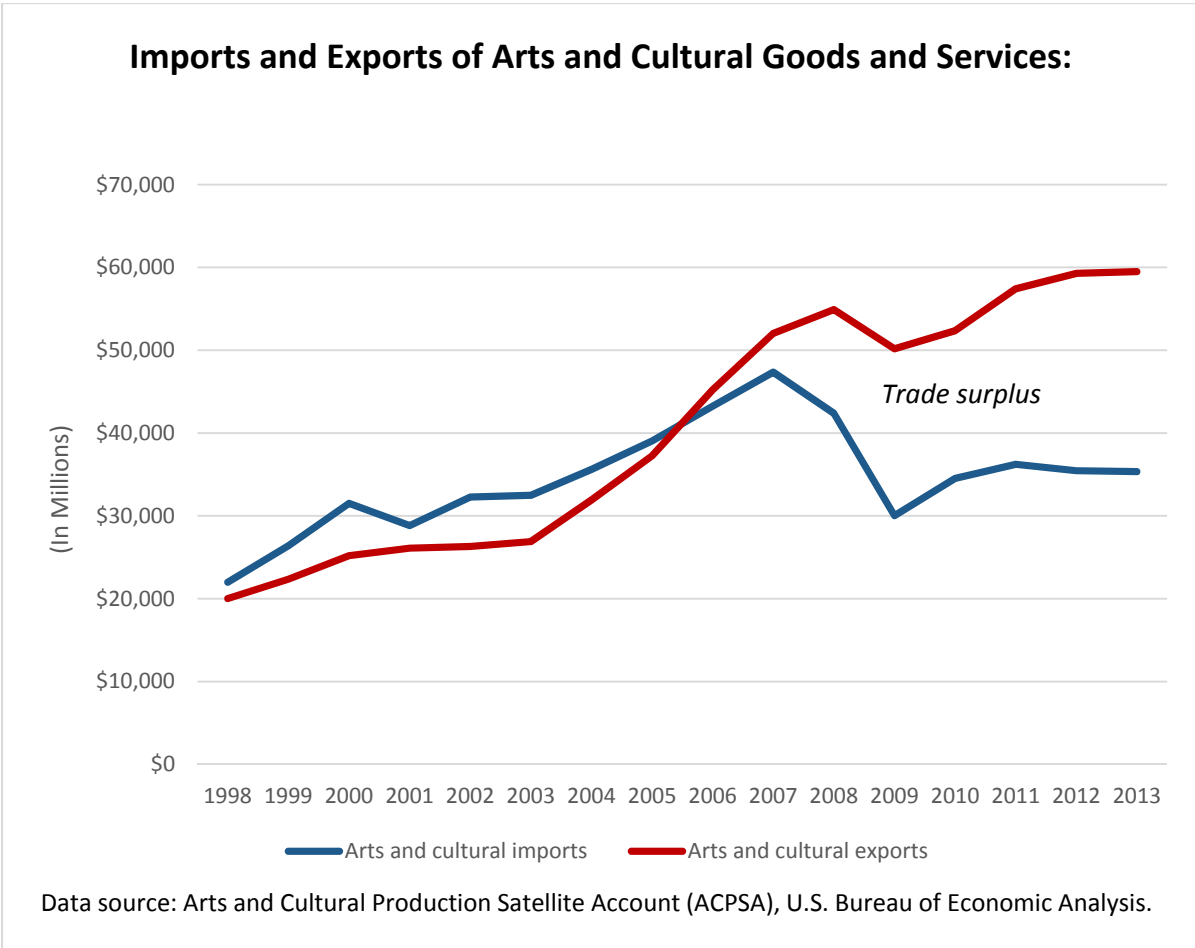


# U.S. Arts and Cultural Production Satellite Account: Issue Brief #7

## IMPORTS AND EXPORTS OF ARTS AND CULTURAL GOODS AND SERVICES

The United States exports more arts and cultural goods and services than it imports, resulting in a national trade surplus. Trade surpluses, driven by exports, tend to inject income and jobs into the U.S. economy.<sup>1</sup>

