

CREATIVE ECONOMY AS A NEW DRIVER OF GROWTH: A VIETNAMESE PERSPECTIVE

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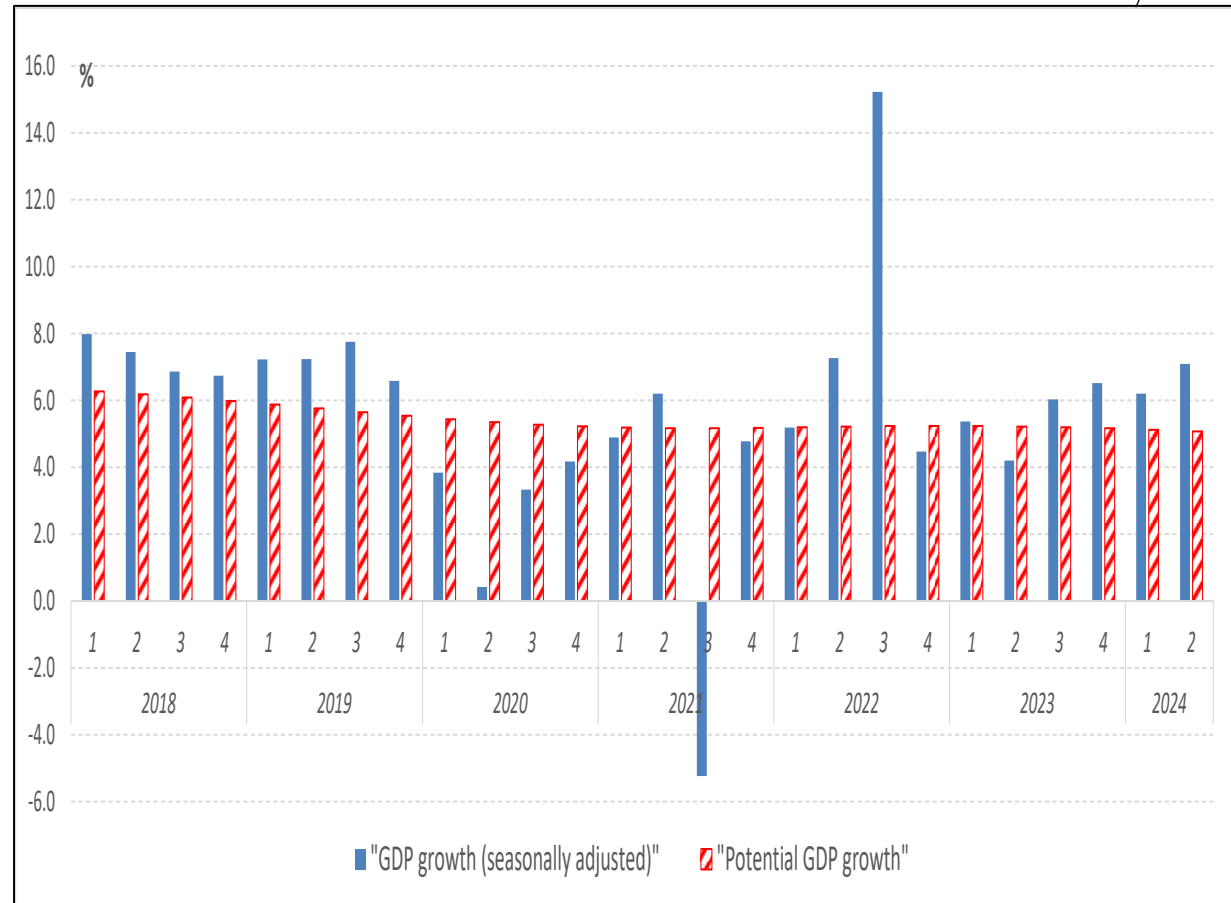
OUTLINE

1. Introduction
2. Viet Nam's creative economy in available data
3. Recommendations for a comprehensive strategy for creative economy in Viet Nam

1. INTRODUCTION

- Viet Nam aims for ambitious development goals by 2030 (becoming an upper middle-income country) and by 2045 (becoming a high-income country).
- Challenges to long-term growth emerge (traditional resources become relatively scarce; growth potential declining, etc.).
- This presentation argues that fostering creative economy can help boost long-term growth even for an export-oriented country like Viet Nam.

