

TECHNICAL NOTES

Philippine Creative Economy Satellite Account

1. Introduction

Creativity plays an important role in improving the economic performance of a country as it can attract potential investments and promote competitive advantage. While several studies have been published over time to map and measure the contribution of “creative” activities in the economy, the results vary due to the differences in terms of the scope and coverage, definitions, classifications, methodology, among others.

In 2021, the Department of Trade and Industry (DTI) initiated the following projects: “Scope and Coverage of the Philippine Creative Economy” and “Dynamic Mapping Project: Identifying the Creative Occupations”, which evaluated and examined the creative industries and occupations, respectively. In support of these undertakings, the Philippine Statistics Authority (PSA) actively participated in meetings/fora organized and coordinated by DTI and provided data for the said projects. In 2022, Republic Act No. 11904 or the “Philippine Creative Industries Development Act” or PCIDA lapsed into law.

In 2022, given the importance of the creative sector to the economy, PSA started its pilot initiative to assess the scope and coverage, data availability and limitations, and to craft an interim methodology for the compilation of the Philippine Creative Economy Satellite Account (PCESA). With the growing supply and demand for innovative and creative goods and services, it is important to capture the economic contribution of the creative sector in the country. With this, it is regarded vital to institutionalize the creative satellite account to facilitate the generation of required data inputs and to address data gaps for its compilation on a regular basis.

The pilot estimates for 2018 to 2024 on PCESA provides information on the Gross Value Added (GVA) of the nine (9) creative industries: (1) Audio and audiovisual media activities, (2) Digital interactive goods and service activities, (3) Advertising, research and development, and other artistic service activities, (4) Symbols and images and other related activities, (5) Media publishing and printing activities, (6) Music, arts, and entertainment activities, (7) Visual arts activities, (8) Traditional cultural expression activities, and (9) Art galleries, museums, ballrooms, conventions and trade shows, and related activities.

2. Data and Data Sources

The data used for the compilation of preliminary estimates for 2018 to 2024 of PCESA are obtained from several sources. Below are the major data sources for the estimation:

Data	Description / Use	Source Agency
Supply and Use Tables (SUT)	The 2018 SUT provides information on the structure of the Philippine economy.	PSA
National Accounts of the Philippines (NAP)	Primary source of information used in deriving the overall production and consumption of the economy.	PSA
Census of Philippine Business and Industry (CPBI)	Provides information on the Gross Output, Intermediate Consumption of industries, and employment in creative industries.	PSA
Labor Force Survey (LFS)	Provides information on the total number of employed persons by industry.	PSA
List of Establishments (LE)	Provides information on the employment structure in creative industries.	PSA
Copyright factors from various studies and reports	Copyright factor is a ratio used to identify the creative portion of a specific industry.	DTI, Bayudan-Dacuycuy (2021), Francisco et al. (2014)
Annual Financial Report	Serves as the source for the estimation of creative collective consumption. This provides detailed statement of financial performance of national government agencies, local government units, and government corporations.	Commission on Audit
Budget of Expenditures and Sources of Financing	Provides information on national government, local government, and government corporations expenditure on creative-related projects and activities	Department of Budget and Management (DBM)
General Appropriations Act	Provides detailed information on the expenditure program of national government, local government, and government corporations	DBM

3. Methodology

III.A. Estimation Methodology

The economic contribution of the creative economy to the Philippine economy is measured using the Production Approach or Value-Added Approach. This method consists of summing the GVAs of all identified creative industries.

The estimation process benefited from the final report of the DTI study, which provides a listing of creative industries with corresponding copyright factors. It is important to note that economic activities in the national accounts are captured both in the organized and unorganized segments of the economy. Following the Production Approach of computing the economic contribution, GVA is derived by subtracting the Intermediate Consumption (IC) from the Gross Output (GO).

Estimation Methodology

For the estimation of the GVA of creative industries, the data and employment structure from the 2018 CPBI was used.

$$CGVA = \sum_i^n (GO_i * CF_i) - (IC_i * CF_i)$$

Where:

CGVA = GVA of creative industries

GO_i = gross output of the *i*th sub-industry

IC_i = intermediate consumption of the *i*th sub-industry

CF_i = copyright factor of the *i*th sub-industry

n = number of creative sub-industries

The value-added of organized creative industries is estimated using information from the CPBI, which is disaggregated by five-digit Philippine Standard Industrial Classification (PSIC) level. Meanwhile, the value of creative goods and services produced but not captured in formal establishment surveys like CPBI, are estimated using indirect estimation and employing the residual employment approach.

The general method for the residual employment approach is provided below:

$$\begin{aligned} [1] \quad CGVA_{unorg} &= CGO_{unorg} * CGVAR_{sole} \\ [2] \quad CGO_{unorg} &= CEMP_{unorg} * CGO_{perWorker(sole)} \\ [3] \quad CEMP_{unorg} &= CEMP_{lfs} - CEMP_{org} \end{aligned}$$

Where:

CGVA_{unorg} = gross value added of unorganized creative industry

CGO_{unorg} = gross output of the unorganized creative industry

CGVAR_{sole} = gross value added ratio of small creative establishments and are classified under sole proprietorship

CEMP_{unorg} = estimated employment in unorganized creative industry

CGO_{perWorker(sole)} = gross output per worker employed in creative establishments and are classified under sole proprietorship

CEMP_{lfs} = total employment of creative industry from the Labor Force Survey

CEMP_{org} = total employment of creative organized industry from the establishment survey

For the estimation of non-benchmark years, indicators from the NAP and other relevant information and indicators are considered to obtain the levels for each year.