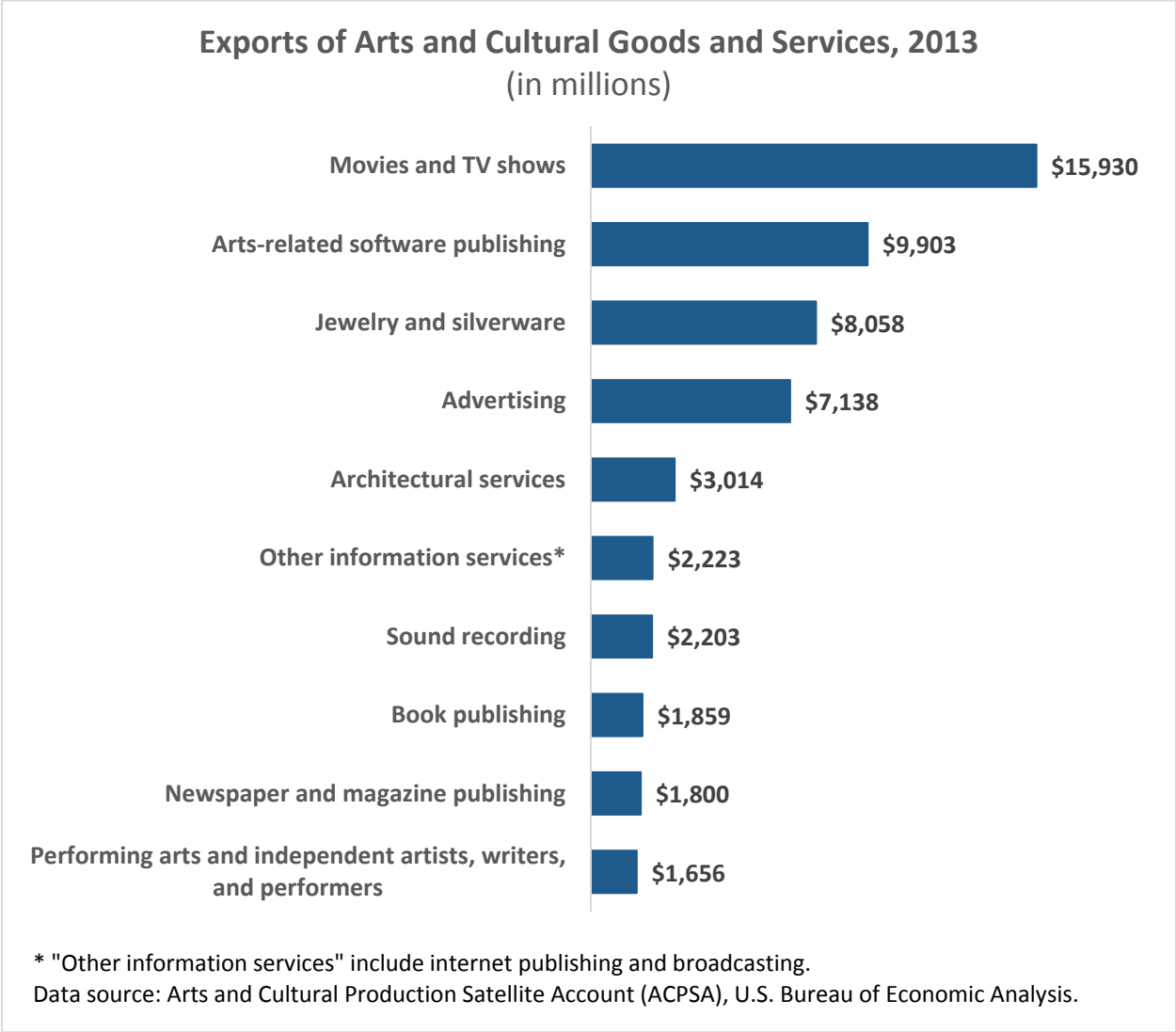
In 1998 through 2005, the U.S. incurred small trade deficits in arts and cultural services. In 2006, however, that trend reversed when a trade surplus of \$2 billion was recorded. In the years following, arts and cultural trade surpluses grew sharply, climbing to \$24 billion in 2013.