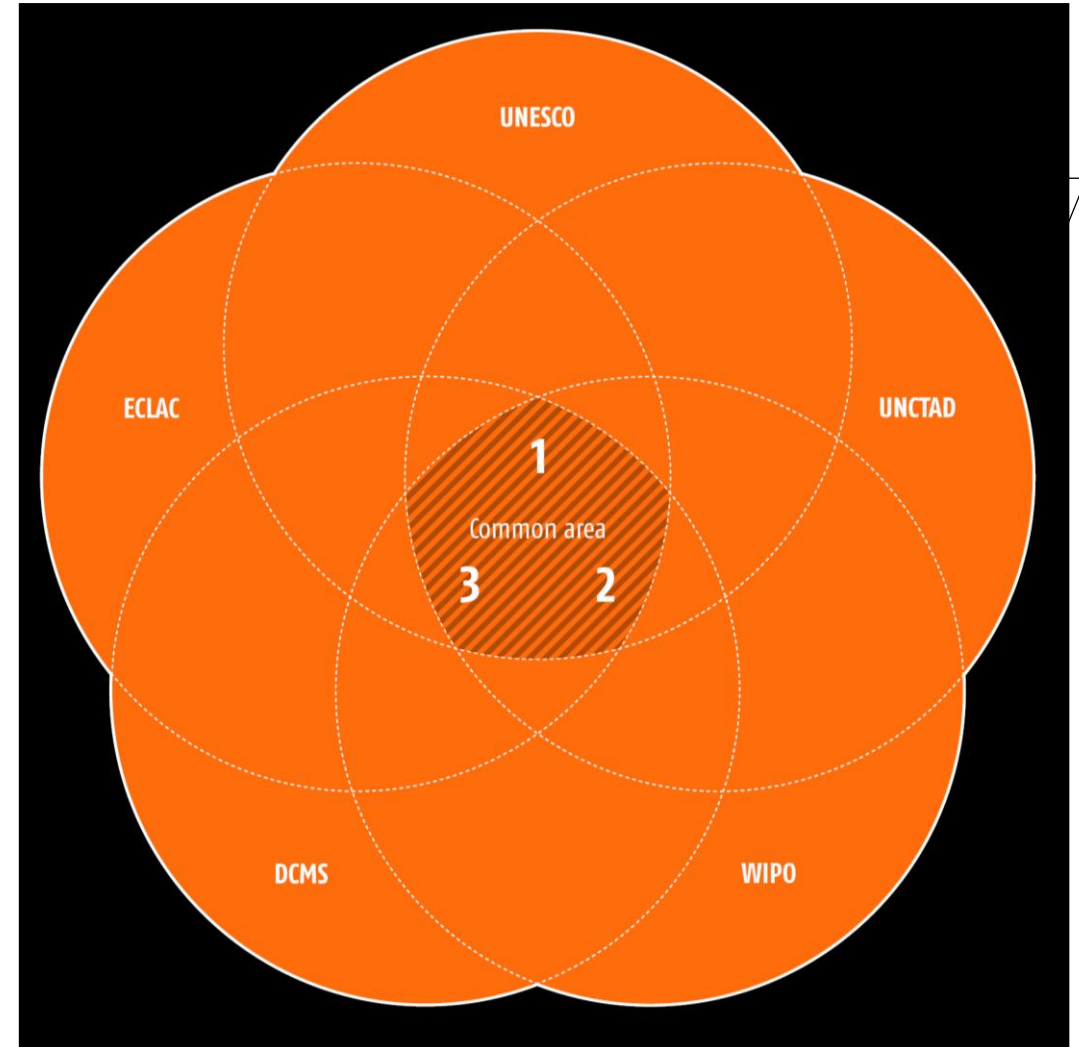
Viet Nam's economic growth vs. trend



Source: CIEM (2024).

WHAT IS “CREATIVE ECONOMY”?

- *Tran Thi Hong Minh (2024) offers the first rigorous study on creative economy in Viet Nam.*
- *Different concepts of creative economy, but all refers to creative industries, focusing on cycles of creating, producing, distributing creativity- and IP-based products.*

