



# *Position paper*

*Challenges and opportunities  
in export development of*

*Creative Industries:*

*ITC's future technical assistance  
for the product sector*

*(with a special focus on **Visual Arts:***

*artistic crafts, painting, sculpture, photography)*

## Table of contents

<b>I.</b>	<b>Strategy recommendation.....</b>	<b>2</b>
<b>II.</b>	<b>Conclusions.....</b>	<b>3</b>
	A. Creative industries and development: An idea whose time has come.	3
	B. Visual arts: A favourable economic model for DCs.....	3
	C. Exporting visual arts from DCs: Ripple effects for development.....	3
<b>III.</b>	<b>Findings.....</b>	<b>4</b>
	A. Creative industries: Size and trends.....	4
	B. USA, a world giant.....	4
	C. Export growth in the visual arts sector.....	5
	D. Distribution networks.....	6
	E. Export opportunities for DCs in visual arts.....	6
	F. Export challenges for DCs in visual arts.....	7
<b>IV.</b>	<b>Strategy.....</b>	<b>8</b>
	A. Three clusters of challenges: "Market/Protect/Collect".....	8
	B. Strategic approach.....	8
	C. Strategy into action .....	9
	"Actions" chart.....	10
 <b><u>Annexes</u></b>		
<b><u>Annex 1</u></b>	ITC's chart on creative industries .....	<b>11</b>
<b><u>Annex 2</u></b>	Definitions.....	<b>12</b>
<b><u>Annex 3</u></b>	Structural analysis of the arts market.....	<b>13</b>
<b><u>Annex 4</u></b>	Main importing/exporting countries for selected visual arts products in value in 2002 ( <i>Extracts from TradeMap</i> ).....	<b>16</b>
<b><u>Annex 5</u></b>	Contacts.....	<b>24</b>
<b><u>Annex 6</u></b>	Bibliography.....	<b>25</b>

ITC's efforts in helping the developing world have traditionally included export of craft products. Lessons learned from the past evidence the contribution that the craft sector makes to sustainable development and poverty reduction. **This traditional ITC contribution to trade development in the domain of creative expression will be pursued, while opening up for, and progressively embracing, new creativity forms in order to help other creators export their art.**

This paper recommends that over the next five years, in addition to **artisanal products**, ITC focus its export development assistance in *creative industries<sup>1</sup> from developing and transition economies on visual arts* (artistic crafts, painting, sculpture, photography).<sup>2</sup>

This is why this document concentrates on visual arts. However, the proposed strategic responses to the following three major clusters of challenges to be addressed, apply to both the craft and the visual arts sectors.

ITC's assistance should concentrate on *three clusters of challenges*:

**Market:** Facilitating the craft and visual arts enterprises' access to distribution networks in importing markets, particularly by leveraging new information technologies to streamline their supply chain and promote their production abroad.

**Protect:** Spreading understanding of the principles of marketing and of the intellectual property (IP) system, along with recognition of the value of IP assets in marketing and practical guidance in making proper use of them.

**Collect:** Soliciting and facilitating the gathering of international sector-specific data for market analysis.

*For the more traditional artisanal product sector*, ITC will deliver its assistance around the priority thrusts above, upon request from client countries and provided donor financing is available for relevant project execution. At the time of publishing this paper, craft-related ITC activities are under implementation through projects in Cambodia, Lao PDR and Viet Nam. Other projects aimed at the sector are in the pipeline for Sri Lanka and the eight Member States of the West African Economic and Monetary Union.

*For the more innovative visual arts sector*, it is recommended that, initially, ITC focus its assistance on a core group of developing countries (DCs) with promising sector capacities (excellence in artistic expression and existing production). The number of pilot countries (six at the maximum) will depend on funds availability. For instance, these might be: *for Africa*: Kenya and Senegal; *for Asia*: Bangladesh and Viet Nam; *for Latin America*: Guatemala and Haiti. The selection includes one least-developed country (LDC) from each of the three continents. All these countries are already engaged, to varying degrees, in exporting visual arts. For instance, in 2002, Kenya and Senegal each exported more than a million dollars' worth of original sculptures and statuary and Vietnam exported more than a million dollars' worth of paintings and drawings<sup>3</sup>. This initial approach will be monitored, analysed and revised accordingly.

In a second phase, funds permitting, the export development model will be refined and improved according to new findings, and extended to another core group of maximum six countries, located in four other different regions – e.g., *for Central Asia*: Kyrgyzstan; *for the Maghreb*: Mauritania and Morocco; *for South-East Europe*: Bulgaria; *for Southern Africa*: Botswana and Zambia. These countries are showing preliminary signs of export potential for the sector (presence of artistic talent and production capabilities). For instance, in 2002, Morocco exported US\$ 852,000 of paintings and drawings; Bulgaria exported US\$ 688,000 of original sculptures and statuary; and Zambia exported US\$ 495,000 of paintings and drawings<sup>4</sup>.

<sup>1</sup> See ITC's chart on "Creative Industries" in Annex 1.

<sup>2</sup> Definitions of creative industries, artisanal products (also referred to as: craft products, craft items, crafts), artistic crafts, and visual arts can be found in [Annex 2](#).

<sup>3</sup> *Source:* ITC TradeMap statistical database (based on the UN COMTRADE database).

<sup>4</sup> *Ibid.*

## II. Conclusions

### *A. Creative industries and development: An idea whose time has come*

Creative industries are at the core of today's information economy, in which knowledge and creativity are fast becoming powerful engines driving economic growth. This will have profound implications for trade and development. For DCs, this movement means a singular opportunity to establish new economic and trading relations, because they can make use of their rich supply of creativity and cultural assets to generate employment and reduce poverty<sup>5</sup>.

The visual arts sector, which belongs to the creative industries, presents two major interests for DCs' export growth:

- Due to its economic model, it presents more export opportunities for DCs than other sectors of the creative industries.
- Exporting visual arts can draw business development for other products or services.

As such, it offers a unique opportunity for ITC. Building on the lessons learned in the craft sector, ITC can make a mark by providing targeted and effective technical assistance adapted to the special nature of the creative economy: in particular, the specific entrepreneurial and marketing skills and the significant reliance on intellectual property that visual arts require.

### *B. Visual arts: A favourable economic model for DCs*

Creative industries constitute a vast, complex and heterogeneous field. They all give the artist an important role. They deal with the product of a creative act and with its associated rights. But their economic models differ vastly. Some - such as cinema, television, recording and multimedia - are highly technological, concentrated, capital-intensive industries.

The threshold of entry is most often too high for DCs. Apart from some notable exceptions (e.g.: the movie industry in India, due to its huge domestic and captive market; television in Mexico, due to linguistic and cultural affinities at the regional level), DCs are marginal players<sup>6</sup> in this field and find difficulties to compete internationally.

The more traditional creative industries, such as the visual arts, are more fragmented, labour-intensive activities. Therefore, they present more opportunities for DCs to export their rich cultural heritage and tap into their vast pool of talent. Yet, DCs have not fully exploited this potential, probably because of the very nature of the sector: it has a strong individualistic and prototypical bend (one artist's idiosyncratic production meets one collector's specific taste) and, as such, resists concentration, organization or institutionalization. Moreover, accurate data collection is a major obstacle to coherent policy formulation<sup>7</sup>. This is probably why many international agencies have "saturated" other sectors and left the visual arts relatively untapped.

### *C. Exporting visual arts from DCs: Ripple effects for development*

The importance of visual arts lies beyond their direct economic impact. By exposing the talent and craftsmanship of its workforce, by building the visual identity - the brand - of its country of origin, exporting visual arts can draw business development for other products or services (crafts, textiles, tourism...), allowing for synergies with these sectors. It can also contribute to maintain or increase the degree of self-sufficiency while mobilizing less capital investment than other sectors, and encourage rural development by generating employment. Besides, promoting visual arts can help these countries build a better image from all angles and thus spur foreign direct investment.

<sup>5</sup> UNCTAD Eleventh Session (Sao Paulo, 13-18 June 2004): "Creative Industries and Development" (TD(XI)/BP/13) and Press Release (UNCTAD/PRESS/PR/2004/019 of 20.08.04).

<sup>6</sup> *Ibid*

<sup>7</sup> *Ibid*

### III. Findings<sup>8</sup>

#### A. Creative industries: Size and trends

Globally, creative industries are estimated to account for more than 7 % of the world's GDP and are forecast to grow on average by 10% yearly<sup>9</sup>.

