

Oksana Morhulets

*D.Sc. (Economics), Professor,
Kyiv National University of Technologies and Design, Kyiv*
ORCID ID: 0000-0001-6530-1478

Antonina Verhun

*PhD in Economics, Associate Professor
Kyiv national university of technologies and design, Kyiv, Ukraine*
ORCID ID: 0000-0002-2825-9511

Julia Bondarchuk

*PhD in Philology, Associate Professor
Kyiv national university of technologies and design, Kyiv, Ukraine*
ORCID ID: 0000-0002-4851-8701

Creative industries development as basis for economic development of Ukraine

In 2019, the United Nations General Assembly declared 2021 the International Year of the Creative Economy for Sustainable Development, recognizing the growing role of the creative industry in the economic development of both developed and developing countries. The importance of CI, which lies at the crossroads of art, business and technology, is constantly growing, they have become a strategic direction for increasing competitiveness, productivity, employment and sustainable economic growth (UNCTAD 2019) [1, 2].

Creative industries are types of economic activities aimed at creating added value and jobs through cultural (artistic) and / or creative expression, respectively, their products and services are the result of individual or joint creativity, skills and talent [3].

These economic activities include activities that are directly related to the creation of a creative product. At the same time, a significant contribution to the creative economy is made by related areas that provide support, facilitate, service and / or enable the creation, production and distribution of a product generated by the creative industries.

UNESCO has defined the creative industries as industries whose purpose is to “create, produce and commercialize creative content that are intangible and cultural in nature”.

The contribution of creative industries to Ukraine's economy is growing rapidly. The number of economic entities (EEs) gradually increased in all sectors of the creative industries during 2019-2020; despite quarantine measures in 2020, the registration of new EEs and the opening of new businesses did not stop.

In 2019, the gross value added of creative industries amounted to 117.2 billion UAH (or 3.95% of total value added). In total, in 2019, CIs employed 352 thousand people, or 3.8% of employees, and compared to 2013, the growth was almost 40% [4, 5].

In absolute terms, the largest increase in the number of EEs showed the following TOP-5 sectors: new media and IT; advertising, marketing, PR; design; audio-visual art; visual art [5].

It can be concluded that these sectors have suffered the greatest losses from the introduction of quarantine measures. In 2020, businesses in the creative industries paid taxes in the amount of 26 billion UAH - nominally 15.8% more than in 2019 [5].

The role of creative industries is growing in Ukraine's international trade, in particular in trade of services. Exports of creative services (30% of total exports of services) are growing rapidly. Compared to 2013, exports of creative services increased by 68% to 5.4 billion dollars. The United States prosper due to the rapid growth of computer services, while exports of other services are still 36.7% less than in 2013 [4].

The main directions of creative goods export are Germany, the Russian Federation, Poland, Denmark, Belarus and Latvia. The largest suppliers of creative goods to Ukraine are China, Turkey, Poland, Germany and Italy.

Over the last two decades, there has been a growing understanding of the importance of creative industries for society and the economy through the dissemination of concepts, ideas, skills,

knowledge, which contribute to the development of innovation, technological progress, quality of life, etc. In particular, creative industries are important drivers of economic and social innovation in the economy. Creative industries contribute to the introduction of new ideas and technologies in other sectors, increase their productivity and competitiveness.

References

1. UNCTAD, 2019. How the creative economy can help power development. <https://unctad.org/news/how-creative-economy-can-help-power-development>
2. UNCTAD, 2004. Creative Industries and Development. https://unctad.org/system/files/official-document/tdxibpd13_en.pdf
3. Law of Ukraine “On Culture”. [Electronic resource] // Verkhovna Rada of Ukraine: [official web portal]. - Access mode: <https://zakon.rada.gov.ua/laws/show/2778-17#Text> . - Screen title
4. O. Nikolaeva. Creative industries: influence on the development of Ukraine's economy / O. Nikolaeva, A. Onoprienko, S. Taran, Yu. Sholomytsky, P. Yavorsky // [Electronic resource] - Access mode: <https://kse.ua/wp-content/uploads/2021/04/KSE-Trade-Kreativni-industriyi.pdf> - Screen title
5. Tax revenues to the Consolidated Budget of Ukraine in creative industries (2019-2020) // [Electronic resource] - Access mode: <file:///C:/Users/Admin/Downloads/Creative%20Industries%20Taxes%202019-2020%20Ukraine.pdf> - Screen title