

CASE STUDY: ADVERTISING

The Advertising Association works closely with DIT through our group, the UK Advertising Exports Group (UKAEG). UKAEG is the industry's global new business drive and is chaired by the IPA's Director of Marketing, Janet Hull and supported by the Advertising Production Association (APA), the British Promotional Marketing Association (BPMA), the Creative Industries Council (CIC) and the Institute of Practitioners of Advertising (IPA).

The UKAEG represents companies from across the advertising sector; AdTech, creative, social, e-commerce, production, post-production companies, research, data companies working all around the world to support brands with their growth ambitions and in turn export their services; building their knowledge and trading contacts overseas. As a community they set out to boost the reputation of UK advertising on the global stage and accelerate its growth in export performance.

With the Government, UKAEG have developed a strategic plan to focus on key markets through international events where, in combination with the Government's GREAT

programme, UKAEG can collectively display the skills and creativity of the UK advertising industry.

As part of this strategy, the Advertising Association/UKAEG launched the world-leading UK House at SXSW 2021 showcasing the best of UK creativity virtually with partners such as UKRI, British Underground and DIT Music.

Following the success of this event, UKAEG opened the virtual doors of UK House at global events, such as Cannes Lions and the Shanghai International Advertising Festival (SHIAF) to host showcasing presentations and networking events throughout the year. Partnering with the global events provided a global stamp of quality for our programme.

In addition, UK House hosted 10 international showcasing and networking events virtually with countries such as Brazil, China, Nigeria, Bangladesh, India, and UAE. UKAEG also hosted face-to-face networking events with 20+ emerging Chinese brands & UKAEG members with offices in Shanghai.

All the above resulted in more than half a million contact opportunities with potential customers from 40 countries and generated £21m worth of new business for members in 2021.

Most recently UKAEG partnered with DIT to host two days of showcasing and networking opportunities for the wider advertising industry at UK House at SXSW 2022. This was followed by UKAEG's largest trade mission to date at Cannes Lions Festival of Creativity, which featured 41 companies joining for a series of international networking events with delegates from India, Japan, China, South Korea, USA, the Netherlands and more. The mission also included a roundtable featuring high profile clients from brands such as McDonalds, Amazon, Mars, United Airlines, Diaego, Dole, Essity, and the NFL. UKAEG also hosted a virtual UK House event, the UK - China Business Exchange Salon which featured face-to-face networking events with 20+ emerging Chinese brands & UKAEG members. UKAEG has also participated in the in the Creative industries day as part of the Commonwealth Games business programme.

Looking ahead to 2023 and beyond, UKAEG plans to build on work with key markets such as the US, Europe and China and expand into new markets such as India, Middle East & North Africa, where there is a growing demand for work from UK advertising.

This is a unique opportunity for the UK Creative Industries and there is no parallel in other countries.

UK Advertising Export Group

CASE STUDY: CRAFT

Export toolkit for the craft sector

The Market for Craft Report (Crafts Council, 2020) analysed the state of the craft market, looking at how it has evolved and how infrastructure and needs have changed since the two previous studies (2006 & 2010). The evidence provides direction for makers to develop their businesses, understanding in much greater depth who their consumers are and what drives their appreciation of craft. It confirms that craft sales have increased from £883m in 2006 to over £3bn in 2019.

The emergence of new intermediaries (such as online marketplaces OMP) since the original makers' study in 2006 has also facilitated international sales of UK craft. Whereas in 2006, 18% of professional makers had ever sold internationally, in 2020 around half (49–53%) of makers had sold work overseas. For consumers, the recent report found that 84% of the adult population of New York (12.8m people) and 86% of the population of Los Angeles (8.8m people) have either bought craft in the past or would consider doing so from a British craft business.

The growth of the craft market and growth of intermediaries (OMP) has encouraged exporting, and we have seen a 30% sector growth; however, we have seen a decline in exporting following Brexit and COVID-19 impacts. The Crafts Council is committed to ensuring that the whole sector access useful advice and guidance that can help businesses recover, stabilise and grow. By working through partners and channels we have a strong reach, one that is growing as we target activity to historically under-represented makers and Businesses.

Three major factors have challenged the sector post Brexit: the supply chain of materials; the inclusion of VAT for import and export and digital purchasing; and the additional paperwork required by different shipping companies. Brexit has also proved challenging for our overseas counterparts where galleries showcasing at UK international fairs such as Collect are resistant to the additional requirements and barriers such as customs delays.