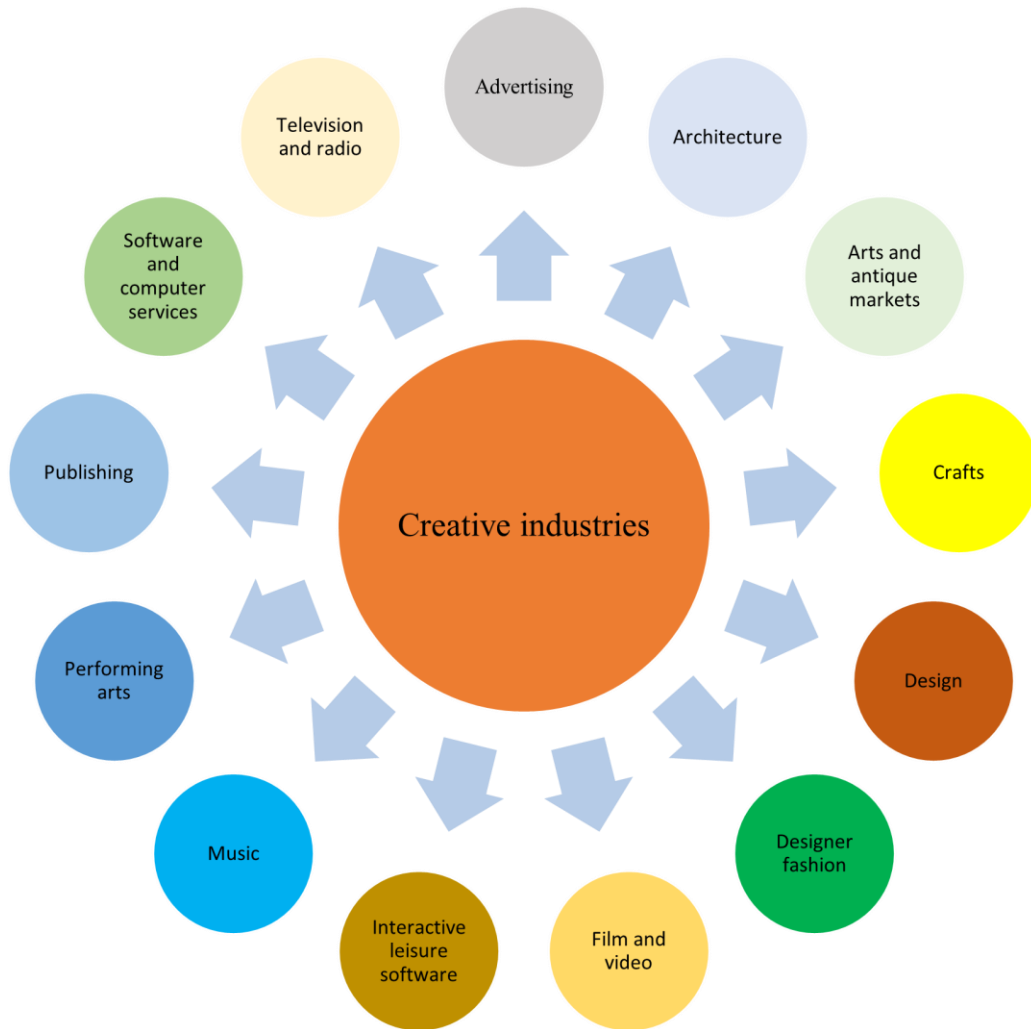


Note: DCMS= Department of Culture, Media and Sports of the UK; ECLAC=Economic Commission for Latin America and Caribbean; (1) creativity, arts and culture as productive endeavours; (2) products strongly related to intellectual property rights, in particular copy rights; (3) activities with direct role in the value chain transforming ideas into products.

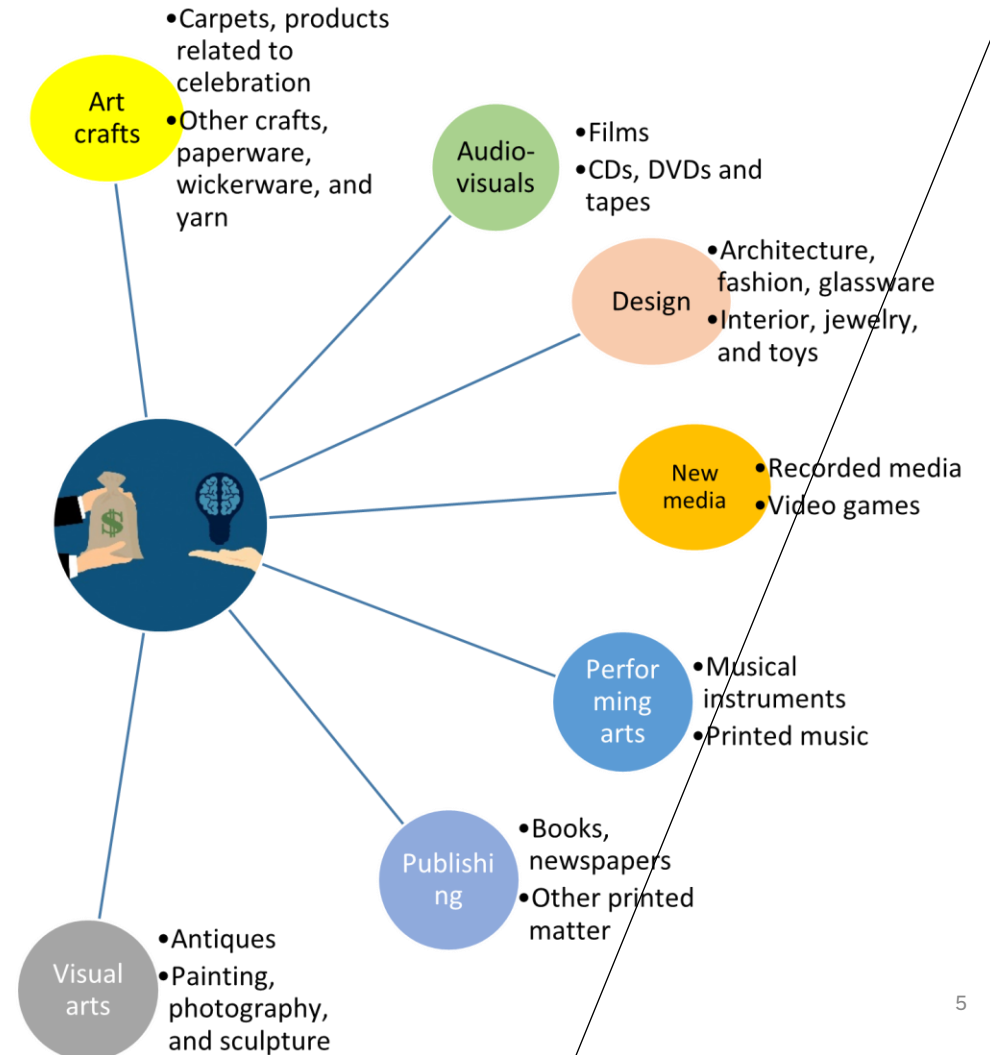
Source: Buitrago and Duque (2003).

