2_FA_For-Web\(190220\).pdf](https://www.cendana.com.my/clients/asset_7133D9E8-5529-4477-AE06-9B65BE281DE3/contentms/img/Library/Report/CendanaReport_Option-2_FA_For-Web(190220).pdf)

⁵⁷ https://www.britishcouncil.org.br/sites/default/files/brazilian_creative_economy_online_sem4_new-fg.pdf

⁵⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/910246/InnovateUK_DesignStrategy_Web-Enabled.pdf

⁵⁹ <https://www.creativeireland.gov.ie/en/publications/>

⁶⁰ Malaysia: <https://www.britishcouncil.my/programmes/arts/work/collaborations/cities-report>

Vietnam: <https://www.britishcouncil.vn/en/arts/resources/viet-nam-cultural-cities-profiles>

Indonesia: <https://www.britishcouncil.id/en/indonesia-cultural-cities-profile>

China: https://www.britishcouncil.cn/en/programmes/arts?_ga=2.59848685.1373407135.1650356640-770573823.1650356640

⁶¹ <https://montsame.mn/en/read/264278>

	Agency, and the Korea Game Agency. KOCCA undertakes detailed deep-dive research across key digital content sectors – to drive the country's competitiveness ⁶² .	participation and the development of the CCIs. The National Plan was undertaken in response to extensive national consultation and engagement, plus insights research on the impact of cultural education ⁶³ .	nature of local clusters and networks, provided SWOT analysis and set out a Framework for investment and support ⁶⁴ .
Moldova: a new National Strategy for the Creative Industries is currently under development. This includes a refreshed approach to sector mapping, with reform to the approach to national statistics collection. It also includes the development of deep-dive research into priority sectors such as digital / ICT, games and fashion. The process is led by a new strategic partnership, with the Creative Industries Association connecting public and private sectors and overseeing the strategic development process ⁶⁵ .	Indonesia: In 2015, the Government established BEKRAF, the national creative economy agency. This agency leads a programme of investment and support across the CCIs. It undertakes data and evidence activities in priority sectors – including fashion, film and crafts. Their research also has a strong focus on creative spillovers – in particular for tourism and sustainable development. Plus there is a strong focus on qualitative research to understand the profile of the extensive informal economy in the CCIs. President Joko Widodo's administration has set the ambitious goal of establishing Indonesia as a global creative economy player by 2030 ⁶⁶ .	Norway: Deep dive research on the music and literature sectors for Arts Council Norway. The purpose of this project was to estimate the economic value of the Norwegian literature and music industries. By providing a time series analysis, it formed the basis for future statistical analysis of the sectors. One of the main challenges facing this project is the development of a data collection methodology that can reliably be continued in years to come. This is part of a portfolio of targeted research by the Arts Council of Norway ⁶⁷ .	Aveiro: The small city of Aveiro in the central region of Portugal has undertaken an ambitious strategy to become European Capital of Culture in 2027. This process was kickstarted by a detailed cultural strategy and CCI mapping study. This set out the city's core cultural assets and provided baseline information on the economic and social contribution of the CCIs. The strategy also involved an extensive sector consultation programme and capacity-building training for cultural organisations and practitioners. Aveiro will utilise this Strategy over the long-term, with the European Capital of Culture process a catapult for culture-led city-making ⁶⁸ .
Malaysia: The last 5 years has seen a concerted approach to baseline data capture and mapping. This has involved an initially fragmented process, with sector Blueprints developed for digital and film, plus some targeted research for sectors such as fashion and visual arts. However, recently an	Saudi Arabia: Alongside a range of other CCI strategies and research programmes, Saudi Arabia has developed a National Music Strategy. Built on baseline research to understand the role and value of music, the strategy, led by the National Music Commission, has 5 key	Estonia: Digital Cultural Heritage Action Plan. The Ministry of Culture has prepared an action plan for the digitization of cultural heritage. The purpose of the action plan is to make a third of the cultural heritage stored in cultural institutions digitally accessible by 2023 and to update the information	Sheffield: Cultural Infrastructure Strategy. The city of Sheffield in Yorkshire, UK, was a pioneer in place-based CCI development. In the 1980s, Sheffield initiated the UK's first Cultural Industries Quarter and has ever since prioritised CCI development to re-balance the city's economy and

