

# **Towards Creative Iceland: building local, going global**

**Quantitative and qualitative mapping of the cultural  
and creative sectors in Iceland**

**Dr Margrét Sigrún Sigurðardóttir  
Tómas Young**

**May 2011**



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and creative sectors in Iceland**

- **The Consultative Forum of Creative Industries  
in Iceland**
- **Promote Iceland**
- **The Icelandic Ministry of Education, Science  
and Culture**
- **The Icelandic Ministry for Foreign Affairs**
- **The Icelandic Ministry of Finance**
- **The Icelandic Ministry of Industry, Energy  
and Tourism**
- **The Icelandic Ministry of Economic Affairs**

**Dr Margrét Sigrún Sigurðardóttir  
Tómas Young**

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## Executive summary

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In researching new industries, definitions are of key importance. The definition used for *creative industries* will obviously determine what activities fall under this category, and different approaches will yield different results. This report uses internationally accepted definitions developed by UNESCO and the UK government's Department for Culture, Media and Sport. Data were obtained from the Icelandic State Accounting Office, the Association of Local Authorities in Iceland and official value-added tax records for the period 2005–2009. The downside of using VAT data is that many creative industry activities are VAT-exempt and are therefore not captured in the overall results. However, the information needed on such activities is partly disclosed in data from public bodies. The VAT exemption problem applies, in particular, to the visual arts, theatre operations and dance and opera performances. Consequently, the statistics presented here under-represent actual turnover for these activities. An economic mapping exercise of this type also does not reflect the creative industries' wider value, including cultural value or positive externalities such as the knock-on effects on tourism.

The study's key finding is that Iceland's creative industries generated turnover of ISK 189<sup>1</sup> billion in 2009, accounting for 6.36% of the economy's total VAT-taxable turnover. Government turnover accounted for approximately 12.5% of the creative sector's total. Full-time equivalent jobs in the creative industries numbered 9,371 in the same year. Export revenues for the sector in 2009 were about ISK 24 billion, or approximately 3% of Iceland's total exports. Despite the general downturn in other sectors, creative industries' turnover has remained fairly constant, with the number of full-time equivalent jobs rising over the period. Whilst the creative industries thus have clear economic value, it is worth reiterating that they also have cultural value, increase the quality of life in Iceland and encourage tourism.

Statistical and other highlights of Iceland's creative economy:

- 20% of the more than 7,000 companies and self-employed individuals in the creative industries accounted for more than 95% of the sector's total turnover.
- The creative industries generated approximately ISK 24 billion in export revenues, or about 3% of Iceland's total exports.
- The industry has growth potential through improved knowledge and operating conditions.
- The sector's fastest-growing segment has been video game sales, whose turnover jumped six-fold in 2005–2009. The same trend can be observed overseas, in line with increased computer and internet use. Iceland's video game turnover is nearly entirely export-driven.
- The state and municipal share in the creative industries' total turnover is about 12.5%.
- The creative industries' turnover has remained fairly constant despite the general economic downturn. Job numbers in the sector were up over the period covered.
- Government turnover in cultural and media activities has remained virtually flat, while government revenue from such activities has risen in relative terms.

<sup>1</sup> This figure is ISK 2 billion lower than that published on 1 December 2010, in which the central and local government contribution was over-calculated by the same amount.

- The number of theatre employees has dropped while theatre attendance has increased substantially.
- The figures also reflect Iceland's economic collapse in 2008, with activity in the architectural sector closely tied to construction activity, which has been in a deep downturn since 2008. At each year's prices, turnover from "architectural activities" was less than half of the pre-crisis level.
- Reports from other Nordic countries and Europe have pointed out that the creative industries are the fastest growing sector.

#### **Next steps in research**

- An assessment of the creative industries' support system will be carried out in the next few months under the aegis of the Icelandic Ministry of Industry, Energy and Tourism, which will give a clearer picture of the operating conditions of companies and self-employed individuals in the sector.
- The value added of the creative industries needs to be studied because value added figures provide a far clearer picture than turnover of the creative industries' contribution to economic output.
- The VAT-exempt part of the creative economy needs to be studied in much closer detail to obtain an adequate picture of the sector as a whole.
- The creative industries' labour market also needs to be studied.
- Data collection on the creative industries needs to be formalised on a regular basis to make up-to-date information on how the sector is developing available to government authorities and other stakeholders.

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## Foreword

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*The Icelanders' destiny is to be a creative nation. Transplanted out of their homelands in days of yore onto something of an unknown planet, they had to create everything anew – unpack their mental suitcases: religion, customs, poetry, genealogy, place names... Like the Faroe Islanders, they settled in a terra incognita. Hence, the Faroese can't stop dancing and the Icelanders are fated to create and express themselves.* (Pétur Gunnarsson, "Hinn árlegi héraðsbrestur", article on artists' stipends in daily newspaper *Fréttablaðið*, 5 March 2010)

I quoted these words of writer Pétur Gunnarsson when the statistical results of the economic mapping of Iceland's creative industries were first presented in December 2010. Gunnarsson's words are an apt prelude to discussing the background of this project. Iceland is known for its creative talent. Our artists have achieved international prominence, and much of what the country produces in the creative and intellectual property spheres attracts attention and recognition. However, the *economic* impact of these activities has never previously been quantified – inviting the assumption among some that artists are "parasitic" and do not bring real value. While it is often countered that culture and the arts create value in a wider, immaterial sense, this project focused exclusively on their economic value ('exchange value'). To this end, the study draws on UNESCO's definition of the creative industries as an economic sector.

Recent years have seen extensive discussion of the creative industries' growth throughout the world. The Nordic Innovation Centre's *Creative Economy Green Paper for the Nordic Region* (2007) highlights the sector's rapid growth in the region and its untapped potential as a growth driver. An EU Green Paper published in April 2010 calls for policymakers to put in place the right enablers to fully unleash the creative economy's potential.

The discussion in Iceland has developed accordingly. More attention has started to be paid to synergies within the creative industries as well as with other sectors, including spill-over effects into the wider economy from the video game, film, books and press, performing arts, music, design and visual arts industries. In early 2009, the Head of Cultural Affairs of the Icelandic Ministry for Foreign Affairs, Auður Edda Jökulsdóttir, was instrumental in convening the heads of the promotional centres for all the creative industries for consultation. This sparked dialogue and led to increased joint projects, the first of which was the annual international conference *You Are in Control*, held for the first time under the creative industries' joint auspices in September 2009.

Subsequently, a strategic planning initiative in partnership with the Federation of Icelandic Industries was launched to identify common themes, challenges and interests. A strategy meeting held in December 2009 and attended by 30 representatives from the performing arts, design, video game, books and press, film, music and visual arts domains identified a pressing need to map the scale and economic impact of Iceland's creative industries. To this end, a *Consultative Forum of the Creative Industries* in Iceland was formed, which initiated the mapping project and negotiated with five government ministries and Promote Iceland on the project's funding.

The project was initially led by Colin Mercer, the UK's first Professor of Cultural Policy and Director of the Cultural Policy and Planning Research Unit at the Nottingham Trent University. In February 2010, he set to work to define the mapping and outline its methodology. He was commissioned to lead the project in co-operation with Dr Margrét Sigrún Sigurðardóttir, Lecturer at the University of Iceland's School of Business. In addition, Tómas Young, researcher and Project Manager at Iceland Music Export (IMX), was appointed as their assistant. Colin Mercer had to withdraw from the project in October 2010 due to health reasons. Dr Sigurðardóttir then took over the reins and together with Mr Young completed the report after the key statistical results were published on 1 December 2010.

On behalf of the Consultative Forum of Creative Industries in Iceland, I wish to thank the ministers and staff of the Ministry of Education, Science and Culture, the Ministry of Industry, the Ministry of Economic Affairs, the Ministry of Finance and the Ministry for Foreign Affairs for their contribution to the project. Thanks are also due to Promote Iceland for its strong support and to the Federation of Icelandic Industries for its assistance and contribution to the project. Finally, I extend thanks to the many that helped by providing data and assisting the researchers, not least staff at the University of Iceland, the Icelandic State Accounting Office and the Association of Local Authorities in Iceland.

Through this concerted effort, light has been shed on Iceland's creative industries in a new context. With turnover of at least ISK 189 billion per year and a workforce approaching 10,000, the creative industries constitute a major part of Iceland's economy. Armed with this information, we can be sure that the creative industries deserve the understanding and serious attention of policymakers. This is an economic sector willing and able to contribute to Iceland's GDP growth in constructive partnership with government. Positive further steps have already been taken. A special working group formed in January 2011 will soon submit proposals to the government on continued efforts. A study is due to be launched shortly into the support structures for economic activity in Iceland and how these serve the creative industries. Top priority must now be placed on managing continued measurement and mapping in the best way possible as well as reviewing strategic policy in light of the clear strength to be drawn from a flourishing creative economy.

2 may 2011

On behalf of the Consultative Forum of Creative Industries in Iceland  
Anna Hildur Hildibrandsdóttir, Managing Director of Iceland Music Export

## Introduction

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The creative industries have in recent years been the focus of growing attention from government authorities and academics worldwide, not least at the Nordic level.

All creative industries-related projects under the auspices of the Nordic Innovation Centre (NICe) in which Iceland has so far participated have concluded that statistical data for the country are lacking. This is exemplified by an excerpt from NICe's *Creative Economy Green Paper for the Nordic Region* (Fleming, 2007):

*The lack of consistency and coordination in data gathering and intelligence development across the Nordic Region makes effective policy difficult, not least because it leaves the scale, scope and impact of the sector open to question. For instance, it is very unfortunate that Iceland has not undertaken any systematic overall sector mapping at a national level; and it is disappointing that pan-Nordic methodologies are not currently under development.*

The present report thus addresses a pressing need. It maps the scale, scope and impact of Iceland's creative industries for the first time, thereby providing a basis for better informed policy-making.

That said, the report is by no means exhaustive. For instance, value added figures would have provided a far clearer picture than turnover of the sector's contribution to the economy. Moreover, some creative industries are VAT-exempt and therefore not included in the results. Data on certain sub-sectors are unavailable, records for certain industrial categories are imprecise and the definition of the creative industries employed here may result in some businesses not being included although they consider themselves part of the creative sector, and vice versa.

Even so, the results certainly shed light on a sphere of economic activity that was previously amorphous and has gone largely unrecognised as a major part of the economy. The report at least gives a 'ballpark' indication of the creative sector's overall economic footprint, a foretaste which we hope will lead to more detailed and accurate data collection and analysis. We who worked on the project hope that the data will better equip government authorities and those working within the creative sector to make decisions, formulate policy and set targets. The project also serves to raise the status of the creative industries to that of a wealth creator deserving to be moved from the margins to the mainstream of economic and policy thinking.

The mapping was based on a framework defined specifically for the project by the British expert Colin Mercer in the spring of 2010. In the autumn, we reached an agreement with Statistics Iceland on the provision of data from value-added tax records. At the same time, we the writers of this report assumed overall responsibility for the project due to Colin's health problems. We continued the work on the basis of the framework defined by him at the outset, while it was left to us to put it into a theoretical and economic context. This report presents the results of that work.

The statistics on the government contribution to cultural activities have been corrected here from those published on 1 December 2010, which were inexact. Note should be taken that government expenditure on the Iceland Academy of the Arts comes under the category of 'education', not 'culture'. There may, in fact, be more spheres of economic activity that, while included in UNESCO's definition of the creative industries, fall under 'non-creative' categories in the Icelandic government's taxonomy and are excluded here as a result.

Part I of the report provides a general theoretical context and literature review on the creative industries and addresses the fundamental question of their definition. It also discusses the *value* of the creative industries, methodologies used, data, turnover, value added, the market structure of the sector, education and knowledge within it, cultural consumption, total turnover and employment numbers, the creative industries' sub-sector breakdown, exports, international comparisons and, finally, what next steps are envisaged in research and strategic policy.

Part II provides statistics on each sub-sector individually. Figures for each industrial category are not discussed specifically, and general reservations are made regarding the data. For example, visual arts and performing arts activities are largely VAT exempt, which means that only a limited picture was obtained of turnover in these categories. The appendices to the report provide details of government cultural expenditure and revenues. They explain how the Association of Local Authorities manages its data on cultural activities. They also present data from Statistics Iceland on turnover, labour costs, full-time equivalent jobs and export revenues, as well as outlining the official statistical classification of economic activities in Iceland.

Although the project was primarily the responsibility of the two of us who wrote this report, thanks are due to numerous others, including the Consultative Forum of Creative Industries: Anna Hildur Hildibrandsdóttir, Ása Richardsdóttir, Erla Bjarney Árnadóttir, Dorothee Kirch, Halla Helgadóttir, Laufey Guðjónsdóttir, Sigfríður Björnsdóttir, Þorgerður Agla Magnúsdóttir and Kolbrún Halldórsdóttir, President of the Federation of Icelandic Artists, all of whom gave us much support. We would also like to thank the representatives of the government ministries and Promote Iceland for their contribution. Dr Gauti Sigbórsson, Dr Gylfi Magnússon and Kristín Atladóttir read the draft of the report's first section and provided invaluable advice. We extend our sincere thanks to all of them.

We would also like to give warm thanks to Stefán Jansen at Statistics Iceland, Pétur Jónsson and Ragnheiður Gunnarsdóttir at the Icelandic State Accounting Office, Jóhannes Á. Jóhannesson at the Association of Local Authorities in Iceland, Davíð Lúðvíksson and Bjarni Már Gylfason at the Federation of Icelandic Industries, Hjálmar Gíslason at Datamarket.is, Klara Dögg Steingrimsdóttir and Bjargey Anna Guðbrandsdóttir for their great help. Finally, thanks are due to Birna Geirfinnsdóttir for its design and layout.

Reykjavík, 3 May 2011

Dr Margrét Sigrún Sigurðardóttir  
Tómas Young





## PART I

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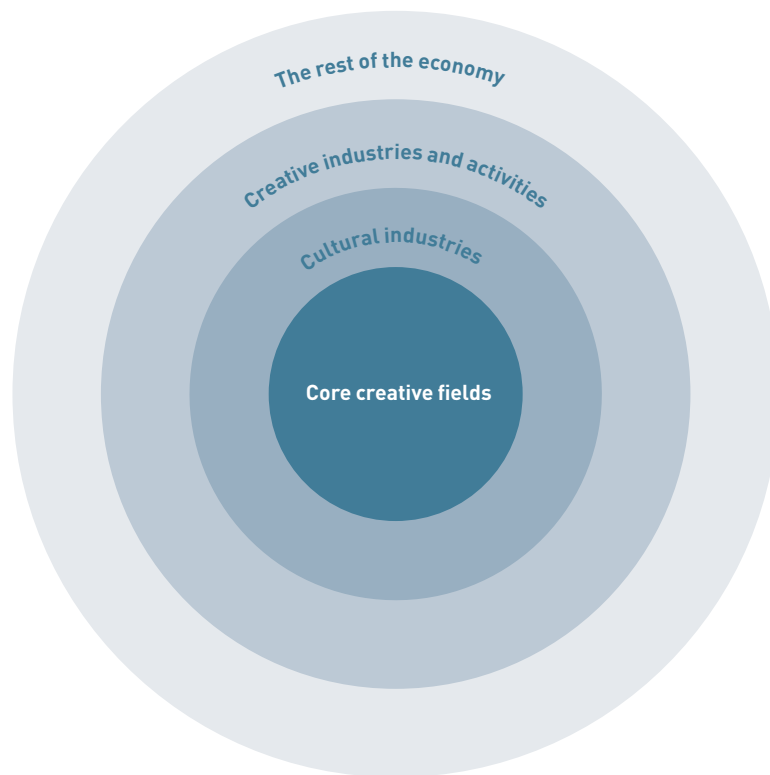
### What are the creative industries?

Fundamental to mapping the creative industries is to have a precise definition of what they comprise, as this will determine what is measured by the study and thus its results. The concept of the creative industries is a fairly new one. It was first coined in connection with public policy in Australia in 1994 (Potts and Cunningham, 2008) and articulated publicly in the UK in the late 1990s after the incoming Labour government established the Department for Culture, Media and Sport (UK DCMS). The UK government started to view the creative industries as an economic sector in its own right and an important contributor to GDP, in large part due to the growing importance of digital media, computer software and video games (Garnham, 2005).

This fairly new approach does not set out to replace or diminish the importance of discourse on arts and culture – which in the sense of the more traditional approach mentioned above is in fact an important strand of the creative industries concept (Throsby, 2008). A mapping of the creative economy is thus intended to capture both the public funding aspect as well as the private for-profit aspect.

A key question for a mapping project of this kind is what to put under the creative industries umbrella. Various models have been posited. Hesmondhalgh (2002) bases his definition on symbolic meaning. However, assessing where symbolic meaning does and does not exist (or not to the required level) poses something of a challenge. Copyright has also been employed as an organising principle, e.g. by the World Intellectual Property Organisation (WIPO) (Throsby, 2008). Other well-known models include that of Caves (2000), which proposes to identify creative industries on the basis of cultural, artistic or entertainment value. Throsby (2001) bases his definition on the 'expressive value' of the cultural goods in question. He uses a concentric circles model, in which the 'core' creative fields and cultural industries with the strongest expressive value are in the innermost circle – as one moves farther out from that centre, the expressive value of the output diminishes.

**Figure 1** The creative industries – a stylised typology  
Source: Work Foundation, 2007



Account needs to be taken of the distinction between industry-based and occupation-based definitions. At about the same time that Caves introduced his industry-based definition, Richard Florida (2002) put forward his occupation-based definition of the *creative class*, which he identified as a key driving force in economic, social and cultural development, especially in urban areas. Criticisms have been raised about Florida's model, e.g. that his definition of the creative class is too broad and includes an overly large proportion of the workforce (Cunningham, 2010; McGuigan, 2009). Cunningham nevertheless favours the use of an occupation-based definition, as the output of the entire creative workforce is usually not captured by an industry-based model. This applies not least to design, whose role in general production is often underestimated. For example, an industry-based definition fails to capture design activities at, say, an orthopaedics company (such as Össur) or a manufacturer of systems for the food processing industry (such as Marel). To address this, the *Creative Trident* methodology combines an industry-based and occupation-based approach by including (1) creative occupations in the creative industries, (2) support occupations in the creative industries and (3) 'embedded' creative occupations in defined 'non-creative' industries (Cunningham, 2011).

Different definitions of the creative industries will produce very different results on their size. For instance, Throsby (2008) has shown that the WIPO copyright model generates larger figures than the other definitions.

quantitative mapping of Iceland's creative economy. Data on full-time equivalent jobs were unavailable except through the Pay-As-You-Earn (PAYE) Register, which is based on the industry-defined ÍSAT – the Icelandic version of the statistical classification of economic activities in the European Community (NACE). The Icelandic State Accounting Office provided statistics on the number of full-time equivalents in the central government's cultural and media spheres, but the Association of Local Authorities could not provide such data for equivalent local government services. As a result, our mapping could not be based on labour market data, as has been done in Australia. Consequently, this mapping project is industry-defined and based on the ÍSAT classification of economic activities.

Cross-country discrepancies as to which activities come under the creative industries can exert a significant influence on mapping results. However, hopes are attached to the UNESCO Framework for Cultural Statistics becoming an international standard. In part based on the UK DCMS model (Department for Culture, Media and Sports, 2010a, 2010b; Work Foundation, 2007), the framework was formulated to redefine UNESCO's statistical approach to culture and the arts. As it was published in 2010, Iceland may have been the first country to publish statistics on its basis. In addition to the UNESCO framework, our approach is based on the UK DCMS model for the weighting of non-core creative industries (weightings are outlined in Appendix 3).

### **The value of the creative industries**

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The aim of this mapping project is to provide an indication of the creative industries' economic value – in the narrower sense of 'exchange value' or ability to generate income. While wealth creation is patently not the creative industries' only value, economic quantification hardly diminishes their cultural value.

There may be a risk that, subsequent to such quantification, government authorities will place more emphasis on the largest economic contributors among the creative industries, e.g. in terms of export revenues, at the expense of smaller ones. Such a shift in strategic direction would be short-sighted, however, as the creative industries are highly and complexly interconnected in terms of inputs and outputs. For example, the importance of classical music education cannot be measured simply in terms of profits from classical music sales and performances as it also impacts on pop music, film and even video games.

The economic mapping of the creative industries is not designed to detract from their cultural value, but simply to put figures on their scale and economic value. The mapping serves to demonstrate their importance for the economy; that they provide jobs for large numbers of people and generate very substantial turnover, which will also mean, in turn, that public funding of the arts and culture produces not only cultural but also economic value.

Not only the direct turnover of the creative industries has economic value. They also impact on and can be drivers of dynamism in other sectors, for instance by stimulating innovation (UNCTAD, 2010). However, a mapping exercise of this type can never capture the creative industries' total value for the growth and development of other sectors. It should also not be forgotten that the creative industries are recognised as an important contributor to quality of life (Landry, 2000), although this is not the focus here.

Discourse about the creative sector's secondary impacts on other sectors was further enlivened by the idea of the 'experience economy'. This concept (Pine and Gilmore, 1998) builds on the observation that in our consumption we not only seek simple commodities, but increasingly desire to experience something enriching and meaningful. Such experiences are largely sought within the realm of the creative industries, not least tourism (Richard and Wilson, 2006). The creative industries thus clearly have utility beyond their own economic and cultural value. They provide important inputs for other industries, including tourism by attracting tourists to events and cultural institutions. This is exemplified by data on foreign visitors to the annual music festival Iceland Airwaves: a study carried out in 2010 showed that foreign visitors to the festival spent more than ISK 300 million during their stay in the country, excluding travel costs. From this, a rough estimate can be made that this sole event injected ISK 400–500 million into the economy (see further details in Part II) (Young, 2008, 2010a).

Notwithstanding the positive spill-over effects on tourism, however, policymakers must tread carefully in supporting the creative industries solely to attract tourists. To remain a bona-fide attraction, the creative industries' credibility should not be compromised, i.e. they should generally operate on their own terms (Pine and Gilmore, 1998; Richard and Wilson, 2006; Gunnarsdóttir, 2010; Getz, 1989). In fact, studies show that tourists are quick to detect tourist traps and 'pseudo-events' (MacCannell, 1999). Genuine events that appeal both to domestic and foreign visitors are successful on the premise of allowing artistic creation to flourish on its own terms.

## Methodology and data

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This section discusses the UNESCO Framework for Cultural Statistics Domains, how we compiled data for these domains in Iceland and the limitations of the data.

### The UNESCO framework

This mapping exercise is based on the UNESCO Framework for Cultural Statistics Domains (UNESCO, 2010). The framework defines a number of 'cultural' and 'related' domains (Figure 2), which include all industries, activities and practices that fall under culture and creative industries. The cultural domains are:

- A: Cultural and Natural Heritage
- B: Performance and Celebration
- C: Visual Arts and Crafts
- D: Books and Press
- E: Audio-Visual and Interactive Media
- F: Design and Creative Services
- G: Intangible Cultural Heritage (transversal domain)

This framework is closely correlated to the Creative Trident model in the way in which the creative industries are defined, but is different in that it is based on a classification of economic activities, i.e. industry-based rather than occupation-based. All of the above-listed domains come under culture and the creative industries. They represent the minimum set of core cultural domains for which UNESCO encourages countries to collect comparative data. The list shows the breadth of the cultural sector and gives a sense of the framework's basic structure. Each domain is further explained in Part I of this report, in

which a range of data on the creative industries are categorised by subgroups and explained. For each domain, information is provided on turnover, labour costs, full-time equivalent jobs and export revenues.

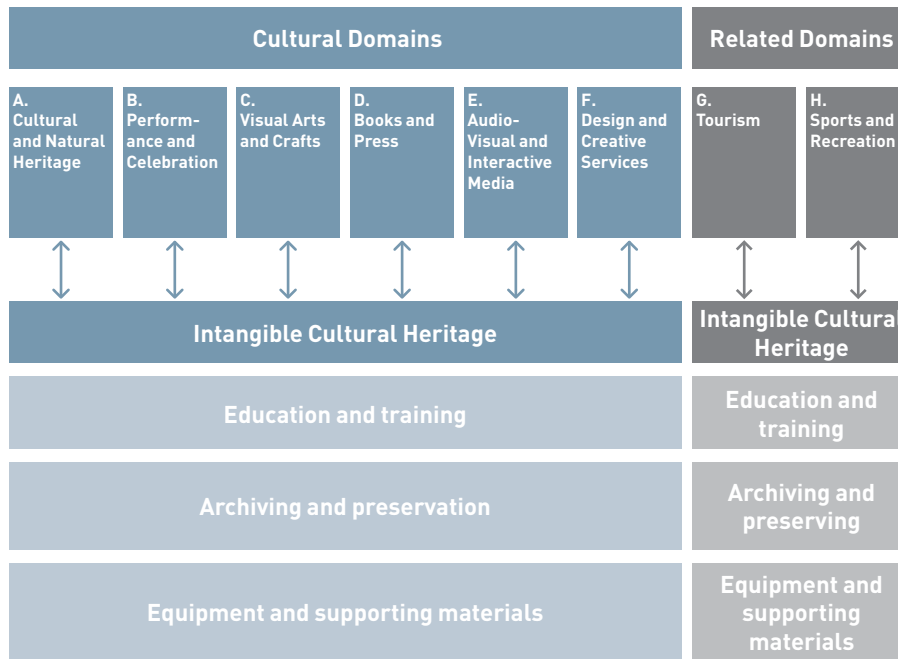
The framework also includes 'transversal domains', which play a key role in the cultural cycle from the origin and production of cultural goods and services to their transmission. These domains are called 'transversal' because they work across all of the core cultural and related domains. The transversal domains are:

- Education and training
- Archiving and preservation
- Equipment and supporting materials

These three domains and the domain of tourism are included only in part for the purposes of this report, in that their turnover is down-weighted in accordance with criteria defined by the UK DCMS (Department for Culture, Media and Sport, 2010). They are included due to their importance for the creative industries' functioning and development, but not regarded as part of the creative industries.

To avoid double counting, each type of activity is placed in only one domain, although some activities may logically span more than one domain. For example, music could otherwise fall under both 'Performance and Celebration' and 'Audio-Visual and Interactive Media', as it consists both of live music (Performance) and recorded music (Audio-Visual). However, the UNESCO framework places priority on the subject rather than the form in which the cultural content appears. In addition, some domains cannot be separated discretely from other activities within their statistical classification. This applies in particular to the performing arts as the ÍSAT category no. 90.01, 'Performing Arts', contains data on musicians, actors, dancers and lecturers.

**Figure 2** Framework for Cultural Statistics Domains  
 Framework for Cultural Statistics Domains



## Data

Not only is it important to measure the creative industries' economic footprint at a particular point in time but also their long-term performance. We therefore not only carried out a point or 'snapshot' measurement but placed an emphasis from the outset on building a database extending some years back in time that would lend itself to future use. Collecting primary data for each year would have been costly, so we used data provided by public bodies. This enables a few years' retrospective view and facilitates continued data collection. The drawback is that we lose significant control of how the data are collected. In certain cases, the data are less precise than would otherwise have been the case, partly because no data are collected on certain segments of the creative economy. Nonetheless, the available data should provide a good indication of the scale of the creative industries in recent years.

Iceland's office for national statistics, Statistics Iceland, collects information on full-time equivalents (FTEs) through an annual Labour Force Survey (Statistics Iceland, 2011e). Statistics Iceland's turnover data are obtained from VAT reports. As many creative industries have a small labour force, however, FTE data on them may not find their way into Labour Force Surveys. We therefore needed more accurate data, which were obtained by examining records on VAT-taxable turnover and FTEs in the official Pay-As-You-Earn (PAYE) Register. These are presently the only available FTE data on the private creative industries and thus the best source of such data in the circumstances, despite shortcomings further detailed later in the report.

In addition to VAT-taxable turnover, the report uses data on public sector activities from the Icelandic State Accounting Office and the Association of Local Authorities. This refers to activities classed by central and local government as cultural and media services, but excludes various activities that UNESCO classes as creative industries. For the purposes of future data collection, however, we found it more advantageous to use data that are accessible on a yearly basis without extensive and labour-intensive data gathering.

Information on all central government activities falling under cultural and media services according to government definitions was obtained from the Icelandic State Accounting Office (see Appendix 1). The turnover figures were gleaned from all expenditures of central government bodies. Non-tax revenues are also included. The figures were obtained from government accounts based on charts of accounts, which should be a reliable source on government expenditures. The charts of accounts are structured in a way ensuring that if any part of an organisation's activities in essence falls under the realm of culture and the arts, such as the leasing of paintings, this is reflected in the data even when that organisation's core activity does not come under the creative industries. In addition to the accounting records, data were obtained on FTEs falling under the same government accounts.

From the Association of Local Authorities in Iceland, data were obtained on local government expenditures on and revenues from cultural activities. These data do not include FTEs, as the Association does not maintain a record of these for each category of services, making itemisation unavailable.

As mentioned earlier, the lion's share of the data on the creative industries was obtained from VAT records. These do not provide exhaustive information on the industries because many of their subgroups are VAT exempt, e.g. visual arts activities, the showing of Icelandic films and a large part of theatre operations. As a result, the data do not include all turnover for these activities, which means that the figures under-represent actual turnover.

Another weakness in the data on VAT-taxable turnover is a tendency for businesses and self-employed individuals to be registered in an incorrect category. Identifying the correct registration category for businesses engaged in mixed activities can be challenging. Sometimes a company starts business within one category, but then over the years evolves into a different type of business. Companies are also frequently registered in an incorrect category right from the start, as apparently no particular party has had a direct interest in preventing this.

Registration problems are particularly elusive in small industries, where data on individual industrial categories may be very skewed, either because of businesses registered in categories where they do not belong or due to omissions in some categories. Despite these limitations, VAT-taxable turnover was in our estimation the most accurate source of data available. Although certain activities are not captured to the ideal extent, the figures give a reasonable indication of the creative industries' share in the economy's total VAT-taxable turnover.

We also cleansed the data to minimise inaccuracies owing to incorrect registrations of businesses and self-employed individuals. During the first round of data compilation, we examined the list of all companies and self-employed individuals registered in the creative industry-related categories that reported VAT-taxable turnover for 2009. This list was divided into five classes by business size but contained no other information on the turnover of each business entity. Class 1 consisted of the largest companies, accounting for 95% of the total turnover. Class 2 accounted for 3.5% of total turnover, and Classes 3–5 for the remaining 1.5%.

Based on these proportions, all Class 1 and 2 businesses were reviewed. Well-known businesses were confirmed to be in the correct class while checks on others were performed through internet searches. If the internet search did not

yield sufficient information, the business was contacted by telephone. The reviewed lists were then sent to interest associations within the creative industries to identify any missing operators within their respective fields. A total of 2,900 businesses were reviewed. Of this total, 89 were removed from the list or moved between categories and 90 were added to the list.

Once this cleansing process was complete, the list was sent back to Statistics Iceland, which retrieved data on the businesses from its VAT database and sent those back to the researchers classified by industrial categories but without any data identifying the businesses.

The reviewed list only covers the year 2009. Some businesses on the list may have changed their corporate registration numbers since then, which means that the information on the reviewed classes may still contain some incorrect registrations. However, the margin of error should be within acceptable bounds, as such businesses are likely to be registered in a category that, albeit incorrect, nevertheless comes under the creative industries umbrella. While incorrect registrations are likely to be a problem in other countries as well, individual registrations in the Icelandic data could have a larger impact in relative terms due to the economy's small size.

### **Turnover and value added**

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The data from VAT records are turnover figures, not value added figures. This means that each Icelandic króna (ISK 1) may be counted multiple times in the data. One example is public funding of the Icelandic Film Centre, which awards grants to film-making: A recipient of a grant from the Centre reports it in his/her accounts but also pays, e.g., a musician to compose music for the film. The composer reports this income in his/her profit and loss account and uses part of the amount to hire instrumentalists to play the music. The players also report the amount of their respective payments as income in their profit and loss accounts. The *króna* initially provided by the government has now been reported multiple times. This inevitably raises questions about the legitimacy of using turnover figures to map the creative industries. However, the same problem exists in other sectors and there is no particular reason to suppose that a turnover-based comparison exaggerates or downplays the size of the creative industries relative to other sectors.

Turnover is thus a good indicator of the scale of the creative industries. Each time the same *króna* is counted, it creates employment, as reflected by the fact that full-time equivalents within the creative industries topped 9,000 in 2009. It has been estimated that the value added of the creative industries in Europe equals just under 40% of their turnover (Fesel and Sönderman, 2007). However, this is only an estimate and the extent to which it applies to Iceland's creative industries is uncertain.

While the compilation of turnover data is an important first step in mapping the creative economy, the future goal is to calculate its value added, as only this will enable a fully effective comparison with other sectors. Data on *value added* would also eliminate problems of double counting, as only the value added by each business in the chain of production would be counted.



## Market structure of the creative industries

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A distinctive feature of the creative sector is the large number of small businesses competing with few, large corporations that frequently operate across several domains of the sector and on a multinational basis (Fesel and Sönderman, 2007; Scott, 2000; UNCTAD, 2010). Although precise figures on the size of individual enterprises in the Icelandic creative sector are as yet unavailable, what is clear is that 7,266 firms and self-employed individuals were found to be registered in the industrial categories falling under UNESCO's definition of the creative industries, and 20% of these accounted for more than 95% of the sector's total turnover. This indicates that even in Iceland the market is structured in much the same way, i.e. many small businesses are competing with few large firms in the same market (although these larger firms are not large by international comparison). To examine sector concentration in the creative industries, access is needed to panel data for each industrial category, showing each variable in a time series. Such data are not available at present.

The difference in size between market players is an important factor. For example, in the US music industry, small businesses play the role of bringing new music to the market (Peterson and Berger, 1975) and in the UK small businesses have been shown to focus on the artistic rather than commercial aspect, which may explain the difference in size (Sigurðardóttir, 2010). This distinction is not an indicator of profitability but of turnover and, thereby, economic scale. One aspect of the difference in size is that while larger players, for instance in the video games market, do not have much in common with small businesses in other industries, smaller-sized enterprises across, e.g., the music, video games and book publishing industries share more features with each other than with their larger competitors (UNCTAD, 2010).

## Education and knowledge in the creative industries

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In 2009, Professor Anne Bamford, Director of the Engine Room at the University of the Arts London, wrote the report *Art and Cultural Education in Iceland*. The report concluded that while arts education in Iceland is of high international standing in terms of skills in the processes of the arts, Icelandic students are less skilled in the presentation, description and critique of their art-making. This is a concern as critique is essential for the development of the arts, in which enlightened laymen play a key role (Becker, 1984).

Discussion about strategic policy for the Icelandic creative industries has highlighted the need to bring the Iceland Academy of the Arts, which offers university-level degrees, under one roof, thereby better enabling an interdisciplinary approach in tertiary arts education. The Academy has also submitted proposals for master's level programmes in all its major subjects to the Ministry of Education, Science and Culture.

The Nordic Innovation Centre's report *Creative Directions – A Nordic Framework for Supporting the Creative Industries* came to the clear conclusion that lack of business skills and unwillingness to co-operate with those that have such skills represent a major barrier for the creative industries (Power and Jansen, 2006). Gísladóttir (2009) confirmed that a lack of knowledge of production processes has been an obstacle for Icelandic fashion designers. Lack of business knowledge is also thought to be one of the reasons why it can be difficult to raise funding for creative industry businesses. A common refrain from investors is that the individuals running such businesses often struggle with budgeting and distinguishing whether they need grants or investment

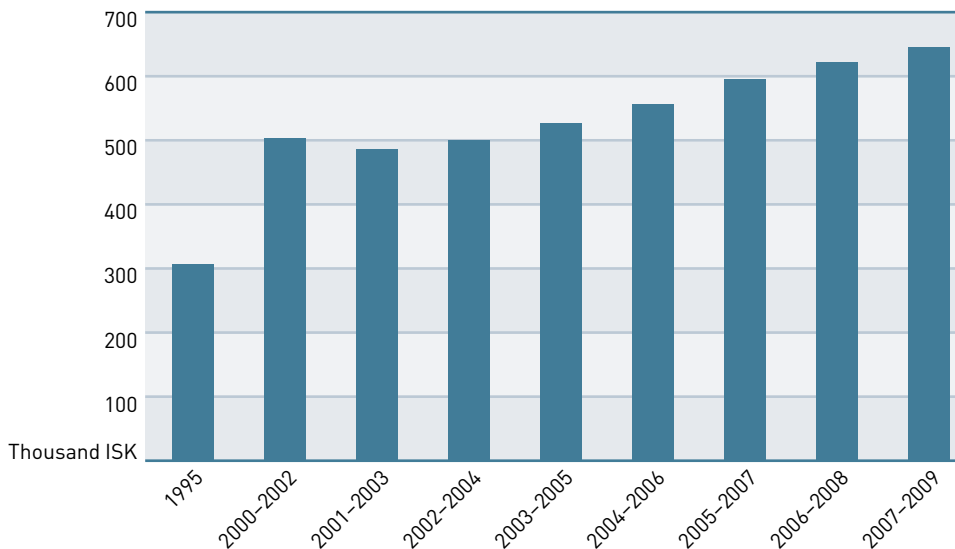
capital (Nielsen, Power and Sigurðardóttir, 2009). Iceland Music Export has in recent years worked to improve educational and training opportunities for musicians by providing monthly educational evening sessions on subjects ranging from music publishing to various aspects of music promotion. These courses have also been attended by people from other creative industries (Young, 2010b). Other promotion agencies for the creative industries, such as the Iceland Design Centre and the Open Academy of the Arts, have organised lectures on the workings of and developments in the industries. Continuing education and retraining are a key priority and among the focus areas of the Consultative Forum of the Creative Industries in Iceland.