CREATIVE INDUSTRIES AS THE HEART OF CREATIVE ECONOMY

UK classification

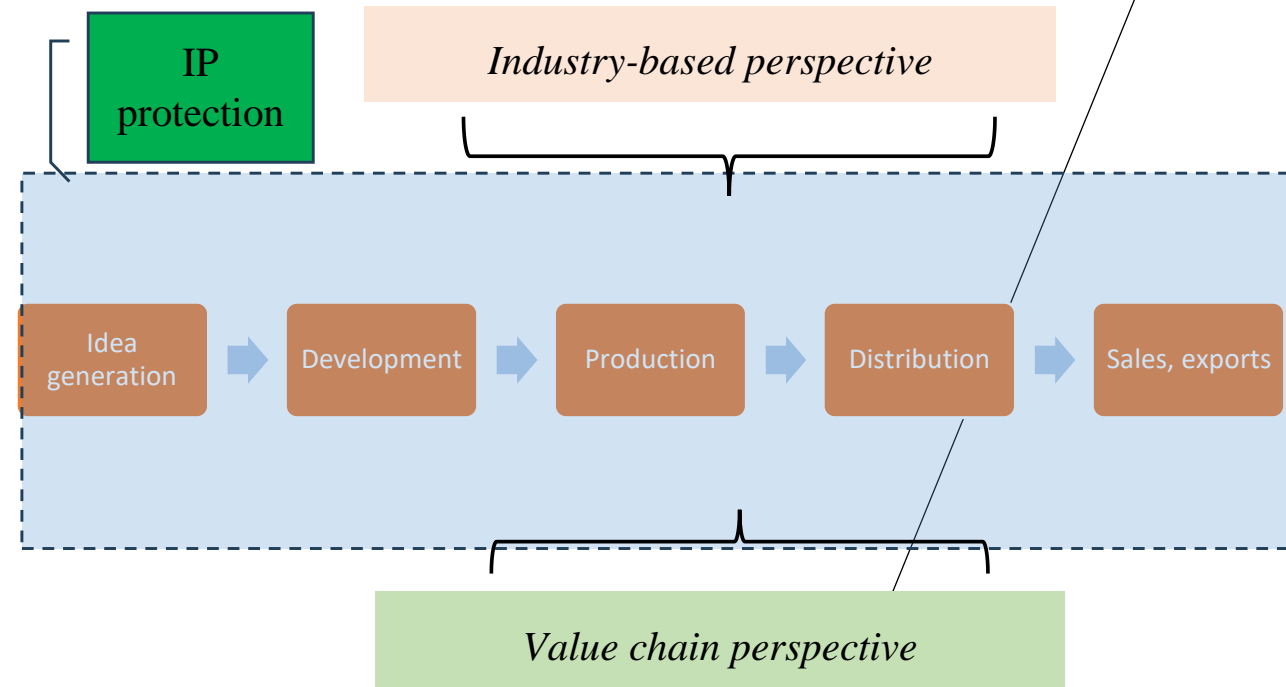


UNCTAD classification



➤ This presentation follows the definition of “creative economy” by Tran Thi Hong Minh (2024): *an economy formed based on cycles of idea generation, development, production, distribution, and sales (including exports) of creative goods and services, linked with the establishment, respect, and protection of IP → Emphasis on:*

- *Commercialization of creative goods and services; and*
- *Establishment, respect and protection of IP.*