⁶² <https://www.kocca.kr/en/main.do>

⁶³ <https://portosantocharter.eu/wp-content/uploads/2021/04/NPA-en.pdf>

⁶⁴ <https://www.london.gov.uk/what-we-do/arts-and-culture/culture-and-good-growth/explore-creative-enterprise-zones/about-creative-enterprise-zones>

⁶⁵ <http://cor.md/en>

⁶⁶ For analysis of the approach to classification and data collection in Indonesia: https://www.unescap.org/sites/default/d8files/APSDJ%20Vol.25%20No.2_pp99-114.pdf

⁶⁷ <https://www.kulturradet.no/english/vis/-/research-and-development>

⁶⁸ <https://aveiro2027.pt/en/>

<p>overarching approach to data and evidence has been initiated via the agency MyCreative Ventures and their sister CCI development agency, CENDANA. This includes a review of data collecting procedures and a new national survey initiated to capture Covid-19 impacts and responses⁶⁹.</p>	<p>pillars, including education; production; performance, delivery and distribution; advocacy; and licensing and intellectual property rights. The Music Commission aims for the sector to equal and exceed the economic contribution of 1 percent of GDP (excluding oil revenues) common in developed markets, and will help create more than 65,000 jobs across the sector by 2030 through its strategy.</p>	<p>storage infrastructure of such institutions. The Action Plan was informed by a mapping exercise which identified a total of over 900 million objects of heritage important to Estonian culture in state-managed memory institutions. To date, only about a tenth of them have been digitized. The aim of the action plan is to make 3% of the document heritage, 32% of the object heritage, 60% of both the film and photo heritage and 28% of the print heritage available digitally by 2023 - a total of approximately 33% of cultural heritage items⁷⁰.</p>	<p>drive inward investment and talent attraction. Each year, new research is published – covering CCI baseline mapping, impact assessments and feasibility studies. In 2019, the city commissioned a study to measure the impact of the city’s cultural infrastructure and then to identify strategic priorities for infrastructure investment – including new buildings, renovations and modernisations. This is to make the case for investment to Government and to ensure investments are based rigorously on opportunity and need⁷¹.</p>
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⁶⁹ <https://www.cendana.com.my/> and <http://www.mycreative.com.my/>

⁷⁰ <https://www.kul.ee/kultuurivaartused-ja-digitaalne-kultuuriparand/digitaalne-kultuuriparand/kultuuriparandi>

⁷¹

<https://static1.squarespace.com/static/5ff58e984c771f39d6a9c1do/t/60cboe968753fe223fd58cfa/1624618271645/Culture+Collective+Strategy>

5. Georgia CCI Research and Evidence Action Plan

There is clearly commitment to and emerging good practice in CCI research and evidence development in Georgia. The work of Creative Georgia and their recent research including *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs* have set important baseline benchmarks to work from. Other agencies and associations, such as the CCIU for the electronic music and night-time economy sector and the Georgian Heritage Craft Association, are leading the way through international collaboration, championing their creative subsector, and supporting the development of evidenced based policy and infrastructure development.

The CCIs and their connections to the wider economy and society are complex and multi-faceted with multiple players and actors from National and regional government, to the private sector, non-profit organisations, educational institutions and creative individuals and communities. Partnership and collaboration are required across all spheres via an 'ecosystem approach' to implement research and intelligence gathering to inform policy and programmes that can foster long-term growth and sustainable development.

A CCI Data and Evidence Review Group.

It is recommended a **data and evidence review group is established** to oversee the ongoing development and implementation of the Georgia CI Research and Evidence Framework. This should be led by the Ministry of Culture, Sport and Youth and Creative Georgia, with participation from Universities, a sample of CCI associations, and international partner(s). A key role for the group would be to secure investment for research and then to oversee the activation of a portfolio of research activities capable of providing smart data and evidence from which strategy and policy can be developed.

This will include the following research actions which can form priority areas for the next generation of data and evidence collection across the Georgian CCIs:

The Georgia Creative Industries Research and Evidence Framework.

A. CCI Strategic Baseline Research and Analysis

A1. An annual sector analysis of the CCI sector as a whole and the 14 sub sectors. defined for Georgia. This will build on the Creative Georgia baseline mapping and analysis, and using NACE Rev 2 codes and data sources defined in that research and included in this document in Appendix 3.