### Consumption of culture

Statistics Iceland regularly compiles data on household consumption. This includes how much households are spending on food and non-alcoholic beverages, alcoholic beverages and tobacco, clothes and footwear, housing, water, electricity, and so forth. Also included is expenditure on recreation and culture.

Figure 3 shows that the average Icelandic household spent ISK 646,000 per year on recreation and culture in 2007–2009 (at 2009 prices) (Statistics Iceland, 2011d). According to the Statistics Iceland website, Icelandic households numbered 126,100 in 2009, which means that they spent an aggregate of ISK 78.5 billion on recreation and culture.

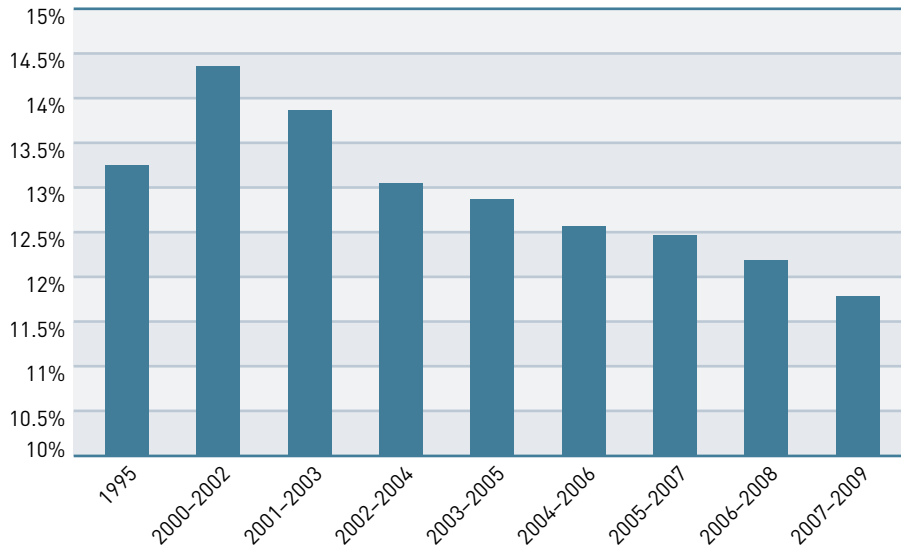
**Figure 3** Average household expenditure – recreation and culture



'Recreation and culture' includes: TV sets, VCRs/DVD players, computers, recreational equipment, other recreational items, toys, sports, media, lotteries, newspapers, books, stationary and package holidays.

Although Figure 3 appears at first glance to indicate rising expenditure on recreation and culture, this spending item's proportion of total household expenditure has in fact been decreasing. Figure 4 shows consumer spending on culture and recreation as a proportion of total household expenditure.

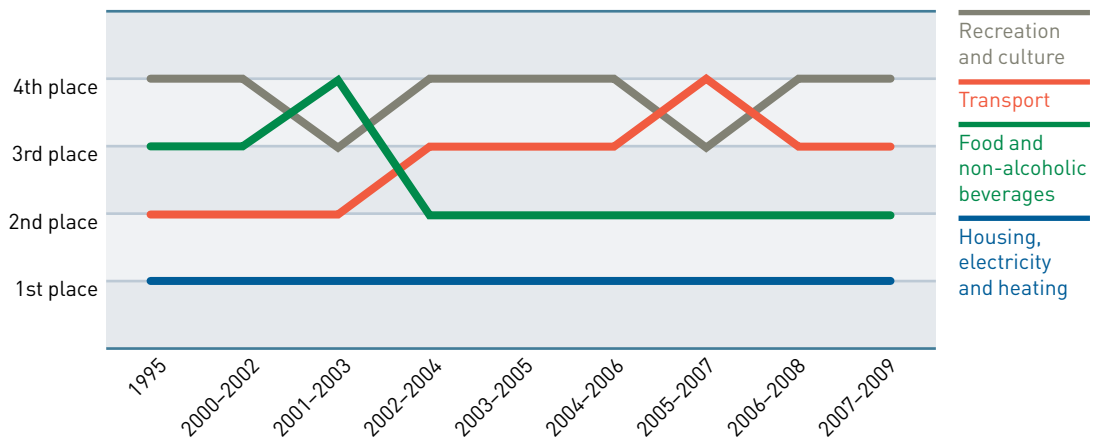
**Figure 4** Average household expenditure – recreation and culture  
Proportion of total household expenditure



In 2007–2009, households spent an average of 11.8% of their total expenditure on recreation and culture. This expenditure category peaked in 2000–2001 at 14.4%.

Figure 5 shows the main household expenditure categories ranked by level of spending. 'Recreation and culture' is usually the fourth largest category. However, in 2001–2003 and 2005–2007 it was the third largest, which accords well with turnover figures for the creative industries. Figure 5 shows that the years 2005–2007 differed markedly from the rest.

**Figure 5** Household expenditure categories ranked by level of spending



Caution should be exercised in drawing too extensive conclusions from estimated expenditure on recreation and culture, as the figures include various items unrelated to the creative industries as defined here.

According to a survey by the Social Science Institute carried out for the Ministry of Education, Science and Culture in 2009 (Dofradóttir, Arnalds, Sturludóttir and Jónsson, 2010), the level of cultural consumption is highest in the Greater

Reykjavík area and among the university-educated. Women are also greater consumers of culture than men. Three out of four respondents went to a cinema in 2009 and around 60% attended a theatre, opera, musical or concert performance. Around 50% visited an art museum or exhibition and over 60% visited sites of historical interest, such as Þingvellir National Park, Skálholt or Reykholt. About 55% attended a cultural or outdoor festival, of which 70% attended a community festival, such as the Great Fish Day in Dalvík. Just over 80% read a book for pleasure.

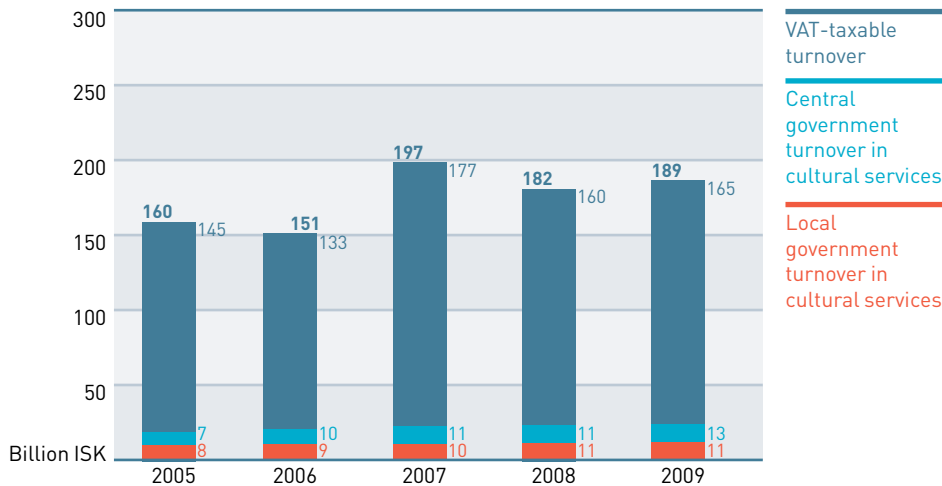
### Creative industries in Iceland

The preceding sections discuss the creative industries in a general context. The following sections will deal specifically with turnover in Iceland's creative industries over a five-year period from 2005 to 2009. This was a period of rapid economic growth followed by a major collapse, which is reflected in the figures. Much caution should be exercised in interpreting figures at each year's prices, as inflation was intermittently very high. Turmoil in the business world also had a notable impact on the figures, as illustrated further in the statistics for the creative industries' sub-sectors in Part II.

### Total turnover in the creative industries

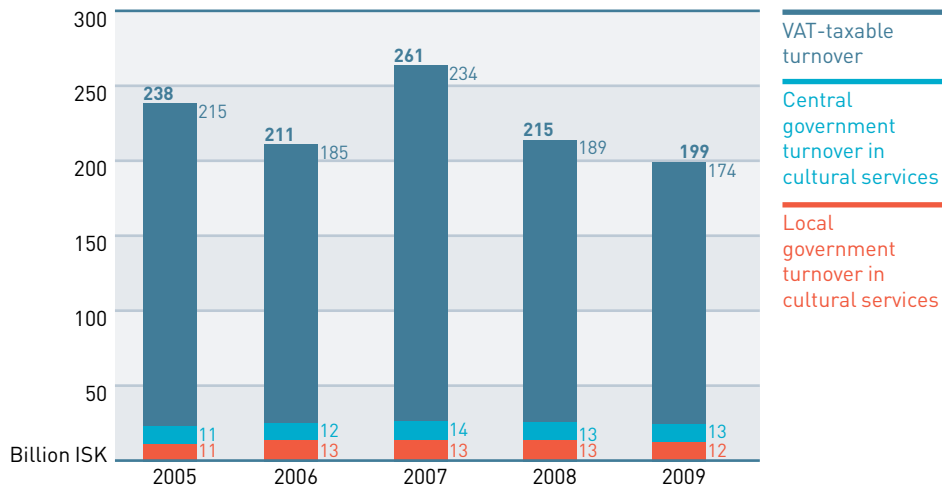
A key finding of this mapping project is that the creative industries' total turnover was ISK 189 billion in 2009. As shown in Figure 6, the central and local government share in this total was approximately ISK 24 billion, or about 12.5%. The central and local government shares are shown at the bottom of the figure, reflecting the fact that the creative industries' VAT-taxable turnover is to some extent generated on the basis of public funding.

**Figure 6** Creative industries' total turnover



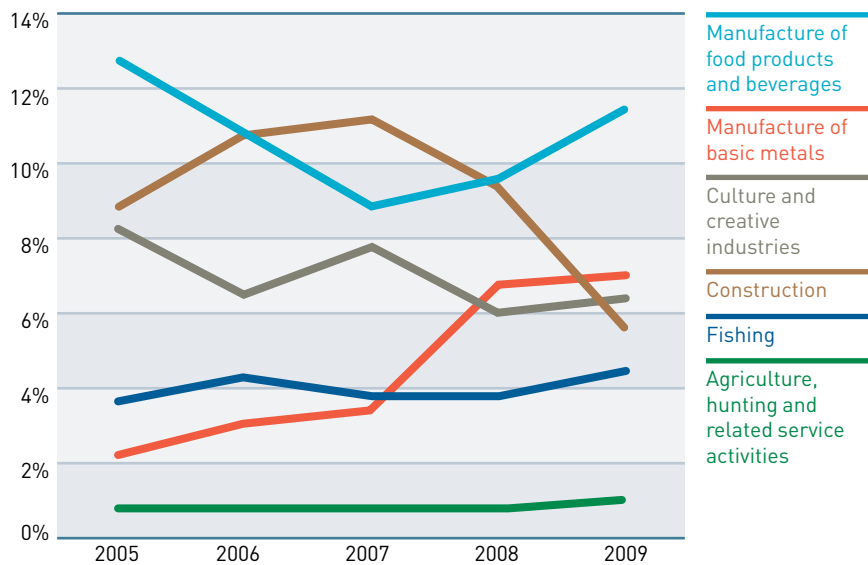
From Figure 6, it would appear that at each year's prices the creative industries experienced overall growth over the period. Based on 2010 prices, however, the peak year was 2007, and turnover in 2009 was rather lower than in 2005.

**Figure 7** Creative industries' total turnover at 2010 prices



These figures must be compared with other economic sectors to draw conclusions about the creative industries' relative size within the economy. This is done here by calculating the creative industries' percentage share of the VAT-taxable turnover of all economic sectors in Iceland, while noting that not all business activities are VAT-taxable.

**Figure 8** Creative industries' share of the economy's VAT-taxable turnover<sup>2</sup>



As can be seen from Figure 8, the creative industries' VAT-taxable turnover far exceeds that of agriculture and fishing combined, although it should be noted that these categories do not include raw material processing. The creative industries' turnover also exceeds that of the construction industry, one of the hardest-hit sectors in the wake of Iceland's banking collapse. The creative sector's turnover in 2009 is very comparable to that of the manufacture of basic metals, a category that has grown substantially since 2007, with no end of this trend in sight. The manufacture of food products and beverages, which includes fish processing and dairy product manufacturing, generates considerably more

<sup>2</sup> This is not an exhaustive list of all economic sectors in Iceland, so does not give an indication of their size ranking.

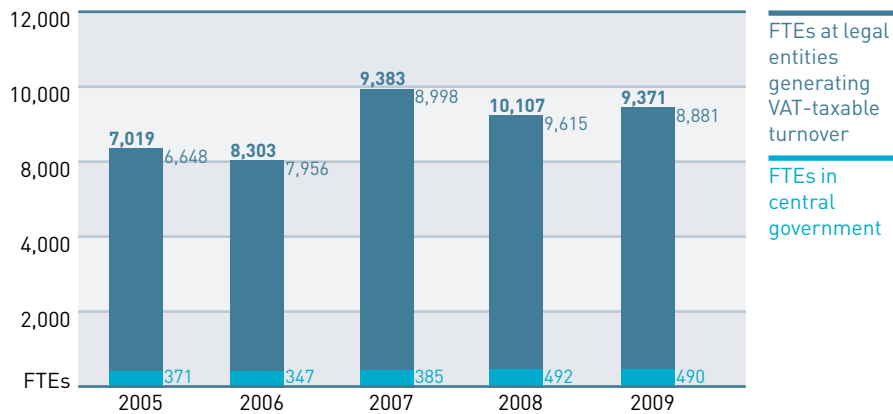
turnover than the aforementioned categories. Note should be taken that Figure 8 shows only a small portion of Iceland’s industries. Large sectors, including retail and wholesale trade, are not included. As a result, the chart does not indicate the size ranking of Iceland’s industries.

### Employment in the creative industries

While turnover gives a reasonable indication of a sector’s size in the aggregate economy in terms of output, it does not necessarily indicate how many people work in the sector. Given the much-discussed need to create more jobs in the economy, quantifying how many work in the creative industries is of some importance.

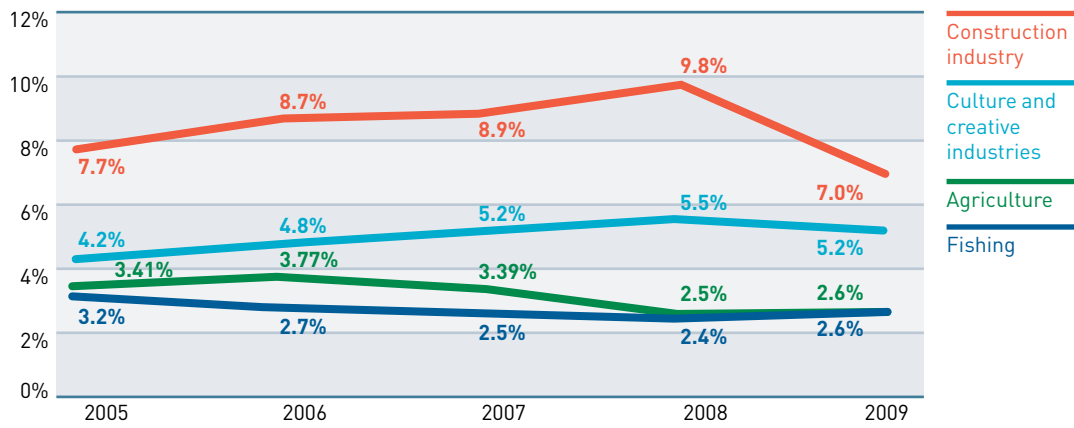
The measure used here is the number of full-time equivalents (FTEs, or person-years/man-years), i.e. not the total number of workers in the sector, since a single FTE may consist of a number of part-time jobs. This is important given how many creative workers are unable to make a living by working full time on their creative pursuits and must therefore supplement their income through other employment (Becker, 1984).

**Figure 9** FTEs in the creative industries (excluding local authorities)



FTEs in the creative industries numbered 9,400 in 2009, having peaked at over 10,000 in 2008. The period 2005–2008 saw a continuous increase in creative FTEs. The number dropped year-on-year from 2008 to 2009 but did not fall below the 2005 level.

**Figure 10** FTEs in selected industries as a percentage of the economy's total FTE workforce



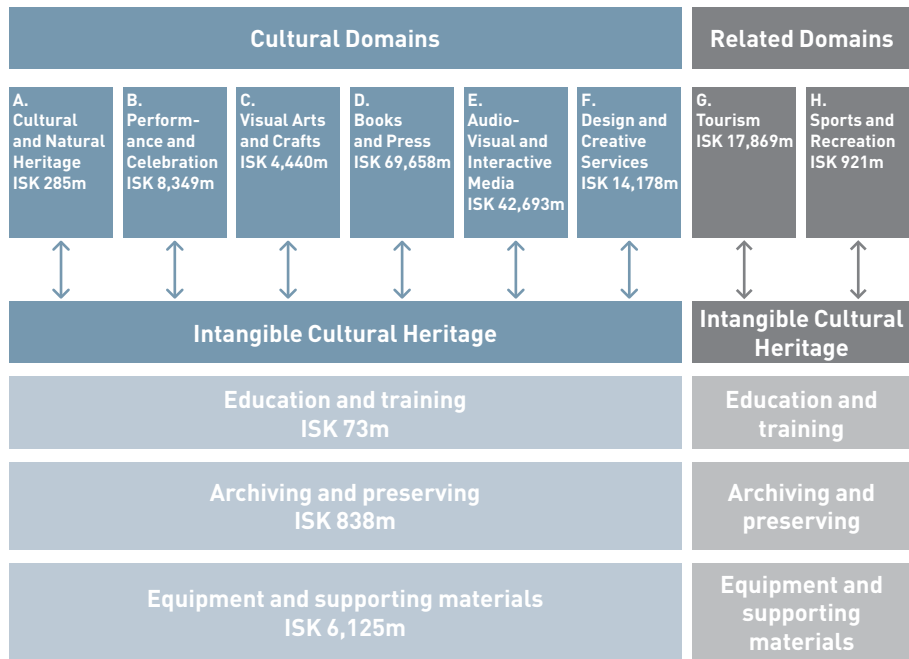
Despite the overall increase in creative FTEs, turnover in the creative industries did not increase. This may indicate a drop in wages, although there may be other factors at work, such as other cost savings putting pressure on overall turnover.

Although wages generally weigh heavily in labour-intensive creative industries, foreign studies show that wages in the sector are generally low. This is partly because artists' utility from their art-making is not solely in the form of income, since they often seek non-pecuniary rewards and are therefore willing to accept lower wages (Cowen and Tabarrok, 2000). Moreover, the supply of aspiring creative professionals continually exceeds demand, exerting a downwards pressure on wages (Abbing, 2002). Superstar incomes may encourage some artists to accept modest wages initially in hopes of later rising to superstardom themselves (Borghans and Groot, 1998).

### Turnover breakdown between the creative industries

Turnover levels vary markedly across the domains of Iceland's creative industries as defined by UNESCO, ranging from ISK 285 million to nearly ISK 70 billion. As previously mentioned, however, caution must be exercised in interpreting the turnover of individual domains because the degree of VAT-exempt activity differs significantly between them. Nevertheless, the figures are an indication of the economic size of each domain.

**Figure 11** VAT-taxable turnover of the cultural and related domains of Iceland’s creative industries in 2009



This breakdown is further explored in Part II.

## Exports

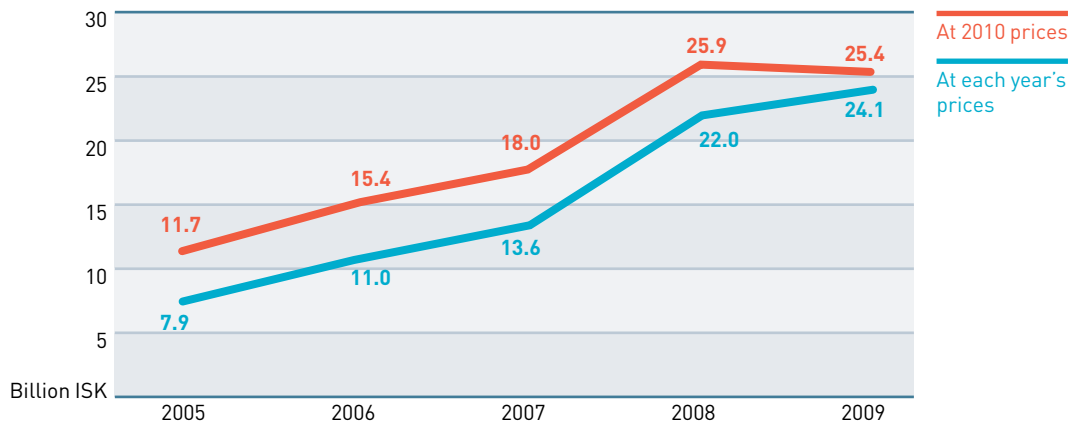
Although it was not feasible this time to calculate the value added of the creative industries, VAT reports do provide an indication of their export revenues. However, the figures do not include exports of services, which are exempt from VAT. Whether exports of services within the creative industries are very substantial is uncertain; they may consist primarily of revenues from concerts and art exhibitions overseas. Also not included here are export revenues from tourists’ cultural consumption, e.g. visits to museums and the Iceland Airwaves music festival.

Data on export revenues have been down-weighted here in the same manner as the turnover data, with the exception of two categories: ‘retail sale of textiles’ and ‘retail sale of clothing in specialised stores’. The reason for not down-weighting these two categories is that export revenues from retail sales are derived not from products imported from abroad but from sales of products manufactured or designed in Iceland. Businesses that manufacture their own design are in some cases categorised as retailers if their sales take place primarily through their own retail outlets. For example, Nikita Clothing is categorised as a retailer of clothes as it sells its design worldwide. On the other hand, the argument for down-weighting the retail sale of clothing and textiles in turnover calculations is that such turnover is largely derived from imports and sales of clothing, i.e. not Icelandic creative activities in the sense employed here.

Figure 12 shows the total export revenues of the creative industries. In 2009, these amounted to approximately ISK 24 billion at 2009 prices, or ISK 25 billion at 2010 prices. Exports grew steadily over the period.



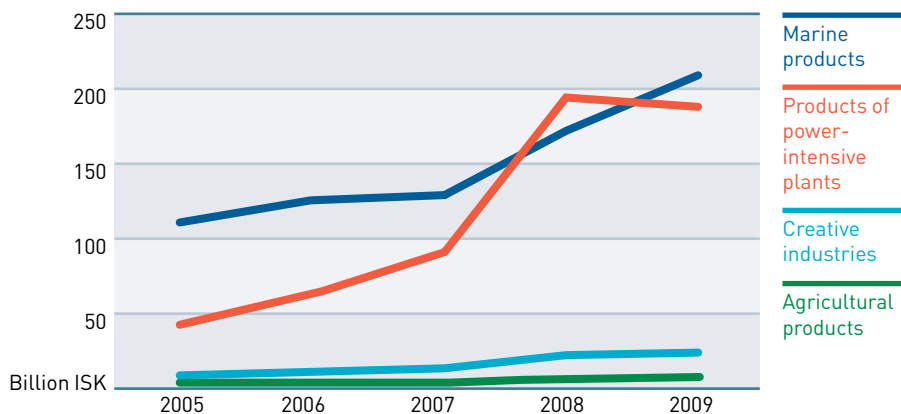
**Figure 12** Total export revenues of the creative industries in 2005–2009



As can be seen, export revenues grew steadily until 2008, with a minor year-on-year decline in 2008–2009.

Again, comparison with other sectors is useful in this context. Figure 13 compares the export revenues of some of Iceland's major industries. As the figure shows, in 2009 seafood accounted for ISK 208 billion, the power-intensive industry for ISK 187 billion, the creative industries for ISK 22 billion and agricultural products for ISK 8 billion.<sup>3</sup> It should be noted that farmed fish comes under agricultural products.

**Figure 13** Cross-sector comparison of export revenues

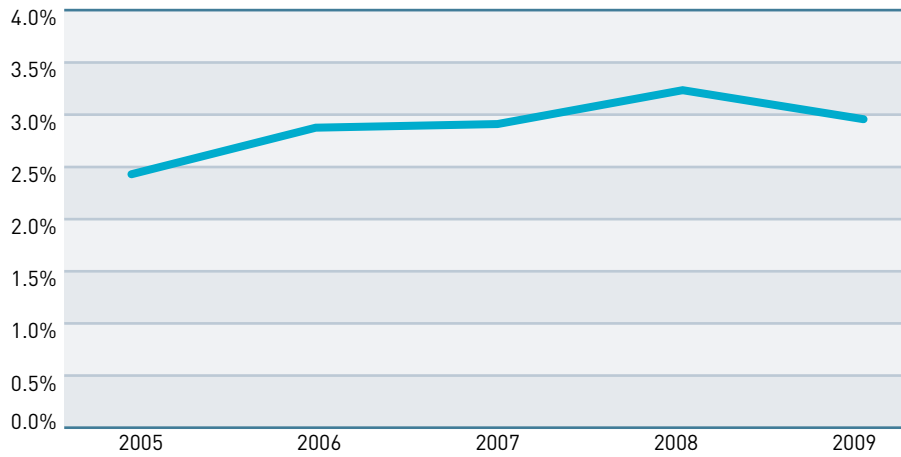


Exports grew in every sector, which is partly explained by the ISK's depreciation as of 2007, since a lower ISK means higher exports in ISK terms. However, this explains only part of the export growth in the power-intensive industry.

Figure 14 shows the creative industries' share of the economy's total export revenues, i.e. from exports of goods and services. In 2009, this share was about 3%, having peaked at 3.34% in 2008.

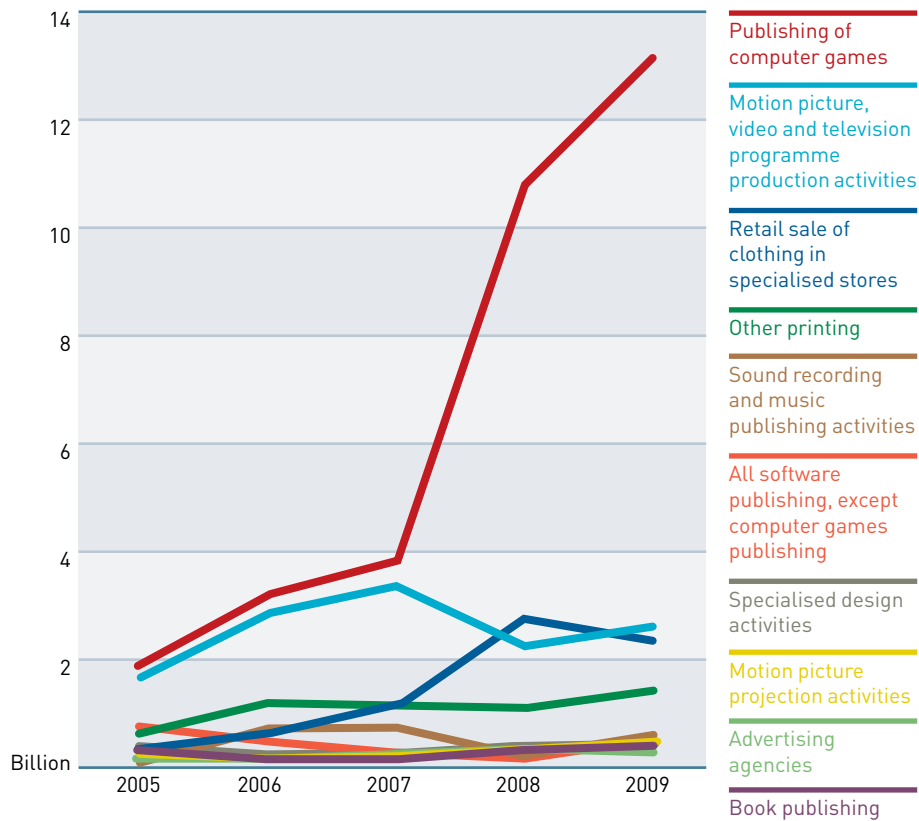
<sup>3</sup> The creative industries' export revenues are derived from both goods and services sold, while the data on other sectors listed here only refers to exports of goods.

**Figure 14** Creative industries' share in the economy's export revenues



We have chosen to present here only the export revenues of the ten largest sub-sectors of the creative industries as defined by UNESCO. A summary of the export revenues in all the industrial categories is provided in Appendix 3.

**Figure 15** Composition of creative industries' exports by industrial categories

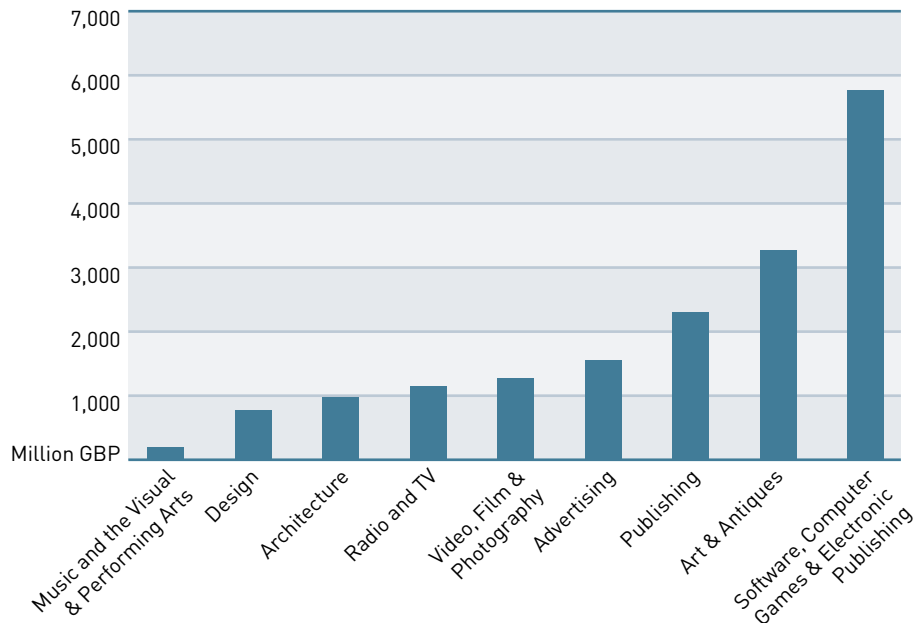


As can be seen from the above, export revenues have risen since 2005, not least in 2008 and 2009. Part of this increase is due to the ISK depreciation. But even if the increase is not due to actual production growth but only a higher exports value in ISK terms, it nevertheless contributes to the economy, provided that the creative industries are not heavily indebted in foreign currencies.

Export revenues from retail sales of clothing climbed in 2007 as the ISK started to weaken, with a slight relapse in 2009. The fastest-growing segment in

exports was computer games publishing, a trend also seen overseas. As shown in Figure 16, the largest export segment of the UK's creative industries is computer games, software and electronic publishing (Department for Culture, Media and Sports, 2011).

**Figure 16** Largest export segments of the UK's creative industries in 2007



### International comparison

As mentioned in the introduction, there has been a dearth of data on Iceland's creative industries, making international comparisons difficult. This mapping may remedy the situation to an extent, but not fully since the most common measure of the economic value of output used overseas is value added rather than turnover. A further complication is the lack of a standardised set of definitions (see the chapter "What are the creative industries?"). The following is based on available statistics on the creative industries in other countries.

### Europe

The EU Commission report *The Economy of Culture in Europe* from 2006 is the most influential document on the socio-economic impact of the cultural and creative sector in Europe. The study used the methodology developed by the World Intellectual Property Organisation (WIPO) in close collaboration with the Finnish Ministry of Education and Culture. The report's key findings include:

- In 2003, the cultural and creative sector turned over more than EUR 654 billion, or 2.6% of the EU's gross national product (GNP).
- The overall growth of the sector's value added was 19.7 % in 1999–2003, or 12.3% faster than the general economy's.
- In 2004, a total of 5.8 million people worked in the sector, equivalent to 3.1% of the EU25's total employed population. The cultural and creative workforce is well educated, as 46.8% of those employed in the sector had at least a university degree, compared with 25.7% in total employment.

Information on Europe's creative industries will, however, never be more accurate than the data available on each of the respective countries.

## The Nordics

There is a lack of official statistical data on the creative industries at the Nordic level. This is partly due to varying methodologies and classification systems used in calculations for the sectors for which data exist, which detracts from the data's credibility and hampers international comparison.

Various national reports exist, however, each using different definitions and methodologies. Here are a few examples:

A Swedish report from 2006 on the experience economy showed that it employed some 280,000 people and that its value added accounted for approximately 5% of Sweden's GDP. The report also showed that the sector consists largely of small businesses, with 98.5% of them employing fewer than 20 people. Note should be taken that the definition of the experience economy is much wider than that of the creative industries.

In 2005, the Copenhagen Business School (CBS) carried out studies of the creative sector in Denmark, including the computer games, design, fashion, film and recorded music industries. Among other things, data were collected on the creative sector's growth and development. The results showed, among other things, that success in the music industry is contingent on less dependency on the domestic market; that artistic recognition (e.g. in the film industry) does not necessarily lead to financial success; that turnover in the fashion industry was down while exports were up, indicating growth potential in foreign markets; and that the video games sector is dominated by five fairly large and around 20 smaller companies. However, these studies have not been maintained since, making up-to-date information on these industries unavailable.

In Norway, mapping of the creative industries is carried out at the request of the Ministry of Trade and Industry. The results of a mapping exercise conducted in 2004 showed that the creative industries accounted for approximately 3.5% of Norway's GDP and the same percentage of total employment in mainland Norway in 1996–2001. About 37% of those employed in the creative industries and 33% of businesses in the sector were located in Oslo.

In Finland, a study carried out in 2007 showed that turnover in the cultural and creative sector in 2005 was nearly EUR 7 billion, up 16% over 2000. Value added of the sector was ISK 2.4 billion, up 15% from 2000. The sector's total value added was approximately 1.5% of Finland's GDP in 2005. The number of firms in the sector increased 10% from 2000, compared with 6% in the overall national economy.

In 2005, the Finnish Ministry for Education and Culture set up an inter-ministerial working group to assess the economic impact of cultural activities. The task was to improve the availability and coverage of statistical information on the economic contribution of cultural activities in order to facilitate public policy making through co-operation between different ministries, Statistics Finland and other relevant bodies. The working group's main proposal was to develop a system of accounts for Finland's cultural sectors. Referred to as a 'Satellite Account for Culture' in the country's economic accounts, cf. 'Tourism Satellite Accounts', the system was to be connected to the system of national accounts. The proposal included basing the system on the national accounts and the country's Labour Force Survey.

## United Kingdom

In the UK, systematic economic estimates of the creative industries have been carried out for longer than in most other countries, with numerous such reports on various regions and cities available. Highlights from these include:

- The creative industries account for 7.3% of the UK's economy (making them comparable in size to the financial services industry).
- The sector employs around one million people and another approximately 800,000 work in creative occupations in other industries.

The latest statistics on the creative industries were published in December 2010 (Department for Culture, Media and Sport, 2010a). The creative industries contributed 5.6% of Gross Value Added (GVA) in 2008. Exports of services from the creative industries totalled GBP 17.3 billion in 2008, which corresponds to 4.1% of all goods and services exported.

In 2010, there were an estimated 182,100 enterprises in the creative industries, which equates to 8.7% of all UK companies.

Software & Electronic Publishing is the biggest contributor to national GVA out of all the creative industries, accounting for 2.5% in 2008.

The above statistics are difficult to compare between the countries in question as well as with the Icelandic statistics. One exception, however, is the employment figures. Despite the varying definitions of the creative industries, the number of jobs in the sector as a proportion of total employment gives at least some indication of the creative economy's scale.