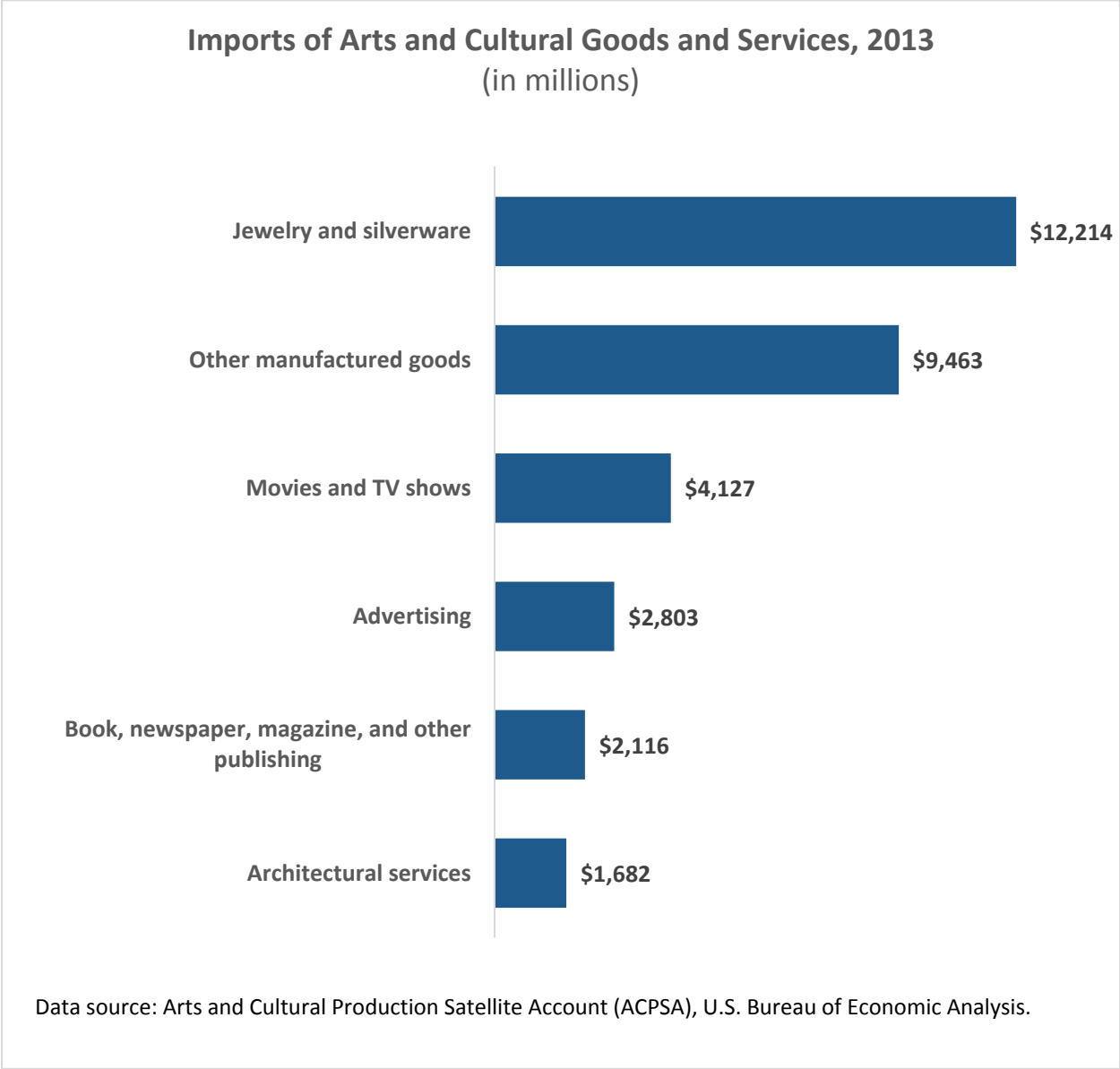
Trade in arts and cultural goods and services largely reflects the U.S. economy’s comparative advantage in ideas-based commodities, sometimes called the “creative economy.” For example,