Collaborators: Work with Geostat to access data from the Georgia Statistical Survey of Enterprises and the Georgia Business Register. Continue to work towards accessing 4-digit level data from the Georgia Statistical Survey of Enterprises required for full analysis of most creative sub sectors.

Where 4-digit data cannot be accessed for defined sub sectors, consider analysis of 2-digit as well as 4-digit data from the Business Register. Currently there is a mismatch with 4-digit data available from the Business Register and only 2-digit data available for creative sub sectors from the Statistical Survey of Enterprises. Therefore, the numbers of business bear little relation to the turnover, GVA, number of employees particularly in sectors such as Architecture 71.11. By showing what proportion of the data on number of business from the industry code 71 (Architectural and

engineering activities; technical testing and analysis) is made of Architectural activity (71.11) and what proportion is engineering and technical testing (71.12 and 71.20), some estimates could be made on the proportion of turnover, GVA, employment by creative Architectural Activity and by the wider Architecture sector supply chain related engineering and technical testing.

A 2. Health of the CCI sector national survey every three years. This could be trialled at a city level initially or in specific sub sectors. The survey would generate a greater understanding of the size, profile and make-up of the CCIs in Georgia, their aspirations and challenges for sustainability and growth. The questions in the survey should focus on generating additional data on business size, age, turnover and profit; business confidence – expectations for growth, revenue increases, recruitment, investment in innovation, export and international trade etc; growth and support needs – what would help businesses grow and innovate. The survey should have a large enough sample size, over 520, for the findings to be statistically significant.

Collaborators: Work with CCI sector bodies and associations to ensure a cross section of CCI businesses from all sub sectors is included in the survey. Explore the distribution of an online survey through partners. Explore the opportunity with Geostat to insert key questions in the Statistical Survey of Enterprises.

A 3. Analysis and mapping of the wider creative economy. Work towards creative occupations mapping and analysis using European Skills, Competences, Qualifications and Occupations (ESCO) or International Standard Classification of Occupations (ISCO). Creativity is not limited to the CCIs and can be measured in other sectors. Understanding the wider application of creative professions helps inform skills strategies and the role creativity plays in wider creative economy.

A 4. Plan alternative data analysis to compliment national data sets such as data scraped from creative company websites and local mapping and consultations (see Placed-based and Sub Sector research below). There are well documented limitations to the data that any Government is able to publish about creative companies, over and above the challenges of available NACE Rev 2 data at varying levels of detail. For example, Government data largely reflects where companies are registered rather than where they actually trade, and NACE Rev 2 codes do not always capture their activities accurately. Although not all creative companies will have a website, researchers in other countries have frequently found this is a good way to uncover data about smaller clusters of creative businesses. Data scraping of linked in and other business platforms can also be used.

B. Place based research

B 1. A CCI mapping study, sector research and consultations to inform the development of CCI strategy for Tbilisi and Batumi to build on their designation as UNESCO creative cities (of media art and music). This is an opportunity to develop an evidence based strategy that leverages the cultural, creative, heritage and gastronomic potential of the cities. In Tbilisi, this study and strategy development should be linked to the sub sectors studies in night-time economy and fashion, that will likely focus mostly on Tbilisi – C 1 and C 3 below). In Batumi, the relationship between music and cultural tourism can be a focus area, including an approach to build the festival and night time economy of the city.

Key here will be qualitative research. In depth interviews and group consultations with key stakeholders from a range of institutions and sectors. This should include representatives from government, education, sector bodies, cultural and creative businesses and organisations, tourism and hospitality sector representatives and individual creative and cultural practitioners. All will have

vital intelligence to help understand the specific issues faced by groups that might not be picked up in a survey, and would certainly be difficult to identify in national data sets. Qualitative research can provide nuance and meaning to the trends, attitudinal shifts and numerical values captured by questionnaire surveys. Identifying the experiences of those working in the sector provides greater context to the raw data about local capacity and needs.

B 2. A knowledge exchange network for cultural strategies for smaller cities. Building on the EU4Culture project establish an action research and knowledge sharing forum for the Georgia participating cities (Kutaisi, Poti, Akhaltsikhe, Telavi, Zugdidi) initially and the extend to cities in other participating countries Republic of Moldova (Orhei, Cahul); Azerbaijan (Shaki, Khirdalan, Lankaran, Ganja, Sumgait); Armenia (Charentsavan, Gyumri, Ijevan, Hrazdan, Sevan).