The following table provides a summary of actual and estimated turnover, at world level, in various sectors of the global creative industries.

<b>Global turnover of selected sectors within the creative industries</b>			
<b>Selected sectors</b>	<b>1998 US\$ million</b>	<b>2002 US\$ million</b>	<b>Average annual growth 1998-2002 %</b>
<b><i>Cinema and audiovisual media:</i></b>			
Filmed entertainment	47,572	63,141	+ 7 %
TV networks broadcast and cable	90,021	111,568	+5 %
TV distribution: station, cable and satellite	120,990	159,942	+ 7 %
Recorded music	37,249	34,201	- 2 %
Radio and out of home advertising	39,690	46,918	+4 %
Internet advertising and access spending	16,607	60,795	+38 %
<b><i>Total cinema and audiovisual media</i></b>	<b><i>352,129</i></b>	<b><i>476,565</i></b>	<b><i>+8 %</i></b>
<b><i>Literature, books and publishing:</i></b>			
Magazine publishing	73,263	77,139	+2 %
Newspaper publishing	151,140	157,011	+1 %
Consumer book publishing	44,910	45,379	+0 %
Educational and professional books and training	183,723	214,985	+4 %
<b><i>Total literature, books and publishing</i></b>	<b><i>453,036</i></b>	<b><i>494,514</i></b>	<b><i>+2 %</i></b>

*Source: Based on the European Parliament Comparative Study of the Cultural Industries EU/USA - EUCLID, March 2003.*

#### B. USA, a world giant<sup>10</sup>

In the USA, the world's leading market for cultural goods, the copyright industries<sup>11</sup> are one of America's largest and fastest growing economic assets. In 2001, they contributed more to the US economy and employed more workers than any single manufacturing sector. They accounted for an estimated 5.24% (or \$535.1 billion) of US GDP. They achieved foreign sales and exports estimated at US\$ 88.97 billion, again leading all major industries<sup>12</sup>.

Over the 24-year period from 1977 to 2001:

- Their share of GDP grew more than twice as fast as the remainder of the economy (7.0% versus 3.0% annually).

<sup>8</sup> A structural analysis of the international art market can be found in *Annex 3*.

<sup>9</sup> UNCTAD Eleventh Session (Sao Paulo, 13-18 June 2004): "Creative Industries and Development" (TD(XI)/BP/13).

<sup>10</sup> See *Annex 3-B: A transatlantic game*.

<sup>11</sup> *Theatrical films, TV programmes, home video, DVDs, business software, entertainment software, books, music and sound recordings*.

<sup>12</sup> "Copyright Industries in the U.S. Economy: The 2002 Report," prepared for the International Intellectual Property Alliance by Stephen E. Siwek of Economists Incorporated.

- Their employment more than doubled to 4.7 million workers (3.5% of total U.S. employment).
- Their average annual employment grew more than three times as fast as the remainder of the economy (5.0% versus 1.5%)<sup>13</sup>.

### C. Export growth in the visual arts sector

The sector has grown significantly over the last few years, despite recent downturns<sup>14</sup>. But, when interpreting trade data, caution should be exercised in respect of their reliability due to the deficiencies of current international trade statistics and customs codifications regarding visual arts.

With very few exceptions (such as original paintings and sculptures, hand-woven tapestries and rugs, hand-made lace and hand-made paper), “non machine-made” products from creativity are not identified by specific codes in the HS. This hindrance should always be kept in mind when analyzing their trade flows, which obviously excludes any kind of assertive interpretation. Subject to this reservation, the following table provides good indicators on orders of magnitude and trends in international trade for visual arts, in particular on the DCs' aggregate share over the world's export trade figures both in 2002 and over the five-year period 1998-2002.

#### World exports (2002) and growth (1998-2002) for selected visual arts (*In value*)

Selected segments and products	Exports 2002			Growth 1998-2002	
	World exports in US \$ million	DC exports in US \$ million	DC share in world exports (%)	World exports p.a. (%)	DC exports p.a. (%)
<b>Painting</b> <sup>15</sup>	6,061	196	3%	+ 7%	+ 7%
<b>Sculpture</b> <sup>16</sup>	897	41	5%	+ 11%	+ 3%
<b>Photography</b> <sup>17</sup>	872	80	9%	+ 3%	+ 13%
<b>Selected artistic crafts:</b>					
Original engravings <sup>18</sup>	216	3	2%	+ 4%	+ 20%
Hand-woven rugs <sup>19</sup>	65	65	100%	- 5%	- 5%
Hand-woven tapestries <sup>20</sup>	25	7	28%	- 10%	- 11%
Hand-made lace <sup>21</sup>	19	14	71%	- 10%	N.A.
Hand-made paper <sup>22</sup>	82	39	47%	+ 9%	+ 12%

*Source: ITC TradeMap statistical database (based on the UN COMTRADE database). A "caution clause" and additional information (main importing / exporting countries) extracted from TradeMap can be found in [Annex 4](#).*

<sup>13</sup> *Ibid.*

<sup>14</sup> See [Annex 3-A: Evolution](#).

<sup>15</sup> HS (Harmonized System) code: 9701 - e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand (excl. technical drawings and the like of the heading 4906, and hand-painted or hand-decorated manufactured articles); collages and similar decorative plaques.

<sup>16</sup> HS code: 970300 - Original sculptures and statuary, in any material.

<sup>17</sup> HS code: 491191 - Pictures, designs and photographs.

<sup>18</sup> HS code 970200 - Original engravings, prints and lithographs.

<sup>19</sup> HS code: 570210 - "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs, whether or not made up.

<sup>20</sup> HS code:580500 - Hand-woven tapestries, of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries, e.g. petit point, cross stitch, whether or not made up.

<sup>21</sup> TradeMap code: 580430hand-made lace, in the piece, in strips or as motifs.

<sup>22</sup> TradeMap code:480210handmade paper and paperboard as specified in note7 to chapter 48, last paragraph.

#### ***D. Distribution networks<sup>23</sup>***

Public auctions are the visible tip of the iceberg and a good indicator of the health of the overall market. However, they mainly resale high-value items from established artists. The turnover of the international art auction market was of US\$ 2.32 billion in the 2002/2003 season<sup>24</sup>.

Dealers/galleries control the new and contemporary art market and build reputations. Although hard to assess, it is generally assumed that their sales equal or exceed the turnover at public auction. Lesser-priced items are mostly distributed through other alternate networks, such as art supermarkets, travelling art shows, gift shops.

Buying directly from an artist is common practice, particularly in tourist places.

The Internet has proven a powerful tool for burgeoning or established artists. For instance, EBay, the world largest online marketplace which was founded less than a decade ago, sold US\$ 1.4 billion of collectibles in 2003<sup>25</sup>.

#### ***E. Export opportunities for DCs in visual arts***

DCs could leverage the following opportunities for the sector:

- *Increased diversity of populations in developed countries*

People of DC origin living in the North can play a crucial role in opening up developed markets to DC art.

For instance, the rapid growth of Spanish-speaking population in the USA (from 30.8 million and 11.4% of the US population in 1998 to 37.4 million and 13.3% in 2002<sup>26</sup>) has created a huge market for Latin American cultural products and the creation of specific institutions, such as the Mexican Fine Arts Museum of Chicago.

In the United Kingdom, the importance of the Indian/Pakistani community (1.5 million people in 2001<sup>27</sup>) has led to the creation of a new department at Christie's called Contemporary Indian.

In France, the increase of the population from North-African origin (officially, 1.3 million in 1999<sup>28</sup>) has also led to more cultural exchanges (e.g.: exhibitions at the Institut du monde arabe; "Raï" music concerts...).

- *New information technologies:*

New technologies are particularly well-suited for the visual sector.

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<sup>23</sup> See *Annex 3-C: Distribution networks*.

<sup>24</sup> [www.artprice.com](http://www.artprice.com)

<sup>25</sup> *EBay - Annual Report 2003*.

<sup>26</sup> *US Census - 2002 Report*.

<sup>27</sup> *UK Census - 2001 Report*.

<sup>28</sup> *French Census - 1999 Report*.

For the fraction of the cost of a rental gallery, one can develop a virtual one on the web, using digital pictures. The Internet could allow DC operators to streamline the supply chain by creating virtual galleries and stimulate creativity between and among artists by connecting them with each other to exchange ideas and practice.

