

# B.C.'s creative sector bigger than you think

BY RICK GRIFFITHS

British Columbia's creative sector is by all measures an important economic contributor to the provincial economy. In today's knowledge-based economy, creative skills are becoming more valuable as demand for entertainment and media grows and technology continues to present new entertainment experiences. In a report that was prepared for the Business Council of British Columbia, PricewaterhouseCoopers has estimated that the creative sector adds some \$4 billion in wealth to B.C., representing nearly three per cent of provincial GDP, and employs over 85,000 people. Those numbers peg it almost evenly against the traditional resource-based sector of agriculture, forestry and fishing.

According to PwC's most recent Global Entertainment and Media Outlook: 2009-2013, the global entertainment and media market remains poised for growth. More importantly for B.C., this includes growth from the video game industry at 7.4 per cent per year, and established segments like filmed entertainment that is expected to achieve growth of four per cent per annum. B.C. is a global presence in both these industries.

By 2020, all media will likely be consumed over the same Internet-based platform and be available on-demand virtually anywhere via wireless communications.

Another key driver of growth in the entertainment and media sector is the rise of the "Net Generation" — the first to grow up digital. This global, connected generation was born between 1977 and 1997. While their parents spend on

average 20 hours every week watching television, the Net Generation consumes on average 20 hours of media every day, actively multitasking through the Internet, listening to music, and watching TV.

B.C.'s creative sector is well positioned to benefit directly from the growth in global entertainment and media and its rapid transformation in the coming decade. Market growth will be driven by rising incomes in the developing world, converging technology platforms, and changing demographics. All three factors will contribute to changes in how entertainment and media is produced, distributed, and consumed; otherwise known as convergence.

However, despite the large economic contributions of the creative sector to B.C.'s economy and the apparent opportunities, there has yet to be significant policy focus on developing and exploiting the creative sector to its fullest potential. It is certainly true that significant tax incentives in B.C. have helped build our creative sector and remain competitive, but visionary public policy to leverage the impressive attributes of the B.C. creative sector has yet to emerge.

B.C. is a relatively small jurisdiction in terms of population and economic strength. Successful companies that are competing, or have the potential to compete globally should be nurtured and encouraged to stay and grow in the province. Large foreign companies should be enticed to locate here. With a few large anchor companies firmly established, the province could be as world leader in the creative sector. Currently, its strengths lie in film production, visual effects, and interactive

video games. As the global outlook for these sectors looks strong, this is where the greatest returns may lie for the province. However, time is running short and most U.S. states and Canadian provinces present enticing opportunities for our companies to relocate or new companies to seek out.

B.C. can move up the value chain, but it will need a helping hand. Over the past decade, B.C. has built a strong infrastructure of industry and education. However, key core fundamentals are still lacking if the province truly wants to be a major player on the global scene. While B.C. currently produces world class content and has the education system to sustain the flow of talent, what it lacks are business leaders capable of taking successful businesses to the global scale, venture capital, world leading technology infrastructure, innovative distributors, or a culture of technological adoption. None of these shortcomings are insurmountable, but time is of the essence in the rapidly changing world of entertainment, culture and technology.

Government and industry have an opportunity to get mobilized and collaborate on this bright future for the creative sector. While surprisingly comparable in size and scale to other well-established provincial economic sectors, the creative sector is very much still at the low end of its potential growth curve.

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