

## **DESIGNING NEW IDEAS FOR TRADE: THE CREATIVE INDUSTRIES & ANIMATION IN THE GREATER CARIBBEN**



“Animation offers a medium of storytelling and visual entertainment which can bring pleasure and information to people of all ages everywhere in the world.” Walt Disney

In addition to pleasure and information, the growing global animation industry is bringing high revenues and economic growth to many economies. According to the Global and China Animation Industry Report 2012-2015, in 2013, the sector was estimated to be worth US \$222.8 billion, and animation-related activities exceeded US\$500 billion. This growing sector has begun to slowly develop in some countries and has piqued the interest of others across the Greater Caribbean region. The questions remains - Can the region find a place to compete within this competitive creative sector?

Animation falls under the category of the Creative Industries - a new emerging services industry which capitalises on the unique culture and cultural products of a given economy. The Greater Caribbean with its rich and diverse history, culture and traditions is heavily invested in leveraging these advantages into exports and significant foreign exchange earnings. Creative industries and animation are apart of the much larger services sector which according to UNCTAD's latest 2015 global trade report is slated to be the next potential engine of growth.

The creative industries go far beyond the narrow definitions of creative as pertaining to “art and craft”. The creative economy includes audio-visual products, design, new media, performing arts, publishing and visual arts. Irina Bokova, Director-General of UNESCO believes that we must recognize the importance and power of cultural and creative sectors as engines of human and sustainable development. According to UNESCO reports creative industries are “not only one of the most rapidly growing sectors of the world economy but also highly transformative in terms of income generation, job creation and export earnings.” UNESO further estimates that between 2002 and 2011, developing-countries averaged 12.1 per cent annual growth in exports of creative goods.

Animation is a multifaceted sector which requires a variety of specialised skills and a strong labour force. There are 2D Animation, 3D animation, motion graphics, stop motion, and VFX, with each having various subsets in them such as architectural animation, medical animation etc. Animation is therefore cross cutting in various industries – cinema, television, video gaming, graphic design, software, web/mobile design and application development, architecture and medicine among others. Animation services are also closely linked to ICT services. ICT services which are important backbone services to a thriving Animation sector. It is important to note that a thriving animation sector can have spill over effects for mobile and web design, software and other technical areas.

## Trends in the World/Greater Caribbean Region

The consensus in regards to the Animation sector across the Greater Caribbean is focused on attracting outsourcing opportunities. The region however faces fierce competition from an Asian market (India, Philippines, South Korea and China) which owns the lion share of global animation outsourcing. Their competitive advantages are lower cost of production and large labour force. Canada, a northern neighbour, is also a large powerhouse in the global animation industry. What the region is hoping to capitalise on is the movement of these competitors into more local content production which may open up space for outsourcing opportunities to be captured by other regions.

However some animators in the field are cautious of this strategy. Rene Holder, a Trinidadian animator from Lab 206 Animation and Interactive Design Studio has suggested countries should also pursue local content production (both for domestic consumption and exports) in addition to outsourcing. Holder outlines the benefits of content production are merchandising and licensing which offer more lucrative returns. Already the larger economies of the Association of Caribbean States (ACS) – Mexico, Colombia are among the big players in the Latin American market. One economy to watch is the Costa Rican economy which is uniquely positioned as a successful niche for software and ICT outsourcing. This experience is likely to be an example of ICT and Animation sectors mutually supporting each other. Some Central American countries which have had measured success from individual studios on the international markets include Panama, Guatemala and Nicaragua.

While showing great interest and attracting development investment in the sector, the Caribbean has a tougher battle ahead. Jamaica and Trinidad are at the forefront of the movement with both hosting festivals and annual events to gain momentum for the sector. These economies are constrained by size both for labour force and market size. Due to this size constraint, a more focused strategy on finding niche areas is needed. This however requires detailed domestic statistics.

## Investment Potential

On the investment front, international and regional donor agencies are already investing into the training and sector analysis for the island zone of the Greater Caribbean. Attracting larger private investment is still yet to be actualized but several investment promotion industries have made the Creative sector a priority sector for investment. Across the Latin America membership of the Association there has been a mixture of venture capital investments, government and international donor agency investments. More detailed data is needed to get a clearer estimate.

The general challenges for the majority of ACS member states remain:

- Lack of skilled persons
- Financing/Investments
- Data/Statistics on the local sector
- Intellectual Property (IP) legislation/frameworks

One way that the ACS is contributing to the Creative Industries and by extension the larger Services Sector in the Greater Caribbean region is by supporting initiatives to improve trade in services statistics. As highlighted in previous articles, the Region's continued efforts to diversify means that service sector development is crucial to the sustainable economic development of the Greater Caribbean. The demand for available, relevant and quality data and statistics has increased as countries of the Greater Caribbean are progressively recognizing that accurate and extensive statistical data on the services sector is key to successful growth and greater economic opportunities.

Therefore in response to these demands, the Association of Caribbean States in collaboration with the Secretariat for Central American Economic Integration (SIECA) and United Nations Conference on Trade and Development (UNCTAD) has organized a distance-learning course on Trade in Service Statistics from 1st March to 10th April 2016. This course developed jointly by UNCTAD, the World Trade Organization and the UN Statistics Division and has also benefited from the close collaboration of the Inter-Agency Task Force on 'Statistics of International. It is a comprehensive course on compiling trade in services statistics both within the domestic market and international trade in services. Representatives from twenty-three of the twenty-five ACS Member states are currently participating.

Another important role of the ACS is facilitating collaboration amongst the countries of the Greater Caribbean. As such, one prospect to be explored in the future is capacity building and knowledge sharing among the ACS Member States in the Animation Sector and by extension the Creative Industries Sector. The ACS in fulfilling its mandate of political dialogue and regional cooperation is committed to encouraging Member States with expertise and resources to offer cooperation and industry development support with other Members.

The Creative Industries present a viable option for the Greater Caribbean to diversify their economic base while capitalizing on their unique cultural heritages. However, capturing a competitive advantage in the global Animation Sector will be a challenging task which requires strategy, planning and the right legislative frameworks. The diverse economic orientations of the Member States means there is no one way to pursue opportunities and different niches can be exploited. As countries try to navigate what these opportunities are, they must remain mindful of the changing competitive landscape and the ever-changing technological advances. They must be forward thinking and intentional in their approach in an attempt to stay secure economic success.

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