Most importantly, this will allow to directly access millions of final consumers across borders, since the rate of Internet equipment in developed countries has skyrocketed over the last few years. In the USA, the number of Internet users rose from 37 million (14% of the population) in 1996 to 168 million in 2003 (60% of the population)<sup>29</sup>.

US online shopping per year has grown seven fold since 1999, to reach US\$ 63 billion in 2003. This figure is estimated to double by 2006<sup>30</sup>.

#### ***F. Export challenges for DCs in visual arts***

DCs have to face three clusters of challenges:

- *Lack of specific art marketing and exporting skills*

Arts entrepreneurship requires generic distinctive management skills that are not well developed in DCs<sup>31</sup>, marketing skills in particular.

- *Lack of adequate IP protection and management*

The sector relies heavily on IP. Art has almost no intrinsic value. The price rests largely on one's belief in its authenticity and provenance. Inexistent or unknown practical and economically feasible methodologies to ensure that the different types of IP rights are adequately managed and exploited, prove to be a significant barrier to export development. Protection is at stake, as is also the important additional source of revenues derived from visual creation, if and when a level playing field can be guaranteed between the different right holders.

- *Lack of accurate trade and statistical data*

The absence of accurate data collection and classification in the sector is acute and glaring. This constitutes a major obstacle to coherent policy formulation.<sup>32</sup>

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<sup>29</sup> Wired for Culture - Eugene Carr, Patron Publishing, 2003.

<sup>30</sup> *Ibid.*

<sup>31</sup> UNCTAD Eleventh Session (Sao Paulo, 13-18 June 2004): "Creative Industries and Development" (TD(XI)/BP/13).

<sup>32</sup> *Ibid.*

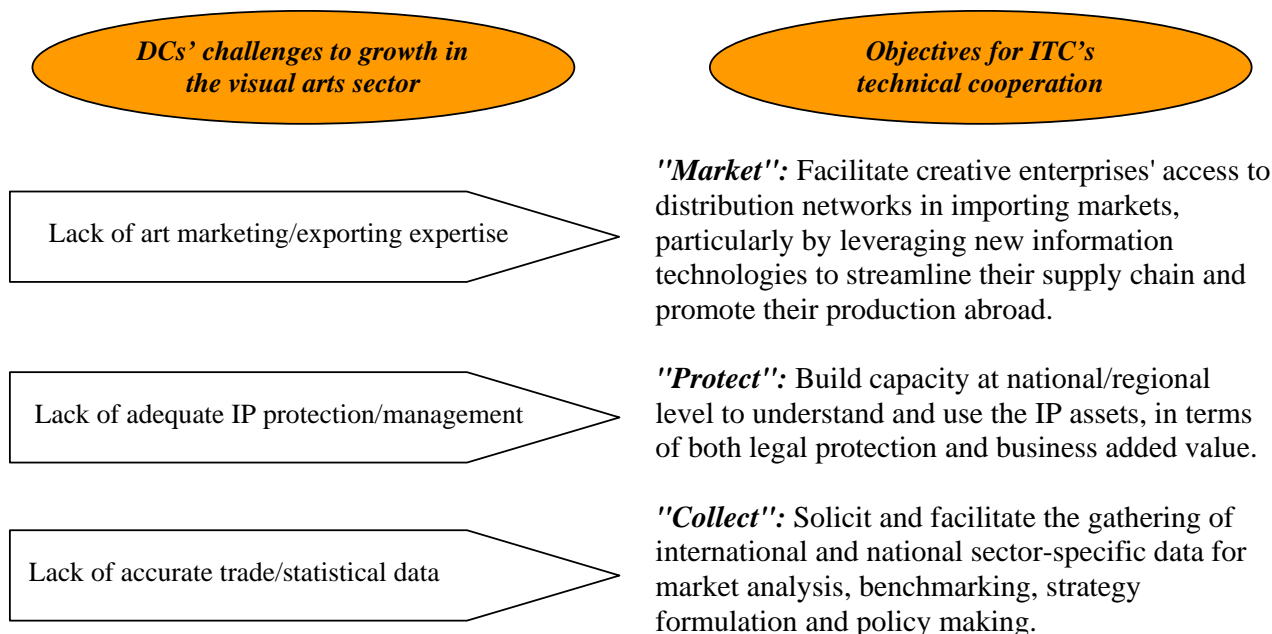


## IV. Strategy

### A. Three clusters of challenges: "Market/Protect/Collect"

The overarching goal of ITC's technical cooperation will be to assist selected developing countries to meet their main challenges to increase their exports in the visual arts sector as a means for economic development and poverty reduction through employment creation.

It will first concentrate on addressing the three clusters of challenges "Market/Protect/Collect", as follows:



The three objectives "Market/Protect/Collect" are interdependent and may be conducted simultaneously: any improvement in each of the three will facilitate the task in the two others.

### B. Strategic approach

In order to develop a replicable export development model, ITC will deliver its technical assistance according to the above-mentioned objectives and along two levels of intervention:

#### 1. Geographical level: national, regional, international

ITC will initially target a core group of countries with a promising visual arts sector (excellence in artistic expression and abundance of talent). Its assistance will aim at transforming these sources of creativity in new and increased export opportunities to enlarge their shares of world trade and to "leap-frog into new areas of wealth creation"<sup>33</sup>.

<sup>33</sup> UNCTAD Eleventh Session (Sao Paulo, 13-18 June 2004): "Creative Industries and Development" (TD(XI)/BP/13).

In a first phase, this selection will concentrate on a core group of DCs, the number of which (maximum six) will depend on funds availability. This core group might consist of selected countries from three continents, including one LDC from each of the three, e. g.:

- *for Africa:* Kenya and Senegal;
- *for Asia:* Bangladesh and Viet Nam;
- *for Latin America:* Guatemala and Haiti.

The successes reached and the lessons learned will then be replicated to these and other regions of the world, through as many beneficiary countries as possible.

In a second phase, funds permitting, the refined export development model could thus be extended to another core group of maximum six countries showing preliminary signs of export potential for the sector (presence of artistic talent and production capabilities) and located in four other different regions, e. g.:

- *for Central Asia:* Kyrgyzstan;
- *for the Maghreb:* Mauritania and Morocco;
- *for South-East Europe:* Bulgaria;
- *for Southern Africa:* Botswana and Zambia.

In many cases, existing supply or potential sourcing and identification, as well as selling markets, can better be strengthened and sustained at regional level. A regional approach will thus maximize the benefits of a group of countries from the same continent.

Finally, copyright challenges need to be addressed in an international context.

2. *Beneficiary level: Enterprise/professional association, trade support institution, government*

Due to its characteristics, the visual arts sector requires various forms of institutional coordination, including government intervention<sup>34</sup>.

ITC will integrate all the actors of the chain to make sure that:

- Governments foster and protect creations;
- Trade support institutions efficiently assist in facilitating access to the international markets; and
- Enterprises and professional associations integrate the needs and wants of their foreign customers.

### ***C. Strategy into action***

The following chart "Actions" gives a detailed summary account of ITC's technical assistance response to the three challenges of clusters "Market/Protect/Collect" faced by the DCs' visual arts sector.

The chart points to leveraging the impact of these actions through synergies with:

- (a) Other international agencies and other partners concerned with the development of art and culture from DCs; and
- (b) The expertise and tools of various ITC units in support of capacity-building, product and market development and the new technologies.

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<sup>34</sup> UNCTAD Eleventh Session (Sao Paulo, 13-18 June 2004): "Creative Industries and Development" (TD(XI)/BP/13).