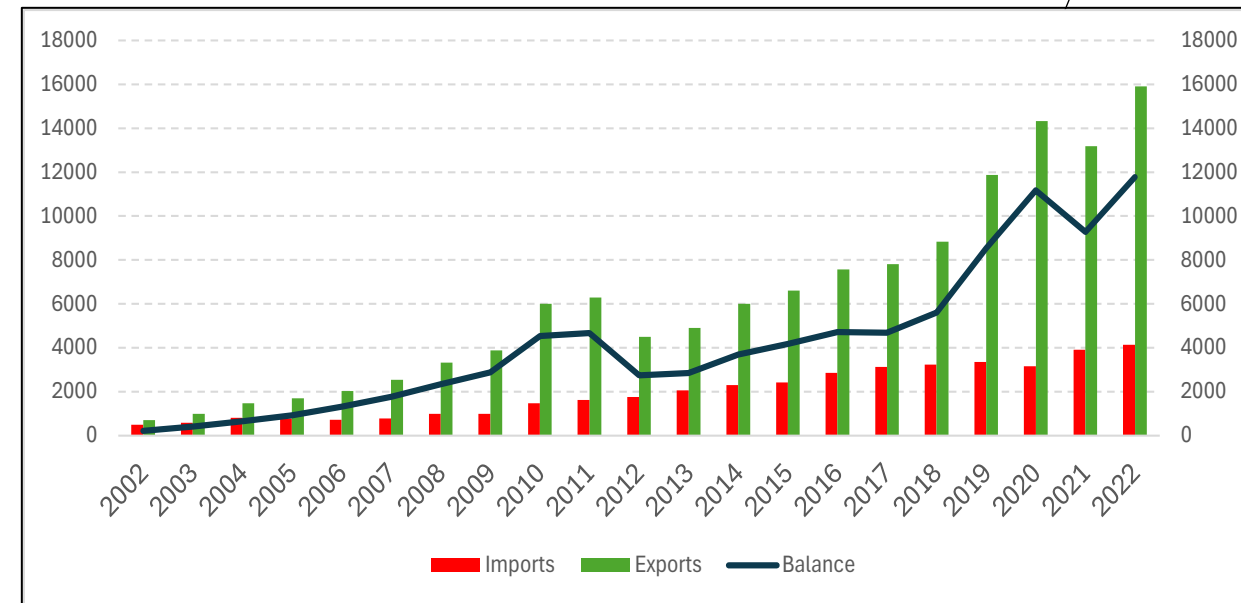


Source: Tran Thi Hong Minh (2024).

2. VIET NAM'S CREATIVE ECONOMY IN AVAILABLE DATA

- Viet Nam's trade in creative goods expanded rapidly in 2002-2022 (*net exporter*).
- *The country's exports of creative goods went up by 16.9% p.a. (2020: 20.6%; 2021: -8.0%; 2022: 20.7%)*
- Faster and more resilient than world exports of creative goods (6.5% p.a. in 2002-2022; 2020: -12.4%; 2021: 28.2%; 2022: 3.1%).
- Share of Viet Nam in global exports of creative goods rose from 0.35% in 2002 to over 2.2% in 2022 (peak of 2.7% in 2020)

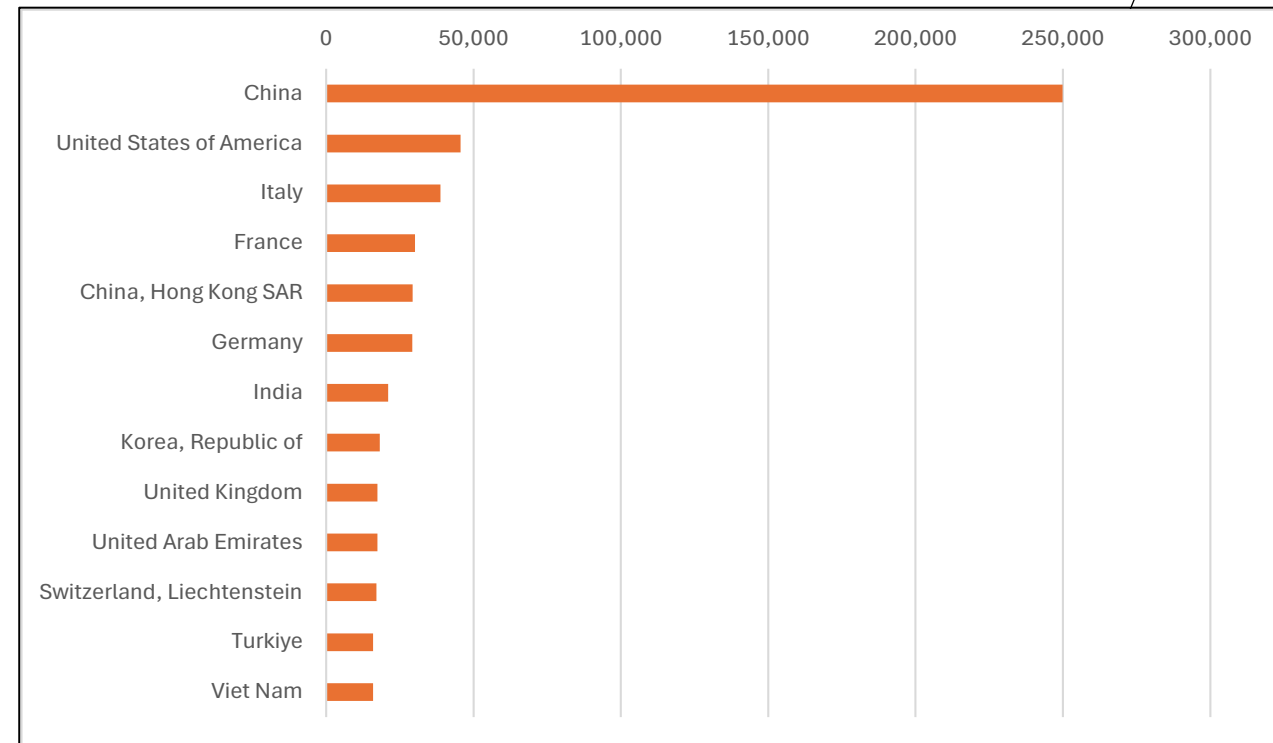
**Viet Nam's trade in creative goods, 2002-2022
(million US\$)**



Source: UNCTADstat (16 April 2024).