In 2021 the Crafts Council launched its Brexit resource paper to answer some of the

fundamental questions that have challenged the sector and signpost to best practice giving the sector confidence to trade once again with our European neighbours.

Crafts International Toolkit (Supported using public funding by Arts Council England)

Building on this work the Crafts Council have designed and launched in April 2022 an International Toolkit. A one-stop-shop to help makers and craft businesses be smart about selling and showcasing overseas. It is the result of consultation with BEISS, DIT, DCMS, HMRC, Trade Advisors, Craft organisations and Industry Experts.

The toolkit is aimed at new exports; makers who have lost confidence in trading overseas; and UK craft businesses of any scale seeking up-to-date advice on the international export of craft.

The online toolkit includes a PDF guidebook and downloadable resources to get makers started on their exporting journey. Broaden business horizons with free templates and

checklists, research links, glossary of terms and step-by-step guidance on export and pricing strategies.

The toolkit has a dedicated webpage <https://www.craftscouncil.org.uk/int-toolkit> and has been distributed via the Crafts Council's various distribution networks to some 17,000 makers and craft businesses; 300 intermediaries – galleries, organisations, fairs and associates – it has been promoted via our social media platforms to some 200,000 followers.

The toolkit has achieved international recognition having been presented at the World Crafts Council's Crafting Europe conference in Venice and Lisbon. There are proposals to translate the toolkit into other languages to assist exporting capabilities of craft across Europe.

The toolkit was presented in a webinar attended by 101 craft businesses all of who will be asked to respond to an impact survey afterwards.

Crafts Council

CASE STUDY: VIDEO GAMES

The United Kingdom Interactive Entertainment Association (Ukie) has delivered a comprehensive international trade programme, supported by the Department for International Trade (DIT) for over a decade. DIT support has been invaluable in enabling small to medium sized games creators and publishers to reach markets throughout the world.

Games companies of today create digital content that can be distributed and commercialised via global digital stores. As such every games company is an exporter. But there is a huge difference between listing a game on a digital store and proactively selling that content within a market. Ukie has worked with DIT teams around the world to create long term links and partnerships between UK companies and international counterparts whose local market knowledge has helped maximise a games potential.

Ukie has also delivered a raft of inbound and outbound trade missions to the leading global markets for games including China, USA, Korea and mainland Europe. Added to this, Ukie builds and manages significant UK industry pavilions at the major games trade shows around the world. This programme,

previously supported by the DIT TAP (Tradeshaw Access Programme) programme, delivered significant results with annual export business wins being logged by the companies, and verified by DIT, of over £100m per year.

More recently Ukie has pivoted to virtual trade missions and taken the opportunity to build partnerships with emerging markets such as Latin America and the continent of Africa. Our new 2022 trade campaign, Ukie Worldwide, has included virtual trade missions with China, Africa and LATAM – all supported by the DIT sector team in London and in post. We have returned to major physical shows in August 2022 with the UK industry pavilion at gamescom in Germany, supporting 78 UK exhibitors within its walls. DIT has historically made a small but important contribution to this programme, mainly through the Trade Access Programme (TAP). At a time when exporting is crucial to the UK economy the replacement trade fair programme currently adds little value to those companies being targeted through the TAP grant

**United Kingdom Interactive Association
(Ukie)**



CASE STUDY: EXPERIENCE ECONOMY

The Trans Studio project provides an example of repeat business due to the high regard in which UK expertise in the Experience Economy is held:

Client: Trans Studio

City / Country: Cibubur, Indonesia
Attraction: Immersive Tunnel
(added to a water ride)

Project Value: £2 million

Product Reference: <https://www.simworx.co.uk/products/immersive-superflume/>

Case Study: <https://www.simworx.co.uk/case-studies/jurassic-island/>

Client Website: <https://www.transstudiocibubur.com/>

Date of Enquiry: April 2017

Date of Order Win: November 2017
Installation Complete: Q1/2019

Trans Studio is a large media company in Indonesia, operating TV production, retail malls and indoor theme parks. Whilst exhibiting at trade shows (including the IAAPA Asia Expo) in 2018, Simworx showcased a series of concepts for a new and unique idea. After having previously installed an attraction for Trans Studio, Bandung in 2011, the client was very interested in both the new idea and working with Simworx again.