Arts and Cultural Production Satellite Account (ACPSA) exports are driven by movies and TV shows, arts-related software publishing (e.g., video games), and advertising. In 2013, those commodities accounted for \$33 billion, or more than half of all ACPSA exports.

Other notable U.S. exports of arts and cultural goods and services include architectural services (which generated \$3 billion in exports) and performing arts and works by independent artists (generating \$1.7 billion U.S. exports in 2013).



Alternatively, manufactured jewelry and silverware and “other” arts-related manufactured goods compose the largest share (61 percent in 2013) of arts and cultural imports.<sup>ii</sup>



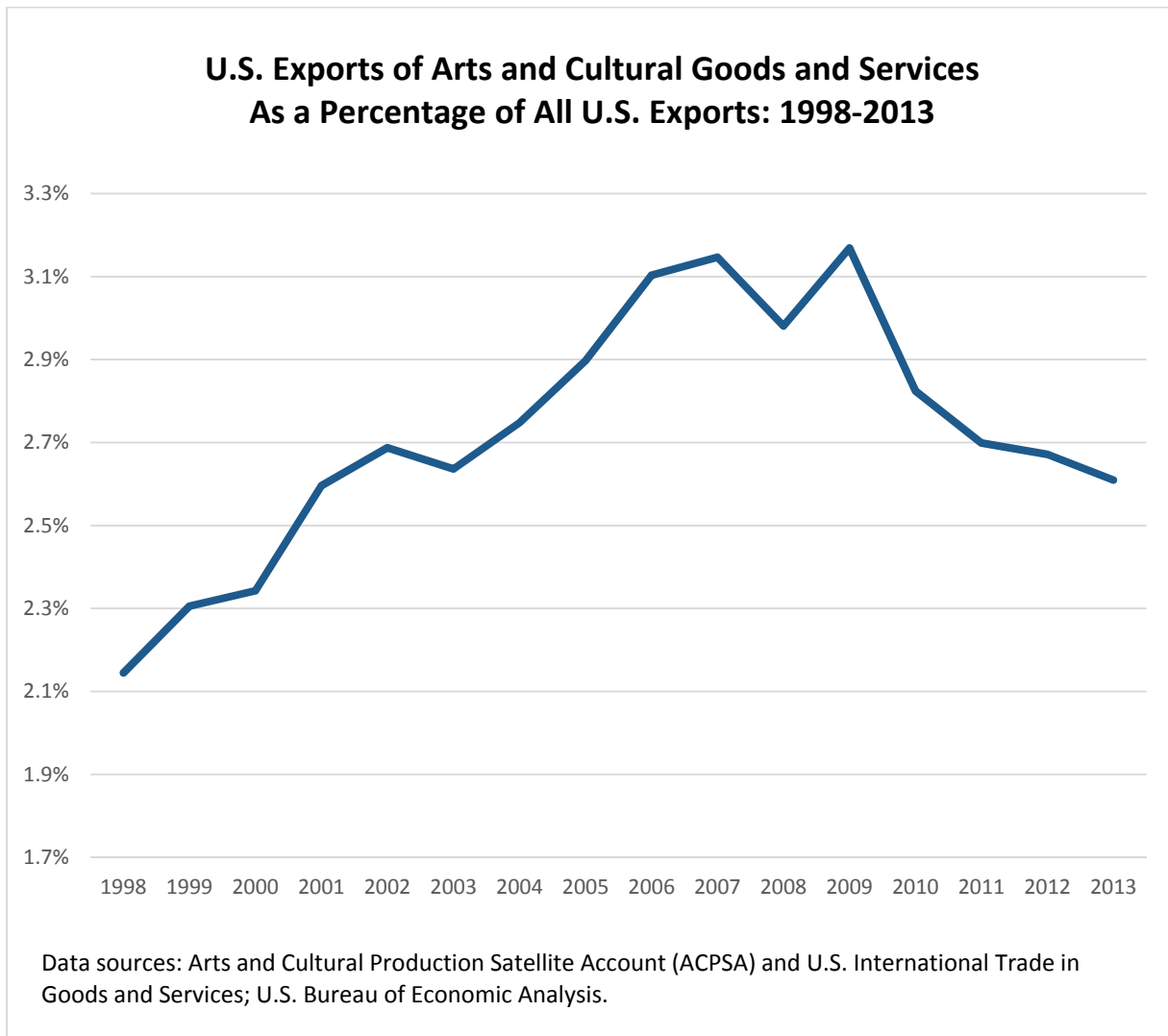
Trends in U.S. Exports of Arts and Cultural Goods and Services