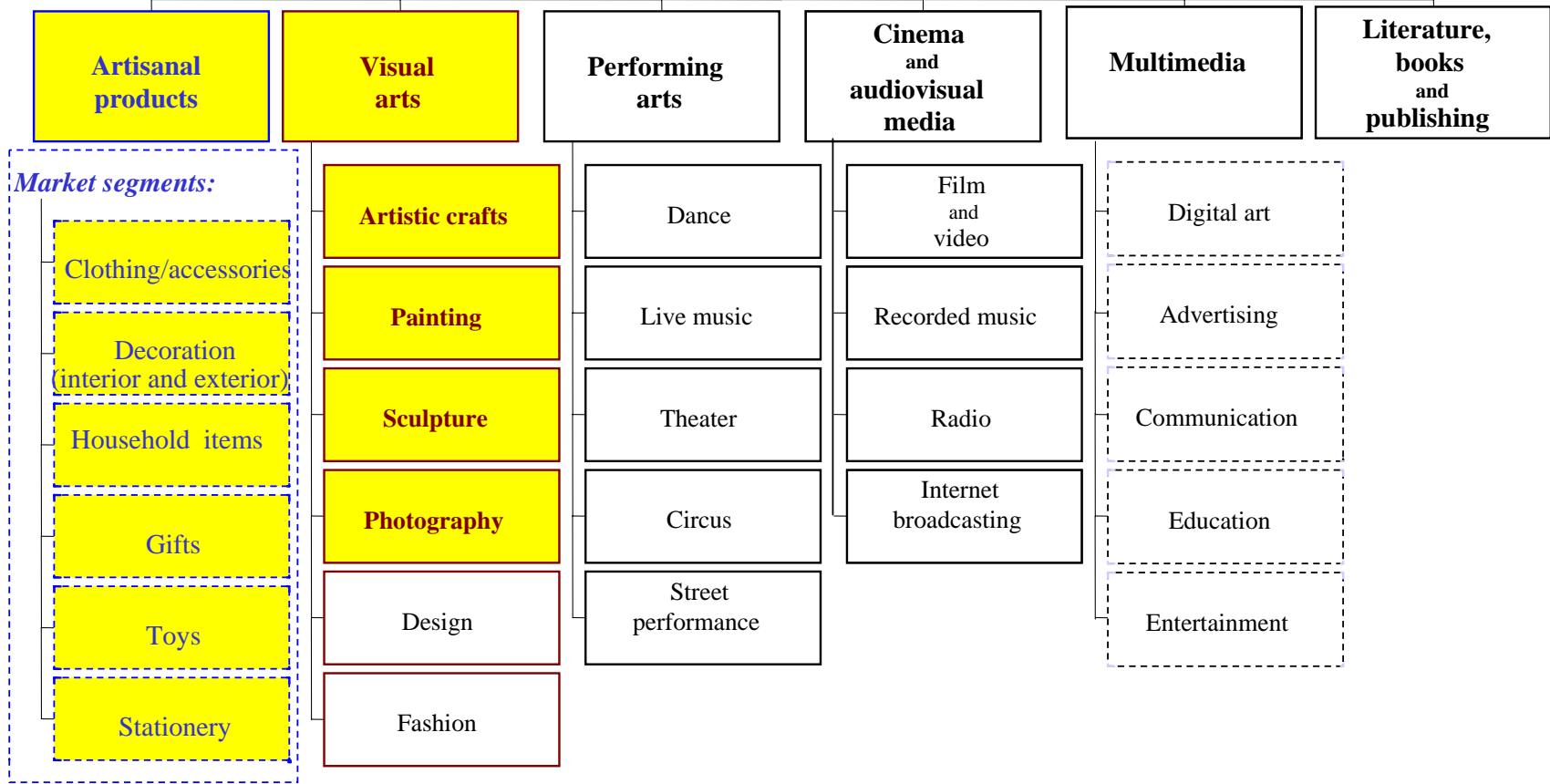
## Actions

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<i>Clusters of challenges</i>	<i>Level</i>							<i>Type of action</i>	<i>Technical assistance response</i>	<i>Synergy with</i>	
<i>Clusters</i>	Int	Reg	Nat	Ent Prof As.	TSI	Gov			<b>Other partners</b>	<b>ITC units/ tools</b>	
<b>Market</b>	X			X	X	X	Database E-network	Create an ITC E-business network, electronic directory and knowledge database, for E-based visual arts trade (through special hubs maintained by art partners, support institutions...)	ILO, UNCTAD, UNESCO, WIPO, WTO, Public/ private sector-related agencies	ETDU/DTSS TIS/DPMD IPSMS/DTSS	
		X	X	X	X		Export development tool: "From creation to market"	Develop market approach and supply strategies and business plans, with strong public-private partnerships and regional linkages	Idem	IPSMS/DTSS MDS/DPMD (craft + textile sectors) TSU/DPMD (tourism) MAS/DPMD	
	X	X	X	X	X		R&D Pilot project Specific Training Publication E-tool	Find partners and support agencies to: 1. Facilitate business linkages with global value chains; alternate channels of distribution; corporations and institutions (both artistic agencies and commercial enterprises in developed countries) aiming at sponsorship and scholarship programmes... 2. Promote sponsoring of DC artists by internationally recognized DC and/or developed country artists; 3. Fund participation of selected artists in international fairs, biennials, international art market-related information/training, market study tours, cultural/tourism promotion visits...	Public/private sector-related agencies Art-driven donor agencies	Idem	
	X	X	X	X	X	X	Project implementation	Implement technical cooperation activities/projects, tailor-made to the requirements of specific countries (donor funding permitting).	ILO, UNCTAD, UNESCO, WIPO, Public/private sector-related agencies	Idem	
<b>Protect</b>		X	X	X	X		Training (joint events, distance learning course) Publications	Develop IP competencies. Propose practical and economically feasible methodologies for copyright protection and mechanisms to guarantee provenance.	WIPO WIPO Academy	BAS/DTSS EMDS/DTSS	
<b>Collect</b>	X			X	X	X	Website E-tool R&D	Track and disseminate information for strategic and operational market research (survey production, export capacity, benchmarking) Advocate for and support capturing international trade statistics	OECD, UNCTAD, UNSD, UNESCO, WCO WTO, World Bank	ETDU/DTSS MAS/DPMD TIS/DPMD	

Annex 1

# Creative industries



*Legend: Yellow filling = ITC's proactive assistance*

## Annex 2 Definitions

Although there are no universally agreed definitions for creative industries, artisanal products and visual arts, ITC activities are based on the following:

<b>CREATIVE INDUSTRIES</b>	Generally speaking, <i>creativity</i> relates to one or many factors, such as: culture, tradition, art, design, communication, new technologies...	The raw material is people - their minds, their skills and their imagination.
	<i>Creative industries</i> are those that have their origin in individual creativity, skill and talent and that have a potential for wealth and job creation through the generation and exploitation of intellectual property <sup>35</sup> . This definition has the three significant elements described on the right column. <i>Creative industries</i> encompass major segments including: <b>artisanal products</b> ; <b>visual arts</b> ; performing arts; cinema and audiovisual media; literature, books and publishing; and others. <sup>36</sup>	The genesis of economic value comes from an individual's inspiration and, in turn, the reputation that he or she gains for his or her creative talent.
		The centrality of the concept of intellectual property rights and the importance of protecting these rights if their economic worth is to be realized. <sup>37</sup>
<b>ARTISANAL PRODUCTS</b>  <i>also referred to as crafts craft items craft products</i>	The five characteristics in the right column broadly apply to a wide range of world's <i>crafts</i> <sup>38</sup> .	They are produced by artisans, either completely by hand or with the help of hand-tools and even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product.
		There is no particular restriction in terms of production quantity.
		Even when artisans make quantities of the same design, no two pieces are ever exactly alike.
		They are made from sustainably produced raw materials.
		Their special nature derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, and religiously and socially symbolic and significant.
	<i>There is often a very fine line between craft-making and art creation.</i>	
	The specific features (aesthetic, cultural or traditional) and the high value of <i>artistic crafts</i> position them under the <i>visual arts</i> sector. The main characteristics of <i>artistic crafts</i> lie in their "non-repetitive" nature. This means that they are produced in one original or very few copies only. As is the case for visual art forms, they are more likely to be protected by copyright. <i>Artistic crafts</i> sell in specialist outlets; tourist, décor and curio markets: museums; sometimes also, in galleries and exhibitions, art fairs, and through commissions.	
<b>VISUAL ARTS</b>	The individual ( <i>the artist</i> ) uses various elements or material to express his or her feelings, emotions and differing perceptions of the world that surrounds him or her. The result of this work is judged mainly by the sense of sight.  Some expressions of <i>visual arts</i> are: painting, drawing, sculpture in various materials, printmaking, photography, plans, maps, performance art, installation art, mail art, assemblage art, body art, textile arts, fashion design, multimedia, video art, web design, web art, digital art, graphic and product design. ITC activities focus on the product segments listed in the right column.	<i>artistic crafts</i>
		<i>painting</i>
		<i>photography</i>
		<i>sculpture</i>

<sup>35</sup> The Creative Industries Mapping Document, Department of Culture, Media and Sport, United Kingdom, 1998.