Following two client visits between April and June 2017, we prepared and issued four proposals and negotiated subsequent variations to the contract (a standard Simworx contract) which was signed at the IAAPA Expo in Orlando on our booth in November 2017. Commercial terms and pricing discussions were fairly straight forward. No bonds or guarantees were required and, unusually, due to the unique product and the fact that Simworx had worked with Trans Studios previously, we had no competition for this bid. We created a world first attraction, 'Jurassic Island' which brings together the strengths of both Simworx and our UK partner in the project, Interlink. The Immersive Superflume puts a

new spin on the traditional log flume ride by incorporating our Immersive Tunnel into a section of the ride alongside additional exciting AV elements.

The project was assembled at Trans Studios, and all the parts were built in the UK before being shipped to Jakarta. This included the custom made fibreglass screen that would accommodate the ride boats passing through built-in doors. The motion base that allows for movement of the boats in the tunnel also had to be manufactured and tested thoroughly in the UK before being shipped for installation.

CASE STUDY: PUBLISHING

The UK publishing industry is a success story at home and across the world. Publishing also helps fuel creativity across the rest of the UK's world-leading creative sectors. For instance, Harry Potter alone is worth approximately £4 billion to the economy through books, films, tv, theatre, and tourism.

We export more books than any other country, with turnover of over £6 billion generating £3.8 billion in exports, reducing the UK's trade deficit by 2.2%. It also flies the flag for British culture and language across the world. 52% of the top 20 box office UK-produced films were based on published material, grossing £1.5 billion in UK box office revenue (61%) and £22.5 billion globally (65%). The publishing industry also directly employs 29,000 people in the UK and supports more than 70,000 jobs.

Academic publishers bring cutting-edge British ideas to global audiences, cementing our science superpower status and supporting our research output. Education publishers engage learners of all ages with evidence-informed content, and gave £43 million worth of resources away for free

during the pandemic to aid an education system under strain. Consumer publishers help people to enjoy themselves and be inspired, with fiction selling particularly well recently.

We export more books than any other country, with turnover of over £6 billion generating £3.8 billion in exports. Harry Potter alone is worth approximately £4 billion to the economy through books, films, TV, theatre, and tourism.

British culture and language across the world. 52% of the top 20 box office UK-produced films were based on published material, grossing £1.5 billion in UK box office revenue (61%) and £22.5 billion globally (65%).

CASE STUDY: PUBLISHING

The UK publishing industry is a success story at home and across the world. Publishing also helps fuel creativity across the rest of the UK's world-leading creative sectors. For instance, Harry Potter alone is worth approximately £4 billion to the economy through books, films, tv, theatre, and tourism.

We export more books than any other country, with turnover of over £6 billion generating £3.8 billion in exports, reducing the UK's trade deficit by 2.2%. It also flies the flag for British culture and language across the world. 52% of the top 20 box office UK-produced films were based on published material, grossing £1.5 billion in UK box office revenue (61%) and £22.5 billion globally (65%). The publishing industry also directly employs 29,000 people in the UK and supports more than 70,000 jobs.

Academic publishers bring cutting-edge British ideas to global audiences, cementing our science superpower status and supporting our research output. Education publishers engage learners of all ages with evidence-informed content, and gave £43 million worth of resources away for free

during the pandemic to aid an education system under strain. Consumer publishers help people to enjoy themselves and be inspired, with fiction selling particularly well recently.

We export more books than any other country, with turnover of over £6 billion generating £3.8 billion in exports. Harry Potter alone is worth approximately £4 billion to the economy through books, films, TV, theatre, and tourism.



CASE STUDY: INWARD INVESTMENT

Inward Investment: UK's Film, TV and Video Games Sector.

The UK's inward investment Film and High-end Television (HETV) production sector has been experiencing substantial growth over the last five years. More content is being commissioned than ever, with a clear trajectory of growth forecast for screen content production in the UK in coming years.

In 2021, film and high-end television production spend in the UK reached over £5.64 billion – a new record and far ahead of pre-pandemic production levels (BFI). Inward investment spend on Film and High-end TV in the UK topped £4.713 billion in 2021. This represents double the levels reached in 2020, and equates to 84% of the UK total film and HETV spend. Of that, Film reached £1,275.5 billion, and HETV & co-production reached £3.438 billion, the latter representing a 180% increase on last year's figures.

The UK video games industry has also experienced phenomenal growth over recent years. In 2021, the video games market recorded a record high of £7.16 billion

– an increase of 2% on 2020, and a 32% increase compared with 2019 (UKie). While no direct comparators for inward investment spend are available, other measures for spend on video games in the UK provide a sense of the inward investment value of the sector. In 2019, the total UK spend/turnover related to direct impact of video games development in the UK was £2.77 billion. Looking specifically at M&A activity as a proxy for inward investment spend, 2021 saw £1.9 billion in M&A inward investment alone.