In 2006, 4.8% of Iceland's total workforce was employed in the creative industries, compared with 5.7% in New Zealand, 7% in the UK and 5.2% in Australia (Cunningham, 2011). These percentages were on the rise in all of the above countries up to and including 2006, with newer figures unavailable.

## Next steps

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Plans are afoot to form an Association of Creative Industries in Iceland. The Consultative Forum of Creative Industries in Iceland (CFCI) has existed in an informal capacity since December 2009 and plays a key role in highlighting the creative industries' importance for the Icelandic economy and society. The idea of the CFCI/Association is a novel one in that, although government and academia have placed an emphasis on viewing the creative industries in an economic context, there is no tradition of the industries co-operating on a formal basis. Formalising the CFCI into an Association of Creative Industries thus presents a unique opportunity to foster the creative industries and build synergies between them.

After the first results from the mapping project became available, which were published in December 2010, a Working Group on public support to the creative industries was established under the auspices of the Icelandic Ministry for Education, Science and Culture. The Working Group comprises representatives of five ministries, Promote Iceland and the CFCI. The task of the Working Group is to look at ways of improving the creative industries' operating environment, pursuing available opportunities, promoting research, education and policy development and supporting exports. Its proposals are due to be submitted in the summer of 2011.

While turnover figures give an important first impression, statistics on the value added of the creative sector need to be made available as soon as possible. Data collection also needs to be formalised to make up-to-date information on how the sector is developing accessible to government authorities and stakeholders. Furthermore, ensuring a platform for further research is of pivotal importance, as building knowledge requires ongoing monitoring of the sector's development as well as continued interpretation and analysis.

Information on the scope and scale of the creative industries, not least the number of jobs created by the sector, should be useful in informing government economic and employment policy. Also worth bearing in mind are the positive externalities of a vibrant creative industries sector, such as better quality of life. The creative industries are also source of cultural content for tourists. However, the creation of such content must not be based solely on the premise of attracting tourists, as they are quick to see through pseudo-events and tourist traps.

Some creative industries may lack the knowledge needed to achieve their full potential. Strategic policy on the sector's future development needs to include proposals to increase education and training in areas where these are lacking. However, gaps in knowledge first need to be identified and assessed in order to be addressed, which is outside the scope of this present report.

It is clear from the available data on the creative industries' exports that growth opportunities exist. Turnover growth has been highest in the video game industry, but has also been high in sound recording, music publishing and performing arts activities as well as the operation of arts facilities. Although these are not major exporters compared with the seafood industry or the power-intensive industries, they have significant growth potential through enhanced know-how and operating conditions. Therefore, industrial policy for the creative industries should aim to create favourable operating conditions for creative businesses in Iceland even if the majority of their income derives from overseas. This applies in particular to the video game, film and music industries. Many Icelandic musicians base their operations entirely overseas. Ways of making Iceland a more attractive place for musicians to locate their business need to be explored, for example through tax incentives akin to those used in the film industry. Export revenues from fashion design have also been growing despite companies, such as Nikita Clothing, selling their production through overseas subsidiaries that only pay reimbursements to the parent, which form the revenue reported in export figures for the fashion industry.

## PART II

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This part of the report, Part II, provides statistics on each of the creative industries' sub-sectors as derived from central and local government sources and the official VAT Register.

The central and local government share in the cultural sector is shown first. This is followed by an outline of each core cultural domain as defined by UNESCO. For each domain, the industrial categories regarded as part of the creative industries are identified and outlined. For each industrial category, information is provided on VAT-taxable turnover, labour costs, the number of full-time equivalents (FTEs) and export revenues. The weighting of each category is also indicated. As previously, it should be borne in mind that the turnover figures refer only to the VAT-taxable turnover of the companies and self-employed individuals registered in the categories.

Each chapter on a given domain concludes with an 'Additional data' section, largely focusing on the turnover of activities exempted from VAT under Article 2 of the Value Added Tax Act. This is intended to shed further light on the scope and size of each domain. Unless otherwise noted, all diagrams in these additional sections are based on data available on the Statistics Iceland website.

Also included are comparable data on the 'related' and 'transversal' domains.

Finally, a brief account is given of the creative industries' support environment, including key funding schemes and grants on offer. The promotion agencies for the creative industries are also discussed. Since the data are presented below without further explanation, it is important to read the following caveats.

### Caveats to the data

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A number of caveats are worth bearing in mind when reading the following data. First, VAT-taxable turnover does not capture all creative industry activities as defined by UNESCO. Therefore, the figures for certain sub-sectors under-represent actual turnover. The description of each industrial category is followed by a discussion of VAT-exempt activities within that category. In some cases, these activities are the core of what we consider to constitute the category, e.g. in the visual arts and performing arts. For instance, according to representatives of the Iceland Theatre Association, the only VAT-taxable activities under the Association's remit are the sale of refreshments and acting in television commercials.

Second, registrations of businesses in incorrect industrial sectors were corrected on the basis of 2009 data. However, this does not ensure that businesses that changed their corporate registration number or closed down before 2009 are correctly registered for the years 2005–2008. This may have a greater impact on the Icelandic data than in larger countries, as in Iceland individual companies often comprise a greater share of the total. The data cannot be more accurate than registrations in industrial categories and the VAT calculations reported by businesses.

In small sub-sectors, single events may have a sizeable impact. For example, turnover may be considerably above norm in a given year due to housing construction or maintenance. We do not have access to such information.

Hence, year-on-year fluctuations in individual industrial categories are sometimes unexplained. Fluctuations in some categories seem implausible, e.g. the major decline in turnover for botanical and zoological gardens from 2005. These figures should be viewed with considerable caution.

Finally, it should be reiterated that the statistics are presented at each year's prices, whereas inflation was high during the years in question, as a result of which the turnover growth reported does not necessarily indicate real growth.

### **Interesting findings**

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In the following chapters, statistical results are presented both for the public sector and for each industrial category based on VAT data. While each set of figures below is not analysed specifically, some interesting findings are highlighted here.

Although government turnover in cultural and media activities remained virtually flat over the period covered, government revenues from these sources rose in relative terms. Full-time equivalents were up by more than 100. Music education is the single largest cultural expenditure item for local authorities, accounting for up to one-third of total cultural expenditure.

In the categories "sound recording and music publishing activities" and "radio broadcasting and television programming and broadcasting activities", turnover fluctuated between years from several hundred million to several billion ISK and vice versa. This variability is unexplained but may be due to transfers between industrial categories, e.g. when corporate registration numbers were changed, as a consequence of incorrect registration with the Internal Revenue Directorate.

Despite fluctuations in the category "sound recording and music publishing", the global downturn in recorded music sales appears not to have affected Iceland heavily, i.e. music sales have not collapsed – sales of foreign recorded music declined significantly, but sales of Icelandic music increased (see Figure 20).

Note should be taken that theatre operations as well as dance and opera performances are very largely VAT-exempt. As a result, figures on the performing arts' VAT-taxable turnover under-represent actual turnover. However, the turnover of, e.g., the National Theatre, the Reykjavík City Theatre and the Iceland Dance Company is included in government turnover, to name one example of such discrepancy. Although the data are limited in this respect, it is interesting to note that turnover for the category "support activities to performing arts" contracted and the number of theatre employees dropped while theatre attendance rose considerably.

In the category "publishing of computer games", turnover jumped more than six-fold in 2005–2009. Turnover in this category derives nearly entirely from exports, and accounts for more than half of the creative industries' export revenues.

Strong growth was recorded in the category "web portals", in line with global trends in internet use. There was fairly steady growth in "leasing of intellectual property and similar products, except copyrighted works".



“Architectural activities” are down-weighted here in accordance with UK DCMS methodology, although a question mark may be raised over the percentage used, as Icelandic architects do not engage in personnel management to the same extent as their overseas colleagues. The figures also reflect Iceland’s economic collapse in 2008, with activity in the architectural sector closely tied to construction activity, which has been in a deep downturn since 2008. At each year’s prices, turnover from architectural activities was less than half of the pre-crisis level.

Like architectural activities, advertising has suffered a steep decline since 2007 on the back of the economic downturn.

Unlike architectural and advertising activities, however, exports in “specialised design activities” have grown markedly.

### Central government turnover in cultural activities

In 2009, central government turnover in cultural activities (purchase of assets, payroll costs, other costs and transfers) was approximately ISK 12.5 billion. This includes non-tax revenues of about ISK 1 billion, which means that the National Treasury contribution was around ISK 11.5 billion.

**Table 1**  
Central government’s cultural turnover in 2005–2009 (millions ISK)

	2005	2006	2007	2008	2009
Purchase of assets	105	54	66	79	112
Labour costs	1,625	1,745	2,007	2,750	2,822
Other expenses	1,186	1,535	1,611	1,925	2,266
Transfers	4,503	6,287	6,948	6,436	7,323
<b>Turnover</b>	<b>7,419</b>	<b>9,621</b>	<b>10,632</b>	<b>11,190</b>	<b>12,523</b>
Non-tax revenues	627	759	898	1,032	1,035
<b>Treasury contribution</b>	<b>6,792</b>	<b>8,862</b>	<b>9,734</b>	<b>10,158</b>	<b>11,488</b>

For further details, see Appendix 1.

### Central government full-time equivalents in cultural activities

**Table 2**  
Central government full-time equivalents in cultural activities in 2005–2009

	2005	2006	2007	2008	2009
	371	347.18	385.36	491.95	490.49

In 2009, central government full-time equivalents (FTEs) in cultural activities numbered about 500. These figures are not exhaustive although they give a good indication of the number of FTEs. For example, the turnover of the Icelandic National Broadcasting Service (RÚV) is included in the data, which nevertheless do not include FTEs at RÚV as it is a limited company with its own separate accounts (including payroll), which means the State Accounting Office has no FTE data for RÚV.

### Local government turnover in cultural activities

In 2009, local government turnover in cultural activities (labour costs, other operating costs and music education expenditure) was approximately ISK 11 billion. Service fees and other non-tax revenues were about ISK 1 billion, which means that funding through tax revenues amounted to approximately ISK 10 billion.

**Table 3**

Local government's cultural turnover in 2005–2009 (millions ISK)

	2005	2006	2007	2008	2009
Salaries and related expenses	146	1,708	1,849	2,027	2,153
Other operating expenses	3,628	4,259	4,514	5,196	5,196
Music education expenses	2,514	2,914	3,196	3,447	3,601
<b>Turnover</b>	<b>7,603</b>	<b>8,882</b>	<b>9,559</b>	<b>10,671</b>	<b>10,951</b>
Fees and other non-tax revenues	695	741	867	1,063	1,091
<b>Local government contribution</b>	<b>6,908</b>	<b>8,141</b>	<b>8,692</b>	<b>9,608</b>	<b>9,860</b>

### Local government full-time equivalents in cultural activities

No data are available on FTEs in local authorities' cultural services. Based on turnover, it could be surmised that the number is somewhat lower than that of central government FTEs, although firm conclusions can hardly be drawn from such conjecture.

### Government share of turnover

The above figures show that central and local government spend very similar amounts on arts and culture – although the state's expenditure is somewhat higher. Increases in spending over the period managed to keep pace with inflation. But, when discounted to present value at 2009 prices, government turnover remained flat from 2006, with the exception of 2007 when it was ISK 1 billion higher (see Figure 7).

The VAT data are outlined in detail in the appendices.

## VAT taxable turnover, salaries costs, number of Full-time equivalents and export revenue

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### A – Cultural and natural heritage

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The domain Cultural and Natural Heritage includes the following activities: Museums, Archaeological and Historical Places (including archaeological sites and buildings), Cultural Landscapes, and Natural Heritage.

Cultural Heritage includes artefacts, monuments, and groups of buildings and sites that have a diversity of values including symbolic, historic, artistic, aesthetic, ethnological or anthropological, scientific and social significance. Cultural Landscapes represent combined works of nature and by humans, and they express a long and intimate relationship between people and their natural environment (UNESCO, 2007).

Natural Heritage consists of natural features, geological and physiographical formations and delineated areas that constitute the habitat of threatened species of animals and plants and natural sites of value from the point of view of science, conservation or natural beauty. It includes nature parks and reserves, zoos, aquaria and botanical gardens (UNESCO, 1972).

Activities related to cultural and natural heritage encompass the management of sites and collections that have historic, aesthetic, scientific, environmental and social significance. Preservation and archiving activities undertaken in museums and libraries are also part of this category.

A Museum is defined as a “non-profit, permanent institution in the service of society and its development, open to the public, which acquires, conserves, researches, communicates and exhibits the tangible and intangible heritage of humanity and its environment for the purposes of education, study and enjoyment (ICOM, 2007). Other forms of museums included in this domain include living museums, which contain objects that are still used for rituals or sacred ceremonies by the communities and virtual museums, which are those represented in an electronic form such as a CD or on an Internet site.

#### 91.02 Museums activities

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**This class includes:**

Operation of museums of all kinds:

- Art museums, museums of jewellery, furniture, costumes, ceramics, silverware
- Natural history, science and technological museums, historical museums, including military museums
- Other specialised museums
- Open-air museums

**This class excludes:**

- activities of commercial art galleries, see **47.78**
- restoration of works of art and museum collection objects, see **90.03**
- activities of libraries and archives, see **91.01**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9102	305.7	193.5	277.7	264.1	278.3
Salary cost ISKm	100%	9102	72.6	88.6	117.7	174.9	207.3
Full-time equivalents	100%	9102	53.3	55.8	71.4	90.3	96.3
Export revenue ISKm	100%	9102	6.6	4.4	6.6	3.3	6.8

### 91.03 Operation of historical sites and buildings and similar visitor attractions

**This class includes:**

- Operation and preservation of historical sites and buildings

**This class excludes:**

- Renovation and restoration of historical sites and buildings, see section F.
- Operation of nature reserves, including wildlife preservation, etc. See **91.04**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9103	4.7	6.4	4.9	6.5	4.8
Salary cost ISKm	100%	9103	2.1	5.3	9.0	9.8	14.4
Full-time equivalents	100%	9103	1.3	3.2	4.0	4.3	5.2
Export revenue ISKm	100%	9103	0.0	0.0	0.3	0.2	0.0

### 91.04 Botanical and zoological gardens and nature reserves activities

**This class includes:**

- Operation of botanical and zoological gardens, including children's zoos
- Operation of nature reserves, including wildlife preservation, etc.

**This class excludes:**

- Landscape and gardening activities, see **81.30**
- Operation of sport fishing and hunting preserves, see **93.19**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9104	20.8	13.3	15.1	1.2	1.7
Salary cost ISKm	100%	9104	2.2	3.1	0.9	0.5	1.6
Full-time equivalents	100%	9104	1.4	1.6	1.3	0.7	1.2
Export revenue ISKm	100%	9104	15.3	9.5	8.4	0.0	0.0

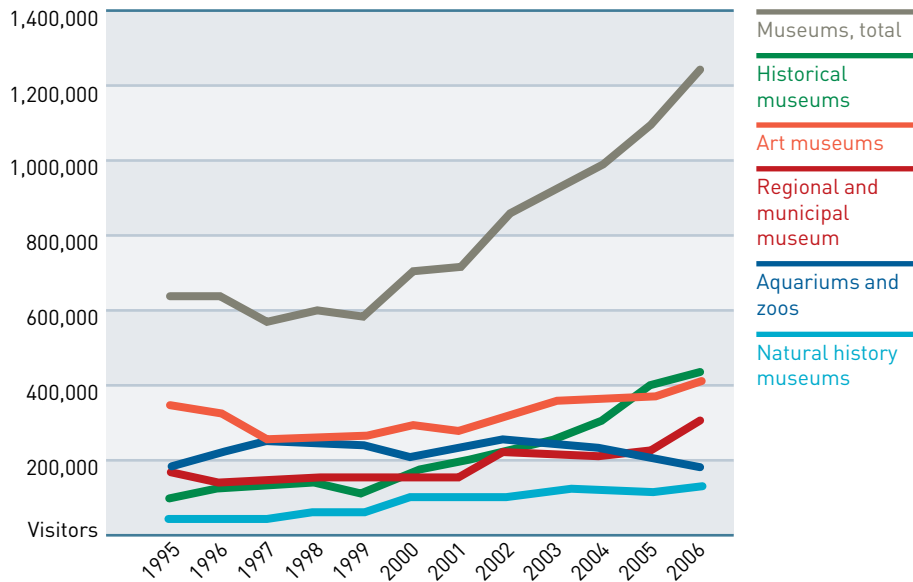
### Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Museum activities	100%	9102	305.7	193.5	277.7	264.1	278.3
Operation of historical sites and buildings and similar visitor attractions	100%	9103	4.7	6.4	4.9	6.5	4.8
Botanical and zoological gardens and nature reserves activities	100%	9104	20.8	13.3	15.1	1.2	1.7
<b>Total</b>			<b>331.3</b>	<b>213.1</b>	<b>297.8</b>	<b>271.8</b>	<b>284.8</b>

A large number of cultural and natural heritage organisations are funded by central and local government. Appendix 1 outlines central government expenditure on culture.

Figure 17 shows the number of visitors to museums and similar institutions in 1995–2006 (the data for 2006 are not available). The attendance figures were obtained from the Statistics Iceland website, which states that these are based on data from the museums themselves. Museums that did not deliver attendance data to Statistics Iceland are not included in the line chart below. The chart shows that attendance increased substantially during the period, particularly at history museums and heritage collections.

**Figure 17** Visitors to museums 1995–2006



## B – Performance and Celebration

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Performance and Celebration includes all expressions of live cultural events.

Performing Arts includes both professional and amateur activities, such as theatre, dance, opera and puppetry. It also includes the celebration of cultural events – Festivals, Feasts and Fairs – that occur locally and can be informal in nature.

Music is defined in this domain in its entirety, regardless of format. As such, it includes live and recorded musical performances, music composition, music recordings, digital music including music downloads and uploads, and musical instruments.

### 32.20 Manufacture of musical instruments

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**This class includes:**

- Manufacture of stringed instruments
- Manufacture of keyboard stringed instruments, including automatic pianos
- Manufacture of keyboard pipe organs, including harmoniums and similar keyboard instruments with free metal reeds
- Manufacture of accordions and similar instruments, including mouth organs
- Manufacture of wind instruments
- Manufacture of percussion musical instruments
- Manufacture of musical instruments, the sound of which is produced electronically
- Manufacture of musical boxes, fairground organs, calliopes, etc.
- Manufacture of instrument parts and accessories:
- Metronomes, tuning forks, pitch pipes, cards, discs and rolls for automatic mechanical instruments, etc.
- Manufacture of whistles, call horns and other mouth-blown sound signalling instruments

**This class excludes:**

- Reproduction of pre-recorded sound and video tapes and discs, see **18.2**
- Manufacture of microphones, amplifiers, loudspeakers, headphones and similar components, see **26.40**
- Manufacture of record players, tape recorders and the like, see **26.40**
- Manufacture of toy musical instruments, see **32.40**
- Restoring of organs and other historic musical instruments, see **33.19**
- Publishing of pre-recorded sound and video tapes and discs, see **59.20**
- Piano tuning, see **95.29**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	3220	64.4	56.6	74.5	75.4	73.0
Salary cost ISKm	100%	3220	16.2	17.0	21.7	22.1	16.9
Full-time equivalents	100%	3220	6.5	7.2	8.3	8.3	8.8
Export revenue ISKm	100%	3220	0.0	0.0	0.0	0.0	0.1

## 47.63 Retail sale of music and video recordings in specialised stores

### This class includes:

- Retail sale of musical records, audio tapes, compact discs and cassettes
- Retail sale of video tapes and DVDs

### This class also includes:

- Retail sale of blank tapes and discs

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	4763	407.4	205.0	1401.1	1289.3	1101.0
Salary cost ISKm	100%	4763	15.0	13.0	64.3	81.5	135.3
Full-time equivalents	100%	4763	10.6	7.6	40.3	46.8	59.8
Export revenue ISKm	100%	4763	2.2	1.4	463.4	416.3	100.7

## 59.20 Sound recording and music publishing activities

This class includes the activities of production of original (sound) master recordings, such as tapes, CDs; releasing, promoting and distributing sound recordings to wholesalers, retailers or directly to the public. These activities might be integrated or not with the production of master recordings in the same unit. If not, the unit exercising these activities has to obtain the reproduction and distribution rights to master recordings.

This class also includes sound recording service activities in a studio or elsewhere, including the production of taped ( i.e. non-live) radio programming.

This class also includes the activities of music publishing, i.e. activities of acquiring and registering copyrights for musical compositions, promoting, authorising and using these compositions in recordings, radio, television, motion pictures, live performances, print and other media. Units engaged in these activities may own the copyright or act as administrator of the music copyrights on behalf of the copyright owners. Publishing of music and sheet books is included here.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5920	893.9	6057.2	6284.4	959.6	5076.6
Salary cost ISKm	100%	5920	90.1	412.1	404.4	376.4	388.6
Full-time equivalents	100%	5920	53.3	201.4	199.5	196.2	200.1
Export revenue ISKm	100%	5920	109.5	689.2	719.2	193.7	544.9

## 90.01 Performing arts

### This class includes:

- Production of live theatrical presentations, concerts and opera or dance productions and other stage productions:
- Activities of groups, circuses or companies, orchestras or bands, activities of individual artists such as actors, dancers, musicians, lecturers or speakers

### This class excludes:

- Activities of personal theatrical or artistic agents or agencies, see **74.90**
- Casting activities, see **78.10**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9001	487.4	482.9	456.6	758.0	681.3
Salary cost ISKm	100%	9001	631.0	730.5	858.3	924.4	883.7
Full-time equivalents	100%	9001	375.5	447.8	469.6	474.3	429.6
Export revenue ISKm	100%	9001	169.4	96.6	19.3	237.6	232.9

## 90.02 Support activities to performing arts

### This class includes:

- Support activities to performing arts for production of live theatrical presentations, concerts and opera or dance productions and other stage productions:
- Activities of directors, producers, stage-set designers and builders, scene shifters, lighting engineers, etc. This class also includes:
- Activities of producers or entrepreneurs of arts live events, with or without facilities

### This class excludes:

- Activities of personal theatrical or artistic agents or agencies, see **74.90**
- Casting activities, see **78.10**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9002	294.0	264.6	360.9	292.0	204.3
Salary cost ISKm	100%	9002	81.8	97.5	124.1	132.5	82.5
Full-time equivalents	100%	9002	41.5	51.2	66.5	66.9	53.3
Export revenue ISKm	100%	9002	4.3	7.1	2.8	5.4	15.8

## 90.04 Operation of arts facilities

### This class includes:

- Operation of concert and theatre halls and other arts facilities

### This class excludes:

- Operation of cinemas, see **59.14**
- Activities of ticket agencies, see **79.90**
- Operation of museums of all kinds, see **91.02**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9004	725.4	966.1	1158.1	884.2	1212.6
Salary cost ISKm	100%	9004	86.7	158.7	341.7	295.3	280.1
Full-time equivalents	100%	9004	62.3	80.8	124.3	107.8	95.4
Export revenue ISKm	100%	9004	74.8	88.9	105.1	142.8	217.0



## Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Manufacture of musical instruments	100%	3220	64.4	56.6	74.5	75.4	73.0
Retail sale of music and video recordings in specialised stores	100%	4763	407.4	205.0	1401.1	1289.3	1101.0
Sound recording and music publishing activities	100%	5920	893.9	6057.2	6284.4	959.6	5076.6
Performing arts	100%	9001	487.4	482.9	456.6	758.0	681.3
Support activities to performing arts	100%	9002	294.0	264.6	360.9	292.0	204.3
Operation of arts facilities	100%	9004	725.4	966.1	1158.1	884.2	1212.6
<b>Total</b>			<b>2872.5</b>	<b>8032.3</b>	<b>9735.7</b>	<b>4258.6</b>	<b>8348.9</b>

## Further data

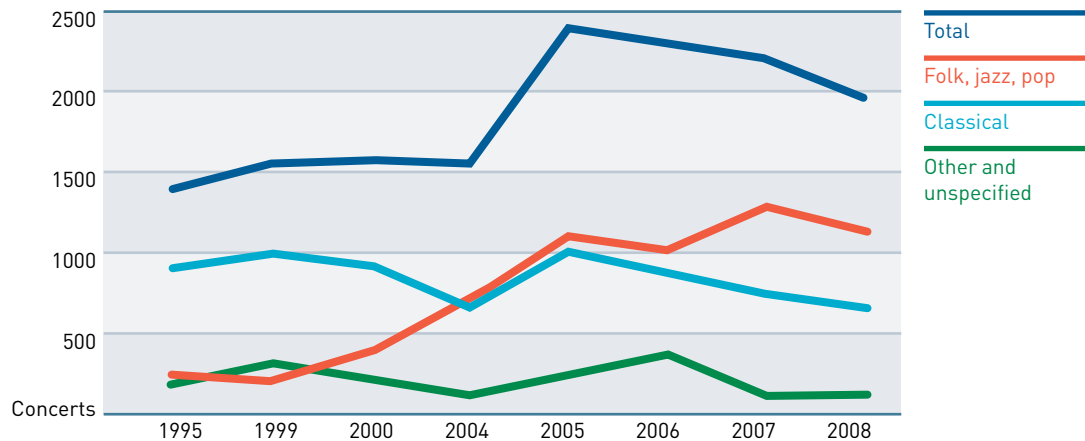
### Music

#### Concerts in Iceland

Data on concerts held in Iceland are based on newspaper reports of concerts and data on student concerts. Due to different counting methods, the data are not fully comparable between years. Classical concerts include lieder and choir concerts. The geographical location of 24 concerts in 2007 is uncertain.

**Figure 18** Concerts by genre 1995–2008

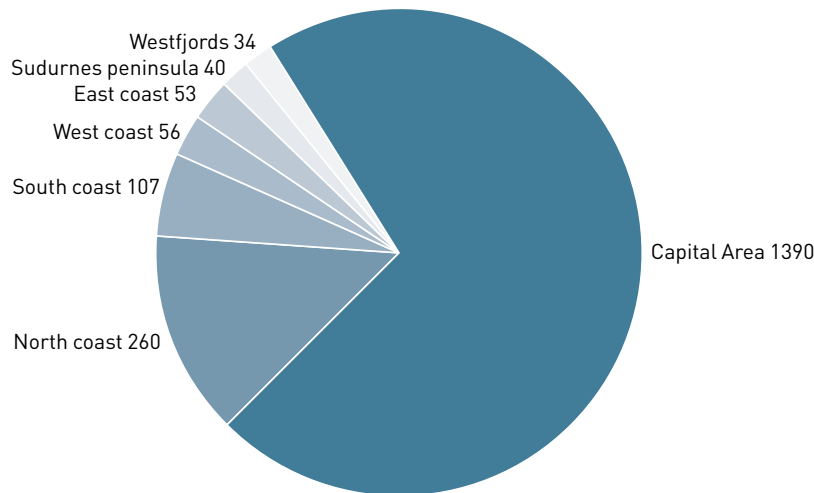
Source: Icelandic Musicians' Union (Concerts in Iceland 2004–2008), Ministry of Education, Science and Culture (Álitsgerð nefndar um tónlistarhús, 1997), The Performing Rights Society of Iceland (2009) and The Music Council of Iceland (Concerts in Iceland 1999 and 2000).



In 2008, a total of 1940 concerts were held. Most of these, or 1390, took place in the Greater Reykjavík area. The runner-up by geographical region was North Iceland at 260. The smallest number of concerts were held in the West Fjords, at 34.

**Figure 19** Concerts by regions

Source: Icelandic Musicians' Union (Concerts in Iceland 2004–2008), Ministry of Education, Science and Culture (Álitsgerð nefndar um tónlistarhús, 1997), The Performing Rights Society of Iceland (2009) and The Music Council of Iceland (Concerts in Iceland 1999 and 2000).

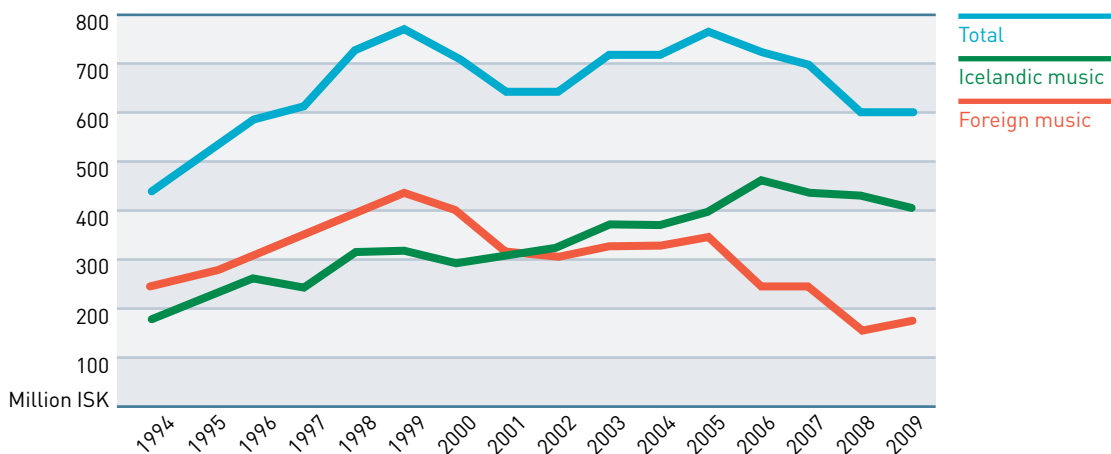


### Sales of sound recordings

Figure 20 shows value of sound recordings in Iceland in the period 1994–2009.

**Figure 20** Sale value of sound recordings at distributor level 1994–2010

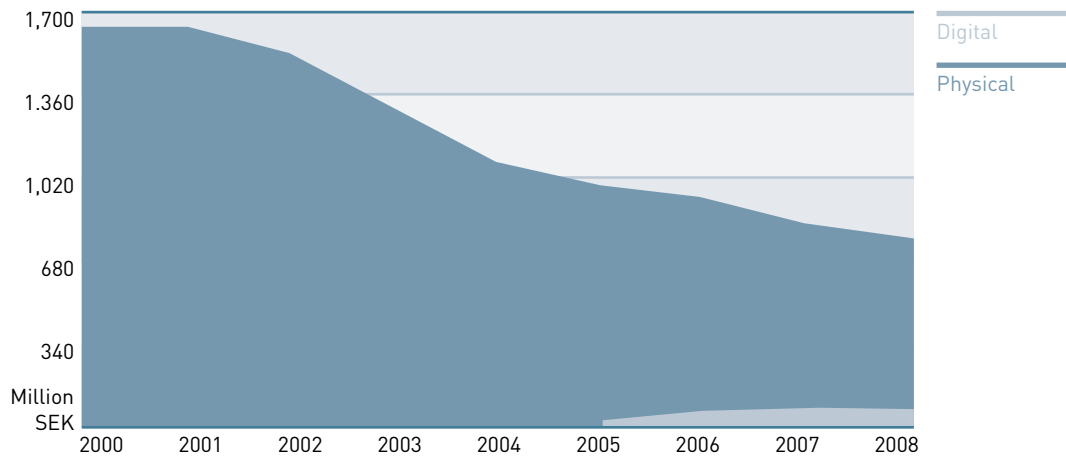
Source: SHF-Icelandic Group of IFPI (Audit Surveys, 1995–2010) and IFPI (The Recording Industry in Numbers 1998–1999).



Sales values are indicated at each year's prices. The figures for 1991–1993 are estimates by the International Federation of the Phonographic Industry (IFPI). The data for 1994–2009 refer to sales of sound recordings by publishers and distributors participating in the copy control efforts of the Federation of the Phonographic Industry in Iceland. Year-on-year fluctuations in the number of copies sold may be partly due to the varying number of publishers and distributors participating in the copy control. The figures are rounded.

It is interesting to compare the sales value of sound recordings in Figure 20 with equivalent values for Sweden in Figure 21. From the turn of the millennium, the Icelandic sales increased until 2005, when they started to drop. Total sales in 2009 were almost equal to the 2000 figure. In Sweden, by contrast, sound-recording sales fell continuously from 2000, even including digital sales.

**Figure 21** Sale value of sound recordings in Sweden 2000–2008



### Number of musicians

An indication of the number of practising musicians in Iceland can be gleaned from the number of registered members in musicians’ unions and associations. However, only a portion of musicians may be expected to be registered in such unions, so the total number must be larger than these figures would indicate. Conversely, some musicians may be expected to be registered in more than one union, further complicating any estimates on this basis.

In 2009, 604 musicians were registered in the Icelandic Musicians’ Union (FÍH), 273 were registered in the Icelandic Society of Authors & Composers (FTT), 156 in the Association of Icelandic Musicians (FÍT) and 55 in the Society of Icelandic Composers (TÍ). This totals 1088 members of musicians’ unions and associations in 2009, which is bound to include some duplication and triplication, as some musicians are members of more than one union/ association.

**Figure 22** Icelandic musicians’ unions and associations  
Source: Information from the unions and associations

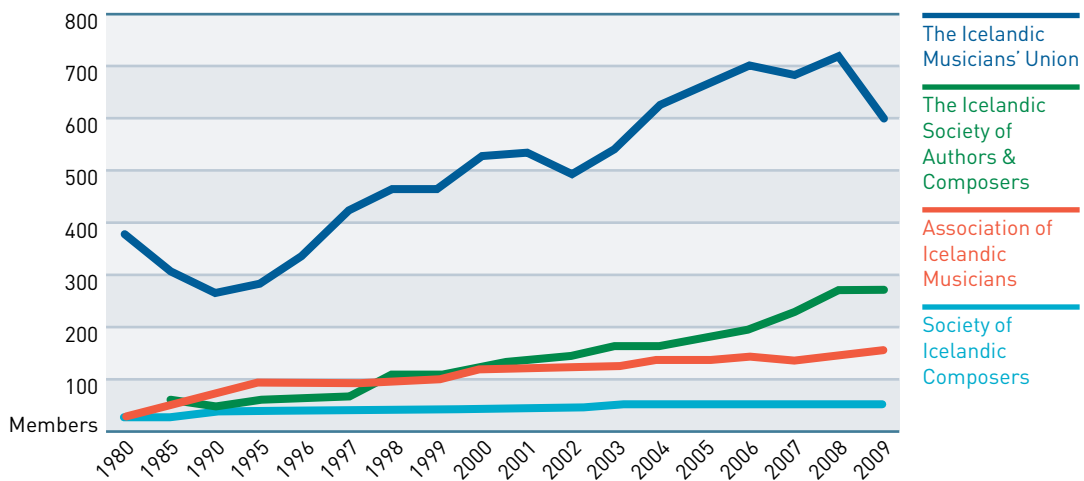
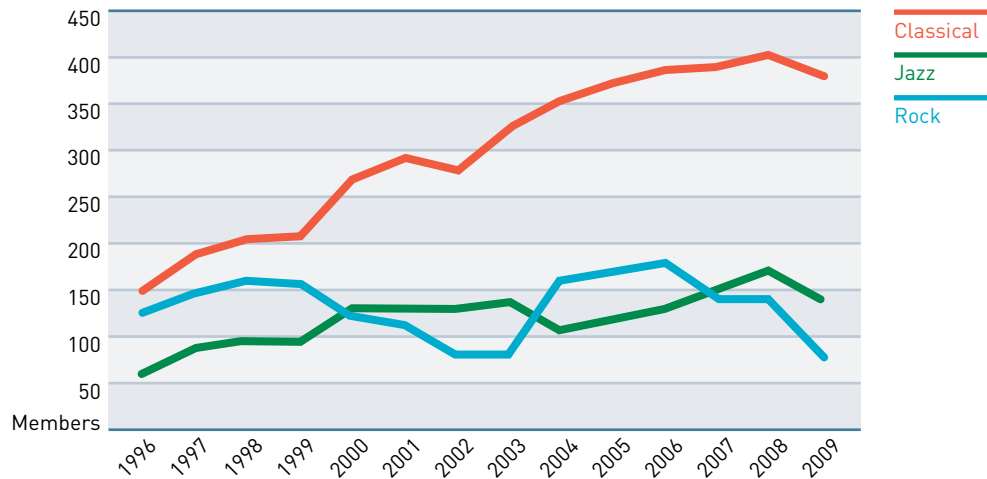


Figure 23 shows the division of members in The Icelandic Musicians’ Union. Most of them (385) are classical musicians, 141 are jazz musicians and 78 are rock musicians.