Employment in the Creative Industries

Employment in the creative industries refers to the employment related to the goods and services acquired by consumers and produced by creative industries. The employment structure from the LE was utilized to derive the number of employed persons in the creative economy by industry. The ratios were obtained at the five-digit PSIC level in the LE and were applied to the corresponding levels in the LFS to derive the total number of persons employed by industry.

III.B. Statistical Tables

The following are the available tables:

Statistical Table	Description
Table 1.1 GVA of the Creative Economy at Current Prices, Levels (in million PhP)	<p>Presents the GVA of the following industries of PCESA at current prices:</p> <ul style="list-style-type: none"> a. Audio and audiovisual media activities b. Digital interactive goods and service activities c. Advertising, research and development, and other artistic service activities d. Symbols and images and other related activities e. Media publishing and printing activities f. Music, arts, and entertainment activities g. Visual arts activities h. Traditional cultural expression activities i. Art galleries, museums, ballrooms, conventions and trade shows and related activities

Statistical Table	Description
Table 1.2 GVA of the Creative Economy at Current Prices, Growth rates (in percent)	Presents the growth rate of the GVA at current prices of the nine PCESA industries.
Table 1.3 GVA of the Creative Economy at Current Prices, Percent share to total (in percent)	Presents the share of each of the GVA at current prices of the nine industries to the total PCESA.
Table 2 Creative Economy and Gross Domestic Product (GDP) at Current Prices, Levels (in million PhP)	Presents the levels of PCESA and GDP at current prices, as well as the share of PCESA to GDP.
Table 3.1 GVA of the Creative Economy at Constant Prices, Levels (in million PhP)	Presents the GVA at constant prices of the nine creative industries of PCESA.
Table 3.2 GVA of the Creative Economy at Constant Prices, Growth rates (in percent)	Presents the growth rate of the GVA at constant prices of the nine PCESA industries.
Table 3.3 GVA of the Creative Economy at Constant Prices, Percent share to total (in percent)	Presents the share of each of the GVA at constant prices of the nine industries to the total PCESA.
Table 4.1 Employment in Creative Industries, Levels (in thousand persons)	Presents the number of employed persons by industry of PCESA
Table 4.2 Employment in the Creative Industries, Growth rates (in percent)	Presents the growth rates of employment by industry of PCESA

Statistical Table	Description
Table 4.3 Employment in the Creative Industries, Percent share to total (in percent)	Presents the percent share of employed persons by industry of PCESA.
Table 5 Employment in Creative Industries and Total Employment in the Philippines, Levels (in thousand persons)	Presents the levels of employment in creative industries and total employment in the Philippines, as well as the share of employment in creative industries to the total employment in the Philippines.
Table 6.1 Creative Collective Consumption and Government Final Consumption Expenditure (GFCE) at Current Prices, Levels (in million PhP)	Presents the levels of Creative Collective Consumption and GFCE at current prices, as well as the share of Creative Collective Consumption to the GFCE in percent.
Table 6.2 Creative Collective Consumption at Current Prices, Growth rates (in percent)	Presents the growth rate of Creative Collective Consumption.

4. Concepts and Definition of Terms

Republic Act No. 11904 defined creative industries as “trades involving persons, whether natural or juridical, that produce cultural, artistic, and innovative goods and services originating in human creativity, skill, and talent and having a potential to create wealth and livelihood through the generation and utilization of intellectual property.”

The working operational definition for creative economy covers economic activities primarily responsible for the creation, production, commercialization, distribution, and consumption of goods and services that use creativity and intellectual capital as primary inputs. Creative goods and services should satisfy any of the following:

- a. Its production requires some input of human creativity;
- b. It contains symbolic messages;
- c. It has an intellectual property factor; or
- d. It is a novel or a new product.

The following are the creative industries captured in the estimation:

- a. **Audio and audiovisual media activities** comprising of manufacturing, renting, trading of live and recorded audio and audiovisual media;
- b. **Digital interactive goods and service activities** including manufacturing, renting, trading of computers, software, programs, mobile applications, and electronic games;
- c. **Advertising, research and development, and other artistic service activities** referring to advertising, research and development, recreational services, translation and interpretation including construction of other civil engineering projects;
- d. **Symbols and images and other related activities** including manufacturing, renting, trading of symbols and images in textiles, garments, footwear, furniture, jewelry, fashion and accessory, toys, etc.;
- e. **Media publishing and printing activities** comprising of publishing and printing, renting, trading of books, magazines, newspapers, journals including manufacturing of ink, hand-made paper, etc.;
- f. **Music, arts, and entertainment activities** referring to manufacturing and trading of musical instruments, publishing of music; casting, booking; operations of concerts and theaters including activities in creative arts and entertainment;
- g. **Visual arts activities** including manufacturing, trading, distribution, and preservation of works which are visual in nature including paintings, drawings, photographs, antiques, and other visual arts;
- h. **Traditional cultural expression activities** which are related to customs, practices, traditions, culture, heritage including arts and crafts, gastronomy, culinary practices, cultural festivals, and celebrations;
- i. **Art galleries, museums, ballrooms, conventions and trade shows and related activities** including operation of art galleries, ballrooms, discotheques, conventions and trade shows, libraries and archives, botanical and zoological gardens, museums and preservation of historical sites and buildings.

5. Dissemination of Results and Revision

The published 2018 to 2024 PCESA resulted from the pilot study of PSA technical staff. The schedule of release of the revised and preliminary PCESA is three (3) months after the reference year. The press release, full report, statistical tables, social cards, and infographics on the pilot PCESA compilation are posted on the PSA website and Facebook page.

6. Citation

Philippine Statistics Authority. (2025). Technical Notes on Philippine Creative Economy Satellite Accounts. <https://psa.gov.ph/statistics/creative-economy/technical-notes>

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