Longer term investments in infrastructure

Alongside a rapid growth in inward investment production in the UK is a marked and significant increase in investment in the physical infrastructure required to support production.

Private sector inward investment in new and expanded studio & stage space facilities has risen substantially, with the UK on track to nearly double its available stage space in the next three years. In addition, studios and streamers are investing in multi-year leases on studio and stage space, demonstrating

a longer term commitment to the UK not previously evidenced. Examples here include Sky parent company ComCast's substantial investment in the state-of-the-art Sky Studios Elstree site. Sky Studios Elstree will enable £3 billion worth of new production investment over the first five years alone, becoming home to a host of Sky Originals, as well as major film productions from Universal Pictures, Focus Features and Working Title, and television series from Universal International Studios.

The Inward Investment production sector's role in 'levelling up' across the UK

This recent growth has provided an important opportunity to spread the benefits more widely across the UK. Indeed, the screen sector is placing a strong focus on growing film and HETV/streamer spend across the UK's nations and regions. For example, the latest BFI 2021 Screen business report covering 2017–2019 evidences this increase in HETV Production spend, demonstrating a substantial increase – £1,226 million HETV spend in 2017 to £2,078 million in 2019 – in two years.

CASE STUDY: INWARD INVESTMENT

Source: BFI 2021 Screen Business Report, HETV Production Spend 2017–2019 – Table 79, Olsberg/SPI/Nordicity estimates.

Recent major inward investment productions include:

- Scotland: Outlander, 1917, The Batman
- Northern Ireland: Game of Thrones, The Northman, Belfast
- Wales: Sex Education, His Dark Materials
- England: Black Widow, Bridgerton, Small Axe, The Batman, Last Night in Soho

Interventions which have supported the UK's inward investment film, HETV and video games sectors

While demand for screen content has soared globally – a situation augmented but not caused by the coronavirus pandemic – the UK industry (through agencies such as the BFI, British Film Commission and leading industry organisations) has also made a number of interventions in previous years that have helped position us well to capitalise on this boom.

Chief amongst these were the introduction of the film tax relief in 2007, a new HETV tax credit in 2013, and further changes to the HETV credit in 2016/17, and the video games tax relief, which came into effect in 2014.

These tax reliefs contributed £13.48 billion to UK economy in 2019 (BFI). Indeed, for every £1 of U.K. film tax relief claimed, £8.30 is generated for the UK economy; the HETV tax relief generates £6.44 additional GVA; animation tax relief generates £4.53 additional GVA; children's television tax relief generates £3.20 additional GVA; and video games tax relief generates £1.72 GVA.

In addition, support for agencies such as the British Film Commission (BFC), focused on attracting and supporting inward investment into the UK, has also proved essential to UK success in this sector. In particular, the confidential research commissioned by Government and undertaken by the BFC and partners to understand the potential economic opportunity and growth in inward investment production demand in future years, and the conditions needed to ensure this, was essential. It led to gaining

wider Governmental support and funding necessary to secure the inward investment in 2020, the results of which are clearly evidenced in the earlier statistics in this paper.

Recommended next steps to maximise inward investment opportunities from other creative industry sectors

The UK's screen sectors have benefitted from inward investment due to the combination of Government and industry focus and funding, in part based on confidential and thorough primary research.

It is therefore recommended that equivalent primary research into the inward investment potential of the UK's other leading creative sectors is conducted, to provide a comprehensive and compelling case for further focus and analysis of the potential economic returns possible in these individual sectors.

While investment in screen content continues to rise year on year, global competition from other territories also increases. The inward

investment committed is for a longer-term period, but it is not guaranteed to remain in the UK, so we should not be complacent. The one area proving the biggest block on growth, across all our creative sectors, is skills. It is also recommended that this area is addressed as a matter of urgency, with all relevant Government departments involved, to ensure a joined up, cross-cutting and practicable solution is identified.

CASE STUDY: THEATRE

The world-leading UK Theatre sector is a key contributor to the exports of the creative industries, both in terms of economic benefit and soft power.

In economic terms, the combined gross revenue of three UK led and originated productions – *Phantom of the Opera*, *Mamma Mia!* and *Cats* is over \$13.6bn, exceeding that of the *James Bond* (\$7.8bn) and *Wizarding World* (Harry Potter) (\$9.7bn) film franchises.