**Figure 23** The Icelandic Musicians' Union members by type 1996–2009  
Source: The Icelandic Musicians' Union



### Economic impact of Icelandic music festivals

Numerous music festivals take place in Iceland annually. This includes Iceland Airwaves, Aldrei fór ég suður ('Festival at the End of the World'), Dark Music Days, Við Djúpið, Bræðslan, the Reykjavík Blues Festival, the Reykjavík Jazz Festival and the Eistnaflug Rock Festival.<sup>4</sup>

Two studies are known to have been carried out to quantify the economic impact of music festivals in Iceland. In 2005, a joint Nordic study was performed to measure spending by foreign visitors to Iceland Airwaves during their stay in the country. They were found to spend a total of approximately ISK 185 million (at 2006 prices) in the Greater Reykjavik area, not counting international flight costs and other expenses outside the capital region (Angel and Hansen, 2006).

In October 2010, Iceland Music Export (IMX) proposed repeating the study to ascertain if spending by foreign visitors had changed during the five years since the previous study. The study was carried out in co-operation with Visit Reykjavik during the festival from 13 to 17 October.

A total of 250 foreign visitors took part in the survey, which collected quantitative data through questionnaires.

The key finding was that foreign visitors to Iceland Airwaves spent approximately ISK 313 million in total during their stay, excluding flight costs (Tómas Young, 2010a). At the prices of October 2010 they spent about ISK 257 million in 2005, which means the 2010 results represent an increase of 21.6%. The total number of visitors to the festival was up 10% while the number of its foreign visitors was up 33%. The latter increase is partly due to the growing overall number of visitors to Iceland.

Around 73% of respondents said Iceland Airwaves was the main reason for their visit to the country. A total of 97.5% of respondents were either satisfied or very satisfied with the festival. Approximately 64% of respondents were visiting the festival for the first time and 19% were second-time visitors.

<sup>4</sup> List of music festivals in Iceland compiled by Iceland Music Export: <http://www.icelandmusic.is/Festivals/>

## Key figures in 2010 and 2005

Iceland Airwaves	2005	2010	Difference
Total number of visitors	4200	4650	+10.7%
Foreign visitors	1663	2215	+33.2%
Percentage of foreign visitors	40%	48%	+20.3%
Average age	26	28.6	+10.0%
Average number of overnight stays	6.6	5.57	-15.6%
Spending ISKm (each year's prices)	185	313	+69.2%
Spending ISKm (October 2010 prices)	257	313	+21.8%
Spending per day ISK (each year's prices)	16,240	25,372	+56.2%
Spending per day ISK (October 2010 prices)	22,596	25,372	+12.3%
Number of festival days	5	5	0.0%
Festival days attended	4,1	4,33	+5.6%
IA main reason for visit	77%	73%	-5.2%
Consumer price index (CPI)	260.6	362.6	+39.1%

## Theatres

In addition to the publicly funded theatres – the National Theatre, the Reykjavík City Theatre, the Akureyri City Theatre and the Iceland Dance Company – a number of independent theatre companies and groups operate in Iceland. This is illustrated by the 57 member companies of the Association of Independent Theatres in Iceland. The number of independent theatre productions increased from 56 (of which 44 were Icelandic) in the theatrical season 2006/2007 to 82 productions in 2007/2008. Of these 82 productions, 70 were Icelandic and 33 were first productions of Icelandic plays. The independent theatres are thus an active platform for Icelandic playwrights to showcase their original work.

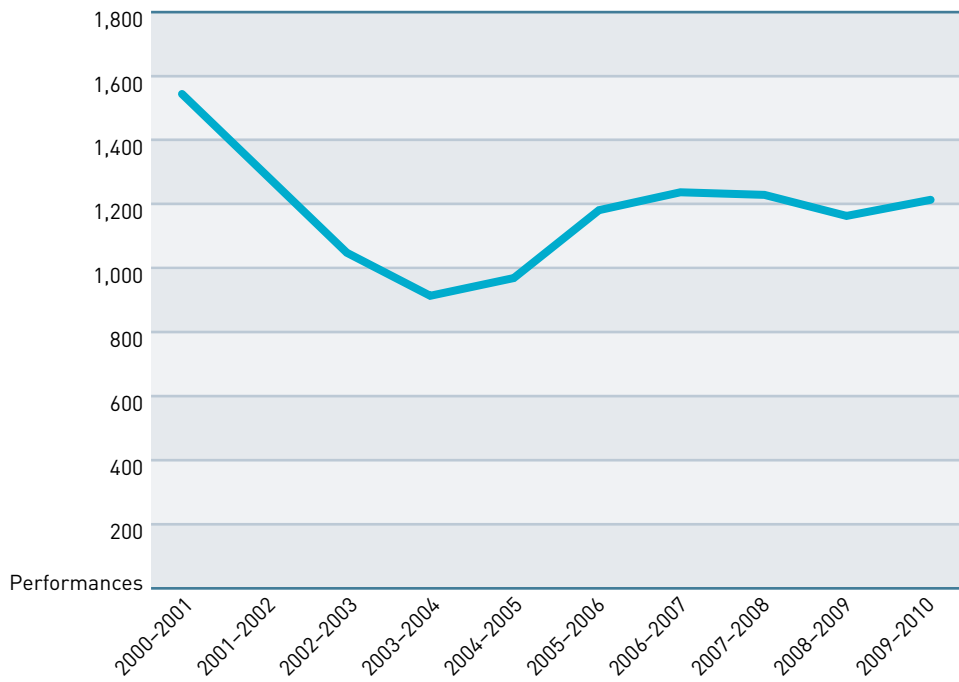
The independent theatres are not publicly funded in the same manner as the National Theatre or the Reykjavík City Theatre, receiving only 6% of the total support to performing arts, although in the theatrical season 2006/2007 they performed an average of 4.2 shows per day.

## Theatres

The total number of theatre performances in Iceland in the 2009–2010 theatrical season was 1,196 (Statistics Iceland, 2011c), representing a significant year-on-year increase.

The following figures include professional and amateur theatre companies. Figure 24 shows the total number of theatre performances, which in the 2009–2010 season was 1196. In the period covered here, the number of performances peaked in the winter of 2000–2001 at a total of 1527

**Figure 24** Performances of theatres and theatre groups within the country 2000–2010



Attendances to productions of theatres, professional theatre companies and amateur theatre companies and groups in Iceland numbered 416,000 in the 2009–2010 theatrical season, having peaked at 441,560 in 2006–2007. In 2009–2010, there were 236 productions and 2,352 performances by theatres, theatre groups and theatre companies. Attendance for theatres, theatre groups and companies in the 2000/2001–2009/2010 seasons is shown in the following line chart. The attendance figures include performances of theatres, theatre groups and theatre companies at schools and Icelandic and foreign guest performances.

**Figure 25** Spectators of theatres and theatre groups within the country

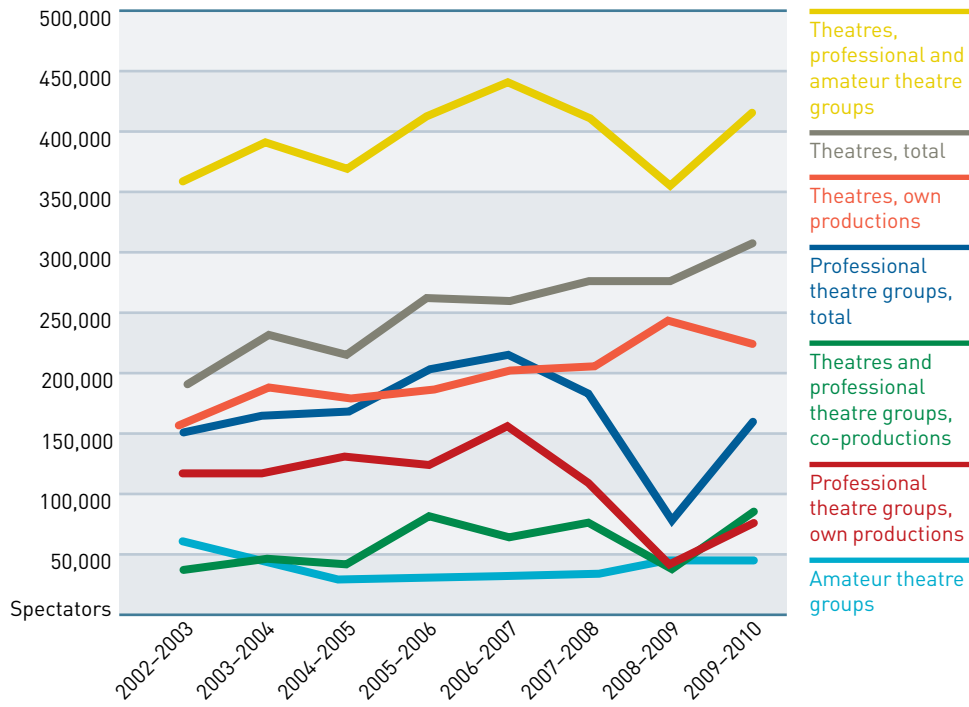


Figure 26 shows the number of spectators in tours of theatres and professional theatre groups within the country 2004-2010.

**Figure 26** Spectators in tours of theatres and professional theatre groups within the country

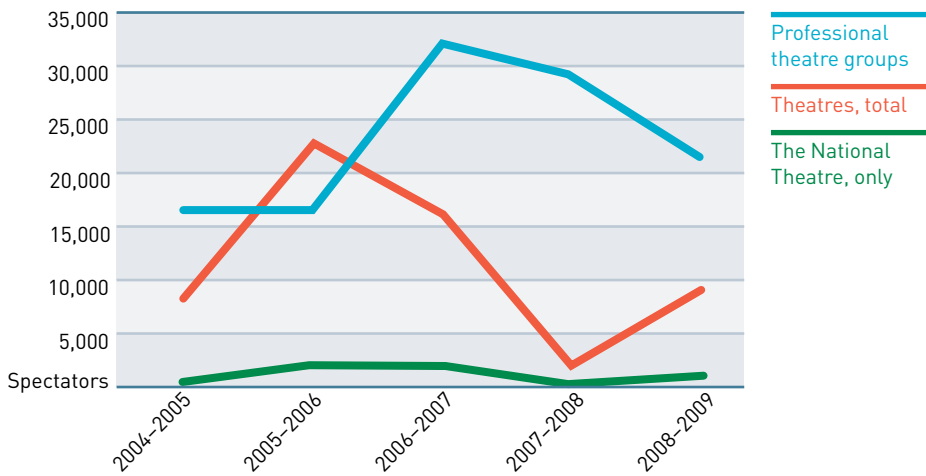


Figure 27 shows number of spectators in tours of theatres and professional theatre groups abroad. This data is in no way complete. In some instances there is a significant amount of data missing according to information from the former managing director of the Icelandic Dance Company.

**Figure 27** Number of spectators in tours of theatres and professional theatre groups abroad

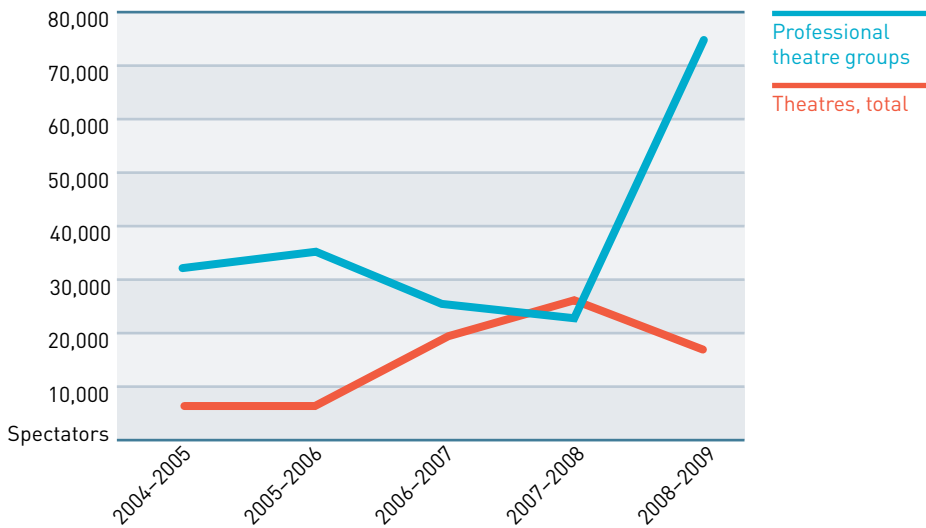


Figure 28 shows the number of staff members in Icelandic theatres in the period of 1996–2008. In total 757 staff members were employed in Icelandic theatres in 2010. The peak was in 2009 when 914 people were employed. Most of employed people are artists (420). An interesting development is that during the same period spectator numbers increased between 2008/2009 and in 2009/2010 the number of employees lowers considerably.

**Figure 28** Theatre employees 1996–2010

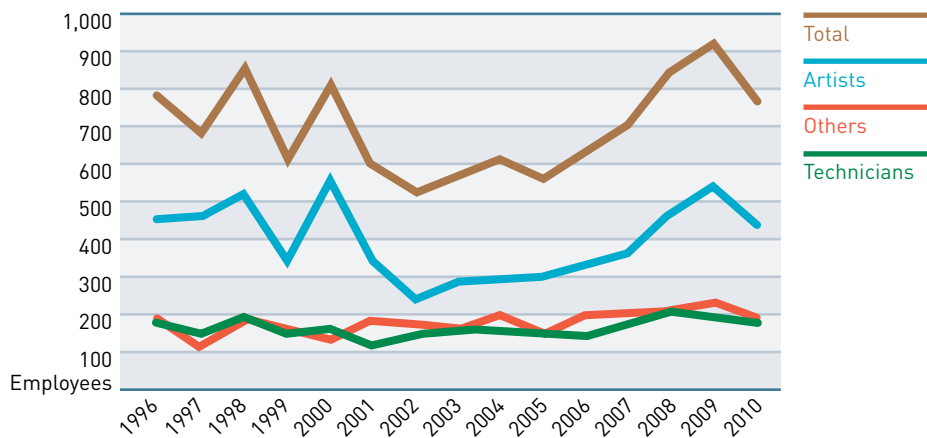


Figure 29 shows theatre receipts and expenditure in the period 1996–2008. As the figure shows total receipts in 2008 were almost two and a half billion ISK. Total expenditure in 2008 was 2,344,797 ISK or around 2,3 billion ISK. In recent years entrance fees have been just over half a billion ISK. Theatre entrance fees are exempt from VAT and are therefore not included in the total turnover figures on creative industries represented in this report.

The data shown in figure 29 are not complete. Contributions from the Icelandic government and local authorities count as official subsidies. Salary figures also include contractor fees. Other receipts include sponsorships and advertising until the year 2002.



**Figure 29** Theatre receipts and expenditure 1996–2008

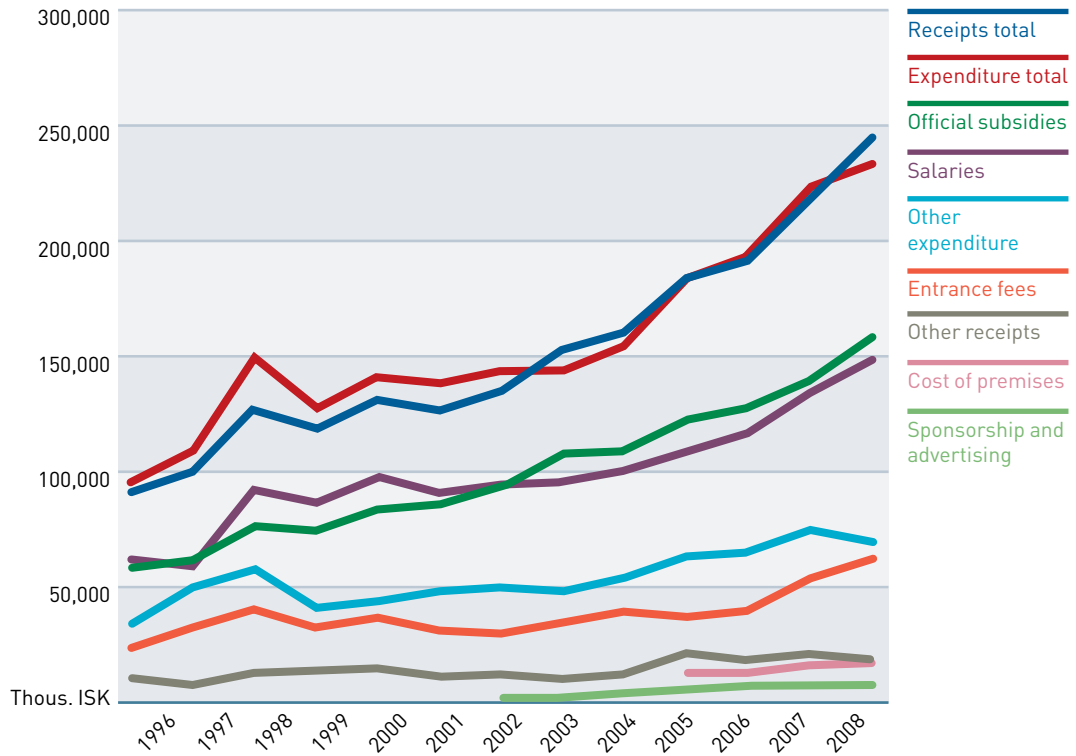
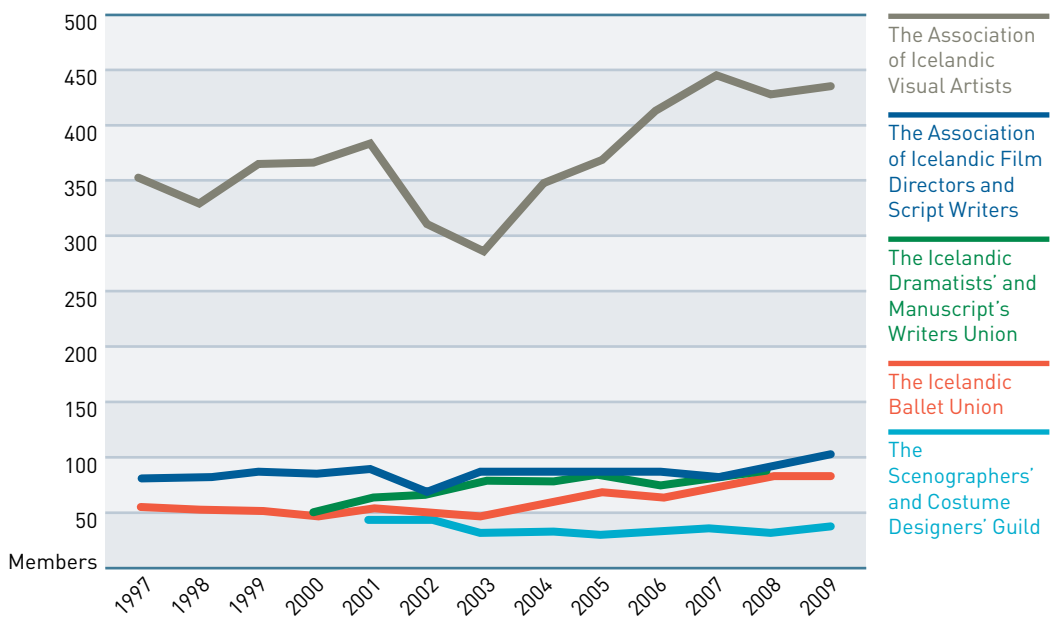


Figure 30 shows number of performing arts members in associations. Most of them have been quite steady since 1997 but The Association of Icelandic Visual Artists has since a significant increase in 2003–2007. Artists can be members in more than one association which means the figures might not represent a completely accurate figure on how many artists there are in Iceland.

**Figure 30** Members of performing arts associations



## C – Visual Arts and Crafts

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Visual Arts are art forms that focus on the creation of works, that are visual in nature. They are intended to appeal to the visual sense and can take many forms. Although it is acknowledged that some contemporary visual arts may include multidisciplinary art forms such as 'virtual art'; these art forms are included in domain E, Audio-visual and Interactive Media.

The Visual Arts and Crafts domain includes Fine arts such as paintings, drawings, sculpture; Crafts; and Photography. Commercial places where the objects are exhibited, such as commercial art galleries, are also included in this domain.

The FCS adopts the International Trade Centre (ITC) and UNESCO definition of Crafts, or artisanal products, described as “those produced by artisans, either completely by hand or with the help of hand-tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant” (UNESCO and ITC, 1997).

UNESCO (UNESCO and ITC, 1997) has identified six broad categories of artisanal products based on the materials used: Baskets/wickers/vegetable fibre-works; Leather; Metal; Pottery; Textiles and Wood. The guide also identifies complementary categories comprising materials in craft production that are either very specific to a given area, or rare, or difficult to work, such as stone, glass, ivory, bone, shell, mother-of-pearl, etc. Extra categories are also identified when different materials and techniques are applied at the same time and refer to decorations, jewellery, musical instruments, toys, and works of art. Many crafts objects are produced industrially; nevertheless, FCS considers the products, which have a traditional character (pattern, design, technology or material) as part of the FCS. Contemporary crafts are not in Visual Arts and Crafts, but are included in Domain F, the Design and Creative Services domain.

### 13.10 Preparation and spinning of textile fibres

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This class includes preparatory operations on textile fibres and the spinning of textile fibres. This can be done from varying raw materials, such as silk, wool, other animal, vegetable or man-made fibres, paper or glass, etc.

**This class includes:**

- Preparatory operations on textile fibres: reeling and washing of silk, degreasing and carbonising of wool and dyeing of wool fleece, carding and combing of all kinds of animal, vegetable and man-made fibres
- Spinning and manufacture of yarn or thread for weaving or sewing, for the trade or for further processing, scutching of flax, texturising, twisting, folding, cabling and dipping of synthetic or artificial filament yarns

**This class also includes:**

- Manufacture of paper yarn

**This class excludes:**

- Preparatory operations carried out in combination with agriculture, see division **01**

- Retting of plants bearing vegetable textile fibres (jute, flax, coir, etc.), see **01.16**
- Cotton ginning, see **01.63**
- Manufacture of synthetic or artificial fibres and tows, manufacture of single yarns (including high-tenacity yarn and yarn for carpets) of synthetic or artificial fibres, see **20.60**
- Manufacture of glass fibres, see **23.14**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1310	43.6	29.7	24.8	38.0	59.7
Salary cost ISKm	5%	1310	5.3	5.6	6.0	5.9	7.6
Full-time equivalents	5%	1310	2.1	2.2	2.2	2.0	2.1
Export revenue ISKm	5%	1310	23.8	16.3	13.9	22.1	21.0

### 13.20 Weaving of textiles

This class includes weaving of textiles. This can be done from varying raw materials, such as silk, wool, other animal, vegetable or man-made fibres, paper or glass, etc.

**This class includes:**

- Manufacture of broad woven cotton-type, woollen-type, worsted-type or silk-type fabrics, including from mixtures or artificial or synthetic yarns (polypropylene, etc.)
- Manufacture of other broad woven fabrics, using flax, ramie, hemp, jute, bast fibres and special yarns

**This class also includes:**

- Manufacture of woven pile or chenille fabrics, terry towelling, gauze, etc.
- Manufacture of woven fabrics of glass fibres
- Manufacture of woven carbon and aramid threads
- Manufacture of imitation fur by weaving

**This class excludes:**

- Manufacture of knitted and crocheted fabrics, see **13.91**
- Manufacture of textile floor coverings, see **13.93**
- Manufacture of non-woven fabrics, see **13.95**
- Manufacture of narrow fabrics, see **13.96**
- Manufacture of felts, see **13.99**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1320	0.7	0.2	0.3	0.2	0.3
Salary cost ISKm	5%	1320	0.1	0.0	0.0	0.0	0.0
Full-time equivalents	5%	1320	0.1	0.0	0.1	0.0	0.0
Export revenue ISKm	5%	1320	0.0	0.0	0.0	0.0	0.0

### 13.91 Manufacture of knitted and crocheted fabrics

**This class includes:**

- Manufacture and processing of knitted or crocheted fabrics: pile and terry fabrics, net and window furnishing type fabrics knitted on Raschel or similar machines, other knitted or crocheted fabrics

**This class also includes:**

- Manufacture of imitation fur by knitting

**This class excludes:**

- Manufacture of net and window furnishing type fabrics of lace knitted on Raschel or similar machines, see **13.99**
- Manufacture of knitted and crocheted apparel, see **14.39**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1391	14.1	13.2	16.6	27.0	35.7
Salary cost ISKm	5%	1391	1.8	2.4	3.4	4.4	5.4
Full-time equivalents	5%	1391	1.0	1.2	1.6	1.9	2.3
Export revenue ISKm	5%	1391	1.8	1.5	3.7	7.1	7.5

### 13.92 Manufacture of made-up textile articles, except apparel

**This class includes:**

- Manufacture, of made-up articles of any textile material, including of knitted or crocheted fabrics: blankets, including travelling rugs, bed, table, toilet or kitchen linen, quilts, eiderdowns, cushions, pouffes, pillows, sleeping bags, etc.
- Manufacture of made-up furnishing articles: curtains, valances, blinds, bedspreads, furniture or machine covers, etc. tarpaulins, tents, camping goods, sails, sunblinds, loose covers for cars, machines or furniture, etc. flags, banners, pennants, etc. dust cloths, dishcloths and similar articles, life jackets, parachutes, etc.

**This class also includes:**

- Manufacture of the textile part of electric blankets
- Manufacture of hand-woven tapestries

**This class excludes:**

- Manufacture of textile articles for technical use, see **13.96**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1392	86.3	76.7	88.1	63.9	43.9
Salary cost ISKm	5%	1392	5.6	6.6	8.0	8.7	6.1
Full-time equivalents	5%	1392	3.2	3.4	3.7	3.8	2.8
Export revenue ISKm	5%	1392	0.0	0.0	0.1	0.2	0.1

### 13.93 Manufacture of carpets and rugs

**This class includes:**

- Manufacture of textile floor coverings: carpets, rugs and mats, tiles

**This class also includes:**

- Manufacture of needle-loom felt floor coverings

**This class excludes:**

- Manufacture of mats and matting of plaiting materials, see **16.29**
- Manufacture of floor coverings of cork, see **16.29**
- Manufacture of resilient floor coverings, such as vinyl, linoleum, see **22.23**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1393	0.0	0.0	0.0	0.0	0.0
Salary cost ISKm	5%	1393	0.0	0.0	0.0	0.0	0.0
Full-time equivalents	5%	1393	0.0	0.0	0.0	0.0	0.0
Export revenue ISKm	5%	1393	0.0	0.0	0.0	0.0	0.0

## 14.11 Manufacture of leather clothes

### This class includes:

- Manufacture of wearing apparel made of leather or composition leather including leather industrial work accessories as welder's leather aprons

### This class excludes:

- Manufacture of fur wearing apparel, see **14.20**
- Manufacture of leather sports gloves and sports headgear, see **32.30**
- Manufacture of fire-resistant and protective safety clothing, see **32.99**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1411	0.4	0.3	0.3	0.2	0.2
Salary cost ISKm	5%	1411	0.1	0.1	0.1	0.1	0.1
Full-time equivalents	5%	1411	0.1	0.1	0.1	0.1	0.1
Export revenue ISKm	5%	1411	0.0	0.0	0.0	0.0	0.0

## 14.12 Manufacture of workwear

### This class excludes:

- Manufacture of footwear, see **15.20**
- Manufacture of fire-resistant and protective safety clothing, see **32.99**
- Repair of wearing apparel, see **95.29**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1412	176.9	152.7	168.6	198.5	220.0
Salary cost ISKm	5%	1412	12.4	14.8	15.2	16.8	18.2
Full-time equivalents	5%	1412	4.6	5.1	4.9	5.2	5.2
Export revenue ISKm	5%	1412	22.4	25.8	31.6	40.1	26.3

## 14.13 Manufacture of other outerwear

### This class includes:

- Manufacture of other outerwear made of woven, knitted or crocheted fabric, non-wovens, etc. for men, women and children: coats, suits, ensembles, jackets, trousers, skirts, etc.

### This class also includes:

- Custom tailoring
- Manufacture of parts of the products listed

### This class excludes:

- Manufacture of wearing apparel of fur skins (except headgear), see 14.20
- Manufacture of wearing apparel of rubber or plastics not assembled by stitching but merely sealed together, see 22.19, 22.29
- Manufacture of fire-resistant and protective safety clothing, see 32.99
- Repair of wearing apparel, see 95.29

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1413	15.7	11.8	12.9	10.1	9.7
Salary cost ISKm	5%	1413	1.3	1.5	1.6	1.5	1.5
Full-time equivalents	5%	1413	0.8	1.0	1.0	0.9	0.9
Export revenue ISKm	5%	1413	0.1	0.4	0.2	0.1	0.1

## 14.19 Manufacture of other wearing apparel and accessories

### This class includes:

- Manufacture of babies' garments, tracksuits, ski suits, swimwear, etc.
- Manufacture of hats and caps
- Manufacture of other clothing accessories: gloves, belts, shawls, ties, cravats, hairnets, etc.

### This class also includes:

- Manufacture of headgear of fur skins
- Manufacture of footwear of textile material without applied soles
- Manufacture of parts of the products listed

### This class excludes:

- Manufacture of sports headgear, see **32.30**
- Manufacture of safety headgear (except sports headgear), see **32.99**
- Manufacture of fire-resistant and protective safety clothing, see **32.99**
- Repair of wearing apparel, see **95.29**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1419	25.7	20.4	24.3	18.3	20.8
Salary cost ISKm	5%	1419	3.5	3.7	4.3	4.0	4.5
Full-time equivalents	5%	1419	2.1	1.9	2.1	1.9	2.0
Export revenue ISKm	5%	1419	0.2	4.6	5.2	0.2	0.2

## 14.31 Manufacture of knitted and crocheted hosiery

### This class includes:

- Manufacture of hosiery, including socks, tights and pantyhose

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1431	5.2	3.6	3.5	4.2	4.3
Salary cost ISKm	5%	1431	1.1	1.0	0.7	0.9	1.0
Full-time equivalents	5%	1431	0.4	0.4	0.4	0.4	0.4
Export revenue ISKm	5%	1431	0.1	0.4	0.5	0.5	0.3

## 14.39 Manufacture of other knitted and crocheted apparel

### This class includes:

- Manufacture of knitted or crocheted wearing apparel and other made-up articles directly into shape: pullovers, cardigans, jerseys, waistcoats and similar articles

### This class excludes:

- Manufacture of knitted and crocheted fabrics, see **13.91**
- Manufacture of hosiery, see **14.31**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1439	36.3	25.8	26.7	35.8	52.6
Salary cost ISKm	5%	1439	2.4	2.4	2.5	2.9	3.9
Full-time equivalents	5%	1439	1.0	1.1	1.0	1.1	1.4
Export revenue ISKm	5%	1439	10.4	3.7	3.5	2.6	3.0

## 15.11 Tanning and dressing of leather; dressing and dyeing of fur

### This class includes:

- Tanning, dyeing and dressing of hides and skins
- Manufacture of chamois dressed, parchment dressed, patent or metallised leathers
- Manufacture of composition leather
- Scraping, shearing, plucking, currying, tanning, bleaching and dyeing of fur skins and hides with the hair on

### This class excludes:

- Production of hides and skins as part of ranching, see **01.4**
- Production of hides and skins as part of slaughtering, see **10.11**
- Manufacture of leather apparel, see **14.11**
- Manufacture of imitation leather not based on natural leather, see **22.19**, **22.29**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1511	7.0	16.8	20.3	32.7	36.6
Salary cost ISKm	5%	1511	0.6	1.5	2.2	2.2	2.4
Full-time equivalents	5%	1511	0.3	0.6	0.9	0.7	0.7
Export revenue ISKm	5%	1511	4.9	10.1	11.6	24.3	26.6

## 15.12 Manufacture of luggage, handbags and the like, saddlery and harness

### This class includes:

- Manufacture of luggage, handbags and the like, of leather, composition leather or any other material, such as plastic sheeting, textile materials, vulcanised fibre or paperboard, where the same technology is used as for leather
- Manufacture of saddlery and harness
- Manufacture of non-metallic watch bands (e.g. fabric, leather, plastic)
- Manufacture of diverse articles of leather or composition leather: driving belts, packings, etc.
- Manufacture of shoe-lace, of leather
- Manufacture of horse whips and riding crops

### This class excludes:

- Manufacture of leather wearing apparel, see **14.11**
- Manufacture of leather gloves and hats, see **14.19**
- Manufacture of footwear, see **15.20**
- Manufacture of saddles for bicycles, see **30.92**
- Manufacture of precious metal watch bands, see **32.12**
- Manufacture of non-precious metal watch bands, see **32.13**
- Manufacture of linemen's safety belts and other belts for occupational use, see **32.99**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1512	19.0	16.3	16.6	13.6	13.4
Salary cost ISKm	5%	1512	1.3	1.3	1.4	1.4	1.1
Full-time equivalents	5%	1512	0.8	0.8	0.8	0.7	0.6
Export revenue ISKm	5%	1512	1.4	1.0	0.9	0.8	1.1

## 15.20 Manufacture of footwear

### This class includes:

- Manufacture of footwear for all purposes, of any material, by any process, including moulding (see below for exceptions)
- Manufacture of leather parts of footwear: manufacture of uppers and parts of uppers, outer and inner soles, heels, etc.
- Manufacture of gaiters, leggings and similar articles

### This class excludes:

- Manufacture of footwear of textile material without applied soles, see **14.19**
- Manufacture of wooden shoe parts (e.g. heels and lasts), see **16.29**
- Manufacture of rubber boot and shoe heels and soles and other rubber footwear parts, see **22.19**
- Manufacture of plastic footwear parts, see **22.29**
- Manufacture of ski-boots, see **32.30**
- Manufacture of orthopaedic shoes, see **32.50**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1520	0.6	1.1	0.3	0.3	0.2
Salary cost ISKm	5%	1520	0.1	0.2	0.2	0.1	0.0
Full-time equivalents	5%	1520	0.1	0.1	0.1	0.1	0.0
Export revenue ISKm	5%	1520	0.0	0.7	0.0	0.0	0.0

## 17.23 Manufacture of paper stationery

### This class includes:

- Manufacture of printing and writing paper ready for use
- Manufacture of computer printout paper ready for use
- Manufacture of self-copy paper ready for use
- Manufacture of duplicator stencils and carbon paper ready for use
- Manufacture of gummed or adhesive paper ready for use
- Manufacture of envelopes and letter-cards
- Manufacture of educational and commercial stationery (notebooks, binders, registers, accounting books, business forms, etc.), when the printed information is not the main characteristic
- Manufacture of boxes, pouches, wallets and writing compendiums containing an assortment of paper stationery

### This class excludes:

- Printing on paper products, see **18.1**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	1723	11.7	8.3	8.0	9.6	13.1
Salary cost ISKm	5%	1723	0.6	0.6	0.8	0.9	1.1
Full-time equivalents	5%	1723	0.2	0.2	0.2	0.2	0.2
Export revenue ISKm	5%	1723	0.0	0.0	0.0	0.0	0.0



## 47.51 Retail sale of textiles in specialised stores

### This class includes:

- Retail sale of fabrics
- Retail sale of knitting yarn
- Retail sale of basic materials for rug, tapestry or embroidery making
- Retail sale of textiles
- Retail sale of haberdashery: needles, sewing thread, etc.

### This class excludes:

- Retail sale of clothing, see **47.71**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	4751	88.4	64.4	67.2	86.5	132.3
Salary cost ISKm	5%	4751	5.3	6.5	6.7	7.4	9.3
Full-time equivalents	5%	4751	3.5	3.9	3.7	3.8	4.5
Export revenue ISKm	100%	4751	26.4	26.6	20.7	52.9	86.8

## 47.71 Retail sale of clothing in specialised stores

### This class includes:

- Retail sale of articles of clothing
- Retail sale of articles of fur
- Retail sale of clothing accessories such as gloves, ties, braces, etc.

### This class excludes:

- Retail sale of textiles, see **47.51**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	4771	1732.4	1327.8	1521.6	1629.8	1745.6
Salary cost ISKm	5%	4771	88.3	107.0	119.6	130.8	130.1
Full-time equivalents	5%	4771	54.4	63.3	65.8	68.7	62.5
Export revenue ISKm	100%	4771	377.6	636.0	1.167.3	2.729.8	2.381.2

## 74.20 Photographic activities

### This class includes:

- Commercial and consumer photograph production: portrait photography for passports, schools, weddings, etc., photography for commercials, publishers, fashion, real estate or tourism purposes, aerial photography, videotaping of events: weddings, meetings, etc.
- Film processing: developing, printing and enlarging from client-taken negatives or cine-films, film developing and photo printing laboratories, one hour photo shops (not part of camera stores), mounting of slides, copying and restoring or transparency retouching in connection with photographs
- Activities of photojournalists

### This class also includes:

- microfilming of documents

### This class excludes:

- Processing motion picture film related to the motion picture and television industries, see **59.12**
- Cartographic and spatial information activities, see **71.12**
- Operation of coin-operated (self-service) photo machines, see **96.09**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	7420	2044.2	1606.6	1775.1	1836.6	1632.4
Salary cost ISKm	100%	7420	208.2	247.2	275.0	286.5	280.1
Full-time equivalents	100%	7420	116.5	135.3	138.8	149.2	159.1
Export revenue ISKm	100%	7420	56.8	40.7	45.4	95.5	85.6

Turnover in the category “photographic activities” has contracted noticeably in recent years, even at each year’s prices. It may be worth exploring whether this decrease is due to the digitisation of photography, whether costs are down and whether demand for photographic services has dwindled.