<sup>36</sup> See Annex 1: ITC chart on Creative Industries.

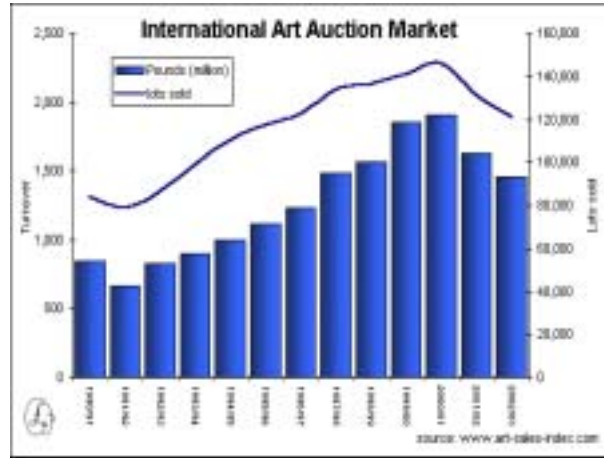
<sup>37</sup> Based on the British Council's brochure "Nurturing the creative economy".

<sup>38</sup> Based on the definition adopted by the 44 countries participating in the UNESCO/ITC Symposium on Crafts and the International Market: Trade and Custom Codification held in Manila, the Philippines, October 1997.

**Structural analysis of the arts market<sup>39</sup>**

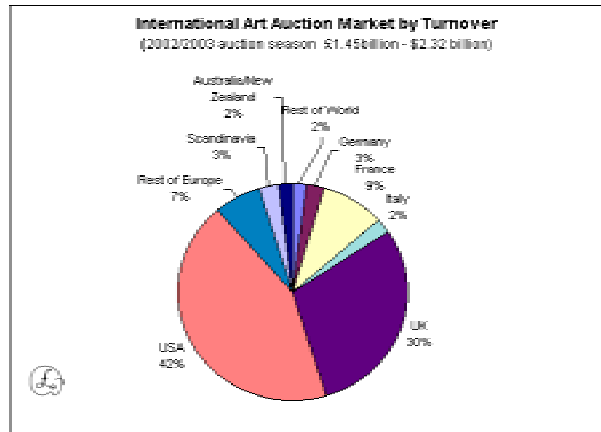
**A. Evolution**

Although art auctions are just the visible tip of the iceberg (sales by dealers are mostly unrecorded), they are traditionally used to gauge the arts market as a whole. Since the 50s, the arts market has run in cycles of boom and bust of about 6 or 7 years. It suffered setbacks in the mid 70s, the early 80s and the early 90s – at which point it experienced the largest plunge in its recent history, from which it still has not fully recovered. It fell again after 9/11 (-27,8% in value from 2001 and 2002 Contemporary Art sales in New York), but has regained strength since then.



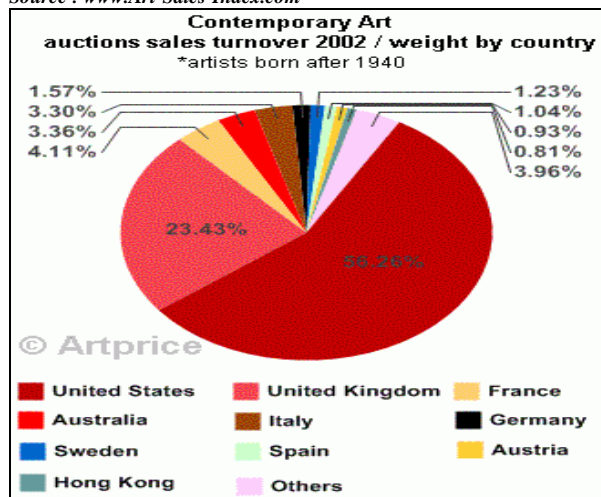
**B. A transatlantic game**

Although the art market is truly global, it is highly dominated in value by the US and the EU (in particular, the UK). Europe accounted for 54% by value of fine art sold at auction last year, while the US market share has been stable at around 42% for two years. The order is reverted for new and contemporary art: 56% for the US and 39% for the EU. London is still the dominant market for old masters paintings. Paris has recently re-emerged as an important trading market.



Source : [www.Art-Sales-Index.com](http://www.Art-Sales-Index.com)

However, New York is undeniably the world capital for new and contemporary art. Los Angeles and more recently Miami play an active yet lesser role. The US and Switzerland are the only western countries to guarantee the free circulation of art.



Source : [www.Artprice.com](http://www.Artprice.com)

The ethnic diversity of the American population plays a significant role in the market for DCs creation: the African-American population shows a keen interest in African traditional and contemporary art, as the Asian-American and Hispanic-American for Asian and Latin-American art.

<sup>39</sup> The information included in this Annex has been gathered through numerous interviews with executives in the field at all levels of the chain, namely: artists, auction houses (Christie's), dealers and gallery owners, importers and experts, and through extensive consultation of books, academic publications and press articles related to the field. Please, see Annex 5: "Contacts" and Annex 6: "Bibliography".

### ***C. Distribution networks***

Much of the art passes through chains of wholesalers, distributors, and other resellers on its way to retail galleries, and ultimately to retail buyers. Parallel to the traditional players (auction houses, dealers and galleries), informal networks and direct sales are thriving.

- *Public auctions:* Auction houses act as brokers, taking commissions on the sale price of their consignments. The turnover of the International Art Auction market was of \$ 2.32 billion in the 2002/2003 season. It is essentially, although not exclusively, a resale market, thriving on the “3 D rule”: death, debt and divorce – the sad occurrences when a collector or his/her inheritor will bring a piece to auction. It concentrates on higher priced works from well established – and mostly dead - artists. It is still dominated by two international giants, Christie’s and Sotheby’s, which were recently entangled in a damaging and costly collusion scandal. Both houses were created in the mid 18 century in London. Gradually since WWII, they have worked to displace dealers as key art sellers. Many people who previously would have bought their art through dealers now go directly to auctions, in effect buying at wholesale rather than at retail. They have become aggressive marketers, sending selected items from future auctions to cities around the world. As a result, private buyers, not dealers, account for the bulk of their sales. Interestingly enough, Christie’s and Sotheby’s have somewhat missed the technology revolution and failed to make a real mark on internet auctions.
- *Dealers and galleries:* Floating invisibly and unrecorded under the water are sales by dealers and galleries. However, it is generally assumed that these sales equal or exceed the turnover at public auction. They have lost some of their formerly pre-eminent position. Forced to add a substantial mark up to their wares in order to stay in business – contrary to the auction houses, they carry the financial risk of the transaction by actually buying the pieces – they have difficulty competing for buyers with the auction houses. One of the traditional strong points of dealers – their ability to offer buyers flexible terms for payment – has been challenged by the auctioneer’s willingness to lend money for art. Even the dealer’s role as an art advisor to prospective buyers has been threatened by the emergence of art consultants who sell advice on art purchases. Collectors do not have those problems at auctions, where bidders compete on equal footing. Still, art dealers remain a force in the private market for art, notably by controlling the market for new and contemporary art.
- *Informal / undedicated networks:* Lesser priced artefacts are often sold through informal or non permanent networks such as art festivals, street fairs, outdoor markets, or through networks dedicated to other items, for which selling art is a side business: gift shops, furniture shops, framing stores, interior design stores, department stores, etc. These networks probably account for a significant part of art sales from DCs.
- *Direct /internet sales:* buying directly from an artist is common practice, particularly in tourist places. The internet has proven a powerful tool for burgeoning or established artists. For the fraction of the cost of a rental gallery, one can develop a virtual one on the web, using digital pictures. Founded less than a decade ago, EBay, the world largest online marketplace sold \$1.4 billion of collectibles last year.

### ***D. Why do people buy art?***

The easy answer is: because they like it. Sure enough, aesthetic motives and the enjoyment that art brings are key to such purchases. But social prestige and investment are also strong incentives. In each case, the assumption is that once something is purchased, it is not immediately for sale again. But the arts market has also attracted buyers looking for a refuge from an adverse stock market in more tangible art investments. In fact, there aren’t too many ways of locking up large sums of money, and quality – and authentic - art work offers just that. Indeed, some art works have seemingly become currencies in themselves, repositories of indisputable, reliable value.