Theatre's contribution to the UK's soft power and international cultural projection is difficult to quantify. However, as a single example, *Phantom of the Opera* has been seen by over 140 million people in 183 cities across 41 countries.

Whilst *Phantom of the Opera* has been on stage since 1986, new productions continue to thrive in the international market; since its original production as a student-led piece at the Edinburgh Fringe Festival in 2017, *Six*, a modern retelling of the story of Henry VIII's wives presented as a pop concert, has grown to concurrent productions running in the

UK, US and Australasia, as well as playing in international waters on two Norwegian Cruise Line vessels.

UK Theatre continues to act as a driver for inbound domestic tourism, with two times the number of visitors seeing a theatre production than a sporting event. 9% of overseas visitors saw a theatre production in 2019, with visitors who plan a trip to the theatre likely to be higher spending than average.

Away from the stage, the UK Theatre sector is also a key contributor to the UK services export market, with British theatre architects and technical consultants involved in development and refurbishment projects at the Sydney Opera House, the Dr. Phillips Center for Performing Arts in Orlando and Wild Rice in Singapore to name but a few of the approximately three theatre projects completed monthly around the world by British led teams.

Finally, high-profile technical and creative expertise developed in British theatre practice remains in high demand. From

household names, like Andrew Lloyd Webber and Sam Mendes, to skilled technicians leading teams in venues around the world, the talent pipeline in British theatre remains a key export for the sector.

Society of London Theatre (SOLT) UK Theatre

**Phantom of the Opera
has been seen by over
140 million people in 183
cities across 41 countries**

CASE STUDY: THEATRE

The world-leading UK Theatre sector is a key contributor to the exports of the creative industries, both in terms of economic benefit and soft power.

In economic terms, the combined gross revenue of three UK led and originated productions – *Phantom of the Opera*, *Mamma Mia!* and *Cats* is over \$13.6bn, exceeding that of the *James Bond* (\$7.8bn) and *Wizarding World* (Harry Potter) (\$9.7bn) film franchises.

Theatre's contribution to the UK's soft power and international cultural projection is difficult to quantify. However, as a single example, *Phantom of the Opera* has been seen by over 140 million people in 183 cities across 41 countries.

Whilst *Phantom of the Opera* has been on stage since 1986, new productions continue to thrive in the international market; since its original production as a student-led piece at the Edinburgh Fringe Festival in 2017, *Six*, a modern retelling of the story of Henry VIII's wives presented as a pop concert, has grown to concurrent productions running in the

UK, US and Australasia, as well as playing in international waters on two Norwegian Cruise Line vessels.

UK Theatre continues to act as a driver for inbound domestic tourism, with two times the number of visitors seeing a theatre production than a sporting event. 9% of overseas visitors saw a theatre production in 2019, with visitors who plan a trip to the theatre likely to be higher spending than average.

Away from the stage, the UK Theatre sector is also a key contributor to the UK services export market, with British theatre architects and technical consultants involved in development and refurbishment projects at the Sydney Opera House, the Dr. Phillips Center for Performing Arts in Orlando and Wild Rice in Singapore to name but a few of the approximately three theatre projects completed monthly around the world by British led teams.

Finally, high-profile technical and creative expertise developed in British theatre practice remains in high demand. From

household names, like Andrew Lloyd Webber and Sam Mendes, to skilled technicians leading teams in venues around the world, the talent pipeline in British theatre remains a key export for the sector.

Society of London Theatre (SOLT) UK Theatre

**Phantom of the Opera
has been seen by over
140 million people in 183
cities across 41 countries**

The Phantom of the Opera. Killian Donnelly
'The Phantom' and Lucy St Louis 'Christine'
© Johan Persson



CASE STUDY: PACT

Export accelerator/Growth Accelerator (the business tool)

Our export accelerator, or now called Growth Accelerator, has bespoke resources for the TV and Film industry, focused on business development and building their export strategy. Companies simply select a country from the 165 countries listed, and they will be able to access resources such as list of broadcasters, and other local buyers, information on tax credits and funding available and how to apply, information on industry regulators, reports, webinars and market intel, access to production services search function, filming permits and visas.

UK indies (UK marketing tool)

The UK Indies was the first virtual market which launched over a decade ago. Since then we have continued to build and expand its technical capabilities. It is a one stop shop for buyers who can search via a digital platform for all Pact's members, 840 production companies and distributors. The platform has easy search functions to find company profiles, their catalogue and new projects available. With its newly launched live inbuilt meeting screen function, the platform can operate as an active live marketplace.