- Creative goods accounted for 4.3% of total exports in 2022 (almost unchanged compared to 2002, but decreased from 8.3% in 2010)
- Viet Nam ranked 13th in terms of creative goods exports in 2022 (compared to 8th in 2020)
- In 2022, US accounted for 54.5% of Viet Nam's creative goods exports, followed by Japan (8.0%), Republic of Korea (4.3%), Germany (3.8%).
- Craft and design goods were the largest category (88.7% of total in 2022), followed by software, video games and recorded media (10.5% of total in 2022).

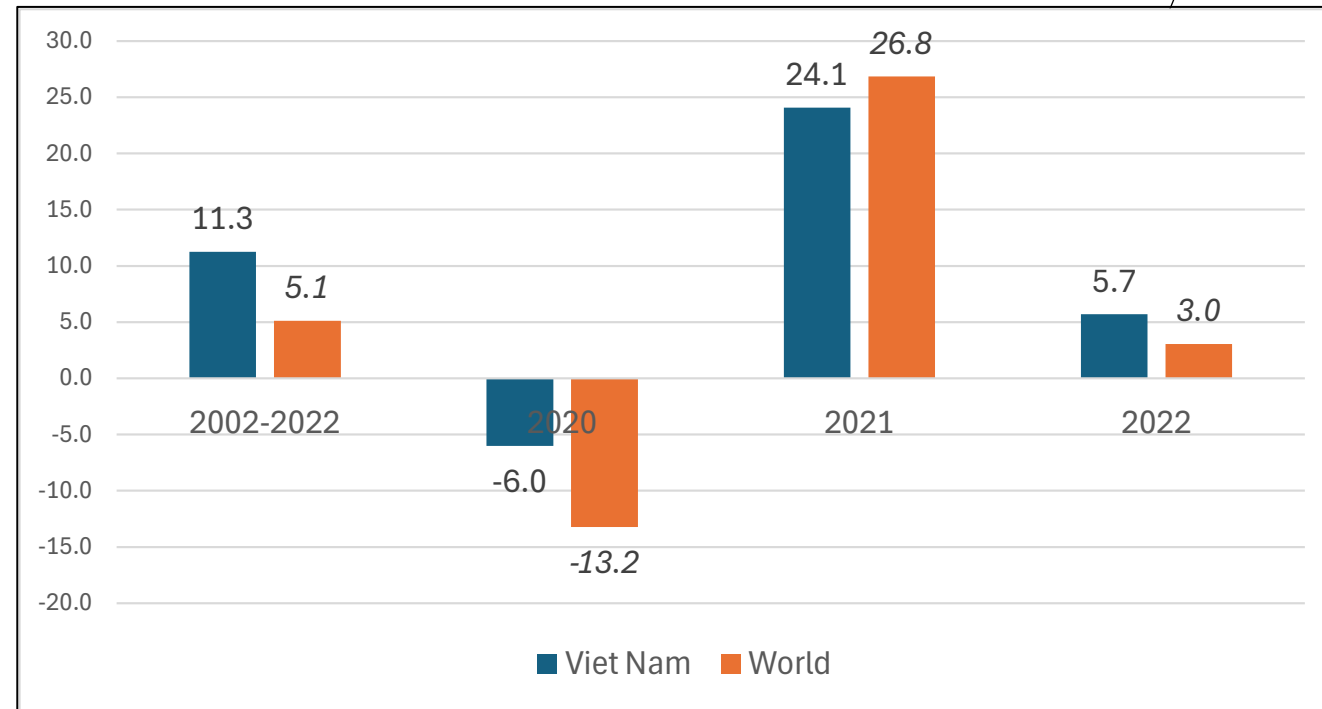
Largest exporters of creative goods in 2022 (million US\$)



Source: UNCTADstat (16 April 2024).