C. Sub sector and thematic research

C 1. Mapping the electronic music and night-time economy in Tbilisi. Support the CCIU in its work to secure investment for the electronic music and night-time economy mapping.

C 2. Crafts: Sub sector mapping and development needs analysis. Work with the Georgian Heritage Crafts Association to carry out a sector baseline study to provide a comparison with the data available through Geostat, to demonstrate the under-representation of the sector in official statistics. This study should be carried through a survey of Association members investigating the age, legal status, size of enterprises in terms of number of employees as well as turnover. The survey should also include further skills and business development needs analysis, building on previous studies carried out by Georgian Heritage Crafts Association.

C 3. Fashion: Skills development needs analysis and mapping for the fashion sector. Work with sector champions to map the fashion sector and its supply chains, drawing out the distinctions that are not picked up and represented through the official data. Carry out a skills needs analysis through consultations with sector experts and a survey of fashion businesses and creatives. Map fashion courses and training to highlight the mismatch between sector development needs and training and development support currently offered. The analysis should support the planned fashion hub development being explored and led by Sophia Tchkhonia.

C 4. Analysis of potential for connecting CCIs to heritage and tourism sector and likely impact on cultural tourism and heritage renewal.

This can form a part of the action research in EU4culture cities (see B2 above); and part of the proposed CCI strategies for Tbilisi and Batumi (see B1 above). In addition, a focused research exercise on the role, impact and opportunity for CCIs as a catalyst for rural innovation (e.g. in gastronomy, wine and cultural tourism) would be welcome.

C 5. Digital skills analysis and foresighting the digital potential of the CCIs in Georgia.

Quantitative and qualitative research through interviews, workshops, surveys and international literature review to identify skills required to develop talent for future jobs in the CCIs in Georgia and the gaps in current Higher and Vocational Education to fulfil the required skills. This can include a focus on extended reality, blockchain, artificial intelligence and big data.

The Table below summarises the Georgian CCI Research and Evidence Framework

The proposed research studies are colour coded as follows

Priority year 1-2	Implement within years 2-3	Ambition by year 5
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CCI sector	CCI sector size, jobs, economic contribution, growth and development	Policy, partnership and infrastructures	Talent Development: Education and skills	Spillovers– e.g. tourism, science plus other agendas of wellbeing	International – cultural relations and export
All CCI sectors	A 1. An annual sector analysis of the Creative Industries sector as a whole and the 14 sub sectors defined for Georgia. This will build on the Creative Georgia baseline mapping and analysis using national data sets.	B 1 and B 2. A CCI mapping study, sector research and consultations to inform the development of CCI strategies for Tbilisi and Batumi to leverage their UNESCO creative city status	See B1 and B 2 – should consider talent development needs	See B1 and B 2 should consider spillover the other industries and particularly tourism	See A 1. Including a review of export and international trade
	A 2. Health of the CCI sector national survey every three years. Identify development needs and additional data on size and scope.	B 2. A knowledge exchange network for cultural strategies - building on the EU4Culture programme.			See B 2. Connect to other EU4 Culture cities in the Eastern Partnership.
	A 3. Analysis and mapping of the wider creative economy using occupational codes and national data sets.				
	A 4. Plan alternative data analysis to compliment national data sets such as data scraped from creative company websites and local mapping and consultations				
Sub sector focus	C 1. Mapping the electronic music and night-time economy in Tbilisi. Support CCIU	C 1. Mapping the electronic music and night-time economy in Tbilisi. To consider talent development	C 3. Skills development needs analysis and mapping for the fashion,	C 4. Analysis of potential for connecting CCIs to heritage and tourism sector	C 4. Analysis of potential for connecting CCIs to heritage and tourism sector

			design and advertising sectors.		
	C 2. Crafts: Sub sector mapping and analysis. Work with the Georgian Heritage Crafts Association				