Even the most dedicated collector buys with the secret hope that he will make money from his purchase. Art as an investment is not a new idea. As early as the 17<sup>th</sup> century, people were touting art as a good way to double their money. But the prime investment appeal of art in earlier times was more as a safeguard against political and economic turmoil than as a rapidly appreciating asset. Paintings and jewelry were a form of insurance, which could be easily carried and sold in the event a family was forced to abandon its other forms of wealth. It was not until the inflationary periods of the 20<sup>th</sup> century, and particularly the 70's and 80's, that the purely financial aspects of art began to be emphasized. But the free fall of the early 90s has clearly demonstrated that treating an art purchase as a money-making venture comparable to an investment in real estate is a risky business indeed.

A study of price quotes, conducted for Christie's by Professor W. Baumol of New York University, revealed that over a 200 year period the average return of a fine piece of art is about 5.5%, or as little less than a government bond. Moreover, it is not an extremely liquid asset. If an owner desperately wants money it may not be a good time to sell. So if an investor can afford it, from a long term stand point, he would be better off buying bonds.

As a rule, Christie's experts do not encourage people to buy art as an investment, since it is so unpredictable. "People should not assume that, because prices are high, art is a good investment" says S. Lash, former Executive VP of Christie's. "The pure investor, in the end, does not seem to make money. He will buy the right artist and the wrong work every single time. The cardinal rule for investing in the art is more apt today than ever: buy what you love and you wouldn't mind keeping forever: you may not be able to sell it when you need to."

#### ***E. What is the right price?***

As for any other valuables, the price for art is ultimately determined by the amount which collectors are prepared to pay for ownership. However, there are three problems:

- The art market is highly segmented, with each school or genre dominated by a relatively small number of collectors. An overall rise / fall in the art prices does not necessarily impact each segments. This makes the price of any individual piece difficult to assess.
- Art has almost no intrinsic value; the price rests largely on one's belief in its value. The authenticity, provenance and relative scarcity is paramount to establishing this belief. So any kind of doubt will inevitably affect art more than other products.
- It is a fashion business, and it is difficult to predict which style will be in fashion in the future. Provenance or the artist's reputation is not always a guaranteed path to value.

#### ***F. The fate of living artists***

Sadly enough, the death of an artist brings a significant financial bonanza to his body of work. For instance, Van Gogh paintings started to appreciate almost immediately after his dramatic death, whereas Gauguin's lingered until death, 14 years later.

For living artists, the market surge of the last 40 years has been a mixed blessing. While artists generally do not benefit directly when their works fetch high prices on the resale market, they frequently reap indirect rewards. A high price paid for an earlier work often will add to the selling price of a new work. Still, it often galls artists to see collectors profiting from the resale of their work for many times their original price. This frustration has led to the creation of "droit de suite" (following right) under which collectors have to pay artists a share of profits on the resale value of their work.

France, which has adopted such a principle, is lobbying the EU to extend it to the rest of the community. In the US, California is the only state to have such a law, which requires that 5% of resale profit go to the artist. New York and London art professionals are strongly resisting this trend.



## Annex 4

### Main importing/exporting countries for selected visual arts products from DCs in value in 2002

*(Extracts from TradeMap)*

**CAUTION** : Reservation in respect of data reliability due to the deficiencies of current international trade statistics and customs codifications regarding visual arts

With very few exceptions (such as original paintings and sculptures, hand-woven tapestries and rugs, hand-made lace and hand-made paper), “non machine-made” products from creativity are not identified by specific codes in the HS. This hindrance should always be kept in mind when analyzing their trade flows, which obviously excludes any kind of assertive interpretation.

Subject to this reservation, the tables below provide good indications on orders of magnitude and trends in international trade for the selected visual arts products. Apart from the five top importing/exporting countries, the tables show the DCs' aggregate shares compared with the world's trade figures for 2002 in respect of the specific segment or product analyzed. The respective annual growth over the five-year period 1998-2002 is also indicated.

### A. Paintings<sup>40</sup>

#### *World's imports/exports*

##### *5 largest importers of paintings*

Importers	Paintings imported (US\$ '000)	Share in world imports of paintings (%)	Annual growth in value 98-02 (%)
World	7,232,851	100 %	7 %
USA	3,333,742	46 %	9 %
UK	2,250,572	31 %	10 %
Switzerland	508,329	7 %	0 %
Germany	173,114	2 %	1 %
Japan	139,638	2 %	-17 %
Total top 5	6,405,395	88 %	+ 8 %

##### *5 largest exporters of paintings*

Exporters	Paintings exported (US\$ '000)	Share in world exports of paintings (%)	Annual growth in value 98-02 (%)
World	6,060,798	100 %	7 %
UK	2,308,859	38 %	15 %
USA (re-exp.)	1,244,855	21 %	7 %
USA	665,494	11 %	0 %
Switzerland	616,005	11 %	7 %
Germany	298,516	5 %	- 4 %
Total top 5	5,133,729	75 %	9 %

#### *DCs' imports/exports*

##### *5 largest importers of paintings from DCs*

Importers	DCs paintings imported (US\$'000)	Share of DCs paintings exports (%)	Annual growth between 98-02 (%)
World	196,062	100 %	7 %
USA	61,174	31 %	11 %
Switzerland	44,997	23 %	13 %
Japan	14,417	7 %	0 %
Germany	14,089	7 %	39 %
France	9,245	5 %	17 %
Total top 5	143,922	73 %	13 %

##### *5 largest DC exporters of paintings*

Exporters	Paintings exported (US\$'000)	Share of paintings exports (%)	Annual growth between 98-02 (%)
All DCs	196,062	3 %	7 %
S.Korea	43,282	0.7 %	36 %
Bahamas	41,384	0.7 %	15 %
Hong Kong (re-export)	30,570	0.5 %	12 %
China	16,083	0.3 %	2 %
Taiwan	8,335	0.1 %	9 %
Total top 5	139,654	2.3 %	+ 18 %

<sup>40</sup> HS (Harmonized System) code: 9701 -: e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand (excl. technical drawings and the like of the heading 4906, and hand-painted or hand-decorated manufactured articles); collages and similar decorative plaques.

## B. Sculptures<sup>41</sup>

### *World's imports/exports*

#### *5 largest importers of sculptures*

Importers	Sculptures imported in 2002 (US\$ '000)	Share in world imports of sculptures (%)	Annual growth in value between 98-02 (%)
World	876,437	100 %	9%
USA	400,619	27 %	12%
UK	154,359	18%	14%
Switzerland	75,021	9%	6%
Germany	36,579	4%	2%
France	29,947	3%	10%
Total top 5	696,525	79 %	13 %

#### *5 largest exporters of sculptures*

Exporters	Sculptures exported in 2002 (US\$ '000)	Share in world exports of sculptures (%)	Annual growth in value between 98-02 (%)
World	897,426	100%	11
UK	241,174	30%	13
USA (re-exp.)	147,591	16%	31
USA	115,680	13%	5
France	96,207	11%	10
Switzerland	83,511	9%	10
Total top 5	708,967	79 %	15 %

### *DCs' imports/exports*

#### *5 largest importers of sculptures from DCs*

Importers	DCs sculptures imported (US\$'000)	Share of DCs sculptures exports (%)	Annual growth between 98-02 (%)
World	40,592	100 %	3 %
USA	16,737	41 %	4 %
France	3,536	9 %	31 %
UK	3,080	8 %	
Japan	2,457	6 %	36 %
Singapore	2,252	6 %	39 %
Total top 5	28,414	70 %	15 %

#### *5 largest DC exporters of sculptures*

Exporters	Sculptures exported (US\$'000)	Share of sculptures exports (%)	Annual growth between 98-02 (%)
All DCs	40,592	4.5%	11 %
South.Korea	9,329	1 %	122 %
Zimbabwe	6,449	0.7 %	N.A.
South Africa	4,257	0.5 %	N.A.
Taiwan	2,778	0.3 %	-1 %
Thailand	2,072	0.2 %	-5 %
Total top 5	24,885	2.7 %	N.A.

<sup>41</sup> HS code: 970300 - Original sculptures and statuary, in any material.