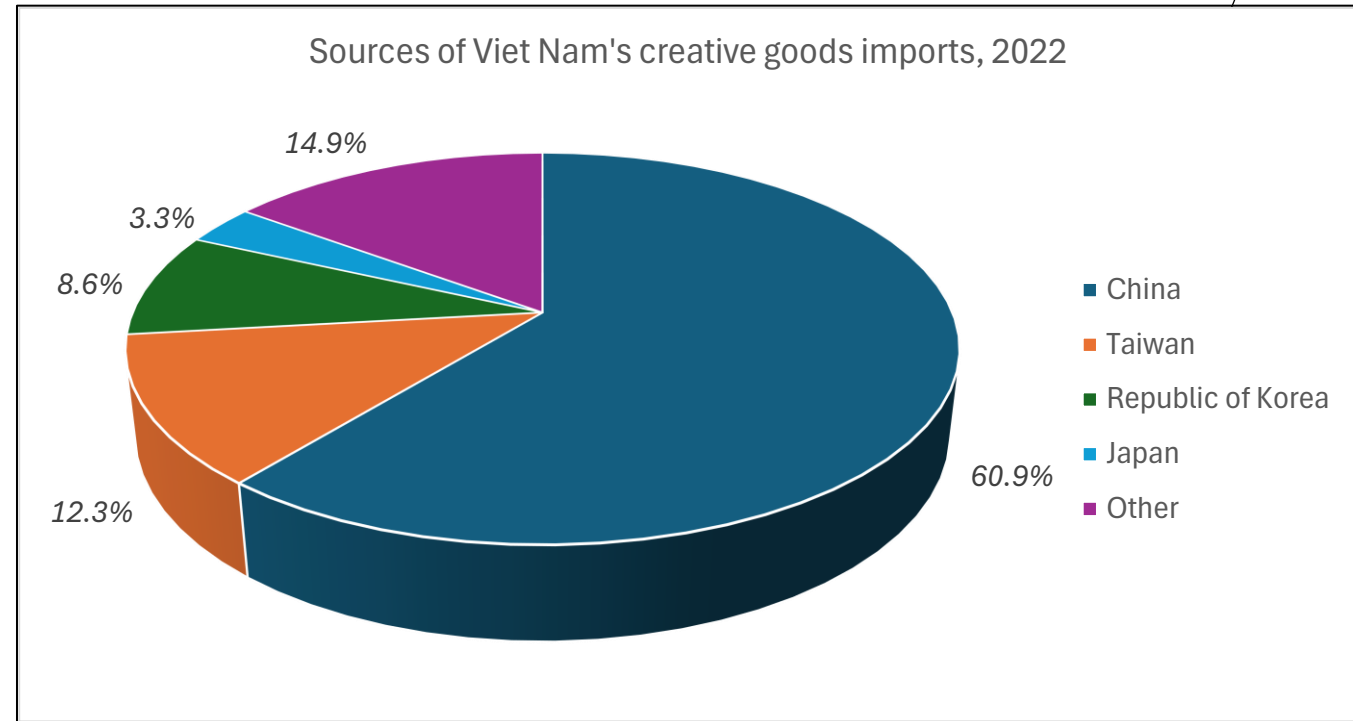
- Viet Nam's imports of creative goods went up by 11.3% p.a. on average in 2002-2022 (2020: -6.0%; 2021: 24.1%; 2022: 5.7%)
- *Slower than growth rate of Viet Nam's creative goods exports;*
- *More than double of world imports of creative goods (5.1% p.a.).*
- *Viet Nam ranked 28th in terms of creative goods imports in 2022 (US\$ 4.1 billion).*

Viet Nam's trade in creative goods, 2002-2022 (million US\$)



Source: Calculations from UNCTADstat (16 April 2024).

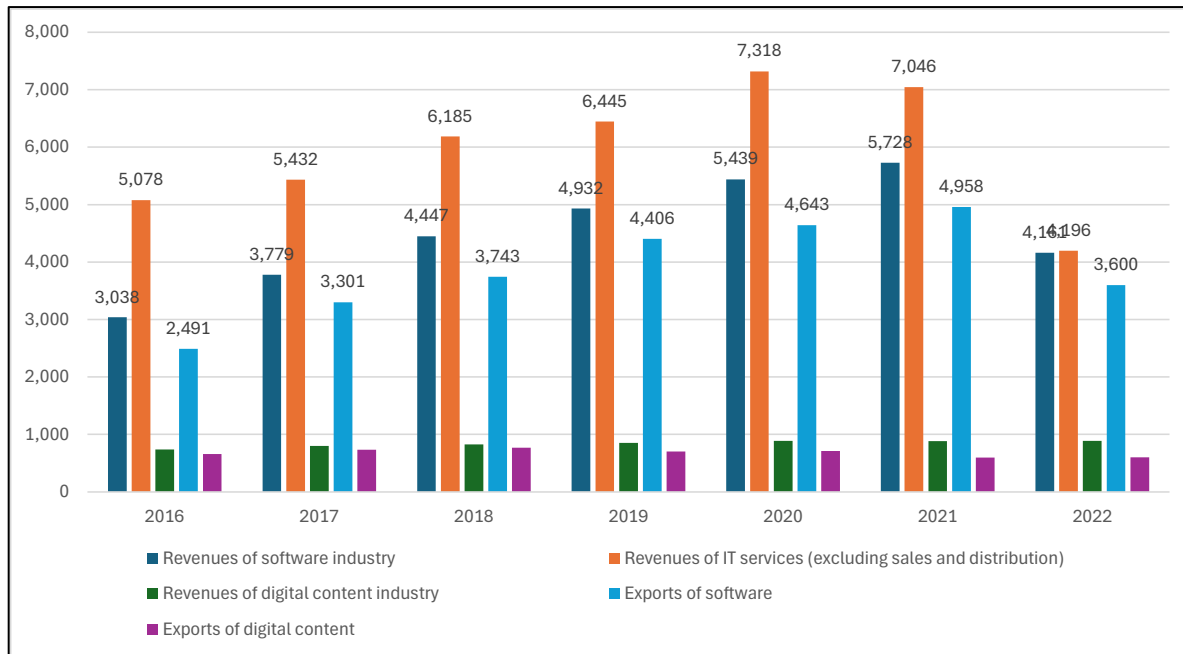
- Viet Nam sourced most imports of creative goods from Asia
 - *China accounted for more than three-fifths in 2022.*
 - *Pattern almost no change in 2020-2022*
- Manufacturing of craft and design goods accounted for almost all of creative goods imports (89.3% in 2022)