### 90.03 Artistic creation

#### This class includes:

- Activities of individual artists such as sculptors, painters, cartoonists, engravers, etchers, etc.
- Activities of individual writers, for all subjects including fictional writing, technical writing, etc.
- Activities of independent journalists
- Restoring of works of art such as paintings, etc.

#### This class excludes:

- Manufacture of statues, other than artistic originals, see **23.70**
- Restoring of organs and other historical musical instruments, see **33.19**
- Motion picture and video production, see **59.11, 59.12**
- Restoring of furniture (except museum type restoration), see **95.24**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9003	417.8	254.4	420.5	369.5	419.4
Salary cost ISKm	100%	9003	437.6	481.5	553.4	579.7	599.1
Full-time equivalents	100%	9003	293.3	295.7	315.5	340.0	358.0
Export revenue ISKm	100%	9003	63.0	9.6	113.7	77.0	108.4

## Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Preparation and spinning of textile fibres	5%	1310	43.6	29.7	24.8	38.0	59.7
Weaving of textiles	5%	1320	0.7	0.2	0.3	0.2	0.3
Mfr of knitted and crocheted fabrics	5%	1391	14.1	13.2	16.6	27.0	35.7
Mfr of made up textile articles, except apparel	5%	1392	86.3	76.7	88.1	63.9	43.9
Mfr of carpets and rugs	5%	1393	0.0	0.0	0.0	0.0	0.0
Mfr of leather clothes	5%	1411	0.4	0.3	0.3	0.2	0.2
Mfr of work apparel	5%	1412	176.9	152.7	168.6	198.5	220.0
Mfr of other outerwear	5%	1413	15.7	11.8	12.9	10.1	9.7
Mfr of other wearing apparel and accessories	5%	1419	25.7	20.4	24.3	18.3	20.8
Mfr of knitted and crocheted hosiery	5%	1431	5.2	3.6	3.5	4.2	4.3
Mfr of other knitted and crocheted apparel	5%	1439	36.3	25.8	26.7	35.8	52.6
Tanning and dyeing of leather, dressing and dyeing of fur	5%	1511	7.0	16.8	20.3	32.7	36.6
Mfr of baggage, handbags and the like, saddlery and harness	5%	1512	19.0	16.3	16.6	13.6	13.4
Mfr of footwear	5%	1520	0.6	1.1	0.3	0.3	0.2
Mfr of paper stationery	5%	1723	11.7	8.3	8.0	9.6	13.1
Retail sale of textiles in specialised stores	5%	4751	88.4	64.4	67.2	86.5	132.3
Retail sale of clothing in specialised stores	5%	4771	1732.4	1327.8	1521.6	1629.8	1745.6
Photographic activities	100%	7420	2044.2	1606.6	1775.1	1836.6	1632.4
Artistic creation	100%	9003	417.8	254.4	420.5	369.5	419.4
<b>Total</b>			<b>4725.9</b>	<b>3630.0</b>	<b>4195.7</b>	<b>4374.9</b>	<b>4440.3</b>

As can be seen, most categories in domain C, Visual Arts and Crafts, fall under crafts. These categories are down-weighted to 5% using DCMS methodology because their turnover in industrial production exceeds that of the creative part, and mass production is not defined as coming under the creative industries. Turnover figures for many of these categories are low. After down-weighting, their share of the creative industries is very small.

Photographic activities comprise the largest single category but are VAT liable to a much greater degree than artistic activities in general.

## Further data

### Visual arts

As shown in figure 31 there has been a significant increase in the Association of Visual Artists since 2004. The data does not represent the correct number of visual artists as members can be registered in more than one association.

**Figure 31** Members of the Association of Visual Artists by member associations 1996–2010

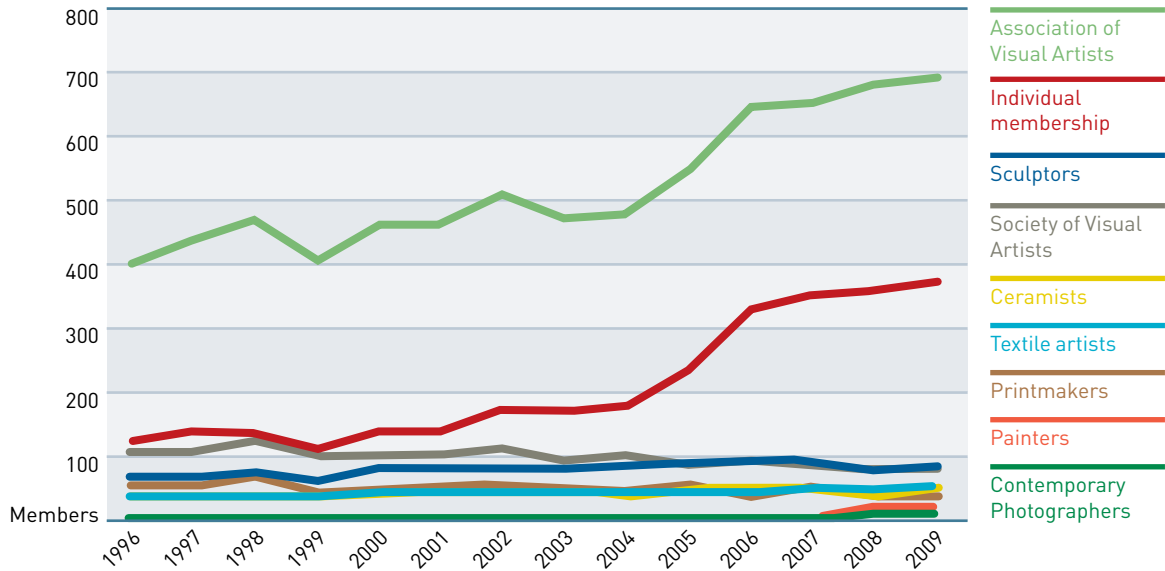
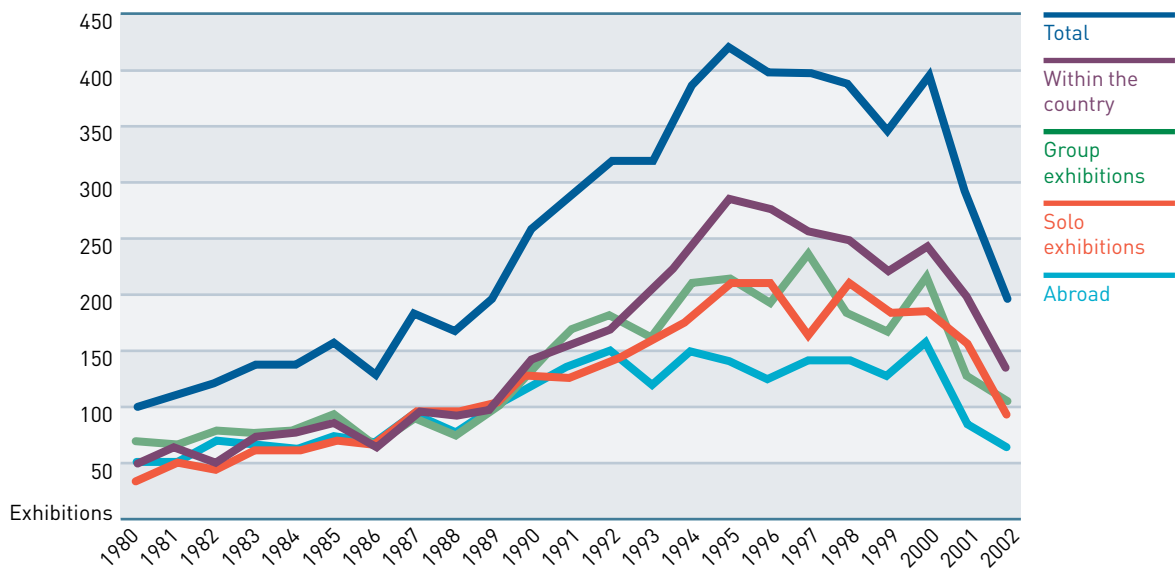


Figure 32 shows the number of exhibitions by Icelandic visual artists 1980–2002. The figure shows a significant increase until 1995 but the numbers decreased dramatically since 2000.

**Figure 32** Exhibitions by Icelandic visual artists 1980–2002



## D – Books and Press

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This category represents publishing in all its various formats: Books, Newspapers, and Periodicals. This category remains the same as in FCS 1986 (UNESCO, 1986) but it also includes the electronic or virtual forms of publishing such as online newspapers, e-books and the digital distribution of books and press materials. Libraries, both physical and virtual, are included in this domain as are Book fairs.

Printing is not normally included in cultural classifications, or in definitions of cultural industries, and is not a cultural activity in its own right. However, according to the production cycle model, printing would be included as part of the production function of the publishing industry. In this way, the FCS includes printing activities that have a predominantly cultural end use. The difficulty arises when attempting to distinguish between these printing activities using the existing statistical classification systems. Generally, printing activities related to the publishing industry are included within the Books and Press domain as a production function of publishing, while Other printed matter – the printing of business supply catalogues or ‘quick’ printing – is excluded. FCS recommends placing these related printing activities in equipment and supporting materials.

### 18.11 Printing of newspapers

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**This class also includes:**

- Printing of other periodicals, appearing at least four times a week

**This class excludes:**

- Publishing of printed matter, see **58.1**
- Photocopying of documents, see **82.19**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	1811	15.9	26.1	835.3	2459.3	1620.1
Salary cost ISKm	100%	1811	2.6	3.0	70.2	191.5	142.3
Full-time equivalents	100%	1811	1.0	1.0	15.7	38.5	30.9
Export revenue ISKm	100%	1811	0.4	0.7	4.2	21.8	18.6

### 18.12 Other printing

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**This class includes:**

- Printing of magazines and other periodicals, appearing less than four times a week
- Printing of books and brochures, music and music manuscripts, maps, atlases, posters, advertising catalogues, prospectuses and other printed advertising, postage stamps, taxation stamps, documents of title, cheques and other security papers, smart cards, albums, diaries, calendars and other commercial printed matter, personal stationery and other printed matter by letterpress, offset, photogravure, flexographic, screen printing and other printing presses, duplication machines, computer printers, embossers, etc., including quick printing
- Printing directly onto textiles, plastic, glass, metal, wood and ceramics The material printed is typically copyrighted.

**This class also includes:**

- Printing on labels or tags (lithographic, gravure printing, flexographic printing, other)

**This class excludes:**

- Silk-screen printing on textiles and wearing apparel, see **13.30**
- Manufacture of stationery (notebooks, binders, registers, accounting books, business forms, etc.), when the printed information is not the main characteristic, see **17.23**
- Publishing of printed matter, see **58.1**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	1812	14433.7	16493.2	24592.1	25802.8	26137.1
Salary cost ISKm	100%	1812	1489.1	2682.3	3010.8	3005.4	2469.1
Full-time equivalents	100%	1812	578.2	853.5	871.6	844.3	737.7
Export revenue ISKm	100%	1812	663.1	1202.4	1216.1	1129.7	1430.1

### 18.13 Pre-press and pre-media services

**This class includes:**

- Composing, typesetting, phototypesetting, pre-press data input including scanning and optical character recognition, electronic make-up
- Preparation of data files for multi-media (printing on paper, CD-ROM, Internet) applications
- Plate-making services including image setting and plate setting (for the printing processes letterpress and off-set)
- Cylinder preparation: engraving or etching of cylinders for gravure printing
- Plate processing: "computer to plate" CTP (also photopolymer plates)
- Preparation of plates and dies for relief stamping or printing
- Preparation of: artistic works of technical character, such as preparation of lithographic stones and wood blocks, presentation media, e.g. overhead foils and other forms of presentation, sketches, layouts, dummies, etc., production of proofs

**This class excludes:**

- Specialised design activities, see **74.10**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	1813	1026.3	843.2	1064.1	1280.9	1001.8
Salary cost ISKm	100%	1813	110.4	132.2	145.0	168.8	150.7
Full-time equivalents	100%	1813	44.7	51.7	53.9	57.0	51.0
Export revenue ISKm	100%	1813	5.2	10.2	8.4	21.1	12.4

### 18.14 Binding and related services

**This class includes:**

- Trade binding, sample mounting and post press services in support of printing activities, e.g. trade binding and finishing of books, brochures, magazines, catalogues, etc., by folding, cutting and trimming, assembling, stitching, thread sewing, adhesive binding, cutting and cover laying, gluing, collating, basting, gold stamping; spiral binding and plastic wire binding
- Binding and finishing of printed paper or printed cardboard, by folding, stamping, drilling, punching, perforating, embossing, sticking, gluing, laminating
- Finishing services for CD-ROMs
- Mailing finishing services such as customisation, envelope preparation
- Other finishing activities such as die, sinking or stamping, Braille copying

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	1814	493.1	366.2	376.4	329.5	324.3
Salary cost ISKm	100%	1814	65.2	69.4	67.5	64.3	54.4
Full-time equivalents	100%	1814	28.8	27.8	26.3	24.4	23.4
Export revenue ISKm	100%	1814	1.9	0.8	0.1	2.6	1.5

#### 47.61 Retail sale of books in specialised stores

This class includes:

- Retail sale of books of all kinds

This class excludes:

- Retail sale of second-hand or antique books, see **47.79**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	4761	2446.8	1816.9	1926.9	1927.2	2366.4
Salary cost ISKm	100%	4761	125.6	133.4	133.4	130.6	156.9
Full-time equivalents	100%	4761	64.0	63.3	58.3	56.3	70.8
Export revenue ISKm	100%	4761	23.2	18.4	16.6	26.7	28.8

#### 47.62 Retail sale of newspapers and stationery in specialised stores

This class also includes:

- Retail sale of office supplies such as pens, pencils, paper, etc.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	50%	4762	6284.7	5075.9	6586.4	7164.9	5215.8
Salary cost ISKm	50%	4762	358.7	371.2	483.3	640.8	558.7
Full-time equivalents	50%	4762	161.0	162.5	185.8	224.2	206.0
Export revenue ISKm	50%	4762	82.1	223.6	332.2	327.1	225.5

#### 58.11 Book publishing

This class includes the activities of publishing of books in print, electronic (CD, electronic displays, etc.) or audio form or on the Internet.

Included are:

- Publishing of books, brochures, leaflets and similar publications, including publishing of dictionaries and encyclopaedias
- Publishing of atlases, maps and charts
- Publishing of audio books
- Publishing of encyclopaedias, etc. on CD-ROM

This class excludes:

- Production of globes, see **32.99**
- Publishing of advertising material, see **58.19**
- Publishing of music and sheet books, see **59.20**
- Activities of independent authors, see **90.03**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5811	9711.0	7351.6	9404.0	9114.0	9488.6
Salary cost ISKm	100%	5811	589.2	758.9	1084.7	1174.7	1093.8
Full-time equivalents	100%	5811	190.3	226.2	310.7	342.1	293.3
Export revenue ISKm	100%	5811	316.7	160.5	193.9	313.0	395.7

### 58.13 Publishing of newspapers

This class includes the publishing of newspapers, including advertising newspapers, appearing at least four times a week. Publishing can be done in print or electronic form, including on the Internet.

**This class excludes:**

- News agency activities, see **63.91**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5813	19014.9	18929.6	24866.4	10301.7	21298.3
Salary cost ISKm	100%	5813	2197.9	2996.2	3818.4	3952.0	3056.5
Full-time equivalents	100%	5813	1123.3	1312.3	1411.8	1407.0	1103.8
Export revenue ISKm	100%	5813	179.6	117.6	97.4	656.0	62.8

### 58.14 Publishing of journals and periodicals

This class includes the publishing of periodicals and other journals, appearing less than four times a week. Publishing can be done in print or electronic form, including on the Internet. Publishing of radio and television schedules is included here.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5814	2889.5	1978.2	2881.2	1934.0	936.1
Salary cost ISKm	100%	5814	259.4	303.5	447.3	451.3	134.1
Full-time equivalents	100%	5814	133.1	136.2	147.2	143.8	110.3
Export revenue ISKm	100%	5814	95.4	49.5	71.4	53.3	49.6

### 58.19 Other publishing activities

**This class includes:**

- Publishing (including on-line) of: catalogues, photos, engravings and postcards, greeting cards, forms, posters, reproduction of works of art, advertising material, other printed matter
- On-line publishing of statistics and other information

**This class excludes:**

- Publishing of advertising newspapers, see **58.13**
- On-line provision of software (application hosting and application service provisioning), see **63.11**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5819	743.7	858.1	1526.7	1346.6	916.5
Salary cost ISKm	100%	5819	71.6	126.4	356.1	270.8	119.2
Full-time equivalents	100%	5819	48.7	79.0	128.3	114.5	71.3
Export revenue ISKm	100%	5819	51.0	10.7	18.1	23.5	79.0

### 63.91 News agency activities

**This class includes:**

- News syndicate and news agency activities furnishing news, pictures and features to the media

**This class excludes:**

- Activities of independent photojournalists, see **74.20**
- Activities of independent journalists, see **90.03**



	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	6391	26.6	17.8	23.1	28.9	68.9
Salary cost ISKm	100%	6391	16.6	12.2	17.0	17.2	18.2
Full-time equivalents	100%	6391	10.8	9.8	13.9	14.0	13.6
Export revenue ISKm	100%	6391	0.0	0.3	0.6	1.0	1.4

### 91.01 Library and archives activities

This class includes:

- Documentation and information activities of libraries of all kinds, reading, listening and viewing rooms, public archives providing service to the general public or to a special clientele, such as students, scientists, staff, members as well as operation of government archives: organisation of a collection, whether specialised or not, cataloguing collections, lending and storage of books, maps, periodicals, films, records, tapes, works of art, etc., retrieval activities in order to comply with information requests, etc.
- Stock photo and movie libraries and services

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9101	361.9	271.9	241.1	280.4	284.5
Salary cost ISKm	100%	9101	45.3	54.1	59.0	71.2	79.1
Full-time equivalents	100%	9101	23.1	25.5	26.3	31.3	35.8
Export revenue ISKm	100%	9101	0.0	0.0	0.0	0.0	8.0

### Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Printing of newspapers	100%	1811	15.9	26.1	835.3	2459.3	1620.1
Other printing	100%	1812	14433.7	16493.2	24592.1	25802.8	26137.1
Pre-press and media services	100%	1813	1026.3	843.2	1064.1	1280.9	1001.8
Binding and related services	100%	1814	493.1	366.2	376.4	329.5	324.3
Retail sale of books in specialised stores	100%	4761	2446.8	1816.9	1926.9	1927.2	2366.4
Retail sale of newspapers and stationery in specialised stores	50%	4762	6284.7	5075.9	6586.4	7164.9	5215.8
Book publishing	100%	5811	9711.0	7351.6	9404.0	9114.0	9488.6
Publishing of newspapers	100%	5813	19014.9	18929.6	24866.4	10301.7	21298.3
Publishing of journals and periodicals	100%	5814	2889.5	1978.2	2881.2	1934.0	936.1
Other publishing activities	100%	5819	743.7	858.1	1526.7	1346.6	916.5
News agency activities	100%	6391	26.6	17.8	23.1	28.9	68.9
Library and archive activities	100%	9101	361.9	271.9	241.1	280.4	284.5
<b>Total</b>			<b>57448.0</b>	<b>54028.9</b>	<b>74323.8</b>	<b>61970.2</b>	<b>69658.4</b>

## Further data

### Literature

Figure 33 shows types and number of published books in 1999–2008. Most books were published in 2000 when 1695 books were published. The least amount of books published in one year was in 2004 when 1406 books were published.

**Figure 33** Published books in Iceland

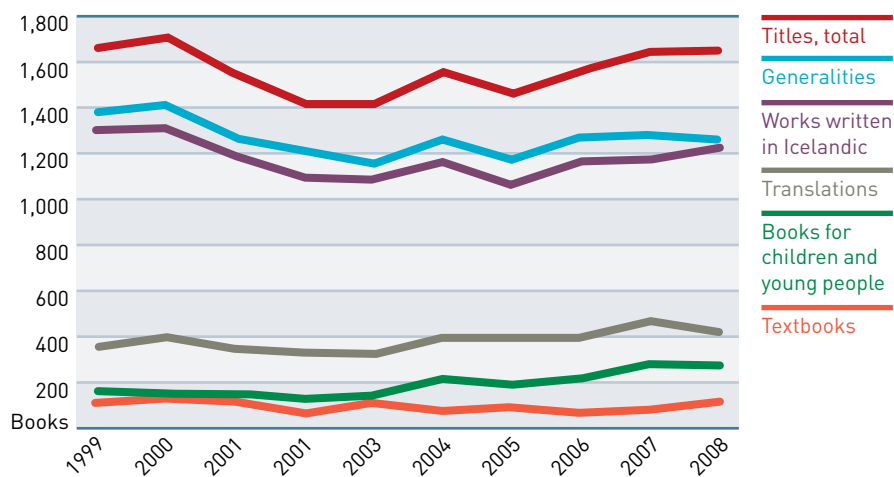


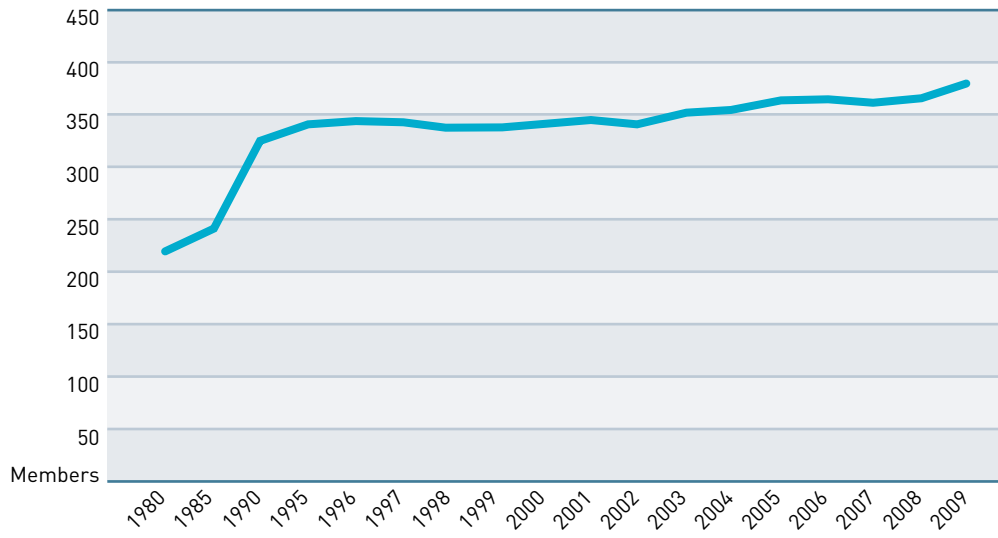
Table 4 shows number of audio books published by subject in the period 1999–2008. The highest number of audio books were published in 2006 (47 total).

**Table 4**

Audio books published 1999–2008

	Total	Literature	Other	Works written in Icelandic	Translations and in other languages
1999	46	24	22	26	20
2000	42	34	8	35	7
2001	33	17	16	32	1
2002	34	15	19	20	14
2003	30	13	17	21	9
2004	34	21	13	27	7
2005	38	21	17	22	16
2006	47	21	26	42	5
2007	40	25	15	36	4
2008	34	24	10	30	4

**Figure 34** Members of the Writers' Union of Iceland



## E – Audio-visual and Interactive Media

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The core elements of this domain are Radio and Television broadcasting including Internet live streaming, Film and Video, and Interactive Media. Interactive Media cover video games and new forms of cultural expressions that mainly occur through the Web or with a computer. It includes online games, web portals, websites for activities, which relates to social networks such as Facebook, and Internet podcasting such as YouTube. However, Internet software and computers are considered to be infrastructure or tools and, for the production of interactive media content and should be included in the transversal domain Equipment and Supporting Materials.

Interactive media and software are important fields of activity. While many interactive media products and services have a cultural end use (computer and video games, interactive web and mobile content), the same cannot be said for the software industry. Interactive Media is considered by the FCS to be part of the Audio-visual and Interactive media domain. In practice, this will depend on the classification system used and its ability to separate interactive media activities discretely from mainstream software and telecommunications activities. The Central Product Classification (CPC) allows for some, but not all, interactive media activities to be identified. When activities cannot be identified discretely in the CPC, or in other classification systems, these activities should be included as part of the transversal domain Equipment and Supporting Materials.

Interactive Media can be defined as being interactive when either (1) two or more objects have an effect on one another; (2) the user can effect a change on an object or within the environment (users playing video games); (3) they involve active participation of a user; or (4) there is two way effect as opposed to a one way or simple cause-effect (Canadian Heritage, 2008).

Video games and their development (software design) are also included in this category because they represent an interactive activity.

### 18.20 Reproduction of recorded media

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**This class includes:**

- Reproduction from master copies of gramophone records, compact discs and tapes with music or other sound recordings
- Reproduction from master copies of records, compact discs and tapes with motion pictures and other video recordings
- Reproduction from master copies of software and data on discs and tapes

**This class excludes:**

- Reproduction of printed matter, see **18.11, 18.12**
- Publishing of software, see **58.2**
- Production and distribution of motion pictures, video tapes and movies on DVD or similar media, see **59.11, 59.12, 59.13**
- Reproduction of motion picture film for theatrical distribution, see **59.12**
- Production of master copies for records or audio material, see **59.20**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	1820		16.6	18.6	5.6	9.0
Salary cost ISKm	100%	1820		0.4		0.4	0.5
Full-time equivalents	100%	1820		0.3		1.0	1.1
Export revenue ISKm	100%	1820	0.0	2.7	1.8	0.1	0.3

## 58.21 Publishing of computer games

### This class includes:

- Publishing of computer games for all platforms

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5821	2.036.3	3.292.2	3.923.1	10.942.5	13.255.4
Salary cost ISKm	100%	5821	210.0	375.5	612.6	938.9	1.512.7
Full-time equivalents	100%	5821	54.3	94.3	147.5	188.9	210.9
Export revenue ISKm	100%	5821	1.894.5	3.234.7	3.847.3	10.894.7	13.187.7

## 58.29 Other software publishing

### This class includes:

- Publishing of ready-made (non-customised) software, including translation or adaptation of non-customised software for a particular market on own account: operating systems, business and other applications

### This class excludes:

- Reproduction of software, see **18.20**
- Retail sale of non-customised software, see **47.41**
- Production of software not associated with publishing, including translation or adaptation of non-customised software for a particular market on a fee or contract basis, see **62.01**
- On-line provision of software (application hosting and application service provisioning), see **63.11**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	50%	5829	2.062.2	1.407.1	904.8	753.7	906.0
Salary cost ISKm	50%	5829	296.6	326.5	231.1	155.0	154.9
Full-time equivalents	50%	5829	62.8	64.4	43.0	27.3	26.5
Export revenue ISKm	50%	5829	757.5	477.2	237.7	270.1	477.8

## 59.11 Motion picture, video and television programme production activities

### This class includes:

- Production of motion pictures, videos, television programmes (television series, documentaries, etc.), or television advertisements

### This class excludes:

- Film duplicating (except reproduction of motion picture film for theatrical distribution) as well as audio and video tape, CD or DVD reproduction from master copies, see **18.20**
- Wholesale of recorded video tapes, CDs, DVDs, see **46.43**
- Wholesale of blank video tapes, CDs, see **46.52**
- Retail trade of video tapes, CDs, DVDs, see **47.63**
- Post-production activities, see **59.12**
- Sound recording and recording of books on tape, see **59.20**
- Television broadcasting, see **60.2**
- Creating a complete television channel programme, see **60.2**
- Film processing other than for the motion picture industry, see **74.20**
- Activities of personal theatrical or artistic agents or agencies, see **74.90**
- Renting of video tapes, DVDs to the general public, see **77.22**
- Real-time (i.e. simultaneous) closed captioning of live television performances, meetings, conferences, etc., see **82.99**

- Activities of own account actors, cartoonists, directors, stage designers and technical specialists, see **90.0**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5911	10032.3	9149.5	11236.4	8817.4	9613.7
Salary cost ISKm	100%	5911	644.7	979.7	1081.9	1263.2	1095.7
Full-time equivalents	100%	5911	190.5	257.3	278.2	301.2	273.3
Export revenue ISKm	100%	5911	1686.9	2869.6	3378.9	2270.9	2610.1

### 59.12 Motion picture, video and television programme post-production activities

This class includes post-production activities such as editing, film/tape transfers, titling, subtitling, credits, closed captioning, computer-produced graphics, animation and special effects, developing and processing motion picture film, as well as activities of motion picture film laboratories and activities of special laboratories for animated films.

**This class also includes:**

- Activities of stock footage film libraries, etc.

**This class excludes:**

- Film duplicating (except reproduction of motion picture film for theatrical distribution) as well as audio and video tape, CD or DVD reproduction from master copies, see **18.20**
- Wholesale of recorded video tapes, CDs, DVDs, see **46.43**
- Wholesale of blank video tapes, CDs, see **46.52**
- Retail trade of video tapes, CDs, DVDs, see **47.63**
- Film processing other than for the motion picture industry, see **74.20**
- Renting of video tapes, DVDs to the general public, see **77.22**
- Activities of own account actors, cartoonists, directors, stage designers and technical specialists, see **90.0**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5912	143.7	134.9	99.0	132.4	141.5
Salary cost ISKm	100%	5912	16.8	20.5	16.4	24.1	25.2
Full-time equivalents	100%	5912	6.3	8.4	7.8	8.3	10.3
Export revenue ISKm	100%	5912	0.0	32.3	2.1	2.5	9.9

### 59.13 Motion picture, video and television programme distribution activities

**This class includes:**

- Distributing film, video tapes, DVDs and similar productions to motion picture theatres, television networks and stations, and exhibitors
- This class also includes:
- Acquiring film, video tape and DVD distribution rights

**This class excludes:**

- Film duplicating as well as audio and video tape, CD or DVD reproduction from master copies, see **18.20**
- Wholesale of recorded video tapes and DVDs, see **46.43**
- Retail sale of recorded video tapes and DVDs, see **47.63**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5913	1487.6	852.6	1174.9	1657.7	1619.5
Salary cost ISKm	100%	5913	61.6	67.1	78.1	85.0	91.8
Full-time equivalents	100%	5913	22.0	20.7	23.8	24.4	26.4
Export revenue ISKm	100%	5913	32.0	12.9	29.8	9.4	44.2

### 59.14 Motion picture projection activities

This class includes:

- Activities of motion picture or video tape projection in cinemas, in the open air or in other projection facilities
- Activities of cine-clubs

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	5914	4750.4	3062.0	3342.6	3803.4	4101.7
Salary cost ISKm	100%	5914	300.3	320.5	361.1	376.7	398.0
Full-time equivalents	100%	5914	220.6	241.0	251.8	247.3	245.2
Export revenue ISKm	100%	5914	333.7	246.3	252.8	395.6	392.2

### 60.10 Radio broadcasting

This class includes:

- Activities of broadcasting audio signals through radio broadcasting studios and facilities for the transmission of aural programming to the public, to affiliates or to subscribers

This class also includes:

- Activities of radio networks, i.e. assembling and transmitting aural programming to the affiliates or subscribers via over-the-air broadcasts, cable or satellite
- Radio broadcasting activities over the Internet (Internet radio stations)
- Data broadcasting integrated with radio broadcasting

This class excludes:

- The production of taped radio programming, see **59.20**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	6010	87.7	38.7	6373.9	9276.5	2776.2
Salary cost ISKm	100%	6010	21.6	21.9	54.6	1719.8	1648.5
Full-time equivalents	100%	6010	15.1	16.5	46.0	433.9	414.8
Export revenue ISKm	100%	6010	0.2	0.4	0.1	0.6	2.2

### 60.20 Television programming and broadcasting activities

This class includes the creation of creating a complete television channel programme, from purchased programme components (e.g. movies, documentaries, etc.), self produced programme components (e.g. local news, live reports) or a combination thereof.

This complete television programme can be either broadcast by the producing unit or produced for transmission by a third party distributor, such as cable companies or satellite television providers.

The programming may be of a general or specialised nature (e.g. limited formats such as news, sports, education or youth oriented programming). This class includes programming that is made freely available to users, as well as programming that is available only on a subscription basis. The programming of video-on-demand channels is also included here.

This class also includes data broadcasting integrated with television broadcasting.

**This class excludes:**

- The production of television programme elements (movies, documentaries, talk shows, commercials, etc.) not associated with broadcasting, see **59.11**
- The assembly of a package of channels and distribution of that package, without programming, see division **61**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	6020	114.2	1917.8	3311.3	194.7	126.0
Salary cost ISKm	100%	6020	28.7	224.0	415.9	312.5	228.1
Full-time equivalents	100%	6020	13.6	90.7	139.5	96.8	55.3
Export revenue ISKm	100%	6020	6.7	1.2	2.0	2.3	8.4

### 61.20 Wireless telecommunications activities

**This class includes:**

- Operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound, and video using a wireless telecommunications infrastructure
- Maintaining and operating paging as well as cellular and other wireless telecommunications networks.
- The transmission facilities provide omni-directional transmission via airwaves and may be based on a single technology or a combination of technologies.

**This class also includes:**

- Purchasing access and network capacity from owners and operators of networks and providing wireless telecommunications services (except satellite) using this capacity to businesses and households
- Provision of Internet access by the operator of the wireless infrastructure

**This class excludes:**

- Telecommunications resellers, see **61.90**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	6120	2904.1	2529.9	3327.9	1244.3	1202.1
Salary cost ISKm	5%	6120	253.8	269.8	294.2	287.9	264.4
Full-time equivalents	5%	6120	61.1	65.2	64.4	61.0	57.4
Export revenue ISKm	5%	6120	1.1	59.1	87.9	134.6	130.9

### 61.30 Satellite telecommunications activities

**This class includes:**

- Operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound and video using a satellite telecommunications infrastructure
- Delivery of visual, aural or textual programming received from cable networks, local television stations or radio networks to consumers via direct-to-home satellite systems. (The units classified here do not generally originate programming material.)

**This class also includes:**

- Provision of Internet access by the operator of the satellite infrastructure



**This class excludes:**

- Telecommunications resellers, see **61.90**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	6130	0.2	2.4	23.9	82.2	104.4
Salary cost ISKm	5%	6130	0.0	0.1	1.4	2.5	1.2
Full-time equivalents	5%	6130	0.0	0.0	0.2	0.3	0.3
Export revenue ISKm	5%	6130	0.0	0.6	8.0	13.5	11.9

## 62.02 Computer consultancy activities

This class includes the planning and designing of computer systems which integrate computer hardware, software and communication technologies. Services may include related users training.

**This class excludes:**

- Sale of computer hardware or software, see **46.51, 47.41**
- Installation of mainframe and similar computers, see **33.20**
- Installation (setting-up) of personal computers, see **62.09**
- Installation of software, computer disaster recovery, see **62.09**

## 63.12 Web portals

**This class includes:**

- Operation of web sites that use a search engine to generate and maintain extensive databases of Internet addresses and content in an easily searchable format
- Operation of other websites that act as portals to the Internet, such as media sites providing periodically updated content

**This class excludes:**

- Publishing of books, newspapers, journals, etc., via Internet, see division **58**
- Broadcasting via Internet, see division **60**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	6312	7.9	11.4	47.4	61.4	47.4
Salary cost ISKm	100%	6312	0.1	4.6	12.2	14.4	13.0
Full-time equivalents	100%	6312	0.3	1.4	4.2	4.5	4.7
Export revenue ISKm	100%	6312	0.2	2.7	9.6	19.0	5.5

## 73.12 Media representation

**This class includes:**

- Media representation, i.e. sale or re-sale of time and space for various media soliciting advertising

**This class excludes:**

- Sale of advertising time or space directly by owners of the time or space (publishers, etc.), see the corresponding activity class
- Public-relations activities, see **70.21**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	7312	8320.8	7020.5	8741.0	7486.9	7879.8
Salary cost ISKm	100%	7312	147.6	181.0	246.2	238.3	170.1
Full-time equivalents	100%	7312	54.8	60.3	79.8	75.2	63.4
Export revenue ISKm	100%	7312	66.2	65.2	120.9	90.9	121.5

## 77.40 Leasing of intellectual property and similar products, except copyrighted works

This class includes the activities of allowing others to use intellectual property products and similar products for which a royalty payment or licensing fee is paid to the owner of the product (i.e. the asset holder). The leasing of these products can take various forms, such as permission for reproduction, use in subsequent processes or products, operating businesses under a franchise, etc. The current owners may or may not have created these products.