Appendix 1: Literature, Research and Data Review

Research on the Georgian cultural sector and creative industries

The Heritage Craft in Georgia, Comprehensive Research and Development Strategy for the Sector	Georgia Arts and Cultural Centre, supported by EuroEast Culture	2012
Tourism economic indicators	GNTA	2013-2021
Culture Strategy 2025	Ministry of Culture and Monument Protection Georgia	2016
Roadmap for Developing Cultural and Creative Industries	Creative Georgia	2016-17
UNESCO Culture for Development Indicators: Georgia's Analytical and Technical Report	EU Eastern Partnership Culture and Creativity Programme	2017
Developing Cultural and Creative Industries in Georgia	EU Eastern Partnership Culture and Creativity Programme	2017
The creative sector in Georgia: Situation, potential and policy issues	German Economic Team Georgia with ISET policy institute	2017
International Visitor survey	GNTA	Quarterly reports 2017-2019
Domestic Visitor survey	GNTA	Quarterly reports 2017-Q1 2020
Existing crafts knowledge and resources: Akhmeta Municipality and Samtskhe-Javakheti Region	USAID	2018
Crafts workshops' guidebook	USAID	2018
Policy Brief: Creative Industries Anti-Piracy	US AID	2020
The social Impacts of Covid-19 - Case for a Universal Support Scheme	International School of Economics at TSU Policy Institute	2020
Tourism Service provider data including visits to National Museums 2018 and 2019	GNTA	2020
Entrepreneurial ecosystem taxonomy at the municipal level (comparing Tbilisi and Batumi ecosystems)	BTU	2020

Georgian tourism figures Annual Reports	GNTA	2013 to 2020
Cultural Accessibility Guidelines for Georgia	Creative Georgia, supported by British Council	2021
Creative sparks Higher Education Enterprise Programme Year 3 M&E Report	Ecorys and IFF Research for British Council	2021
Creative Sparks Higher Education Enterprise Programme - Country Chapters	Ecorys and IFF Research, supported by British Council	2021
Research on Analytic Baseline Inventories in CCI Sector in 5 Selected Regional Cities of Georgia	EU4Culture	2021
Study Of Artisan Sectors In Keda, Khulo, Borjomi, Akhalkalaki, Tetrtskaro, Kazbegi, Lagodekhi, And Dedoplistskaro Municipalities	By Ana Shanshiashvili, Georgian Heritage Crafts Association Executive Director funded by UNDP	2021
Creative Industries Classification	Creative Georgia	2021
Policy Paper (Conceptual And Technical Aspects) Designing a Creative cluster Ecosystem in Georgia	Nikoloz Nadirashvili, Dr. Lidia Varbanova for Creative Georgia supported by UNESCO	December 2021
Compendium of Cultural Policies and Trends: Georgia Country Profile	https://www.culturalpolicies.net/wp-content/uploads/pdf_full/georgia/Full-Country-Profile_Georgia.pdf	December 2021
Creative Economy in Georgia - baseline research of main indicators, characteristics and needs.	Creative Georgia	2021
International Travel survey data	GNTA	January and February 2022
Toolkit: How To Initiate, Manage, And Develop Creative Spaces: Basic Guidelines And Practical Advice	Creative Georgia supported by UNESCO	2022
Assessment of creative industry needs in Georgia	Creative Georgia, Author Sopo Ogbaidze	2022
Research and Priorities in the Field of Culture and Sport	Tbilisi city Hall	2022
Sector And Value Chain Analytics The First To Fifth Analytical Reports. Including focus on Tourism and Creative Industries	USAID, ISET	Published quarterly January 2021 to February 2022
Emotions are Georgia website	https://www.emotionsaregeorgia.ge/	

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International Research and Reports: some examples

Cultural Strategy in a Box	UK Local Government Association	2019
A Business Plan for the Jamaican Cultural and Creative Industries	TFCC for Planning Institute of Jamaica, supported by the World Bank	2016
Kosice Creative Economy Master Plan	TFCC	2013-2015
Kuala Lumpur as a Cultural and Creative City	TFCC for Cultural Economy Development Agency	2018
Cultural Investment Strategy for Lancashire	TFCC for Lancashire LEP	2020
Re-imagining craft economy Post Covid-19	British Council and Fashion Revolution India	October 2021
A Global Agenda for Cultural and Creative Industries - 11 Key Actions	PEC and British Council	December 2021
Draft Mongolia CCI white paper	TFCC for Ministry of Culture Mongolia Republic	January 2022

