

CHINA'S EMERGING CULTURAL INDUSTRIES

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EAI Background Brief No. 620

Date of Publication: 28 April 2011

Executive Summary

1. Cultural industries are an emerging economic sector in China. In the Chinese context, they include commercial activities related to the provision of cultural and recreational products and services, such as publishing, performing arts, heritage conservation, design as well as many ancillary industries.
2. The growth of China's cultural industries in the past five years has outperformed the economy as a whole. The total value added of China's cultural industries is estimated to reach RMB1 trillion in 2010, or 2.51% of the aggregate GDP.
3. Artistic and cultural creativity has become a new dimension of innovation for the Chinese government in addition to its earlier focus on high technology. Now many cities and provinces have policies to promote this "sunrise" sector, such as building industrial parks, hosting high-profile cultural events and so on.
4. Cultural industries received particular attention recently because the sector is thought to be "green", image-enhancing and a stepping stone to building the global production value chain and the country's "soft power".
5. Despite the phenomenal growth of China's cultural industries in recent years, China remains a net importer of cultural products and its cultural influence on the rest of the world is so far quite minimal.
6. China's "cultural deficit" is mostly likely to be a result of unattractive contents and poor marketing rather than language barrier. China's effort to corporatize its state cultural institutions is a measure taken to address the issue.
7. Cultural industries in China are expected to continue the current brisk growth and the latest Chinese Communist Party document has indicated the potential of cultural industries becoming an economic pillar of the country.

8. However, several obstacles may undermine China's capabilities in producing greater cultural influence in the world, including shortage of talent, inflated urban living costs, social polarization, homogeneity of urban milieu, poor copyright protection and neglect of citizen participation.
9. To build a strong cultural industry sector, China needs to devise integrated economic, cultural, social and urban development policies.