### This class includes:

- Leasing of intellectual property products (except copyrighted works, such as books or software)
- Receiving royalties or licensing fees for the use of: patented entities, trademarks or service marks, brand names, mineral exploration and evaluation, franchise agreements

### This class excludes:

- Acquisition of rights and publishing, see divisions **58** and **59**
- Producing, reproducing and distributing copyrighted works (books, software, film), see divisions **58, 59**
- Leasing of real estate, see **68.20**
- Leasing of tangible products (assets), see groups **77.1, 77.2, 77.3**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	7740	1.8	4.9	5.6	9.8	13.6
Salary cost ISKm	5%	7740	0.2	0.5	0.3	0.3	0.3
Full-time equivalents	5%	7740	0.1	0.2	0.1	0.1	0.1
Export revenue ISKm	5%	7740	0.5	1.9	2.1	2.4	3.1

## Total turnover

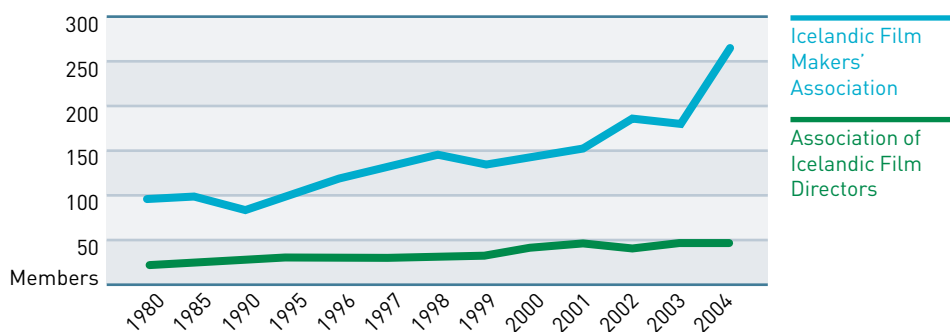
	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Reproduction of recorded media	100%	1820		16.6	18.6	5.6	9.0
Publishing of computer games	100%	5821	2036.3	3292.2	3923.1	10942.5	13255.4
Other software publishing	50%	5829	2062.2	1407.1	904.8	753.7	906.0
Motion picture, video production and TV programme production activities	100%	5911	10032.3	9149.5	11236.4	8817.4	9613.7
Motion picture, video and TV programme post-production activities	100%	5912	143.7	134.9	99.0	132.4	141.5
Motion picture, video and TV programme distribution activities	100%	5913	1487.6	852.6	1174.9	1657.7	1619.5
Motion picture projection activities	100%	5914	4750.4	3062.0	3342.6	3803.4	4101.7
Radio Broadcasting	100%	6010	87.7	38.7	6373.9	9276.5	2776.2
Television programming and broadcasting activities	100%	6020	114.2	1917.8	3311.3	194.7	126.0
Wireless telecommunications activities	5%	6120	2904.1	2529.9	3327.9	1244.3	1202.1
Satellite telecommunications activities	5%	6130	0.2	2.4	23.9	82.2	104.4
Computer consultancy activities	5%	6202	896.2	872.1	1057.7	1091.0	896.9
Web portals	100%	6312	7.9	11.4	47.4	61.4	47.4
Media representation	100%	7312	8320.8	7020.5	8741.0	7486.9	7879.8
Media representation	5%	7740	1.8	4.9	5.6	9.8	13.6
<b>Total</b>			<b>32,845.5</b>	<b>30,312.7</b>	<b>43,588.1</b>	<b>45,559.3</b>	<b>42,693.1</b>

## Further data

### Film industry

Figure 35 shows the number of members of the film industry's associations. In recent years there has been a significant increase of members in the Icelandic Film Makers' Association. There has also been a slight but more steady increase of members in the Association of Icelandic Film Directors. The exact number of film makers and directors in Iceland is however slightly unclear as members can be members of both associations.

**Figure 35** Members of film industry associations



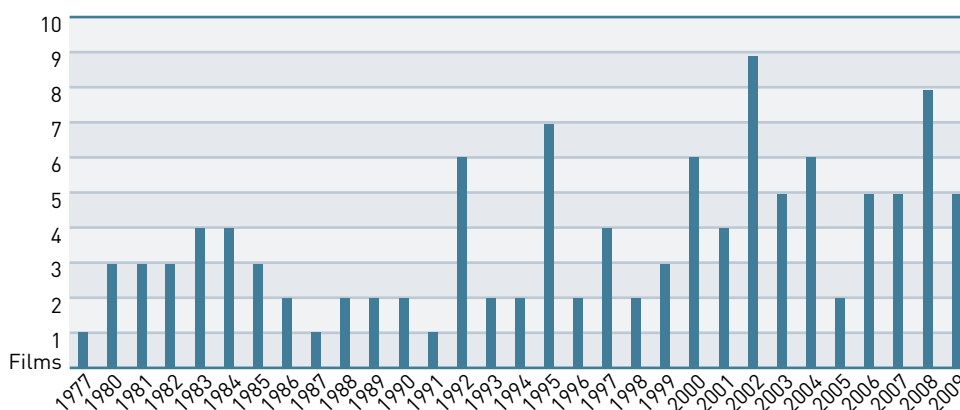
### Entrance fees to Icelandic films

In the VAT taxable data presented earlier in this chapter entrance fees to Icelandic films are not included as they are exempt from VAT according to the Icelandic VAT regulations. In Iceland the Association of film rights-holder in Iceland collects data on cinema attendance statistics, entrance fees and number of screening of Icelandic films.

Box office revenue to Icelandic films (full length features, documentaries and short film shown in theatres) in the period January 1st until November 31st 2010 were approximately 657 million ISK. Total number of cinema attendees was around 653 thousand. Icelandic films were screened a total of 7,498 times. This means that the average number of cinema attendees to Icelandic films was 87.

Figure 36 shows how many full length Icelandic features were produced in the period of 1977–2009.

**Figure 36** Full length Icelandic features produced 1977–2009



## Cinemas

Figure 37 shows the total number of cinema attendances in Iceland. In 2009 attendances were 1,663,839. As at 1 January 2010, the population of Iceland was 317,630, which means that the average Icelander attends the cinema 5.25 times a year.

**Figure 37** Cinema attendances

Source: Statistics Iceland (data from exhibitors)

Cinematheques excluded. End-of-year data. Showings and admissions to released full-length feature films only. Showings per week on average. Partially estimated.

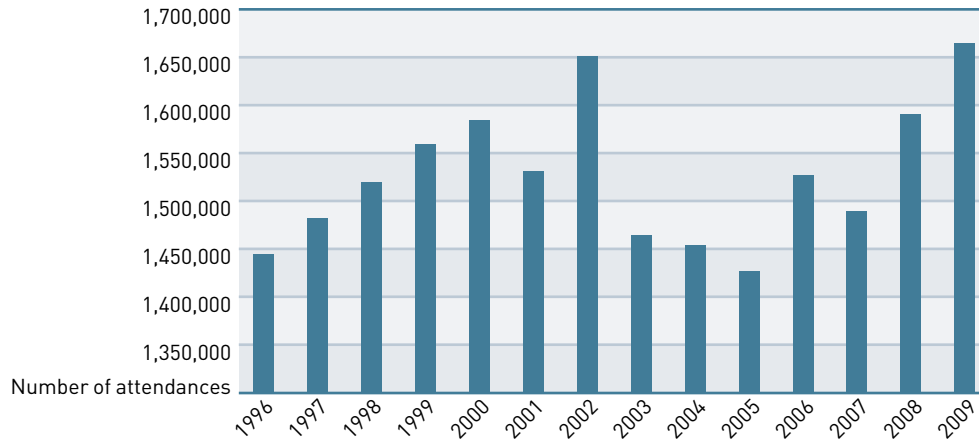
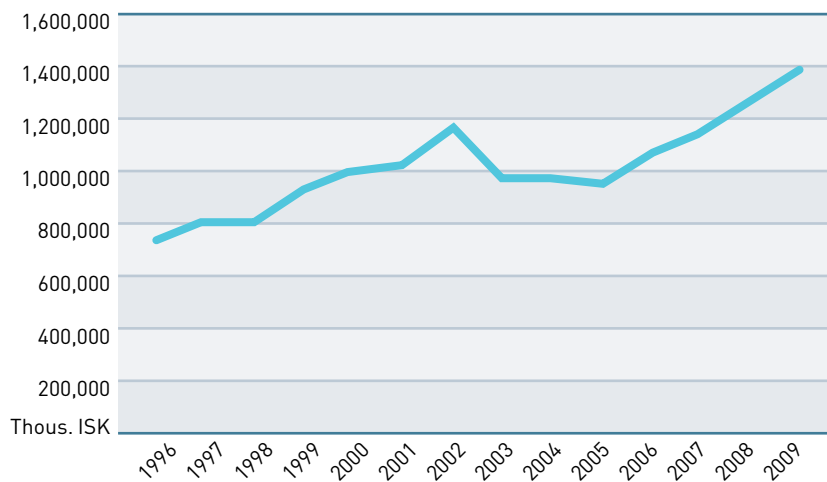


Figure 38 shows gross box-office revenue of full-length feature films (Icelandic and foreign films) in the period 1996–2009. Box office revenue in 2009 was approx. 1.4 billion ISK.

**Figure 38** Gross box-office revenue of full-length feature films 1996–2009

Source: Statistics Iceland (data from exhibitors and the Association of Film Rights Holders in Iceland)



## F – Design and Creative Services

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The Design and Creative Services domain did not exist in the 1986 FCS (UNESCO, 1986). This domain covers activities, goods and services resulting from the creative, artistic and aesthetic design of objects, buildings and landscape.

The domain includes Fashion, Graphic and Interior Design, Landscape Design, Architectural and Advertising Services. Architecture and Advertising are part of the core cultural domains, but only as services. The primary purpose of architectural and advertising services is to provide a creative service, or an intermediary input, into a final product that is not always cultural. For example, the final product of creative advertising services may be a commercial advertisement, which is not a cultural product itself, but is generated by some creative activity. In order to avoid double counting, decisions are made to categorize some design activity into other categories rather than in domain F. For example, all buildings that are included as part of heritage are already considered in the domain A, Cultural and Natural Heritage, while Interactive design media content is included in Domain E, Audio-visual and Interactive Media.

### 71.11 Architectural activities

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**This class includes:**

- Architectural consulting activities: building design and drafting, town and city planning and landscape architecture

**This class excludes:**

- Activities of computer consultants, see **62.02, 62.09**
- Interior decorating, see **74.10**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	25%	7111	4433.8	3748.7	4413.3	3575.5	1486.0
Salary cost ISKm	25%	7111	453.1	576.3	757.9	802.5	402.4
Full-time equivalents	25%	7111	122.0	141.1	170.4	175.8	105.3
Export revenue ISKm	25%	7111	42.2	67.9	181.8	228.0	24.3

### 73.11 Advertising agencies

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**This class includes the provision of a full range of advertising services (i.e., through in-house capabilities or subcontracting), including advice, creative services, production of advertising material, and buying. It includes:**

- Creation and realisation of advertising campaigns: creating and placing advertising in newspapers, periodicals, radio, television, the Internet and other media, creating and placing of outdoor advertising, e.g. billboards, panels, bulletins and frames, window dressing, showroom design, car and bus carding, etc. aerial advertising, distribution or delivery of advertising material or samples, creation of stands and other display structures and sites
- Conducting marketing campaigns and other advertising services aimed at attracting and retaining customers, promotion of products, point-of-sale marketing, direct mail advertising, marketing consulting

**This class excludes:**

- Publishing of advertising material, see **58.19**
- Production of commercial messages television and film, see **59.11**

- Production of commercial messages for radio, see **59.20**
- Market research, see **73.20**
- Advertising photography, see **74.20**
- Convention and trade show organisers, see **82.30**
- Mailing activities, see **82.19**
- sjá **82.19**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	7311	16378.0	14179.2	17322.5	15608.3	11068.5
Salary cost ISKm	100%	7311	1450.0	1792.2	2322.1	2513.3	1743.1
Full-time equivalents	100%	7311	434.4	504.5	610.5	620.1	491.8
Export revenue ISKm	100%	7311	295.6	188.6	259.4	449.9	329.2

## 74.10 Specialised design activities

### This class includes:

- Fashion design related to textiles, wearing apparel, shoes, jewellery, furniture and other interior decoration and other fashion goods as well as other personal or household goods
- Industrial design, i.e. creating and developing designs and specifications that optimise the use, value and appearance of products, including the determination of the materials, mechanism, shape, colour and surface finishes of the product, taking into consideration human characteristics and needs, safety, market appeal in distribution, use and maintenance
- Activities of graphic designers
- Activities of interior decorators

### This class excludes:

- Design and programming of web pages, see **62.01**
- Architectural design, see **71.11**
- Engineering design, i.e. applying physical laws and principles of engineering in the design of machines, materials, instruments, structures, processes and systems, see **71.12**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	7410	1028.5	867.4	1147.2	1389.8	1623.4
Salary cost ISKm	100%	7410	103.2	129.6	214.0	282.1	240.9
Full-time equivalents	100%	7410	49.4	61.3	81.1	93.9	106.6
Export revenue ISKm	100%	7410	318.0	242.2	332.4	439.1	432.4

### Total turnover

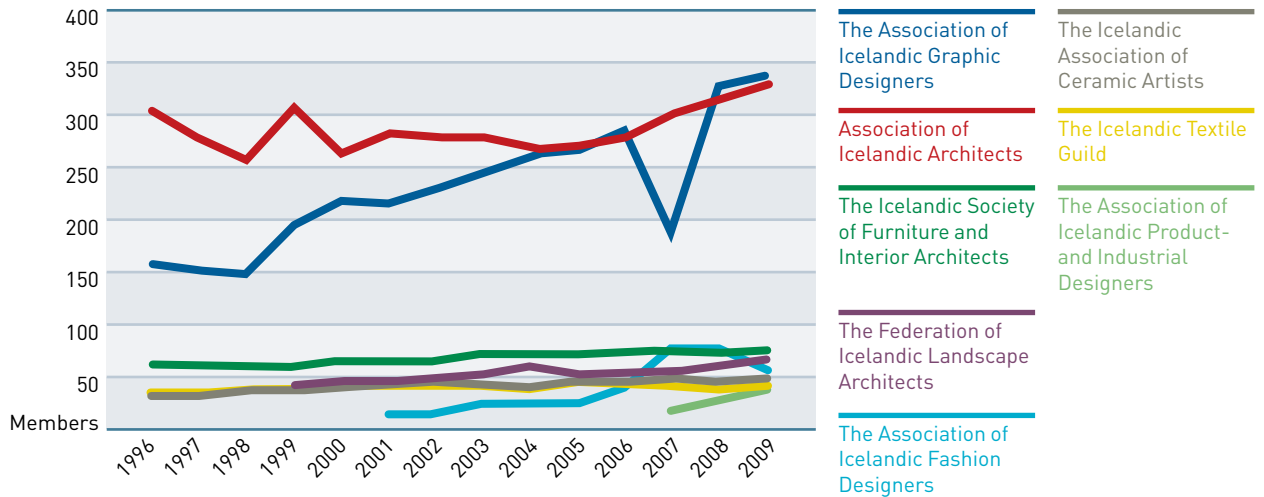
	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Architectural activities	25%	7111	4433.8	3748.7	4413.3	3575.5	1486.0
Advertising agencies	100%	7311	16378.0	14179.2	17322.5	15608.3	11068.5
Specialised design activities	100%	7410	1028.5	867.4	1147.2	1389.8	1623.4
<b>Total</b>			<b>21,840.3</b>	<b>18,795.2</b>	<b>22,883.0</b>	<b>20,573.6</b>	<b>14,177.9</b>

## Further data

### Design

Members of Iceland Design Center are The Association of Icelandic Graphic Designers, Association of Icelandic Architects, The Icelandic Society of Furniture and Interior Architects, The Federation of Icelandic Landscape Architects, The Association of Icelandic Fashion Designers, The Icelandic Association of Ceramic Artists, The Icelandic Textile Guild and The Association of Icelandic Product- and Industrial Designers. Figure 39 shows the number of members in each association.

**Figure 39** Members of design associations  
Source: Iceland Design Centre



### Advertising

**Figure 40** Advertising revenue by kind of media 2005–2009

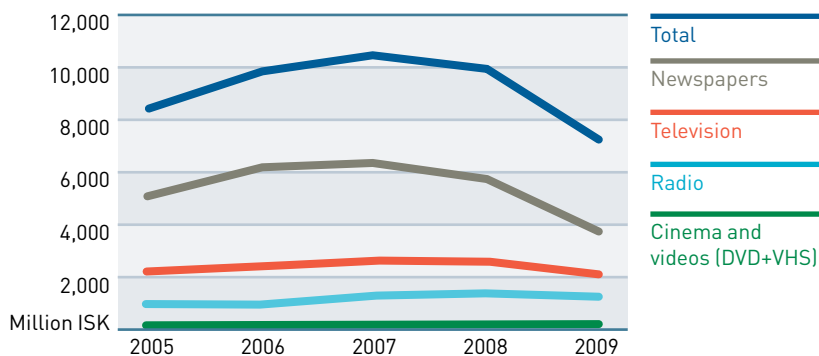


Figure 40 shows the trend of advertising revenue by kind of media in 2005–2009. The economic collapse Iceland is very clear in the data set. In 2007 advertising revenues peaked and subsequently revenue decrease.



## G – Tourism

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Tourism is qualitatively different from the other cultural domains, as it cannot be classified readily as a sector in the traditional sense, i.e. measured by either a particular market or industrial output. Rather, tourism is better understood as a demand-driven, consumer-defined activity, and as such, is linked intimately with all other domains within the cultural sector, as each contains activities that are undertaken regularly by tourists. For this reason, there is also a now well-established international methodology for measuring the economic impact of tourism based in part on the development of the tourism satellite accounts (TSA) (e.g. see Eurostat, OECD, UN and UNWTO, 2001).

Ideally, the FCS would refer to the cultural dimensions of tourism such as Cultural tourism, Spiritual tourism and Eco-Tourism activities. Although there is no international accepted definition of cultural tourism, the FCS proposes the following: “customised excursions into other cultures and places to learn about their people, lifestyle, heritage and arts in an informed way that genuinely represents their values and historical context including the experiencing of the difference” (Steinberg C, 2001). It can also take the form of Spiritual tourism or Ecological tourism. These activities are considered as cultural domains and counted in the domains A, B, C or in Intangible cultural heritage. For example, a tourist visiting a site or attending a concert is already included in the cultural domains.

Tourism statistics, following the TSA approach, measure the demand of visitors for goods and services (international or domestic). It includes expenditure on travel, accommodation and other expenses. However, it should also cover the non-monetary data that focus on numbers of visitors and the purpose of visits. Therefore, to avoid double counting, tourism activities are included within this domain (e.g. tourist guides and tour operators) as well as those activities outside of the cultural sector in which tourists are likely to account for the bulk of activity (e.g. accommodation).

### 55.10 Hotels and similar accommodation

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This class includes the provision of accommodation, typically on a daily or weekly basis, principally for short stays by visitors. This includes the provision of furnished accommodation in guest rooms and suites. Services include daily cleaning and bed-making. A range of additional services may be provided such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities as well as conference and convention facilities.

**This class includes accommodation provided by:**

- Hotels
- Resort hotels
- Suite/apartment hotels – motels

**This class excludes:**

- Provision of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis, see division 68

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	50%	5510	15110.1	10995.7	12849.2	14611.3	16534.7
Salary cost ISKm	50%	5510	1485.6	1802.1	2282.2	2597.5	2570.2
Full-time equivalents	50%	5510	738.8	832.5	977.0	1034.0	990.5

## 55.20 Holiday and other short-stay accommodation

This class includes the provision of accommodation, typically on a daily or weekly basis, principally for short stays by visitors, in self-contained space consisting of complete furnished rooms or areas for living/dining and sleeping, with cooking facilities or fully equipped kitchens. This may take the form of apartments or flats in small free-standing multi-storey buildings or clusters of buildings, or single storey bungalows, chalets, cottages and cabins. Very minimal complementary services, if any, are provided.

**This class includes accommodation provided by:**

- Children and other holiday homes
- Visitor flats and bungalows
- Cottages and cabins without housekeeping services
- Youth hostels and mountain refuges

**This class excludes:**

- Provision of furnished short-stay accommodation with daily cleaning, bed-making, food and beverage services, see **55.10**
- Provision of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis, see division **68**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	50%	5520	214.3	200.4	271.0	369.5	612.5
Salary cost ISKm	100%	5520	45.1	54.1	66.4	74.8	86.6
Full-time equivalents	100%	5520	26.8	30.7	33.8	38.4	41.3

## 55.30 Camping grounds, recreational vehicle parks and trailer parks

**This class includes:**

- Provision of accommodation in campgrounds, trailer parks, recreational camps and fishing and hunting camps for short stay visitors
- Provision of space and facilities for recreational vehicles This class also includes accommodation provided by:
- protective shelters or plain bivouac facilities for placing tents and/or sleeping bags

**This class excludes:**

- Mountain refuge, cabins and hostels, see 55.20

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	50%	5530	348.7	170.4	98.5	89.1	127.9
Salary cost ISKm	50%	5530	17.0	12.3	16.3	17.4	17.6
Full-time equivalents	50%	5530	12.3	6.9	7.2	7.5	7.4

## 79.11 Travel agency activities

**This class includes:**

- Activities of agencies, primarily engaged in selling travel, tour, transportation and accommodation services on a wholesale or retail basis to the general public and commercial clients

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	25%	7911	246.6	321.2	323.4	345.4	441.0
Salary cost ISKm	25%	7911	264.9	296.6	411.8	460.7	436.2
Full-time equivalents	25%	7911	105.9	110.0	138.4	148.8	135.0

## 79.12 Tour operator activities

This class includes:

- Arranging and assembling tours that are sold through travel agencies or directly by tour operators. The tours may include any or all of the following: transportation, accommodation, food, visits to museums, historical or cultural sites, theatrical, musical or sporting events

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	25%	7912	51.0	43.9	102.5	137.1	152.8
Salary cost ISKm	25%	7912	44.3	52.0	88.1	108.0	144.7
Full-time equivalents	25%	7912	18.8	21.6	32.8	35.6	43.7

### Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Hotels and similar accommodation	50%	5510	15110.1	10995.7	12849.2	14611.3	16534.7
Holiday and other short stay accommodation	50%	5520	214.3	200.4	271.0	369.5	612.5
Camping grounds, recreational vehicle parks and trailer parks	50%	5530	348.7	170.4	98.5	89.1	127.9
Travel agency activities	25%	7911	246.6	321.2	323.4	345.4	441.0
Tour operator activities	25%	7912	51.0	43.9	102.5	137.1	152.8
<b>Total</b>			<b>15,970.7</b>	<b>11,731.8</b>	<b>13,644.5</b>	<b>15,552.3</b>	<b>17,868.9</b>

## H – Recreation

This domain includes Recreation, which is defined as an activity undertaken for pleasure or relaxation that diverts, amuses or stimulates. It includes Gambling, Amusement and Theme parks, and other leisure activities. It excludes physical recreation activities, which are sports related.

### 93.21 Activities of amusement parks and theme parks

This class includes activities of amusement parks or theme parks. It includes the operation of a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits and picnic grounds.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	9321	25.2	13.9	7.8	18.8	–
Salary cost ISKm	100%	9321	1.1	1.2	1.3	1.3	1.3
Full-time equivalents	100%	9321	1.0	1.0	1.0	1.0	1.0

### 93.29 Other amusement and recreation activities

**This class includes activities related to entertainment and recreation (except amusement parks and theme parks) not else-where classified:**

- Operation (exploitation) of coin-operated games
- Activities of recreation parks (without accommodation)
- Operation of recreational transport facilities, e.g. marinas
- Operation of ski hills
- Renting of leisure and pleasure equipment as an integral part of recreational facilities
- Fairs and shows of a recreational nature
- Activities of beaches, including renting of facilities such as bathhouses, lockers, chairs, etc.
- Operation of dance floors

**This class also includes activities of producers or entrepreneurs of live events other than arts or sports events, with or without facilities.**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100,0%	9329	597.7	495.7	905.5	837.7	921.3
Salary cost ISKm	100%	9329	92.1	118.7	153.1	190.4	175.2
Full-time equivalents	100%	9329	56.0	78.7	85.6	93.8	93.0

**This class excludes:**

- Operation of teleferics, funiculars, ski and cable lifts, see **49.39**
- Fishing cruises, see **50.10, 50.30**
- Provision of space and facilities for short stay by visitors in recreational parks and forests and campgrounds, see **55.30**
- Trailer parks, recreational camps, hunting and fishing camps, campsites and campgrounds, see **55.30**
- Discotheques, see **56.30**
- Theatrical and circus groups, see **90.01**

## Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Activities of amusement parks and theme parks	100%	9321	25.2	13.9	7.8	18.8	
Other amusement and recreation activities	100%	9329	597.7	495.7	905.5	837.7	921.3
<b>Total</b>			<b>623.0</b>	<b>509.6</b>	<b>913.3</b>	<b>856.6</b>	<b>921.3</b>

## Transversal domains

Although these domains can stand alone as independent domains, they are considered transversal because they can be applied across the other cultural domains.

## Education and Training

FCS does not consider Education in its entirety, but only when it is a means of transmission of cultural values or cultural skills. Learning activities support the development, understanding and reception of culture, including processes of critique (e.g. art and dance schools, literary criticism). Education is the process by which culture is transmitted between generations. It is also the means whereby people learn to appreciate or form value judgements (e.g. a critique) about cultural activities or products. Education is a process of socialisation by which culture is imparted and develops creativity that can challenge existing cultural norms.

### 72.20 Research and experimental development on social sciences and humanities

This class includes:

- Research and development on social sciences
- Research and development on humanities
- Interdisciplinary research and development, predominantly on social sciences and humanities This class excludes:
- Market research, see **73.20**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	10%	7220	6.6	6.5	5.1	9.0	8.4
Salary cost ISKm	10%	7220	3.2	4.3	8.0	12.1	8.9
Full-time equivalents	10%	7220	1.8	1.7	2.1	2.7	2.3

### 85.41 Post-secondary non-tertiary education

This class includes provision of post-secondary education, which cannot be considered tertiary education. For example provision of supplementary post-secondary education to prepare for tertiary education or post-secondary non-tertiary vocational.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	10%	8541	0.0	0.1	0.2	0.4	8.4
Salary cost ISKm	10%	8541	3.0	4.2	9.2	18.7	21.4
Full-time equivalents	10%	8541	1.7	2.2	3.1	5.0	5.4

## 85.42 Tertiary education

This class includes:

- First, second and third stages of tertiary education
- This class also includes:
- Performing arts schools providing tertiary education

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	10%	8542	42.4	27.3	26.1	34.9	29.5
Salary cost ISKm	10%	8542	65.1	132.4	162.1	191.1	197.6
Full-time equivalents	10%	8542	20.8	37.2	39.8	41.1	43.1

## 85.52 Cultural education

This class includes provision of instruction in the arts, drama and music. Units giving this type of instructions might be named "schools", "studios", "classes", etc. They provide formally organised instruction, mainly for hobby, recreational or self-development purposes, but such instruction does not lead to a professional diploma, baccalaureate or graduate degree.

This class includes:

- Piano teachers and other music instruction
- Art instruction
- Dance instruction and dance studios
- Drama schools (except academic)
- Fine arts schools (except academic)
- Performing arts schools (except academic)
- Photography schools (except commercial)

This class excludes:

- Foreign language instruction, see **85.59**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	8552	26.3	12.9	10.1	14.7	26.5
Salary cost ISKm	100%	8552	908.7	1104.1	1283.6	1370.4	1378.7
Full-time equivalents	100%	8552	502.8	553.3	579.7	591.5	590.3

### Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Research and experimental development on social sciences and the humanities	10%	7220	6.6	6.5	5.1	9.0	8.4
Post-secondary non-tertiary education	10%	8541	0.0	0.1	0.2	0.4	8.4
Tertiary education	10%	8542	42.4	27.3	26.1	34.9	29.5
Cultural education	100%	8552	26.3	12.9	10.1	14.7	26.5
<b>Total</b>			<b>75.3</b>	<b>46.8</b>	<b>41.6</b>	<b>59.0</b>	<b>72.8</b>

## Archiving and Preserving

Archiving represents the collection and repository of cultural forms (movable objects and intangible) for the purposes of preserving for posterity, exhibition and re-use (e.g. the preservation of historic sites and buildings, sound archives and picture libraries). Preserving relates to the conservation or preservation and management of particular cultural and natural properties.

Archiving and preserving activities can take place in each of the cultural domains (an author's manuscript, the first performance of a work, a concert/exhibition programme). Archival material is also a reference point, which can serve as inspiration for new creation. The archiving and preservation components of fine arts, crafts, design, architecture, publishing and audio-visual industries can serve in turn as creative inspiration for new production. For example, historic houses preserve (and exhibit) architecture; museums and galleries conserve (and exhibit) paintings, sculpture, jewellery and a wide array of other artefacts whose value resides principally in their design attributes (e.g. everything from furniture to cars); while archives preserve original documents such as manuscripts, photographs, books, films and radio recordings.

### 74.30 Translation and interpretation activities

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	7430	699.1	512.7	757.5	917.8	820.0
Salary cost ISKm	100%	7430	204.6	243.8	305.2	327.5	313.7
Full-time equivalents	100%	7430	132.1	143.3	173.8	179.0	179.8

### 84.12 Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security

**This class includes:**

- Public administration of programmes aimed to increase personal well-being: health, education, culture, sport, recreation, environment, housing, social services
- Public administration of research and development policies and associated funds for these areas

**This class also includes:**

- Sponsoring of recreational and cultural activities
- Distribution of public grants to artists
- Administration of potable water supply programmes
- Administration of waste collection and disposal operations
- Administration of environmental protection programmes
- Administration of housing programmes

**This class excludes:**

- Sewage, refuse disposal and remediation activities, see divisions **37, 38, 39**
- Compulsory social security activities, see **84.30**
- Education activities, see section **P**
- Human health-related activities, see division **86**
- Museums and other cultural institutions, see division **91**
- Activities of government operated libraries and archives, see **91.01**
- Sporting or other recreational activities, see division **93**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	25%	8412	33.3	25.2	22.6	22.3	18.2
Salary cost ISKm	25%	8412	336.2	330.8	359.7	393.3	632.5
Full-time equivalents	25%	8412	181.6	138.6	139.7	142.6	319.3

## Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Translation and interpretation activities	100%	7430	699.1	512.7	757.5	917.8	820.0
Regulation of the activities of providing health care, education, cultural services, etc., excluding social security	25%	8412	33.3	25.2	22.6	22.3	18.2
<b>Total</b>			<b>732.5</b>	<b>537.9</b>	<b>780.1</b>	<b>940.1</b>	<b>838.2</b>

## Equipment and Supporting Materials

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This domain covers the “tools of cultural products and activities”. Cultural products (goods and services) defined in the different domains are those directly associated with cultural content, while equipment and supporting materials are related to the supporting industries, as well as ancillary services (even if only partially cultural in content), that facilitate or enable the creation, production and distribution of cultural products. The Internet is a major tool for the transmission, production and dissemination of cultural goods and services and is, therefore, included in this domain. Computers and IT equipment are also included because they are the tools by which the Internet is created, disseminated and transmitted and the means through which many interactive media is generated.

The reason for distinguishing this category from the products and activities included in the domains A to F is to be able to identify elements that are not essentially cultural but that can be used for the production or execution of a cultural good or activity and that are necessary for the existence of these cultural products.

### 26.30 Manufacture of communication equipment

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This class includes the manufacture of telephone and data communications equipment used to move signals electronically over wires or through the air such as radio and television broadcast and wireless communications equipment.

**This class includes:**

- Manufacture of central office switching equipment
- Manufacture of cordless telephones
- Manufacture of private branch exchange (PBX) equipment
- Manufacture of telephone and facsimile equipment, including telephone answering machines
- Manufacture of data communications equipment, such as bridges, routers, and gateways
- Manufacture of transmitting and receiving antenna
- Manufacture of cable television equipment
- Manufacture of pagers
- Manufacture of cellular phones
- Manufacture of mobile communication equipment
- Manufacture of radio and television studio and broadcasting equipment, including television cameras
- Manufacture of modems, carrier equipment
- Manufacture of burglar and fire alarm systems, sending signals to a control station



- Manufacture of radio and television transmitters
- Manufacture of communication devices using infrared signal (e.g. remote controls)

**This class excludes:**

- Manufacture of electronic components and subassemblies used in communications equipment, including internal/external computer modems, see **26.1**
- Manufacture of loaded electronic boards, see **26.12**
- Manufacture of computers and computer peripheral equipment, see **26.20**
- Manufacture of consumer audio and video equipment, see **26.40**
- Manufacture of GPS devices, see **26.51**
- Manufacture of electronic scoreboards, see **27.90**
- Manufacture of traffic lights, see **27.90**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	25%	2630	41.4	11.8	13.9	12.6	7.5
Salary cost ISKm	25%	2630	3.8	3.7	3.4	5.0	0.0
Full-time equivalents	25%	2630	1.6	1.5	1.0	1.2	0.0

### 46.51 Wholesale of computers, computer peripheral equipment and software

**This class includes:**

- Wholesale of computers and computer peripheral equipment
- Wholesale of software

**This class excludes:**

- Wholesale of electronic parts, see **46.52**
- Wholesale of office machinery and equipment, (except computers and peripheral equipment), see **46.66**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	10%	4651	1533.8	473.3	742.5	1184.1	1318.6
Salary cost ISKm	10%	4651	72.4	83.9	85.3	116.6	108.3
Full-time equivalents	10%	4651	15.1	17.1	16.0	19.9	17.6

**This class includes:**

- Wholesale of electronic valves and tubes
- Wholesale of semi-conductor devices
- Wholesale of microchips and integrated circuits
- Wholesale of printed circuits
- Wholesale of blank audio and video tapes and diskettes, magnetic and optical disks (CDs, DVDs)
- Wholesale of telephone and communications equipment

**This class excludes:**

- Wholesale of recorded audio and video tapes, CDs, DVDs, see **46.43**
- Wholesale of computers and computer peripheral equipment, see **46.51**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	4652	476.3	235.3	488.7	503.6	472.7
Salary cost ISKm	5%	4652	18.7	23.9	31.8	37.1	34.1
Full-time equivalents	5%	4652	4.9	6.2	7.1	7.9	7.2

#### 47.41 Retail sale of computers, peripheral units and software in specialised stores

This class includes:

- Retail sale of computers
- Retail sale of computer peripheral equipment
- Retail sale of video game consoles
- Retail sale of non-customised software, including video games

This class excludes:

- Retail sale of blank tapes and disks, see **47.63**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	4741	1916.2	1427.3	1734.8	1631.8	1235.8
Salary cost ISKm	5%	4741	105.4	110.4	139.7	150.7	82.5
Full-time equivalents	5%	4741	25.5	25.3	29.5	29.5	17.0

#### 47.42 Retail sale of telecommunications equipment in specialised stores

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	5%	4742	2.5	1.9	2.9	5.1	5.7
Salary cost ISKm	5%	4742	0.1	0.1	0.1	0.5	0.7
Full-time equivalents	5%	4742	0.1	0.1	0.1	0.1	0.2

#### 47.43 Retail sale of audio and video equipment in specialised stores

This class includes:

- Retail sale of radio and television equipment
- Retail sale of audio and video equipment
- Retail sale of CD, DVD, etc. players and recorders

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	100%	4743	3187.0	2775.2	3081.4	2578.9	2983.7
Salary cost ISKm	100%	4743	111.0	118.9	149.1	161.5	119.7
Full-time equivalents	100%	4743	31.5	36.3	40.0	39.6	30.0

#### 70.21 Public relations and communication activities

This class includes the provision of advice, guidance and operational assistance, including lobbying activities, to businesses and other organisations on public relations and communication.