Appendix 2: List of interviewees

Advertising Agency Association	Akaki Akhalaia	Representative of the Advertising sector
Anouki/ARIAL:BOLD	Beka Gvishiani	Representative of the Fashion Industry
Creative and Cultural Industries Union	David Lezhava	Representative of Electronic Music Sector
Culture Committee of the Parliament of Georgia	Baya Kvitsiani	Member
Education Management Information System	David Saghinadze	Head of Statistics Division
Enterprise Georgia	Tatia Bidzinashvili	Head of "Film in Georgia" Programme
Georgia's Innovation and Technology Agency	Avtandil Kasradze	Chairman
Georgian Heritage Crafts Association	Ano Shanshiashvili	Executive Director
Georgian National Film Center	Maia Chilashvili	Deputy Director
Georgian National Tourism Administration	Giorgi Bregadze-	Former Head of Research and Planning Department
Ministry of Culture	Kakha Sikharulidze	First Deputy Minister of Culture
Ministry of Culture	Tamar Tsulukidze	Head of Creative Process Department, Ministry of Culture
Ministry of Education and Science of Georgia	Salome Japaridze	Representative
Municipal Department of Culture Education Sport and Youth Affairs of Tbilisi City Hall	Maka Nasrashvili	Deputy Director
National Statistics Office of Georgia.	Aleksandre Arabuli	Head of Business Statistics Department
Tbilisi Architecture Biennale	Gigi Shukakidze	Co-founder

Creative Georgia

Elene Toidze	Head of Creative Industries Division, Creative Georgia
Keti Tvildiani	Project Coordinator, Creative Georgia

Vato Urushadze	Research Coordinator, Creative Georgia
Mariam Katsadze	Local expert
George Papava	Local expert

Appendix 3: Classification of Creative Industries and corresponding NACE Rev. 2 code based on data availability

This table has been prepared as part of the Creative Georgia study and report *Creative Economy in Georgia - baseline research of main indicators, characteristics and needs*.

N	Creative Industry (1)	Preferred (NACE rev. 2) code (2)	Available NACE rev. 2 code for enterprise survey data (3)	Column N3 includes: (4)	Available NACE rev. 2 code for business register (number of active organisations) data (5)	Alternative Data Source (6)
1	Architecture	71.11 - Architectural Activities	71 - Architectural and engineering activities; technical testing and analysis	71.11 - Architectural Activities 71.12 Engineering activities and related technical consultancy 71.2 Technical testing and analysis.	71.11 - Architectural Activities	
2	Fashion and Design	74.10 - Specialised design activities	Preferred economic activity code level is not available.		74.10 - Specialised design activities	
3	Performing arts	90.01. Performing arts 90.02 Support activities to performing arts	90 - Creative, arts and entertainment activities	90.01. Performing arts 90.02 Support activities to performing arts	90.01. Performing arts 90.02 Support activities to performing arts	
4	Visual arts	74.20 Photographic activities 90.03 Artistic creation 90.04 Operation of arts facilities		90.03 Artistic creation 90.04 Operation of arts facilities	74.20 Photographic activities 90.03 Artistic creation 90.04 Operation of arts facilities	
5	Digital Technologies	26.40 Manufacture of consumer electronics 58.21 Publishing of computer games 58.29 Other software publishing		58.20 Software publishing	58.21 - Publishing of computer games 58.29 Other software publishing	58.21 - Publishing of computer games 58.29 Other software publishing

6	Movie and Video	<p>59.11 Motion picture, video, and television programme production activities</p> <p>59.12 Motion picture, video and television programme post-production activities</p> <p>59.13 Motion picture, video and television programme distribution activities</p> <p>59.14. Motion picture projection activities</p>	59.1 - Motion picture, video and television programme activities	<p>59.11 Motion picture, video and television programme production activities</p> <p>59.12 Motion picture, video and television programme post-production activities</p> <p>59.13 Motion picture, video and television programme distribution activities</p> <p>59.14. Motion picture projection activities</p>	<p>59.11 Motion picture, video, and television programme production activities</p> <p>59.12 Motion picture, video and television programme post-production activities</p> <p>59.13 Motion picture, video and television programme distribution activities</p> <p>59.14. Motion picture projection activities</p>	
7	Literature and publishing	<p>18.11 Printing of newspapers</p> <p>18.12 Other printing</p> <p>47.61 Retail sale of books in specialised stores</p> <p>47.62 Retail sale of newspapers and stationery in specialised stores</p> <p>58.11 Book publishing</p> <p>58.13 Publishing of newspapers</p> <p>58.14 Publishing of journals and periodicals</p> <p>58.19 Other publishing activities</p>	<p>18.1 - Printing and service activities related to printing</p> <p>47.61 Retail sale of books in specialised stores</p> <p>47.62 Retail sale of newspapers and stationery in specialised stores</p> <p>58.1 - Publishing of books, periodicals and other publishing activities</p>	<p>18.11 Printing of newspapers</p> <p>18.12 Other printing</p> <p>18.13 - Pre-press and pre-media services</p> <p>18.14 - Binding and related services</p> <p>47.61 Retail sale of books in specialised stores</p> <p>47.62 Retail sale of newspapers and stationery in specialised stores</p> <p>58.11 - Book publishing</p> <p>58.12 - Publishing of directories and mailing lists</p> <p>58.13 Publishing of newspapers</p> <p>58.14 Publishing of journals and periodicals</p>	<p>18.11 Printing of newspapers</p> <p>18.12 Other printing</p> <p>47.61 Retail sale of books in specialised stores</p> <p>47.62 Retail sale of newspapers and stationery in specialised stores</p> <p>58.11 Book publishing</p> <p>58.13 Publishing of newspapers</p> <p>58.14 Publishing of journals and periodicals</p> <p>58.19 Other publishing activities</p>	