Although exports of arts and cultural goods and services outpace imports, in recent years, ACPSA exports, as a share of all U.S. exports, have slowed in recent years.

As the graph below shows, the ratio of arts and cultural exports to all U.S. exports generally rose between 1998 and 2009. In 1998, for example, arts and cultural goods and services made up 2.1 percent of U.S. exports—by 2009, that share increased to 3.2 percent.

But in 2010, exports of arts and cultural goods and services, relative to all U.S. exports, fell to 2.8 percent. By 2013, that share slipped further to 2.6 percent. This pattern may reflect, in part, foreign consumers, coping with weak world economic growth, curtailing their purchases of arts and cultural goods and services, relative to other U.S. exports.

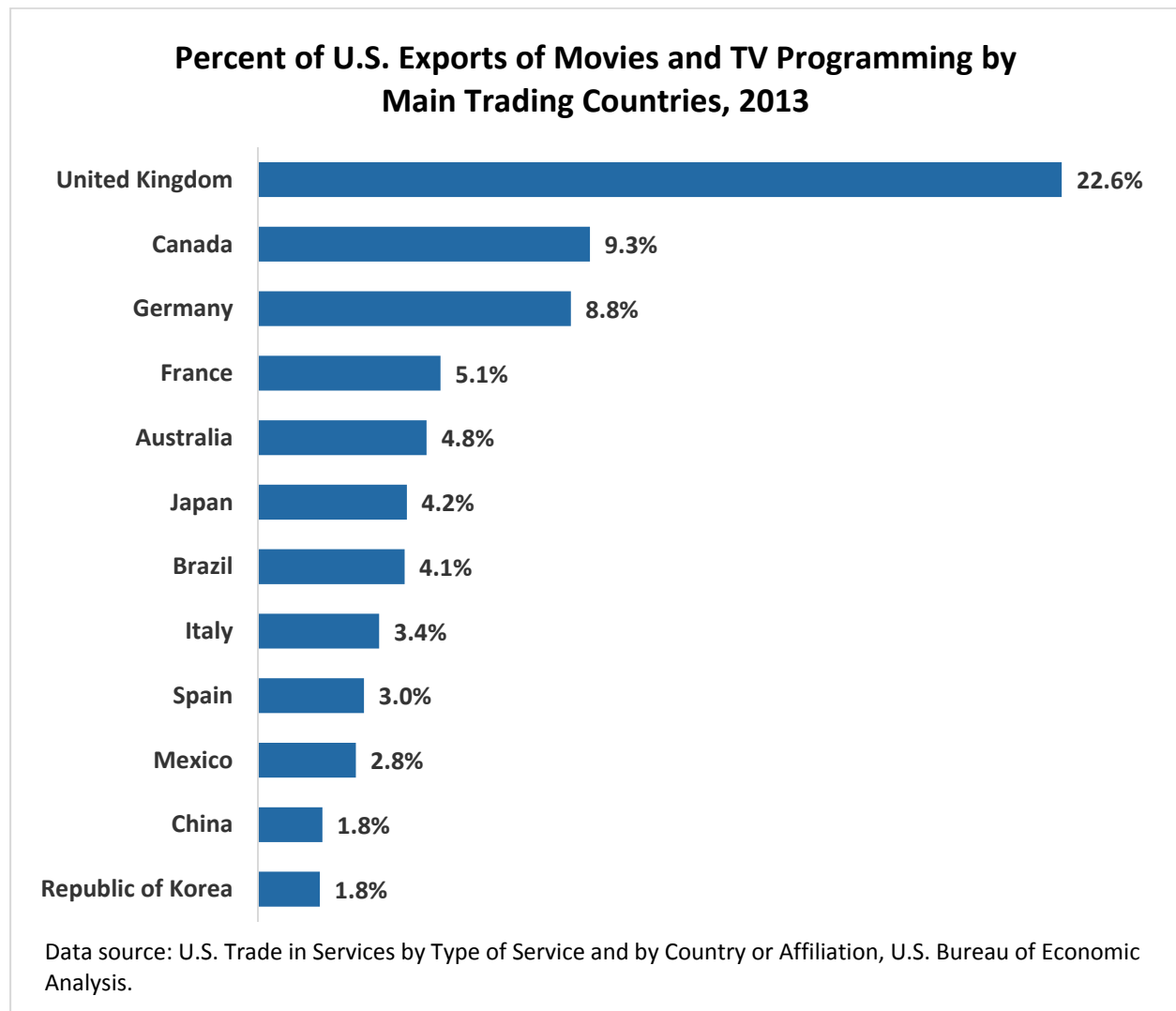
The International Monetary Fund reports that production by the world's advanced economies grew by only 1.4 percent in 2013.<sup>iii</sup> Moreover, in 2013, economic production growth was 1.7 percent in Great Britain, which, along with Canada, is a major U.S. trading partner in arts and cultural services.



## U.S. Trading Partners in Arts and Cultural Services

The BEA's main international services transaction data reveal the United States' key trading partners in services central to arts and cultural trade. For example, of all countries trading services with the U.S., the United Kingdom purchases the largest share of U.S. exports of movies and TV shows. In 2013, the U.K. purchased nearly 23 percent of U.S. movie and TV-programming exports. Ranking next were Canada and Germany, with each country importing roughly 9 percent of U.S. exports of movies and TV shows.

The United Kingdom and Canada also rank first and second, respectively, in imports of U.S. books and sound recordings. In 2013, the United Kingdom purchased nearly 19 percent of U.S. exports of books and sound recordings, while Canada purchased roughly 13 percent.



The ACPSA also shows that creative advertising composes a significant share of U.S. arts and cultural exports (\$7.1 billion in 2013). As reported by the BEA’s international transaction data, in 2013, Ireland was the single largest purchaser of U.S. exports of advertising services. In 2013, Ireland accounted for nearly 26 percent of that trade. U.S. exports of advertising services to Canada and Japan were also relatively large. Combined, Ireland, Canada, and Japan purchased more than 60 percent of U.S. exports of advertising services.



<sup>i</sup> This claim assumes all other factors (particularly labor productivity) are held constant.  
<sup>ii</sup> “Other” arts-related manufactured goods include blown glass, ornamental and architectural metalwork, and custom architectural woodwork.  
<sup>iii</sup> The “advanced” economies are: The U.S. and Canada; the United Kingdom and most European countries; Japan, Hong Kong, Singapore, Taiwan, and South Korea; and Australia and New Zealand. See [World Economic Outlook](#), July 2015. International Monetary Fund.