## C. Photographs<sup>42</sup>

### *World's imports/exports*

#### *5 largest importers of photographs*

Importers	Photographs imported in 2002 (US\$'000)	Share in world imports of photographs (%)	Annual growth in value between 98-02 (%)
World	952,854	100%	5%
USA	290,540	30%	14%
Canada	107,027	11%	13%
Germany	68,696	7%	4%
France	45,870	5%	-7%
Switzerland	45,720	5%	-1%
Total top 5	552,655	58 %	9 %

#### *5 largest exporters of photographs*

Exporters	Value exported in 2002 (US\$ '000)	Share in world exports of photographs (%)	Annual growth in value between 98-02 (%)
World	872,158	100%	3%
USA	166,066	19%	9 %
Germany	146,576	17%	-2%
Canada	137,510	16%	7 %
UK	57,612	7%	2 %
France	48,051	6%	1%
Total top 5	566,903	65 %	4 %

### *DCs' imports/exports*

#### *5 largest importers of photographs from DCs*

Importers	DCs photographs imported (US\$'000)	Share of DCs photographs exports (%)	Annual growth between 98-02 (%)
World	80,269	100 %	13 %
USA	41,929	52 %	27 %
Mexico	4,064	5 %	11 %
China	3,321	4 %	15 %
Japan	3,169	4 %	4 %
UK	2,595	3 %	19 %
Total top 5	54,582	68 %	24 %

#### *5 largest DC exporters of photographs*

Exporters	Photographs exported (US\$'000)	Share of photographs exports (%)	Annual growth between 98-02 (%)
All DCs	80,269	9 %	13 %
Mexico	19,272	2.2 %	26 %
Taiwan	15,067	1.7%	11 %
Hong Kong (re-export)	14,329	1.6 %	16 %
China	4,911	0.6 %	15 %
Argentina	3,428	0.4 %	90 %
Total top 5	57,007	6.5 %	25 %

<sup>42</sup> HS code: 491191 - Pictures, designs and photographs.

## D. Original engravings<sup>43</sup>

### World's imports/exports

#### 5 largest importers of engravings

Importers	Value imported in 2002 (US\$ '000)	Share in world imports (%)	Annual growth in value between 98-02 (%)
World	201,797	100 %	-2 %
USA	80,179	40 %	1 %
UK	53,360	26 %	17 %
Japan	16,217	8 %	-26 %
Canada	14,058	7 %	19 %
Switzerland	12,154	6 %	3 %
Total top 5	175,563	87 %	5 %

#### 5 largest exporters of engravings

Exporters	Value exported (US\$ '000)	Share in world exports (%)	Annual growth in value between 98-02 (%)
World	215,566	100 %	4 %
UK	83,906	40 %	19 %
USA	42,581	20 %	2 %
France	19,783	9 %	6 %
USA (re-export)	19,493	9 %	-7 %
Germany	15,186	7 %	-7 %
Total top 5	183,231	85 %	9 %

### DCs' imports/exports

#### 5 largest importers of engravings from DCs

Importers	DCs engravings Imported (US\$'000)	Share of DCs engravings exports (%)	Annual growth between 98-02 (%)
World	3,347	100 %	20 %
USA	849	25 %	20 %
France	636	19 %	N.A.
Spain	304	9 %	240 %
Japan	257	8 %	2 %
UK	242	7 %	-23 %
Total top 5	2,276	68 %	N.A.

#### 5 largest DC exporters of engravings

Exporters	Engravings exported (US\$'000)	Share of engravings exports (%)	Annual growth between 98-02 (%)
All DCs	3,347	1.5 %	4 %
China	603	0.27 %	49 %
Mexico	544	0.25 %	67 %
Indonesia	510	0.24 %	63 %
South Africa	507	0.23 %	N.A.
South Korea	381	0.18 %	60 %
Total top 5	2,545	1.17 %	N.A.

<sup>43</sup> HS code 970200 - Original engravings, prints and lithographs.

## E. Hand-woven rugs <sup>44</sup>

### *World's imports/exports*

#### *5 largest importers of hand-woven rugs*

Importers	Value imported (US\$ '000)	Share in world imports (%)	Annual growth in value between 98-02 (%)
World	120,815	100 %	-3 %
USA	37,089	31 %	6 %
UK	10,625	9 %	2 %
Germany	7,108	6 %	-15 %
Italy	6,989	6 %	0 %
Iraq	5,372	4 %	N.A.
Total top 5	67,656	56 %	N.A.

#### *5 largest exporters of hand-woven rugs*

Exporters	Value exported (US\$ '000)	Share in world exports (%)	Annual growth in value between 98-02 (%)
World	65,001	100 %	-5 %
Iran	12,137	18 %	9 %
China	8,165	12 %	-15 %
Turkey	7,071	11 %	-14 %
Pakistan	4,267	6 %	-10 %
India	3,841	6 %	50 %
Total top 5	34,450	53 %	-5 %

### *DCs' imports/exports*

#### *5 largest importers of hand-woven rugs from DCs*

Importers	DCs Hand-woven rugs imported (US\$ '000)	Share of DCs hand-woven rugs exports	Annual growth between 98-02 (%)
World	65,001	100 %	-5 %
U.S.A	37,089	57 %	6 %
U.K	10,625	16 %	2 %
Germany	7,108	11 %	-15 %
Italy	6,989	11 %	0 %
Iraq	5,372	8 %	N.A.
Total top 5	53,951	83 %	N.A.

#### *5 largest DC exporters of hand-woven rugs*

Exporters	Hand-woven rugs exported (US\$ '000)	Share of hand-woven rugs exports (%)	Annual growth between 98-02 (%)
World	65,001	100 %	-5 %
Iran	12,137	18 %	9 %
China	8,165	12 %	-15 %
Turkey	7,071	11 %	-14 %
Pakistan	4,267	6 %	-10 %
India	3,841	6 %	50 %
Total top 5	36,401	56 %	-5 %

<sup>44</sup> HS code: 570210 - "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs, whether or not made up.

## F. Hand-woven tapestries<sup>45</sup>

### World's imports/exports

#### 5 largest importers of hand-woven tapestries

Importers	Value imported (US\$ '000)	Share in world imports (%)	Annual growth in value between 98-02 (%)
World	46,639	100 %	2 %
Japan	7,772	17 %	-9 %
USA	6,452	13 %	9 %
Portugal	5,948	13 %	55 %
UK	5,273	11 %	11 %
Mexico	2,537	6 %	67 %
Total top 5	27,983	60 %	20 %

#### 5 largest exporters of hand-woven tapestries

Exporters	Value exported (US\$ '000)	Share in world exports (%)	Annual growth in value between 98-02 (%)
World	25,366	100 %	-10 %
France	4,308	16 %	-3 %
China	4,181	16 %	-11 %
UK	2,791	12 %	-16 %
Spain	1,704	8 %	-18 %
Italy	1,483	5 %	17 %
Total top 5	14,459	57 %	- 8 %

### DCs' imports/exports

#### 5 largest importers of hand-woven tapestries from DCs

Importers	DCs hand-woven tapestries Imported (US\$'000)	Share of DCs hand-woven tapestries exports (%)	Annual growth between 98-02 (%)
World	7,007	100 %	-11 %
USA	4,098	58 %	-1 %
Japan	965	14 %	-24 %
Spain	215	3 %	-8 %
Germany	173	2 %	-10 %
UK	147	2 %	-23 %
Total top 5	5,536	79 %	- 6 %

#### 5 largest DC exporters of hand-woven tapestries

Exporters	DCs hand-woven tapestries exported (US\$'000)	Share of hand-woven tapestries exports (%)	Annual growth between 98-02 (%)
All DCs	7,007	28 %	-10 %
China	4,181	16.2 %	-11 %
Philippines	1,123	4.4 %	N.A.
Mexico	486	1.9 %	-9 %
Peru	246	1 %	0 %
India	196	0.8 %	28 %
Total top 5	6,232	27.3 %	N.A.

<sup>45</sup> HS code:580500 - Hand-woven tapestries, of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries, e.g. petit point, cross stitch, whether or not made up.

## G. Hand-made lace<sup>46</sup>

### World's imports/exports

#### 5 largest importers of hand-made lace

Importers	Value imported (US\$ '000)	Share in world imports (%)	Annual growth in value between 98-02 (%)
World	13,899	100 %	0 %
India	3,365	24 %	192 %
United Arab Emirates	2,809	20 %	-13 %
Italy	687	5 %	-21 %
Yemen	650	5 %	N.A.
Libya	556	4 %	N.A.
Total top 5	7,505	54 %	N.A.