				58.19 Other publishing activities		
8	Media and Broadcasting	60.10 Radio broadcasting 60.20 Television programming and broadcasting activities	60.10 Radio broadcasting 60.20 Television programming and broadcasting activities	60.10 Radio broadcasting 60.20 Television programming and broadcasting activities	60.10 Radio broadcasting 60.20 Television programming and broadcasting activities	
9	Music	32.20 Manufacture of musical instruments 59.20. Sound recording and music publishing activities	59.20. Sound recording and music publishing activities	59.20. Sound recording and music publishing activities	32.20 Manufacture of musical instruments 59.20. Sound recording and music publishing activities	
10	Advertising	73.11 - Advertising agencies 73.12 - Media representation	73 - Advertising and market research	73.11 - Advertising agencies 73.12 - Media representation 73.20 - Market research and public opinion polling	73.11 - Advertising agencies 73.12 - Media representation	
11	Cultural Heritage	91.01 - Library and archives activities 91.02 - Museums activities 91.03 - Operation of historical sites and buildings and similar visitor attractions 91.04 - Botanical and zoological gardens and nature reserves activities	91 - Libraries, archives, museums and other cultural activities	91.01 - Library and archives activities 91.02 - Museums activities 91.03 - Operation of historical sites and buildings and similar visitor attractions 91.04 - Botanical and zoological gardens and nature reserves activities	91.01 - Library and archives activities 91.02 - Museums activities 91.03 - Operation of historical sites and buildings and similar visitor attractions 91.04 - Botanical and zoological gardens and nature reserves activities	
12	Arts and Cultural Education	85.52 - Cultural education	Preferred economic activity code level is not available.			Number of students in higher education institutions and vocational education institutions enrolled in programs related to the creative education, Student funding in creative industry-related programs – Ministry of education and science of Georgia;

					Ministry of Culture and Sports of Georgia
13	Crafts	32.11 - Striking of coins 32.12 - Manufacture of jewellery and related articles	Preferred economic activity code level is not available.	32.11 - Striking of coins 32.12 - Manufacture of jewellery and related articles	
14	Gastronomy and Culinary	NACE Rev. 2 codes not defined by creative Industry classification			Number of international visitors, their expenditures and involvement in gastronomic and cultural tourism activities - Georgian National Tourism Administration (GNTA)

Categories of goods traded in creative industries along with The Harmonised System (HS) codes used in the analysis

N	Creative industry classification (1)	Goods traded in creative industries According to UNCTAD	Corresponding HS 2012 codes according to UNCTAD	Additional HS 2012 codes
1	Architecture	Architecture	4906	
2	Fashion and Design	Fashion	6117; 6214; 6215; 6217; 6504; 6505; 650699	3303; 3304
			420211; 420212; 420221; 420222; 420231; 420232; 420292; 420310; 420329; 420330; 420340; 430310; 900410	420219; 420239; 420291; 420299; 420321; 4205; 50; 51; 52; 5901; 64
3	Performing arts	Celebration articles	9505; 950810	