This class excludes:

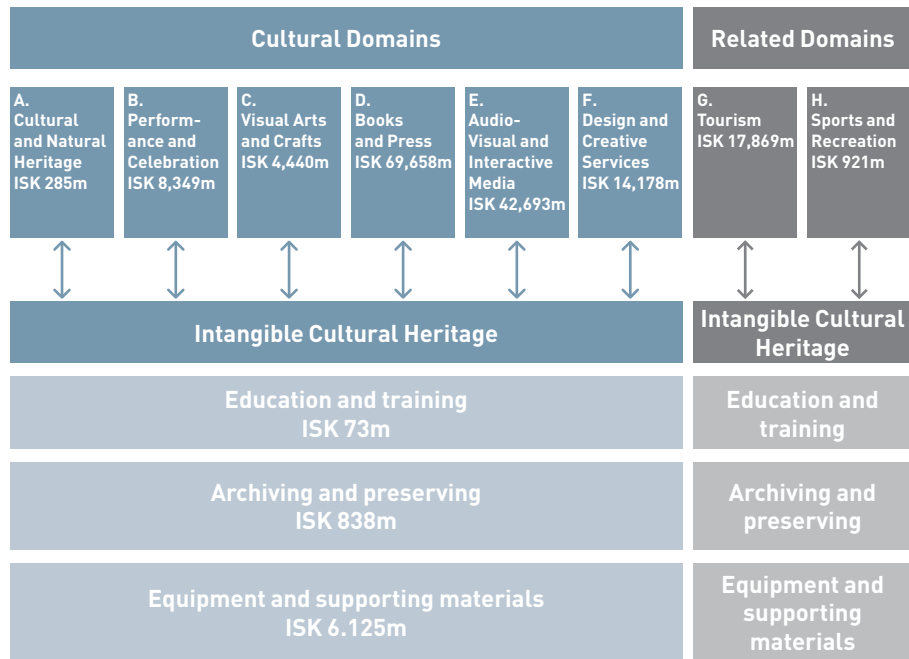
- advertising agencies and media representation services, see **73.1**
- market research and public opinion polling, see **73.20**

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
VAT taxable turnover ISKm	10%	7021	144.7	128.3	142.8	130.4	100.8
Salary cost ISKm	10%	7021	17.9	22.6	25.6	24.3	18.8
Full-time equivalents	10%	7021	4.7	5.4	5.8	5.4	4.4

### Total turnover

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Mfr of communication equipment	25%	2630	41.4	11.8	13.9	12.6	7.5
Wholesale of information and communication equipment	10%	4651	1533.8	473.3	742.5	1184.1	1318.6
Wholesale of electronic and telecommunications equipment and parts	5%	4652	476.3	235.3	488.7	503.6	472.7
Retail sale of computers, peripheral units and software in specialised stores	5%	4741	1916.2	1427.3	1734.8	1631.8	1235.8
Retail sale of telecommunications equipment in specialised stores	5%	4742	2.5	1.9	2.9	5.1	5.7
Retail sale of audio and video equipment in specialised stores	100%	4743	3187.0	2775.2	3081.4	2578.9	2983.7
Public relations and communications activities	10%	7021	144.7	128.3	142.8	130.4	100.8
<b>Total</b>			<b>7301.9</b>	<b>5053.2</b>	<b>6207.1</b>	<b>6046.5</b>	<b>6124.7</b>

**Figure 41** VAT-taxable turnover of the cultural and related domains of Iceland's creative industries in 2009



## Funding schemes and support environment

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The following chapters discuss the creative industries' support environment. A brief outline is first given of key regular cultural events and awards in the sector, followed by a summary of its promotion agencies and funding schemes such as funds, grants and stipends.

### Regular cultural events and awards in the creative industries

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A large number of events relating to the creative industries in one way or another are organised annually in Iceland. These events stimulate activities and serve to raise the profile of the creative industries in Iceland and abroad. Examples of such events include the Reykjavík Festival of the Arts, the Reykjavík Winter Lights Festival, Reykjavík Culture Night, Reykjanesbær's Night of Lights Festival, DesignMarch, the Reykjavík International Film Festival (RIFF), the Iceland Airwaves music festival, the EVE Online Fanfest, the Reykjavík International Literary Festival, the Sequences art festival, the Reykjavík Dance Festival, the LOKAL International Theatre Festival, the international creative industries conference You Are in Control, the youth art festival Eldur í Húnaþingi, the young adults art festival LungA, the Documentary Film Festival in Patreksfjörður, etc.

Each of the creative industries holds a regular awards ceremony to recognise achievement and raise the industry's visibility. Prominent examples include the Gríman Dramatic Awards, the Edda Film and TV Awards, the Icelandic Music Awards and the Icelandic Literary Prize.

### Promotion agencies for the creative industries

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#### Iceland Music Export

Iceland Music Export (IMX) was established in 2006. Its Managing Director is Anna Hildur Hildibrandsdóttir. IMX defines its function as follows on its website:

IMX's mission is to seek ways of promoting and creating opportunities for the rights holders of Icelandic music at home and overseas. It aims to help businesses and individuals in the Icelandic music industry attain success in foreign markets. IMX seeks to achieve its ends through a multi-strategy approach that includes building accessible, comprehensive databases, promoting Icelandic labels, bands and events, providing information on Icelandic music to markets and the media, and encouraging and helping Icelandic bands, public relations firms and record labels participate in events and festivals around the world.

The IMX website lists its key tasks as:

- Promoting Icelandic musicians abroad
- Promoting Icelandic recorded music abroad
- Promoting Icelandic music festivals and events
- Operating the IMX website and publishing the IMX Newsletter
- Increasing the export capacities of musicians and businesses in the music industry
- Providing general consultancy and networking services
- Forging and strengthening partnerships with export promotion agencies overseas, particularly in the Nordics

### **Iceland Music Information Centre**

The Iceland Music Information Centre (IceMic) was founded in 1968. According to its website, IceMic's primary mission is to preserve and catalogue Icelandic present-day music and to promote it both at home and abroad. IceMic also provides information on Icelandic music, composers and Icelandic musical life.

The IceMic archives contain over 8,000 manuscripts and published works by more than 250 Icelandic composers. IceMic publishes music and releases CDs on its label and collaborates with other labels. Performance materials, scores and parts of orchestral works are also available for hire. IceMic is supported by the Ministry of Education, Science and Culture, the Performing Rights Society of Iceland (STEF), the Composers' Fund of the Icelandic National Broadcasting Service (RUV), the City of Reykjavik and private funding. The Director of IceMic is Sigfríður Björnsdóttir.

### **Icelandic Film Centre**

According to its website, the role of the Icelandic Film Centre (IFC) is to fund Icelandic films, promote and distribute them abroad, nurture film culture in Iceland and promote increased interaction with overseas parties. The IFC is funded through annual allocations from the Government Budget.

The IFC operates in accordance with the Filmmaking Act No. 137/2001, which took effect in 2003.

The IFC co-operates with Icelandic film festivals and organises training courses, lectures and presentations for professionals in the industry.

The IFC networks with key festivals around the world, through which promotional screenings of Icelandic films take place. It also takes part in promotional events where Icelandic films are presented, often in collaboration with local professionals. The Director of the IFC is Laufey Guðjónsdóttir.

### **Icelandic Art Centre**

The Icelandic Art Centre (IAC) serves as a contact between the local and international visual arts scene. The IAC promotes the engagement of Icelandic visual artists and professionals in international art dialogue, with a view to raising the profile of Icelandic visual arts overseas. The Ministry of Education, Science and Culture funds the IAC's operations and grants awarded by its selection board. The Director of the IAC is Dorothée Kirch.

### **Iceland Design Centre**

The Iceland Design Centre (IDC) is owned by the Association of Icelandic Architects, the Icelandic Society of Furniture and Interior Architects, the Federation of Icelandic Landscape Architects, the Association of Icelandic Product and Industrial Designers, the Icelandic Association of Ceramic Artists, the Association of Icelandic Fashion Designers, the Icelandic Textile Guild, the Icelandic Goldsmiths Association and the Association of Icelandic Graphic Designers. The IDC is funded by the Ministry of Education, Science and Culture and the Ministry of Industry. Its Managing Director is Halla Helgadóttir.

The IDC is a promotional and information centre for Icelandic design at home and overseas. According to its website, the IDC's main role is to promote appreciation of the value of good design and architecture for society at large, including as a vital and profitable aspect of the Icelandic economy. The IDC

aims to further the interests of Icelandic designers in overseas markets, which hold important opportunities for Icelandic designers and products.

The IDC website lists its key functions as:

### **Promotion**

- Being a centre for the promotion of design and architecture in Iceland
- Publicising outstanding Icelandic design abroad
- Maintaining an extensive online database and website on Icelandic design and architecture
- Promoting high-quality discussion and coverage of design and architecture
- Paving the way for the marketing and export of Icelandic design

### **Consultancy**

- Formulating design-related policy in partnership with government
- Offering consultancy for designers and businesses with regard to product development, production, image building and export
- Supporting and assisting the promotion of businesses, such as start-up and innovative businesses that have limited funding and expertise to promote themselves
- Providing consultancy to businesses and other organisations on design-related projects

### **Innovation**

- Bringing together professional designers and businesses in innovation and product development
- Working for increased funding for the development of design businesses

### **Collaboration**

- Forging links between different fields of design and encouraging collaboration, discourse and debate
- Promoting increased measurements and research into the design industry's size and growth
- Promoting training in marketing, project management and production

### **Events**

- Organising lectures, exhibitions and conferences and the DesignMarch festival

### **Icelandic Gaming Industry**

Icelandic Gaming Industry (IGI) was founded in 2009 by local computer game development studios. IGI works to spread knowledge, share experience and business networks to maximise Iceland's video gaming footprint on the global scene.

### **Icelandic Centre of the ITI**

The Icelandic Centre of the ITI (ICITI; ITI = The Icelandic Theatre Association) was established in 1972 and is the umbrella organisation for the performing arts in Iceland. All the Icelandic performing arts associations are members of the ICITI.

The ICITI is a common forum for the professions and institutions operating within the performing arts sector. It aims to foster co-operation within the sector and to promote Icelandic performing art works and performers at home

and abroad. The ICITI is a member of the Nordic Theatre Union and the International Theatre Institute.

The ICITI operates on the basis of a co-operation agreement with the Ministry of Education, Science and Culture. The President of the ICITI is Ása Richardsdóttir.

### The Icelandic Literature Fund

The Icelandic Literature Fund (ILF) was founded in 2007 to take over the roles of the Fund for the Promotion of Icelandic Literature, the Icelandic Cultural Fund and the Icelandic Translation Fund. The ILF's Director is Þorgerður Agla Magnúsdóttir. According to the ILF's website, its role is to promote Icelandic literature and book publishing. The Fund provides grants for the publication of works written in Icelandic and for translations of foreign literature into Icelandic. It also contributes to the promotion of Icelandic literature at home and overseas, in addition to various other activities.

### Funding schemes, grants and stipends

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The following is a brief account of the main available funding, grants and stipends for the creative industries. Also included is a list of other funding schemes connected with the creative industries in one way or another.

#### Artists' Stipend

Individuals working in the creative industries can apply for a government-funded artist's stipend. Such stipends are paid from six different funds:

- The Designers' Stipend Fund
- The Visual Artists' Stipend Fund
- The Writers' Stipend Fund
- The Performing Artists' Stipend Fund
- The Music Performers' Stipend Fund
- The Composers' Stipend Fund

The website for the funds states:

The funds' role is to award stipends and grants to artists in accordance with the Artists' Stipends Act [...] Decisions on awards from the above funds should aim to advance artistic creation in Iceland (Artists' Stipends, 2011).

Supervision of the funds is in the hands of the Artists' Stipends Board, which the Minister of Education, Science and Culture appoints for a three-year term at a time. Separate selection committees make awards from each of the funds (Artists' Stipends Act No. 57/2009).

The 2009 Government Budget provided for expenditure of ISK 362.4 million on artists' stipends (The Althing, 2011a) and the 2010 budget envisaged spending of ISK 373.8 million (The Althing, 2011b). Article 4 of the Artists' Stipends Act states: "Stipends shall amount to ISK 266,737 per month at the price level of the 2009 Government Budget. Stipends are awarded to self-employed individuals in their respective fields of artistic endeavour" (The Artists' Stipends Act No. 57/2009).



## Icelandic Film Fund

Operated under the auspices of the Icelandic Film Centre, the Icelandic Film Fund awards grants to screenwriting, film development, production, post-production and promotion. Grants made by the Fund are divided into four categories: (1) full-length feature films, (2) documentaries and short films, (3) television fiction and (4) minority co-productions.

Grants are awarded to film producers whose main occupation is filmmaking. Only partial funding is provided for any given project, or up to a maximum of 50% of its total costs. Film producers must therefore raise funding for the remaining costs through other means (The Filmmaking Act No. 137/2001; The Icelandic Film Centre, 2011a).

In 2006, the Minister of Education, Science and Culture, the Minister of Finance, the Association of Icelandic Film Directors, the Association of Icelandic Film Producers and the Icelandic Film Makers Association signed an agreement on a policy framework to strengthen Icelandic filmmaking. Under the agreement, ISK 620 million was allocated from public funds to filmmaking. The amount was divided between the Icelandic Film Fund (ISK 380 million), the Documentary Film Fund (ISK 125 million), the Television Fund (ISK 125 million) and co-production (ISK 125 million). There were plans to distribute ISK 700 million in grants among the funds in 2010 (Icelandic Film Centre, 2011b).

In the 2009 Government Budget, ISK 77.7 million were earmarked for the Icelandic Film Centre's general operations and promotions and ISK 590 for film funds, totalling ISK 667.7 million (The Althing, 2011a). Cuts were introduced in 2010, with ISK 524 million allocated to the Icelandic Film Centre, of which ISK 74 million were earmarked for operating costs and promotions and ISK 450 million for film funds.

In response to the cuts, the Association of Icelandic Film Producers, the Icelandic Film Makers Association and the Association of Icelandic Film Directors carried out a survey amongst businesses in the industry. The key finding of the survey was that an ISK 240 million cut in contributions to Icelandic films was estimated to mean ISK 5 billion in lost revenue for the industry in 2010–2013 (The Association of the Icelandic Film Industry, 2010). The report concluded that this would lead to the loss of 300 jobs. The reason for this large impact is that funding promised by the Icelandic film funds is the key to additional funding from foreign film funds.

## Refunds on film production costs

Government support for film production is also provided in the form of reimbursements administered by the Ministry of Industry. Producers can apply for reimbursements of up to 20% of the costs incurred in the production of films and TV programmes in Iceland. However, grants from the Icelandic Film Fund and the reimbursement must together not exceed 50% of the film's total production costs (Act on Temporary Reimbursements in Respect of Film Making in Iceland No 43/1999; The Ministry of Industry, Energy and Tourism, 2010).

## Music Fund

The Music Fund of the Ministry of Education, Science and Culture was established in 2004. Its role is to strengthen the Icelandic music industry and facilitate the promotion of Icelandic musicians and their work. The Fund is divided into two key strands: (1) Music and (2) Marketing & Promotion.

The Music strand awards grants for music-making and related activities such as performance, ensembles, music festivals, music research and cataloguing, the preservation of music, etc. The Marketing & Promotion strand provides grants for the marketing and promotion of Icelandic music and musicians as well as other projects conducive to the promotion of Icelandic music and musicians at home and abroad (The Music Fund Act No. 76/2004; the Ministry of Education, Science and Culture, 2011a). In the 2009 Government Budget, ISK 54 million were earmarked for the Fund (The Althing, 2011a; the Ministry of Education, Science and Culture, 2011b), which was down to ISK 45 million in the 2010 budget (The Althing, 2011b).

### Reykjavík Loftbrú

The travel funding scheme Reykjavík Loftbrú was established in 2003 by Icelandair, the City of Reykjavík, the Performing Rights Society of Iceland (STEF) and the Icelandic Musicians' Union (FÍH). The Federation of the Phonographic Industry in Iceland is also a participant (The City of Reykjavík, 2011). The scheme is designed to help musicians gain a foothold in overseas markets and thereby promote Reykjavík as a modern cultural city. Reykjavík Loftbrú is not a fund as such but provides support in the form of air tickets and excess baggage allowances for musicians. Recipients of the scheme's support must cover the expense of airport taxes and other additional costs, such as changes to air tickets.

### Non-Fiction Writers' Fund

The Icelandic Centre for Research (Rannís) operates the Non-Fiction Writers' Fund. The Fund's role is to facilitate the writing of books and works in electronic form in order to support and enhance Icelandic culture. Those eligible for grants are authors of general non-fiction work, reference books, dictionaries and various extensive information materials in Icelandic (Rannís, 2011).

### Museum Fund

The Museums Act No. 106/2001 defines the role of the Museum Fund as supporting the activities of museums falling under the Act. The Museum Council of Iceland awards grants from the Fund to museums in accordance with allocation rules set by the Council and confirmed by the Minister of Education, Science and Culture. The Council's costs are paid by the Fund (The Museum Council of Iceland, 2011).

### Other funding schemes

Numerous funding schemes exist in Iceland, details of which could not be included within the confines of this report. The following is a list of various funds that support culture and the creative industries to some extent:

- A.P. Möller Fund
- Arts and cultural grants from the Ministry of Education, Science and Culture
- Association of Non-fiction and Educational Writers in Iceland
- Aurora Design Fund
- Borgun (card acquirer)
- Children's Cultural Fund
- City of Reykjavík
- Clara Lachmann Fund (Clara Lachmanns stiftelse)
- Collecting Society's Cultural Fund (IHM)
- Community Centre Cultural Fund
- Composers Fund 365

- Concerts in Rural Iceland Project (Tónleikar á landsbyggðinni)
- Cultural Fund of Iceland and Finland
- Danish-Icelandic Co-operation Fund
- Danish-Icelandic Co-operation Fund (Fondet for Dansk-Islandsk Samarbejde)
- Directorate of Labour
- East Iceland Cultural Council
- European Commission's Culture Programme
- European Cultural Fund
- Evrópusamvinna (a website that disseminates information on European-level grants and opportunities)
- Greenland Fund
- Haystack Mountain School of Crafts Scholarship Programme
- Hlaðvarpinn (cultural fund for women)
- Iceland Academy of the Arts' Educational Fund
- Iceland Cultural Contact Point for the European Commission's Culture Programme
- Icelandic Centre for Research – Rannís
- Icelandic Musicians' Union's Cultural Fund
- Icelandic National Agency of the Youth in Action Programme of the European Union
- Icelandic Regional Development Institute
- Innovation Centre Iceland – IMPRA
- Kraumur Music Fund
- Landsbankinn Cultural Fund
- Leonardo – Erasmus
- Letterstedska Foundation
- Ministry of Education, Science and Culture
- Muggur Travel Fund
- Music Recording Fund of the Association of Icelandic Musicians (Hljómdiskasjóður)
- Musica Nova Fund
- National Festival Fund (Þjóðhátíðarsjóður)
- New Business Venture Fund
- Nordic Culture Fund
- Nordic Culture Point
- Northern Periphery Programme
- Norwegian Association for Arts and Crafts Grant (Norske Kunsthåndverkeres stipend)
- Norwegian Ministry of Culture's Contribution to Norwegian-Icelandic Cultural Co-operation
- Norwegian Travel Grant (Þjóðhátíðargjöf Norðmanna)
- Notation and Sound Recording Fund of the Performing Rights Society of Iceland
- Notation Fund of the Icelandic Society of Authors & Composers
- Pálmi Jónsson Nature Conservation Fund
- Plastic Bag Fund (Pokasjóður)
- Radio 2 Composers Fund (Tónskáldasjóður Rásar 2)
- Rafn Jónsson Fund (Rabbasjóður)
- Reykjavík City Treasury
- Shell Iceland
- Sjóvá Insurance Support Projects
- Swedish-Icelandic Co-operation Fund (Svensk-isländska samarbetsfonden)
- TM Insurance

- Travel Fund of the Performing Rights Society of Iceland (STEF)
- Travel grants for social membership organisations in Iceland, Greenland and the Faroe Islands
- VÍS Insurance Cultural Fund
- VISA Cultural Fund
- Vocational Training Fund of the Association of Music Teachers and the Icelandic Musicians' Union
- West Iceland Cultural Council

## Appendices

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Data were obtained from the Icelandic State Accounting Office and the Association of Local Authorities in Iceland, in addition to data on VAT-taxable turnover provided by Statistics Iceland. The data from these three parties are briefly outlined below.

The data were collected by industrial categories, cf. the definition of the creative industries in Part I.

Using data collected by public bodies enables a few years' retrospective view and facilitates the maintenance of a creative industries database in future.

### Appendix 1 – Data from the Icelandic State Accounting Office

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The Icelandic State Accounting Office (ISAO) formulates and supervises the central government accounts. Data on central government revenues and expenditures can be obtained from the ISAO broken down by expenditure category. For the mapping, the accounts relating to cultural services (0820 and 0830) and art were analysed to extract information on turnover in 2005–2009. Data compiled annually by the ISAO becomes available when the Central Government Accounts are published; for example, the 2009 Central Government Accounts were published on 19 July 2010. Thus, data for 2010 will not become available until after the publication of this report. The ISAO uses the Classification of the Functions of Government (COFOG) published by the United National Statistical Division and used by international organisations such as the OECD, the IMF and Eurostat.<sup>3</sup>

For the mapping, only the COFOG classes 0820 (cultural services) and 0830 (broadcasting and publishing services) were used.

The COFOG classification also divides expenditure items into separate groups as appropriate. One example is the National and University Library of Iceland, whose activities, according to information from the library's Director of Administration and IT, fall into three divisions: a Service division, which handles most educational services; a Preservation division, which handles the cultural side; and an Administrative division, which serves the library's entire activities. According to the Director of Administration and IT, the Administrative division's costs can be divided broadly into two halves: the Service division and the Preservation division. As of 2005, the library's operating expenses were segmented between the three divisions, but until the figures based on this segmentation become available, the library proposes dividing the costs in half between the Service division (tertiary education, i.e. COFOG 09.4.1) and the Preservation division (cultural services, i.e. COFOG 08.2.0). It is proposed here to follow this division until a more detailed breakdown of the library's expenditures becomes available.

Under "Class 08.2.0 – Cultural services" come organisations such as the Icelandic Language Institute (budget no. 02207), the Department of Name Studies of the Árni Magnússon Institute for Icelandic Studies (budget no. 02208) and the Sigurður Nordal Institute (budget no. 02204). These are cultural, not educational services, although the committee that implemented the COFOG classifications did not find it necessary to draw a clear distinction between the two categories (Statistics Iceland, 2011a).

In addition to expenditures and revenues, the ISAO maintains a record of the number of full-time equivalents, which is based on the same charts of accounts. The data presented here are based on those records for the same years, 2005–2009.

The following tables show the annual figures for each budgetary item that comes under “cultural services” (082) or “broadcasting and publishing services” (083) for the year 2009. The “total” line shows the total expenditure (turnover) for each budgetary item. Also specified are payroll costs, own revenues, asset purchases and other details.

The same data are also available for 2005–2008, but due to length restrictions the decision was made to show here only the 2009 data to illustrate the breakdown. The data for the other years can be obtained in electronic form by contacting the authors of this report.

Budgetary item	Category	Costs – income
<b>082 – CULTURAL MATTERS</b>		
01190111 – Ritun biskupasögu, Hið íslenska fornritafélag	Transfer payment	18,000,000
<b>Total</b>		<b>18,000,000</b>
01190113 – Saga Íslands, Hið íslenska bókmenntafélag	Other costs	4,311,299
	Transfer payment	12,036,505
<b>Total</b>		<b>16,347,804</b>
01190123 – Hrafseyri	Transfer payment	12,900,000
<b>Total</b>		<b>12,900,000</b>
01190125 – Vesturfarasetrið á Hofsósi	Transfer payment	28,000,000
<b>Total</b>		<b>28,000,000</b>
01190127 – Þjóðveldisbærinn í Þjórsárdal	Transfer payment	2,000,000
<b>Total</b>		<b>2,000,000</b>
011901 – Gjöf Jóns Sigurðssonar	Payroll costs	484,933
<b>Total</b>		<b>484,933</b>
011901 – Undirbúningur að hátíðahöldum vegna tveggja alda afmælis Jóns Sigurðssonar	Payroll costs	403,459
	Other costs	3,524,439
	Transfer payment	350,000
<b>Total</b>		<b>4,277,898</b>
01190525 – Viðhald á stafkirkju í Vestmannaeyjum	Transfer payment	3,000,000
<b>Total</b>		<b>3,000,000</b>
02209101 – Stofnun Árna Magnússonar í íslenskum fræðum	Own revenues	-76,840,671
	Payroll costs	265,779,246
	Other costs	53,354,290
	Asset purchases	1,052,525
	Transfer payment	39,724,574
<b>Total</b>		<b>283,069,964</b>
		436,751,306
02269609 – Stofnun Árna Magnússonar í íslenskum fræðum	Other costs	128,165,578
<b>Total</b>		<b>128,165,578</b>
02299173 – Reykjavíkúakademían	Transfer payment	18,000,000
<b>Total</b>		<b>18,000,000</b>
02901101 – Fornleifavernd ríkisins	Own revenues	-10,055,972
	Payroll costs	68,550,062

	Other costs	30,094,918
	Asset purchases	1,048,653
	Transfer payment	2,520,000
<b>Total</b>		<b>92,157,661</b>
02902101 – Þjóðminjasafn Íslands	Own revenues	-97,587,782
	Payroll costs	204,852,586
	Other costs	225,937,537
	Asset purchases	12,683,226
	Transfer payment	524,314
<b>Total</b>		<b>346,409,881</b>
02902110 – Byggða- og minjasöfn	Payroll costs	1,598,192
	Other costs	691,385
	Transfer payment	37,600,000
<b>Total</b>		<b>39,889,577</b>
02902521 – Endurbætur húsa í vörslu Þjóðminjasafnsins	Own revenues	-785,926
	Payroll costs	5,570,302
	Other costs	7,325,367
	Asset purchases	47,506
	Transfer payment	68,700,000
<b>Total</b>		<b>80,857,249</b>
02903101 – Þjóðskjalasafn Íslands	Own revenues	-51,924,640
	Payroll costs	210,254,734
	Other costs	195,453,947
	Asset purchases	36,505,891
	Transfer payment	47,450
<b>Total</b>		<b>390,337,382</b>
02903111 – Héraðsskjalasöfn	Other costs	509,812
	Transfer payment	24,313,047
<b>Total</b>		<b>24,822,859</b>
02904101 – Þjóðmenningarhúsið	Own revenues	-9,735,499
	Payroll costs	45,220,127
	Other costs	72,392,741
	Asset purchases	1,541,530
	Transfer payment	-173,341
<b>Total</b>		<b>109,245,558</b>
02905101 – Landsbókasafn Íslands – Háskólabókasafn	Own revenues	-221,395,769
	Payroll costs	404,474,849
	Other costs	513,073,788
	Asset purchases	16,828,309
	Transfer payment	199,583
<b>Total</b>		<b>713,180,760</b>
02906101 – Listasafn Einars Jónssonar	Own revenues	-2,468,036
	Payroll costs	10,367,030
	Other costs	10,804,375
	Asset purchases	51,592
	Transfer payment	-150,889
<b>Total</b>		<b>18,604,072</b>
02907101 – Listasafn Íslands	Own revenues	-30,267,474
	Payroll costs	96,693,749
	Other costs	70,234,845

	Asset purchases	19,928,749
	Transfer payment	3,448,458
<b>Total</b>		<b>160,038,327</b>
02907102 – Listasafn Ásgríms Jónssonar	Own revenues	-14,192
	Payroll costs	5,811,493
	Other costs	2,540,220
	Transfer payment	3,596,362
<b>Total</b>		<b>11,933,883</b>
02908101 – Kvikmyndasafn Íslands	Own revenues	-4,343,152
	Payroll costs	27,243,031
	Other costs	21,193,829
	Asset purchases	6,154,601
<b>Total</b>		<b>50,248,309</b>
02911101 – Náttúruminjasafn Íslands	Own revenues	-775,970
	Payroll costs	13,115,658
	Other costs	8,751,567
	Asset purchases	2,025,183
<b>Total</b>		<b>23,116,438</b>
02913101 – Gljúfrasteinn – Hús skáldsins	Own revenues	-3,187,553
	Payroll costs	22,782,714
	Other costs	9,156,175
	Asset purchases	242,509
<b>Total</b>		<b>28,993,845</b>
02913521 – Viðhald	Other costs	3,912,802
<b>Total</b>		<b>3,912,802</b>
02918110 – Safnasjóður	Own revenues	-441,000
	Payroll costs	6,235,625
	Other costs	2,252,561
	Transfer payment	96,560,000
<b>Total</b>		<b>104,607,186</b>
02919110 – Listasafn ASÍ	Transfer payment	3,000,000
<b>Total</b>		<b>3,000,000</b>
02919111 – Nýlistasafn	Transfer payment	8,900,000
<b>Total</b>		<b>8,900,000</b>
02919112 – Listasafn Sigurjóns Ólafssonar	Transfer payment	9,400,000
<b>Total</b>		<b>9,400,000</b>
02919115 – Hönnunarsafn Íslands	Transfer payment	10,300,000
<b>Total</b>		<b>10,300,000</b>
02919190 – Söfn, ýmis framlög	Transfer payment	60,500,000
<b>Total</b>		<b>60,500,000</b>
02919198 – Söfn, ýmis framlög menntamálaráðuneytis	Other costs	2,322,674
	Transfer payment	118,193,531
<b>Total</b>		<b>120,516,205</b>
02919645 – Víkinganaust í Reykjanesbæ	Transfer payment	20,000,000
<b>Total</b>		<b>20,000,000</b>
02919690 – Söfn, ýmis stofnkostnaður	Transfer payment	97,000,000
<b>Total</b>		<b>97,000,000</b>
02969603 – Þjóðskjalasafn Íslands	Other costs	40,505,314
<b>Total</b>		<b>40,505,314</b>



02969621 – Endurbætur menningarstofnana	Other costs	705,600
	Transfer payment	6,000,000
<b>Total</b>		<b>6,705,600</b>
02969623 – Tónlistarhús og ráðstefnumiðstöð í Reykjavík	Other costs	50,000,000
<b>Total</b>		<b>50,000,000</b>
02969673 – Þjóðleikhúsið	Other costs	21,000,000
<b>Total</b>		<b>21,000,000</b>
02969682 – Geymsluhúsnæði safna	Other costs	266,996
<b>Total</b>		<b>266,996</b>
02969683 – Lækningaminjasafn Íslands	Transfer payment	25,000,000
<b>Total</b>		<b>25,000,000</b>
02969695 – Menningarhús	Transfer payment	365,000,000
<b>Total</b>		<b>365,000,000</b>
02969696 – Byggðasöfn	Transfer payment	18,462,667
<b>Total</b>		<b>18,462,667</b>
02972101 – Íslenski dansflokkurinn	Own revenues	-16,681,030
	Payroll costs	79,579,919
	Other costs	59,300,065
	Asset purchases	289,434
<b>Total</b>		<b>122,488,388</b>
02973101 – Þjóðleikhúsið	Own revenues	-221,681,447
	Payroll costs	648,248,643
	Other costs	280,247,581
	Asset purchases	9,964,507
	Transfer payment	-602,908
<b>Total</b>		<b>716,176,376</b>
02974101 – Sinfóníuhljómsveit Íslands	Own revenues	-109,677,199
	Payroll costs	548,974,253
	Other costs	197,887,630
	Asset purchases	1,965,548
	Transfer payment	29,696,883
<b>Total</b>		<b>668,847,115</b>
02977111 – Höfundarréttargjöld til samtaka höfundarréttarfélaga	Transfer payment	43,610,442
<b>Total</b>		<b>43,610,442</b>
02977113 – Fylgiréttargjöld í Myndhöfundarsjóð Íslands – Myndstef	Transfer payment	2,441,891
<b>Total</b>		<b>2,441,891</b>
02977114 – Höfundarréttargjald vegna flutnings tónverka við guðsþjónustur	Transfer payment	1,000,000
<b>Total</b>		<b>1,000,000</b>
02977115 – Höfundarréttargjald vegna flutnings tónverka við jarðarfarir	Transfer payment	6,041,314
<b>Total</b>		<b>6,041,314</b>
02978101 – Listasjóðir skv. lögum nr. 35/1991	Payroll costs	4,735,651
	Other costs	4,572,898
	Transfer payment	323,580,581
<b>Total</b>		<b>332,889,130</b>
02979101 – Húsafríðunarnefnd	Own revenues	-5,161,125
	Payroll costs	19,839,289

	Other costs	14,404,861
	Asset purchases	427,571
	Transfer payment	59,025
<b>Total</b>		<b>29,569,621</b>
02979610 – Húsafriðunarsjóður	Own revenues	-129,534,374
	Payroll costs	4,430,371
	Other costs	75,043,653
	Asset purchases	4,400
	Transfer payment	178,485,017
<b>Total</b>		<b>128,429,067</b>
02980601 – Listskreytingasjóður	Own revenues	-1,446,964
	Payroll costs	124,184
	Other costs	5,081,641
	Transfer payment	5,900,000
<b>Total</b>		<b>9,658,861</b>
02981101 – Kvikmyndamiðstöð Íslands	Own revenues	-21,342,154
	Payroll costs	40,486,497
	Other costs	74,472,716
	Asset purchases	531,696
	Transfer payment	15,153,182
<b>Total</b>		<b>109,301,937</b>
02981110 – Kvikmyndasjóðir	Other costs	15,298,180
	Transfer payment	692,882,584
<b>Total</b>		<b>708,180,764</b>
02982114 – Bókasafnssjóður höfunda	Transfer payment	30,000,000
<b>Total</b>		<b>30,000,000</b>
02982117 – Kynningarmiðstöð íslenskrar myndlistar	Transfer payment	28,000,000
<b>Total</b>		<b>28,000,000</b>
02982118 – Bókmenntasjóður	Own revenues	-13,085,269
	Payroll costs	7,740,659
	Other costs	4,514,196
	Asset purchases	170,652
	Transfer payment	71,006,768
<b>Total</b>		<b>70,347,006</b>
02982122 – Starfsemi áhugaleikfélaga	Transfer payment	28,900,000
<b>Total</b>		<b>28,900,000</b>
02982123 – Bandalag íslenskra leikfélaga	Transfer payment	7,500,000
<b>Total</b>		<b>7,500,000</b>
02982124 – Starfsemi atvinnuleikhópa	Payroll costs	593,379
	Other costs	176,204
	Transfer payment	68,200,000
<b>Total</b>		<b>68,969,583</b>
02982125 – Tónlistarsjóður	Payroll costs	460,913
	Other costs	109,404
	Transfer payment	51,145,000
<b>Total</b>		<b>51,715,317</b>
02982127 – Tónlist fyrir alla	Transfer payment	7,900,000
<b>Total</b>		<b>7,900,000</b>
02982128 – Barnamenningarsjóður	Other costs	21,611
	Transfer payment	1,980,000

Total		2,001,611
02982129 – Íslensk tónverkamiðstöð	Transfer payment	12,600,000
Total		12,600,000
02982130 – Íslenska óperan	Transfer payment	175,700,000
Total		175,700,000
02982145 – Samningar við sveitarfélög um menningarmál	Transfer payment	347,000,000
Total		347,000,000
02982157 – Þátttaka í bókakaupstefnu í Frankfurt árið 2011	Own revenues	-1,520,000
	Payroll costs	17,857,570
	Other costs	32,280,736
	Asset purchases	1,245,328
	Transfer payment	11,060,975
Total		60,924,609
02982170 – Heiðurslaun listamanna samkvæmt ákvörðun Alþingis	Payroll costs	52,200,000
Total		52,200,000
02982176 – Menningarsjóður félagsheimila	Other costs	24,580
	Transfer payment	200,000
Total		224,580
02982180 – Listahátíð í Reykjavík	Transfer payment	36,000,000
Total		36,000,000
02982190 – Listir	Transfer payment	49,700,000
Total		49,700,000
02983110 – Fræðistörf	Payroll costs	4,568,685
	Transfer payment	5,274,000
Total		9,842,685
02983111 – Styrkir til útgáfumála	Transfer payment	40,100,000
Total		40,100,000
02983117 – Launasjóður höfunda fræðiritra	Other costs	511,830
	Transfer payment	12,240,000
Total		12,751,830
02983120 – Iðnsaga Íslands	Other costs	870,800
Total		870,800
02983121 – Tónlistarsaga Íslands	Other costs	33,786
	Transfer payment	4,000,000
Total		4,033,786
02983123 – Hið íslenska bókmenntafélag	Transfer payment	10,000,000
Total		10,000,000
02983152 – Skriðuklaustur	Other costs	6,545
	Transfer payment	23,794,973
Total		23,801,518
	Transfer payment	20,700,000
Total		20,700,000
02983154 – Fornleifasjóður	Payroll costs	576,663
	Other costs	25,613
	Transfer payment	24,080,000
Total		24,682,276
02999181 – Verkefni á vegum Menningarmálastofnunar Sameinuðu þjóðanna, Unesco	Other costs	1,711,854
	Transfer payment	676,616

Total		2,388,470
02999190 – Ýmis framlög	Transfer payment	142,845,400
Total		142,845,400
02999198 – Ýmis framlög menntamálaráðuneytis	Own revenues	-5,124,320
	Payroll costs	528,819
	Other costs	7,048,450
	Transfer payment	144,307,487
Total		146,760,436
<b>083 – BROADCASTING AND PUBLISHING SERVICES</b>		
02971110 – Ríkisútvarpið, afnotagjöld	Transfer payment	3,575,000,004
Total		3,575,000,004
02999113 – Útvarpsréttarnefnd	Payroll costs	2,520,374
	Other costs	14,274,561
	Transfer payment	2,500,000
Total		19,294,935

## **Appendix 2 – Data from the Association of Local Authorities**

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Similarly to the Icelandic State Accounting Office, the Association of Local Authorities in Iceland maintains a record of local government revenues and expenditures using a chart of accounts. The chart of accounts used in local government differs from that used in central government, and there may be some overlap between accounts listed by the State Accounting Office and the local authorities. However, when combined the central and local government charts of accounts should cover the public arts and cultural sector. The data used is from the period 2005–2009 and based on 'Category 05 – Cultural services' in the local government accounts.