#### 5 largest exporters of hand-made lace

Exporters	Value exported (US\$ '000)	Share in world exports (%)	Annual growth in value between 98-02 / (%)
World	19,367	100 %	-10 %
Syria	8,322	43 %	N.A.
USA	2,498	13 %	-15 %
China	1,795	9 %	-18 %
India	1,569	8 %	-18 %
UK	901	5 %	66 %
Total top 5	15,085	78 %	N.A.

### DCs' imports/exports

#### 5 largest importers of hand-made lace from DCs

Importers	DCs hand-made lace imported (US\$'000)	Share of DCs hand-made lace exports (%)	Annual growth between 98-02 (%)
World	13,834	100 %	N.A.
United Arab Emirates	2,809	20 %	N.A.
Saudi.Arabia	2,610	19 %	N.A.
Jordan	1,391	10 %	N.A.
USA	983	7 %	0
Italy	673	5 %	-20 %
Total top 5	8,439	61 %	N.A.

#### 5 largest DC exporters of hand-made lace

Exporters	Hand-made lace exported (US\$'000)	Share of hand-made lace exports (%)	Annual growth between 98-02 (%)
All DCs	13,834	71 %	-10 %
Syria	8,322	42.8 %	N.A.
China	1,795	9.3 %	-18 %
India	1,569	8.2 %	-18 %
Taiwan	641	3.3 %	33 %
Turkey	427	2.2 %	46 %
Total top 5	12,754	66 %	N.A.

<sup>46</sup> TradeMap code: 580430 - Hand-made lace, in the piece, in strips or as motifs.

## H. Hand-made paper<sup>47</sup>

### World's imports/exports

#### 5 largest importers of hand-made paper

Importers	Value imported (US\$ '000)	Share in world imports (%)	Annual growth in value between 98-02 (%)
World	124,623	100 %	2 %
France	43,466	34 %	-7 %
Japan	16,762	14 %	-3 %
Oman	7,644	6 %	N.A.
Spain	7,465	6 %	97 %
USA	7,088	6 %	-9 %
Total top 5	82,251	66 %	N.A.

#### 5 largest exporters of hand-made paper

Exporters	Value exported (US\$ '000)	Share in world exports (%)	Annual growth in value between 98-02 (%)
World	82,482	100 %	9 %
USA	13,097	16 %	24 %
China	12,109	15 %	3 %
Free Zones	11,196	13 %	156 %
India	6,571	9 %	49 %
UK	4,973	6 %	-4 %
Total top 5	47,946	59 %	49 %

### DCs' imports/exports

#### 5 largest importers of hand-made paper from DCs

Importers	DCs hand-made paper imported (US\$'000)	Share of DCs hand-made paper exports (%)	Annual growth between 98-02 (%)
World	38,885	100 %	12 %
Japan	14,083	36 %	-1 %
Malaysia	4,352	11 %	153 %
China	4,131	11 %	49 %
USA	2,456	6 %	15 %
S. Korea	2,083	5 %	9 %
Total top 5	26,831	69 %	34 %

#### 5 largest DC exporters of hand-made paper

Exporters	Hand-made paper exported (US\$'000)	Share of hand-made paper exports (%)	Annual growth between 98-02 (%)
All DCs	38,885	48 %	9 %
China	12,109	14.7 %	3 %
India	6,571	8 %	49 %
Thailand	3,779	4.6 %	7 %
Taiwan	3,757	4.6 %	-4 %
Hong Kong (re-exp)	3,211	3.9 %	84 %
Total top 5	29,427	35.8 %	22 %

<sup>47</sup> TradeMap code:480210 - Hand-made paper and paperboard as specified in note7 to chapter 48, last paragraph.



**Annex 5****Contacts<sup>48</sup>**

<b>Name</b>	<b>Organization / profession</b>	<b>Expertise</b>	<b>Country of origin</b>	<b>Country of expertise</b>
A. Arnold	Founder – Museum Explorer	Arts Management	USA	
P. Assis	USAID, USEA	International Aid	Lebanon	Africa
Henri Baissas	Marketing VP UBIFRANCE	Export Development	France	Global
S. Beatty	Sales VP Getty Images	Photography	USA	Global
M. Bibbs	VP Development – Du sable Museum of African Am. History	Arts Management African Art	USA	Africa
P. Bombe	Director, African Safari Imports	Import export	Angola	West Africa
P. Bourguignon	Former Exec. Dir. ,World Economic Forum. Board Member – Ebay	Management International relations	France	Global
S. Brahy	VP, Cendant Intercultural	Intercultural relations	Belgium	Global
G. Brown	Founder of EUCLID International	cultural info. / research	UK	Europe
J. Burros	Dir, Chicago Dept. Of Cultural Aff.	Cultural planning	USA	USA
P. Caron	National Geographic Society	World Culture	USA	Global
G. Carr	CEO, Patron Technology	Internet for the Arts	USA	USA
R. Carlson	exec. Dir. Illinois Arts Council	Public assistance to the arts	USA	USA
M. Christensen	Exec. Dir. European Social Investment Forum	Equitable trade	USA	Europe
F. Curiel	Chairman, Christie’s Europe	World renowned Auctioneer	France	Global
A. Frieden	Partner – Avendia Law	Intellectual property lawyer	Senegal / Brazil	Global
B. Gruet	Marketing VP American Express	Banking transactions	France	Europe
A. Gimmgne	Professor, Former CEO of agence de presse du Senegal	African Art and Culture	Senegal,	Western Africa
J. Gunzberg	Executive Director Art and Business Council of America	Arts Management	USA	USA
J. Guzman	VP, Mexican Fine Arts Museum	Latin American arts	Mexico	Latin America
J. Jacobs	Certified Arts Appraiser	Arts Pricing	USA	USA
N. Kausar	VP CitiCorp Singapore	International Finance	Pakistan,	S. E. Asia
C. Kelley	Painter, Gallery owner,	Art History	USA	USA
J. Koury	Founder of Silk Road Project		Syria, USA	
Aziz Kuraishi	Information technology expert	Internet	Afghanistan	
L. Leherer	Dean of the School of Fine Arts, Painter, Columbia College Chicago	Art History	USA	USA, Europe
S. Lillmars	OECD, AT Kearney	International Affairs	USA	former soviet republics
J. McBride	Director, Illinois Arts Alliance	Arts Management		
T. Macquart	Reginal Director, Auchan China	Supply Chain Management	China	
Jack McCord	Dir. Alliance Française – Chicago	Francophonie	USA	Francophonie
S. Nestor	OECD	International law	USA	Global
B. Olu	Dir., African Wonderland Imports Co founder, African Festival of the Arts of Chicago	International arts market	Nigeria,	Western Africa
J. Peeler	VP, National Arts marketing Project	Arts marketing	Germany	Europe, USA
B. Peril	Arts Management Professor, St Petersburg Institute of Economics	International arts market	Russia	former soviet republics
J. Petit	VP South East Asia SCAC Delmas Vieljeux Shipping Company	International Shipping	France	Souht East Asia
N. Rabkin	Dir., Chicago Center for Arts Policy	Arts Policy	USA	USA
J.D. Rich	Chair., Arts Management Dept. Columbia College Chicago	Co Author Marketing Culture and the arts	USA	Global
J. Satchu	VP AT Kearney	Strategic management	Kenya	Global
D. Stein	Managing Director, Asian Essence	International Arts Market	USA	Vietnam, Asia
D. Soares	VP AT Kearney	Supply Chain Management	India	Global
G. Trifaud	PPJ Bangkok	Import Export professional	France	Thailand, S.E. Asia
Tran Tu	Vietnamese artist	Painting	Vietnam	Vietnam
N. Tom	Founder Center for Asian Arts	Asian Art	USA	China, Asia
S. Van Hosen	VP AT Kearney	Supply Chain Management	USA	USA
M. Warr	Prod. director - Dance Africa	African Art	USA	Ethiopia, Kenya
K. Williams	Pres. – Vietnam Vet Arts Museum	Viet Nam Art and Culture	USA	Vietnam

<sup>48</sup> Made in preparation for this position paper.

## Annex 6

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<sup>49</sup> Compiled in preparation for this position paper.