4	Visual arts	Sculpture	4420; 6913; 9703; 830621; 830629	3213; 3215; 3703; 3704; 9701
		Painting	9702	
		Paperware	480210	
		Photography	3705; 491191	
5	Movie and Video	Film	3706	
6	Cultural Heritage	Antiques	9704; 9705; 9706	
7	Literature and Publishing	Newspaper	4801; 4902;	
		Books	4901; 4903	
		Other printed matter	4905; 4908; 4909; 4910; 491110	
8	Media and Broadcasting			
9	Music	Printed music	4904	
		Musical instruments	9201; 9202; 9205; 9206; 9207; 9208; 830610	
		CDs, DVDs, tapes	852329; 852341; 852349; 852380	
10	Advertising			

11	Arts and Cultural Education			
12	Digital Technologies	Recorded media	852321;852351; 852352; 852359	
		Video games	950430; 950450	
13	Crafts	Toys	9503; 950420; 950440; 950490	6602; 91
		Interior articles	4419; 4814; 5705; 5804; 5905; 6912; 570310; 570390; 570410; 691110; 691410; 821510; 821520; 821591; 940320; 940340; 940350; 940360; 940510; 940530	
		Yarn	5805; 5806; 5809; 5810; 5811; 6002; 6003; 6004; 6308; 580810; 630232; 630240; 630411; 630491	
		Other art crafts	9601; 9602; 670290; 701890	
		Jewellery	7113; 711711; 711719	
		Wickerware	460211; 460212; 460219	
		Glassware	701310; 701322; 701333; 701341; 701342; 701391	
		Carpets	5701; 5702; 570330	

Trade in goods by creative industries, thousand USD

Trade in Goods (Thousand USD)			
	Domestic Exports	Re-exports	Imports

	2019	Average annual growth rate in 2015-2019	Share in total domestic export	2019	Average annual growth rate in 2015-2019	Share in total re-export	2019	Average annual growth rate in 2015-2019	Share in total imports
Creative Industry									
Architecture									
Cultural Heritage							170.8	405% ⁷²	0.1%
Fashion and Design	4,962.7	39.4%	64.7%	8,578.1	8%	47%	46,168.3	8%	27.6%
Digital Technologies	457.2	-20.7%	6.0%	1.0	-75%	0.01%	13,400.8	-9%	8.0%
Crafts	1,596.7	-12.4%	20.8%	8,657.1	28%	48%	91,979.6	8%	55.0%
Literature and Publishing	451.6	36.3%	5.9%	315.1	-19%	2%	5,479.6	-5%	3.3%
Movie and Video	0.2 ⁷³		0.002%				0.3 ⁷⁴		0.0%
Music	6.9	-32.7%	0.1%	442.8	174%	2%	4,127.6	1%	2.5%
Performing arts	118.8	120.8%	1.5%	4.9	-25%	0.03%	2,792.9	16%	1.7%
Visual Arts	75.5	-33.0%	1.0%	70.9	-23%	0.39%	3,213.7	-12%	1.9%

⁷² There is no import in Cultural heritage industry in 2015, therefore average annual growth rate is calculated during 2016-2019.

⁷³ There is no domestic export in Movie and Video industry until 2019, therefore average annual growth rate is not calculated.

⁷⁴ There is no import in Movie and Video Industry in 2015 and 2018, therefore annual growth rate is not indicated.

Total	7,669.8	7.6%	100.0%	18,069.8	14%	100%	167,333.7	5%	100.0%
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Trade in creative services, thousand USD

Trade in Services (Thousand USD)						
	Exports			Imports		
	2019	Average annual growth rate in 2015-2019	Share in total exports	2019	Average annual growth rate in 2015-2019	Share in total imports
Computer and information services	67,527	88.2%	75.5%	49,665	33.2%	58.3%
Advertising, market research, and public opinion polling	4,918	0.5%	5.5%	6,637	11.0%	7.8%
Research and development	980	-10.2%	1.1%	1,832	48.5%	2.2%
Architectural, engineering, and other technical services	1,066	-40.0%	1.2%	12,663	-10.2%	14.9%
Personal, cultural and recreational services	14,930	1.6%	16.7%	14,348	6.1%	16.9%
Audio-visual & related services	5,281	0.2%	5.9%	6,794	12.1%	8.0%
Other personal, cultural and recreational services	9,649	2.5%	10.8%	7,555	1.8%	8.9%

Total	89,422	27.4%	100.0%	85,145	13.5%	100.0%
Royalties and licence fees	928	13.1%		40,653	55.3%	