The Cultural Services category includes all expenditure and contributions from local authorities to cultural activities, including museums, cultural centres, history writing, celebrations, etc. It also includes contributions to church buildings (The Association of Local Authorities in Iceland, 2011).

The construction and operation of facilities used within individual sub-groups of the category come under a Property Fund, which issues a rent invoice for housing costs to the administrative unit in question. However, initial and operating costs for properties that are part of a museum come directly under expenses for the administrative unit in question.

Under Advertisement No. 414/2001 of the Ministry for Social Affairs, cultural affairs must be segmented into the following administrative units in local government accounts:

### **05 0 Joint expenditures**

This includes the costs of the local authority's Cultural Committee, Head of Cultural Affairs and other joint culture-related costs.

### **05 2 Libraries**

This includes the operation of libraries, except school libraries, which come under 'school operation' in 'Category 04 – Educational and pedagogical services'. Also included here is the funding of municipal libraries and joint municipal library operations as well as the cost of book purchases.

In the case of joint school/public libraries, an assessment must be made of which function plays a larger role in the library's services. If the school library function plays the larger role, the library's operating expenses are allocated to the school in question.

The construction and operation of library facilities come under the Property Fund, which issues an invoice for housing costs to the administrative unit in question (libraries).

### **05 3 Other collections, archives and museums**

This includes expenditure on the operation of archives, various history museums, natural history museums and other museums operated by local authorities or joint municipal enterprises.

The construction and operation of facilities come under the Property Fund, which issues an invoice for housing costs to the administrative unit in question.

#### **05 4 Local history**

This also includes expenditure on the operation of archives, various history museums, natural history museums and other museums operated by local authorities or joint municipal enterprises.

The construction and operation of facilities come under the Property Fund, which issues an invoice for housing costs to the administrative unit.

#### **05 5 Arts**

This includes expenditure on any type of art exhibitions, art purchases, the operation of art museums, theatres and concert halls. Also included here are local authorities' costs of Artists Laureate.

The construction and operation of facilities come under the Property Fund, which issues an invoice for housing costs to the administrative unit.

#### **05 6 Cultural centres – community centres**

This includes expenditure on the operation of cultural and community centres whose activities are mostly cultural. The construction and operation of facilities for such centres come under the Property Fund, which issues an invoice for housing costs (internal rent) to be covered by this administrative unit.

#### **05 7 Celebrations**

This includes outlays on celebrations, such as the Icelandic National Day, municipal anniversaries, midsummer festivals, country festivals, New Year's Eve and Twelfth Night bonfires and other celebrations organised by local authorities.

#### **05 8 Various grants and contributions**

This includes grants to cultural societies, associations and organisations, such as theatre companies, music societies, art and cultural funds and choirs. Also included here are contributions to church buildings. Municipal outlays on cemeteries fall under 'Category 11 2 – Public parks'.

### Appendix 3 – Data from the VAT Register

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On 1 January 2008, a new classification of economic activities in Iceland – ÍSAT2008 – took effect. *ÍSAT2008* is based on the NACE Rev. 2 statistical classification of economic activities in the European Community, the industry standard throughout the European Economic Area.

Systems of classification of economic activities play an important role in economic statistical reporting. A standardised system also facilitates cross-country comparisons. ÍSAT2008 is currently used in the Internal Revenue's Enterprise Register as well as in official statistical reporting by Statistics Iceland. All legally registered companies and self-employed individuals are listed in the Enterprise Register in accordance with ÍSAT2008.

ÍSAT2008 replaced the ÍSAT1995 classification system (Statistics Iceland, 2011b).

Under the ÍSAT2008 numerical code system, the first two digits of the code identify the broadest industry category or 'division' (e.g. 58 – Publishing activities), the first three digits designate the 'group' (e.g. 58.1 – Publishing of books, periodicals and other publishing activities) and four-digit codes identify the 'class' (e.g. 58.11 – Book publishing). The information on turnover was compiled from VAT reports and covers VAT-taxable turnover as well as any turnover exempted from VAT under Article 12 of the Value Added Tax Act (principally exports). However, the information does not include turnover from activities exempted from VAT under Article 2, which states, among other things:

The following labour and services are exempt from value added tax:

The operation of schools and educational institutions, as well as driver instruction, pilot instruction and dance instruction.

The operation of collections, such as libraries, art museums and natural history museums and similar cultural activity. The same applies to admission charges to concerts, Icelandic motion pictures, ballet and stage performances and theatres, provided such gatherings are in no manner associated with other gatherings or restaurant operations.

The activities of authors and musical composers in their creation of intellectual property and comparable artistic activity (Value Added Tax Act, No. 50/1988).

Article 4 of the Act lists parties exempt from the obligation to collect and remit VAT under Article 3:

Parties that only sell goods or services exempt from value added tax.

Artists as regards their sale of own works of art, provided the works of art come under the Customs Code numbers 9701.1000-9703.0000, and auctioneers as regards their sale of these works at art auctions, cf. Act No. 36/1987.

Those who sell taxable goods and services for ISK 1,000,000 or less in each twelve-month period from the beginning of their business activity.

## VAT-taxable turnover of creative industries

The data were compiled from VAT reports and covers VAT taxable turnover as well as turnover exempt from VAT under Article 12 of the Value Added Tax Act (principally exports). However, they do not include turnover from activities exempt from VAT under Article 2 of the Act.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Preparation and spinning of textile fibres	5%	1310	43.6	29.7	24.8	38.0	59.7
Weaving of textiles	5%	1320	0.7	0.2	0.3	0.2	0.3
Mfr of knitted and crocheted fabrics	5%	1391	14.1	13.2	16.6	27.0	35.7
Mfr of made up textile articles, except apparel	5%	1392	86.3	76.7	88.1	63.9	43.9
Mfr of carpets and rugs	5%	1393	0.0	0.0	0.0	0.0	0.0
Mfr of leather clothes	5%	1411	0.4	0.3	0.3	0.2	0.2
Mfr of work apparel	5%	1412	176.9	152.7	168.6	198.5	220.0
Mfr of other outerwear	5%	1413	15.7	11.8	12.9	10.1	9.7
Mfr of other wearing apparel and accessories	5%	1419	25.7	20.4	24.3	18.3	20.8
Mfr of knitted and crocheted hosiery	5%	1431	5.2	3.6	3.5	4.2	4.3
Mfr of other knitted and crocheted apparel	5%	1439	36.3	25.8	26.7	35.8	52.6
Tanning and dyeing of leather, dressing and dyeing of fur	5%	1511	7.0	16.8	20.3	32.7	36.6
Mfr of baggage, handbags and the like, saddlery and harness	5%	1512	19.0	16.3	16.6	13.6	13.4
Mfr of footwear	5%	1520	0.6	1.1	0.3	0.3	0.2
Mfr of paper stationery	5%	1723	11.7	8.3	8.0	9.6	13.1
Printing of newspapers	100%	1811	15.9	26.1	835.3	2459.3	1620.1
Other printing	100%	1812	14433.7	16493.2	24592.1	25802.8	26137.1
Pre-press and media services	100%	1813	1026.3	843.2	1064.1	1280.9	1001.8
Binding and related services	100%	1814	493.1	366.2	376.4	329.5	324.3
Reproduction of recorded media	100%	1820		16.6	18.6	5.6	9.0
Mfr of communication equipment	25,0%	2630	41.4	11.8	13.9	12.6	7.5
Mfr of musical instruments	100,0%	3220	64.4	56.6	74.5	75.4	73.0
Wholesale of information and communication equipment	10,0%	4651	1533.8	473.3	742.5	1184.1	1318.6
Wholesale of electronic and tele-communications equipment and parts	5%	4652	476.3	235.3	488.7	503.6	472.7
Retail sale of computers, peripheral units and software in specialised stores	5%	4741	1916.2	1427.3	1734.8	1631.8	1235.8
Retail sale of telecommunications equipment in specialised stores	5%	4742	2.5	1.9	2.9	5.1	5.7
Retail sale of audio and video equipment in specialised stores	100,0%	4743	3187.0	2775.2	3081.4	2578.9	2983.7
Retail sale of textiles in specialised stores	5%	4751	88.4	64.4	67.2	86.5	132.3
Retail sale of books in specialised stores	100%	4761	2446.8	1816.9	1926.9	1927.2	2366.4
Retail sale of newspapers and stationery in specialised stores	50%	4762	6284.7	5075.9	6586.4	7164.9	5215.8
Retail sale of music and video recordings in specialised stores	100,0%	4763	407.4	205.0	1401.1	1289.3	1101.0
Retail sale of clothing in specialised stores	5%	4771	1732.4	1327.8	1521.6	1629.8	1745.6
Hotels and similar accommodation	50,0%	5510	15110.1	10995.7	12849.2	14611.3	16534.7
Holiday and other short stay accommodation	50,0%	5520	214.3	200.4	271.0	369.5	612.5
Camping grounds, recreational vehicle parks and trailer parks	50,0%	5530	348.7	170.4	98.5	89.1	127.9
Book publishing	100%	5811	9711.0	7351.6	9404.0	9114.0	9488.6



Publishing of newspapers	100%	5813	19014.9	18929.6	24866.4	10301.7	21298.3
Publishing of journals and periodicals	100%	5814	2889.5	1978.2	2881.2	1934.0	936.1
Other publishing activities	100%	5819	743.7	858.1	1526.7	1346.6	916.5
Other publishing activities	100%	5821	2036.3	3292.2	3923.1	10942.5	13255.4
Other software publishing	50%	5829	2062.2	1407.1	904.8	753.7	906.0
Motion picture, video production and TV programme production activities	100%	5911	10032.3	9149.5	11236.4	8817.4	9613.7
Motion picture, video and TV programme post-production activities	100%	5912	143.7	134.9	99.0	132.4	141.5
Motion picture, video and TV programme distribution activities	100%	5913	1487.6	852.6	1174.9	1657.7	1619.5
Motion picture projection activities	100%	5914	4750.4	3062.0	3342.6	3803.4	4101.7
Sound recording and music publishing activities	100,0%	5920	893.9	6057.2	6284.4	959.6	5076.6
Radio Broadcasting	100%	6010	87.7	38.7	6373.9	9276.5	2776.2
Television programming and broadcasting activities	100%	6020	114.2	1917.8	3311.3	194.7	126.0
Wireless telecommunications activities	5%	6120	2904.1	2529.9	3327.9	1244.3	1202.1
Satellite telecommunications activities	5%	6130	0.2	2.4	23.9	82.2	104.4
Computer consultancy activities	5%	6202	896.2	872.1	1057.7	1091.0	896.9
Web portals	100%	6312	7.9	11.4	47.4	61.4	47.4
News agency activities	100%	6391	26.6	17.8	23.1	28.9	68.9
Public relations and communications activities	10,0%	7021	144.7	128.3	142.8	130.4	100.8
Architectural activities	25,0%	7111	4433.8	3748.7	4413.3	3575.5	1486.0
Research and experimental development on social sciences and the humanities	10,0%	7220	6.6	6.5	5.1	9.0	8.4
Advertising agencies	100,0%	7311	16378.0	14179.2	17322.5	15608.3	11068.5
Media representation	100%	7312	8320.8	7020.5	8741.0	7486.9	7879.8
Specialised design activities	100,0%	7410	1028.5	867.4	1147.2	1389.8	1623.4
Photographic activities	100,0%	7420	2044.2	1606.6	1775.1	1836.6	1632.4
Translation and interpretation activities	100,0%	7430	699.1	512.7	757.5	917.8	820.0
Leasing of intellectual property and similar products except copyrighted works	5%	7740	1.8	4.9	5.6	9.8	13.6
Travel agency activities	25,0%	7911	246.6	321.2	323.4	345.4	441.0
Tour operator activities	25,0%	7912	51.0	43.9	102.5	137.1	152.8
Regulation of the activities of providing health care, education, cultural services, etc., excluding social security	25,0%	8412	33.3	25.2	22.6	22.3	18.2
Post-secondary non-tertiary education	10,0%	8541	0.0	0.1	0.2	0.4	8.4
Tertiary education	10,0%	8542	42.4	27.3	26.1	34.9	29.5
Cultural education	100,0%	8552	26.3	12.9	10.1	14.7	26.5
Performing arts	100,0%	9001	487.4	482.9	456.6	758.0	681.3
Support activities to performing arts	100,0%	9002	294.0	264.6	360.9	292.0	204.3
Artistic creation	100,0%	9003	417.8	254.4	420.5	369.5	419.4
Operation of arts facilities	100,0%	9004	725.4	966.1	1158.1	884.2	1212.6
Library and archive activities	100%	9101	361.9	271.9	241.1	280.4	284.5
Museum activities	100,0%	9102	305.7	193.5	277.7	264.1	278.3
Operation of historical sites and buildings and similar visitor attractions	100,0%	9103	4.7	6.4	4.9	6.5	4.8
Botanical and zoological gardens and nature reserves activities	100,0%	9104	20.8	13.3	15.1	1.2	1.7
Activities of amusement parks and theme parks	100,0%	9321	25.2	13.9	7.8	18.8	
Other amusement and recreation activities	100,0%	9329	597.7	495.7	905.5	837.7	921.3
<b>Total</b>			<b>144,766.8</b>	<b>132,891.5</b>	<b>176,610.6</b>	<b>160,462.9</b>	<b>165,429.3</b>

## Labour costs in creative industries according to VAT-taxable activities

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Preparation and spinning of textile fibres	5%	1310	5.3	5.6	6.0	5.9	7.6
Weaving of textiles	5%	1320	0.1	0.0	0.0	0.0	0.0
Mfr of knitted and crocheted fabrics	5%	1391	1.8	2.4	3.4	4.4	5.4
Mfr of made up textile articles, except apparel	5%	1392	5.6	6.6	8.0	8.7	6.1
Mfr of carpets and rugs	5%	1393	0.0	0.0	0.0	0.0	0.0
Mfr of leather clothes	5%	1411	0.1	0.1	0.1	0.1	0.1
Mfr of work apparel	5%	1412	12.4	14.8	15.2	16.8	18.2
Mfr of other outerwear	5%	1413	1.3	1.5	1.6	1.5	1.5
Mfr of other wearing apparel and accessories	5%	1419	3.5	3.7	4.3	4.0	4.5
Mfr of knitted and crocheted hosiery	5%	1431	1.1	1.0	0.7	0.9	1.0
Mfr of other knitted and crocheted apparel	5%	1439	2.4	2.4	2.5	2.9	3.9
Tanning and dyeing of leather, dressing and dyeing of fur	5%	1511	0.6	1.5	2.2	2.2	2.4
Mfr of baggage, handbags and the like, saddlery and harness	5%	1512	1.3	1.3	1.4	1.4	1.1
Mfr of footwear	5%	1520	0.1	0.2	0.2	0.1	0.0
Mfr of paper stationery	5%	1723	0.6	0.6	0.8	0.9	1.1
Printing of newspapers	100%	1811	2.6	3.0	70.2	191.5	142.3
Other printing	100%	1812	1489.1	2682.3	3010.8	3005.4	2469.1
Pre-press and media services	100%	1813	110.4	132.2	145.0	168.8	150.7
Binding and related services	100%	1814	65.2	69.4	67.5	64.3	54.4
Reproduction of recorded media	100%	1820		0.4		0.4	0.5
Mfr of communication equipment	25%	2630	3.8	3.7	3.4	5.0	0.0
Mfr of musical instruments	100%	3220	16.2	17.0	21.7	22.1	16.9
Wholesale of information and communication equipment	10%	4651	72.4	83.9	85.3	116.6	108.3
Wholesale of electronic and telecommunications equipment and parts	5%	4652	18.7	23.9	31.8	37.1	34.1
Retail sale of computers, peripheral units and software in specialised stores	5%	4741	105.4	110.4	139.7	150.7	82.5
Retail sale of telecommunications equipment in specialised stores	5%	4742	0.1	0.1	0.1	0.5	0.7
Retail sale of audio and video equipment in specialised stores	100%	4743	111.0	118.9	149.1	161.5	119.7
Retail sale of textiles in specialised stores	5%	4751	5.3	6.5	6.7	7.4	9.3
Retail sale of books in specialised stores	100%	4761	125.6	133.4	133.4	130.6	156.9
Retail sale of newspapers and stationery in specialised stores	50%	4762	358.7	371.2	483.3	640.8	558.7
Retail sale of music and video recordings in specialised stores	100%	4763	15.0	13.0	64.3	81.5	135.3
Retail sale of clothing in specialised stores	5%	4771	88.3	107.0	119.6	130.8	130.1
Hotels and similar accommodation	50%	5510	1485.6	1802.1	2282.2	2597.5	2570.2
Holiday and other short stay accommodation	100%	5520	45.1	54.1	66.4	74.8	86.6
Camping grounds, recreational vehicle parks and trailer parks	50%	5530	17.0	12.3	16.3	17.4	17.6
Book publishing	100%	5811	589.2	758.9	1084.7	1174.7	1093.8
Publishing of newspapers	100%	5813	2197.9	2996.2	3818.4	3952.0	3056.5
Publishing of journals and periodicals	100%	5814	259.4	303.5	447.3	451.3	134.1
Other publishing activities	100%	5819	71.6	126.4	356.1	270.8	119.2
Publishing of computer games	100%	5821	210.0	375.5	612.6	938.9	1512.7

Other software publishing	50%	5829	296.6	326.5	231.1	155.0	154.9
Motion picture, video production and TV programme production activities	100%	5911	644.7	979.7	1081.9	1263.2	1095.7
Motion picture, video and TV programme post-production activities	100%	5912	16.8	20.5	16.4	24.1	25.2
Motion picture, video and TV programme distribution activities	100%	5913	61.6	67.1	78.1	85.0	91.8
Motion picture projection activities	100%	5914	300.3	320.5	361.1	376.7	398.0
Sound recording and music publishing activities	100%	5920	90.1	412.1	404.4	376.4	388.6
Radio Broadcasting	100%	6010	21.6	21.9	54.6	1719.8	1648.5
Television programming and broadcasting activities	100%	6020	28.7	224.0	415.9	312.5	228.1
Wireless telecommunications activities	5%	6120	253.8	269.8	294.2	287.9	264.4
Satellite telecommunications activities	5%	6130	0.0	0.1	1.4	2.5	1.2
Computer consultancy activities	5%	6202	111.0	155.1	189.7	212.0	188.4
Web portals	100%	6312	0.1	4.6	12.2	14.4	13.0
News agency activities	100%	6391	16.6	12.2	17.0	17.2	18.2
Public relations and communications activities	10%	7021	17.9	22.6	25.6	24.3	18.8
Architectural activities	25%	7111	453.1	576.3	757.9	802.5	402.4
Research and experimental development on social sciences and the humanities	10%	7220	3.2	4.3	8.0	12.1	8.9
Advertising agencies	100%	7311	1450.0	1792.2	2322.1	2513.3	1743.1
Media representation	100%	7312	147.6	181.0	246.2	238.3	170.1
Specialised design activities	100%	7410	103.2	129.6	214.0	282.1	240.9
Photographic activities	100%	7420	208.2	247.2	275.0	286.5	280.1
Translation and interpretation activities	100%	7430	204.6	243.8	305.2	327.5	313.7
Leasing of intellectual property and similar products except copyrighted works	100%	7740	0.2	0.5	0.3	0.3	0.3
Travel agency activities	25%	7911	264.9	296.6	411.8	460.7	436.2
Tour operator activities	25%	7912	44.3	52.0	88.1	108.0	144.7
Regulation of the activities of providing health care, education, cultural services, etc., excluding social security	25%	8412	336.2	330.8	359.7	393.3	632.5
Post-secondary non-tertiary education	10%	8541	3.0	4.2	9.2	18.7	21.4
Tertiary education	10%	8542	65.1	132.4	162.1	191.1	197.6
Cultural education	100%	8552	908.7	1104.1	1283.6	1370.4	1378.7
Performing arts	100%	9001	631.0	730.5	858.3	924.4	883.7
Support activities to performing arts	100%	9002	81.8	97.5	124.1	132.5	82.5
Artistic creation	100%	9003	437.6	481.5	553.4	579.7	599.1
Operation of arts facilities	100%	9004	86.7	158.7	341.7	295.3	280.1
Library and archive activities	100%	9101	45.3	54.1	59.0	71.2	79.1
Museum activities	100%	9102	72.6	88.6	117.7	174.9	207.3
Operation of historical sites and buildings and similar visitor attractions	100%	9103	2.1	5.3	9.0	9.8	14.4
Botanical and zoological gardens and nature reserves activities	100%	9104	2.2	3.1	0.9	0.5	1.6
Activities of amusement parks and theme parks	100%	9321	1.1	1.2	1.3	1.3	1.3
Other amusement and recreation activities	100%	9329	92.1	118.7	153.1	190.4	175.2
<b>Total</b>			<b>15,004.2</b>	<b>20,017.6</b>	<b>25,107.5</b>	<b>28,698.0</b>	<b>25,642.4</b>

## Full-time equivalents in creative industries according to VAT-taxable activities

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Preparation and spinning of textile fibres	5%	1310	2.1	2.2	2.2	2.0	2.1
Weaving of textiles	5%	1320	0.1	0.0	0.1	0.0	0.0
Mfr of knitted and crocheted fabrics	5%	1391	1.0	1.2	1.6	1.9	2.3
Mfr of made up textile articles, except apparel	5%	1392	3.2	3.4	3.7	3.8	2.8
Mfr of carpets and rugs	5%	1393	0.0	0.0	0.0	0.0	0.0
Mfr of leather clothes	5%	1411	0.1	0.1	0.1	0.1	0.1
Mfr of work apparel	5%	1412	4.6	5.1	4.9	5.2	5.2
Mfr of other outerwear	5%	1413	0.8	1.0	1.0	0.9	0.9
Mfr of other wearing apparel and accessories	5%	1419	2.1	1.9	2.1	1.9	2.0
Mfr of knitted and crocheted hosiery	5%	1431	0.4	0.4	0.4	0.4	0.4
Mfr of other knitted and crocheted apparel	5%	1439	1.0	1.1	1.0	1.1	1.4
Tanning and dyeing of leather, dressing and dyeing of fur	5%	1511	0.3	0.6	0.9	0.7	0.7
Mfr of baggage, handbags and the like, saddlery and harness	5%	1512	0.8	0.8	0.8	0.7	0.6
Mfr of footwear	5%	1520	0.1	0.1	0.1	0.1	0.0
Mfr of paper stationery	5%	1723	0.2	0.2	0.2	0.2	0.2
Printing of newspapers	100%	1811	1.0	1.0	15.7	38.5	30.9
Other printing	100%	1812	578.2	853.5	871.6	844.3	737.7
Pre-press and media services	100%	1813	44.7	51.7	53.9	57.0	51.0
Binding and related services	100%	1814	28.8	27.8	26.3	24.4	23.4
Reproduction of recorded media	100%	1820		0.3		1.0	1.1
Mfr of communication equipment	25%	2630	1.6	1.5	1.0	1.2	0.0
Mfr of musical instruments	100%	3220	6.5	7.2	8.3	8.3	8.8
Wholesale of information and communication equipment	10%	4651	15.1	17.1	16.0	19.9	17.6
Wholesale of electronic and telecommunications equipment and parts	5%	4652	4.9	6.2	7.1	7.9	7.2
Retail sale of computers, peripheral units and software in specialised stores	5%	4741	25.5	25.3	29.5	29.5	17.0
Retail sale of telecommunications equipment in specialised stores	5%	4742	0.1	0.1	0.1	0.1	0.2
Retail sale of audio and video equipment in specialised stores	100%	4743	31.5	36.3	40.0	39.6	30.0
Retail sale of textiles in specialised stores	5%	4751	3.5	3.9	3.7	3.8	4.5
Retail sale of books in specialised stores	100%	4761	64.0	63.3	58.3	56.3	70.8
Retail sale of newspapers and stationery in specialised stores	50%	4762	161.0	162.5	185.8	224.2	206.0
Retail sale of music and video recordings in specialised stores	100%	4763	10.6	7.6	40.3	46.8	59.8
Retail sale of clothing in specialised stores	5%	4771	54.4	63.3	65.8	68.7	62.5
Hotels and similar accommodation	50%	5510	738.8	832.5	977.0	1034.0	990.5
Holiday and other short stay accommodation	100%	5520	26.8	30.7	33.8	38.4	41.3
Camping grounds, recreational vehicle parks and trailer parks	50%	5530	12.3	6.9	7.2	7.5	7.4
Book publishing	100%	5811	190.3	226.2	310.7	342.1	293.3
Publishing of newspapers	100%	5813	1123.3	1312.3	1411.8	1407.0	1103.8
Publishing of journals and periodicals	100%	5814	133.1	136.2	147.2	143.8	110.3
Other publishing activities	100%	5819	48.7	79.0	128.3	114.5	71.3
Publishing of computer games	100%	5821	54.3	94.3	147.5	188.9	210.9

Other software publishing	50%	5829	62.8	64.4	43.0	27.3	26.5
Motion picture, video production and TV programme production activities	100%	5911	190.5	257.3	278.2	301.2	273.3
Motion picture, video and TV programme post-production activities	100%	5912	6.3	8.4	7.8	8.3	10.3
Motion picture, video and TV programme distribution activities	100%	5913	22.0	20.7	23.8	24.4	26.4
Motion picture projection activities	100%	5914	220.6	241.0	251.8	247.3	245.2
Sound recording and music publishing activities	100%	5920	53.3	201.4	199.5	196.2	200.1
Radio Broadcasting	100%	6010	15.1	16.5	46.0	433.9	414.8
Television programming and broadcasting activities	100%	6020	13.6	90.7	139.5	96.8	55.3
Wireless telecommunications activities	5%	6120	61.1	65.2	64.4	61.0	57.4
Satellite telecommunications activities	5%	6130	0.0	0.0	0.2	0.3	0.3
Computer consultancy activities	5%	6202	24.5	30.5	34.7	36.0	32.6
Web portals	100%	6312	0.3	1.4	4.2	4.5	4.7
News agency activities	100%	6391	10.8	9.8	13.9	14.0	13.6
Public relations and communications activities	10%	7021	4.7	5.4	5.8	5.4	4.4
Architectural activities	25%	7111	122.0	141.1	170.4	175.8	105.3
Research and experimental development on social sciences and the humanities	10%	7220	1.8	1.7	2.1	2.7	2.3
Advertising agencies	100%	7311	434.4	504.5	610.5	620.1	491.8
Media representation	100%	7312	54.8	60.3	79.8	75.2	63.4
Specialised design activities	100%	7410	49.4	61.3	81.1	93.9	106.6
Photographic activities	100%	7420	116.5	135.3	138.8	149.2	159.1
Translation and interpretation activities	100%	7430	132.1	143.3	173.8	179.0	179.8
Leasing of intellectual property and similar products except copyrighted works	100%	7740	0.1	0.2	0.1	0.1	0.1
Travel agency activities	25%	7911	105.9	110.0	138.4	148.8	135.0
Tour operator activities	25%	7912	18.8	21.6	32.8	35.6	43.7
Regulation of the activities of providing health care, education, cultural services, etc., excluding social security	25%	8412	181.6	138.6	139.7	142.6	319.3
Post-secondary non-tertiary education	10%	8541	1.7	2.2	3.1	5.0	5.4
Tertiary education	10%	8542	20.8	37.2	39.8	41.1	43.1
Cultural education	100%	8552	502.8	553.3	579.7	591.5	590.3
Performing arts	100%	9001	375.5	447.8	469.6	474.3	429.6
Support activities to performing arts	100%	9002	41.5	51.2	66.5	66.9	53.3
Artistic creation	100%	9003	293.3	295.7	315.5	340.0	358.0
Operation of arts facilities	100%	9004	62.3	80.8	124.3	107.8	95.4
Library and archive activities	100%	9101	23.1	25.5	26.3	31.3	35.8
Museum activities	100%	9102	53.3	55.8	71.4	90.3	96.3
Operation of historical sites and buildings and similar visitor attractions	100%	9103	1.3	3.2	4.0	4.3	5.2
Botanical and zoological gardens and nature reserves activities	100%	9104	1.4	1.6	1.3	0.7	1.2
Activities of amusement parks and theme parks	100%	9321	1.0	1.0	1.0	1.0	1.0
Other amusement and recreation activities	100%	9329	56.0	78.7	85.6	93.8	93.0
<b>Total</b>			<b>6,712.1</b>	<b>8,028.8</b>	<b>9,074.0</b>	<b>9,693.5</b>	<b>8,954.4</b>

## Export revenues from VAT-taxable creative industry activities

The following table lists the export revenues of the industrial categories that come under the creative industries definition. Some categories that were included in the list for turnover are not included here because they are not defined as creative industry export sectors and/or fall under the 'related domains' of the creative industries. The data were compiled from VAT reports and cover turnover exempt from VAT under Article 12 of the Value Added Tax Act (principally exports). However, they do not include turnover from activities exempt from VAT under Article 2 of the Act.<sup>5</sup> All amounts are in ISK millions.

	Weight	NACE rev. 2	2005	2006	2007	2008	2009
Preparation and spinning of textile fibres	5%	1310	23.8	16.3	13.9	22.1	21.0
Weaving of textiles	5%	1320	0.0	0.0	0.0	0.0	0.0
Mfr of knitted and crocheted fabrics	5%	1391	1.8	1.5	3.7	7.1	7.5
Mfr of made up textile articles, except apparel	5%	1392	0.0	0.0	0.1	0.2	0.1
Mfr of carpets and rugs	5%	1393	0.0	0.0	0.0	0.0	0.0
Mfr of leather clothes	5%	1411	0.0	0.0	0.0	0.0	0.0
Mfr of work apparel	5%	1412	22.4	25.8	31.6	40.1	26.3
Mfr of other outerwear	5%	1413	0.1	0.4	0.2	0.1	0.1
Mfr of other wearing apparel and accessories	5%	1419	0.2	4.6	5.2	0.2	0.2
Mfr of knitted and crocheted hosiery	5%	1431	0.1	0.4	0.5	0.5	0.3
Mfr of other knitted and crocheted apparel	5%	1439	10.4	3.7	3.5	2.6	3.0
Tanning and dyeing of leather, dressing and dyeing of fur	5%	1511	4.9	10.1	11.6	24.3	26.6
Mfr of baggage, handbags and the like, saddlery and harness	5%	1512	1.4	1.0	0.9	0.8	1.1
Mfr of footwear	5%	1520	0.0	0.7	0.0	0.0	0.0
Mfr of paper stationery	5%	1723	0.0	0.0	0.0	0.0	0.0
Printing of newspapers	100%	1811	0.4	0.7	4.2	21.8	18.6
Other printing	100%	1812	663.1	1,202.4	1,216.1	1,129.7	1,430.1
Pre-press and media services	100%	1813	5.2	10.2	8.4	21.1	12.4
Binding and related services	100%	1814	1.9	0.8	0.1	2.6	1.5
Reproduction of recorded media	100%	1820	0.0	2.7	1.8	0.1	0.3
Mfr of musical instruments	100%	3220	0.0	0.0	0.0	0.0	0.1
Retail sale of textiles in specialised stores	100%	4751	26.4	26.6	20.7	52.9	86.8
Retail sale of books in specialised stores	100%	4761	23.2	18.4	16.6	26.7	28.8
Retail sale of newspapers and stationery in specialised stores	50%	4762	82.1	223.6	332.2	327.1	225.5
Retail sale of music and video recordings in specialised stores	100%	4763	2.2	1.4	463.4	416.3	100.7
Retail sale of clothing in specialised stores	100%	4771	377.6	636.0	1,167.3	2,729.8	2,381.2
Book publishing	100%	5811	316.7	160.5	193.9	313.0	395.7
Publishing of newspapers	100%	5813	179.6	117.6	97.4	656.0	62.8
Publishing of journals and periodicals	100%	5814	95.4	49.5	71.4	53.3	49.6
Other publishing activities	100%	5819	51.0	10.7	18.1	23.5	79.0
Publishing of computer games	100%	5821	1,894.5	3,234.7	3,847.3	10,894.7	13,187.7
Other software publishing	50%	5829	757.5	477.2	237.7	270.1	477.8

<sup>5</sup> The Value Added Tax Act can be viewed here: [http://eng.fjarmaladaruneyti.is/media/log-reglur/The\\_Value\\_Added\\_Tax\\_Act\\_with\\_subsequent\\_amendments.pdf](http://eng.fjarmaladaruneyti.is/media/log-reglur/The_Value_Added_Tax_Act_with_subsequent_amendments.pdf)

Motion picture, video production and TV programme production activities	100%	5911	1.686.9	2.869.6	3.378.9	2.270.9	2.610.1
Motion picture, video and TV programme post-production activities	100%	5912	0.0	32.3	2.1	2.5	9.9
Motion picture, video and TV programme distribution activities	100%	5913	32.0	12.9	29.8	9.4	44.2
Motion picture projection activities	100%	5914	333.7	246.3	252.8	395.6	392.2
Sound recording and music publishing activities	100%	5920	109.5	689.2	719.2	193.7	544.9
Radio Broadcasting	100%	6010	0.2	0.4	0.1	0.6	2.2
Television programming and broadcasting activities	100%	6020	6.7	1.2	2.0	2.3	8.4
Wireless telecommunications activities	5%	6120	1.1	59.1	87.9	134.6	130.9
Satellite telecommunications activities	5%	6130	0.0	0.6	8.0	13.5	11.9
Computer consultancy activities	5%	6202	70.6	71.9	101.1	128.4	124.4
Web portals	100%	6312	0.2	2.7	9.6	19.0	5.5
News agency activities	100%	6391	0.0	0.3	0.6	1.0	1.4
Architectural activities	25%	7111	42.2	67.9	181.8	228.0	24.3
Advertising agencies	100%	7311	295.6	188.6	259.4	449.9	329.2
Media representation	100%	7312	66.2	65.2	120.9	90.9	121.5
Specialised design activities	100%	7410	318.0	242.2	332.4	439.1	432.4
Photographic activities	100%	7420	56.8	40.7	45.4	95.5	85.6
Leasing of intellectual property and similar products except copyrighted works	5%	7740	0.5	1.9	2.1	2.4	3.1
Performing arts	100%	9001	169.4	96.6	19.3	237.6	232.9
Support activities to performing arts	100%	9002	4.3	7.1	2.8	5.4	15.8
Artistic creation	100%	9003	63.0	9.6	113.7	77.0	108.4
Operation of arts facilities	100%	9004	74.8	88.9	105.1	142.8	217.0
Library and archive activities	100%	9101	0.0	0.0	0.0	0.0	8.0
Museum activities	100%	9102	6.6	4.4	6.6	3.3	6.8
Operation of historical sites and buildings and similar visitor attractions	100%	9103	0.0	0.0	0.3	0.2	0.0
Botanical and zoological gardens and nature reserves activities	100%	9104	15.3	9.5	8.4	0.0	0.0
<b>Total</b>			<b>7,895.0</b>	<b>11,046.8</b>	<b>13,557.8</b>	<b>21,980.6</b>	<b>24,095.7</b>

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