Source: Calculations from UNCTADstat (16 April 2024).

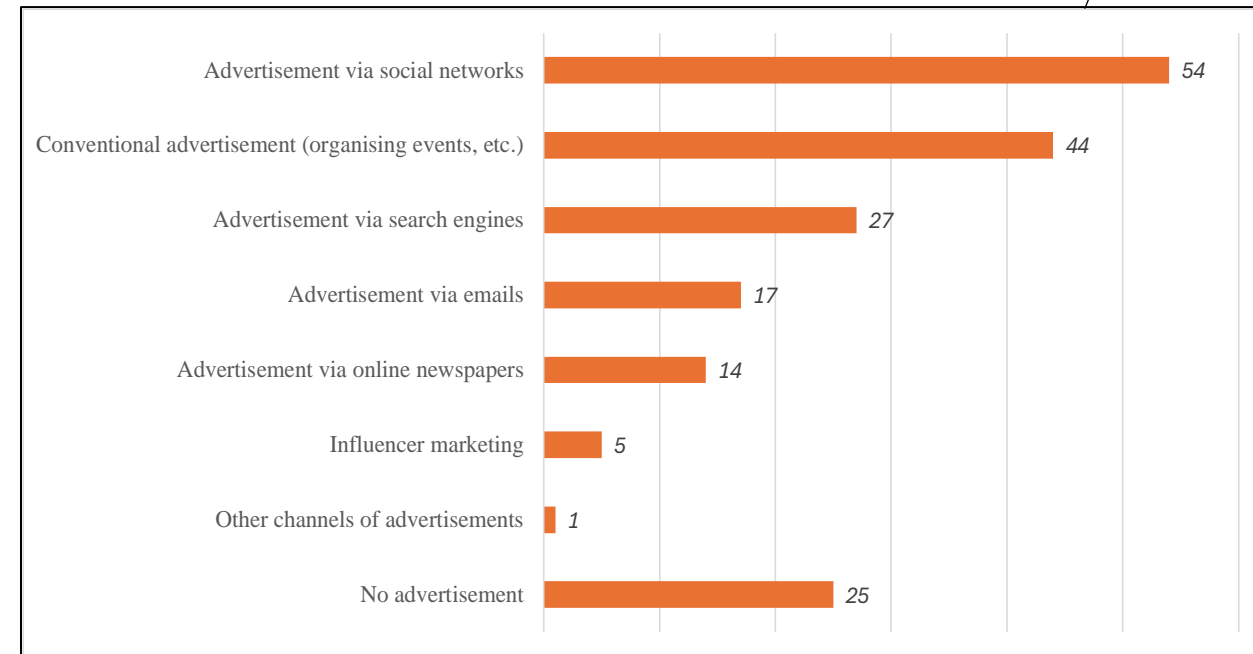
DIGITALIZATION AS A NEW TREND

Revenues and exports of IT and software (mil. US\$)



Source: White book on Viet Nam ICT 2023.

Use of new channels for advertisement by firms (%)



Source: Vietnam E-Commerce and Digital Economy Agency – Ministry of Industry and Trade (2023).

ISSUES AND CHALLENGES

- **No comprehensive strategy for creative economy yet.**
 - Only a strategy on developing cultural industries (Decision 1755/QD-TTg in 2016)
→ developing a policy concept on creative economy is essential.
 - Lack of data to support policy formulation and evaluation.
- **Attraction of talents is no easy**
 - Income tax is often cited as an issue.
- **Lack of export diversification of creative goods**
 - Modest use of services related to creative value chains.
- **Lack of concrete initiatives for international collaboration in creative economy.**
 - APEC MRT 2024: *“We recognize that cultural and creative industries can contribute to inclusive growth and job creation and can foster the participation of MSMEs in regional and global markets. We also note the ongoing work in APEC to develop these industries and promote MSMEs’ participation.”*

3. RECOMMENDATIONS FOR A COMPREHENSIVE STRATEGY FOR CREATIVE ECONOMY IN VIET NAM



KEY FACTORS FOR SUCCESS

- Respect and protection of IP;
- Coordination of government agencies (as creative economy covers areas managed by various agencies);
- Embark on modern, inclusive and secure digitalization;
- Concrete initiatives for international cooperation in creative economy
 - *Sharing experiences is a good start.*

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THANK YOU!