

CREATIVE INDUSTRIES

Baseline report

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About the RES-POL project

The RES-POL project aims to enhance the functional capacity of the [Ministry of Culture and Strategic Communications](#) and its agencies (Ukrainian Book Institute, Ukrainian Cultural Fund, State Agency of Ukraine for Arts and Art Education, as well as the Ukrainian Institute of National Memory).

The RES-POL project duration: January 2024 – June 2025.

The RES-POL project focuses on four sectors (Art and Culture, Cultural Heritage, Creative Industries, and Media) and more than 20 subsectors (industries and types of artistic activity). RES-POL separately considers 10 essential cultural development issues (competitive salary, efficiency of state-owned enterprises in the field of culture, funding for creative industries, funding models for cultural services, communities and cultural heritage, EU integration and cultural policy, etc.).

The project methodology aims:

- To identify essential policy issues in sectors and subsectors and describe them in policy briefs and baseline reports;
- To analyze 10 essential issues of cultural development the project focuses on and describe them in baseline reports;
- To develop and describe policy proposals on the essential sectoral issues and essential issues of cultural development in strategic briefs;
- To develop sectoral strategies and operational programs for the sectors the project focuses on and roadmaps for their implementation;
- To develop amendments to several legal acts and/or concepts of pilot projects to implement the policies elaborated within the project;

To analyze European experience in policy planning and implementation, evaluate some cultural policies in Ukraine, and assess the institutional capacity of the agencies within the Ministry of Culture and Information Policy.

The RES-POL project actively engages stakeholders at all policy development stages. The information on project achievements can be found on the [RES-POL Facebook](#) page.

The goal of this baseline report is to identify essential policy issues in the “Creative Industries” sector. Essential policy issues are the challenges and problems stakeholders are faced with, which impede development of the sector. The interference at the state level may be required to solve those issues.

The methodology of the baseline report preparation envisages the following:

- To address key policy issues in the subsectors based on policy briefs (available on the RES-POL materials page);
- To conduct desk research of analytical materials on the state and dynamics of the sector development;
- To conduct in-depth interviews with stakeholders (market participants, ecosystem and environment representatives, relevant government agencies and organizations);
- To develop lists of essential policy issues for the sector together with the RES-POL expert team;
- To describe key policy issues verified together with stakeholders;
- To prepare recommendations for further policy development that will address the identified essential issues.

The content of this Baseline Report is the responsibility of the Public Union “Center for Regional Development” and does not necessarily reflect the position of the European Union.

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1. Executive summary

Creative industries are a relatively young sector of the economy that combines unique human creativity, intellectual property as the basis of creation, a continuous process of innovations, non-linear relationships between components of the value chain, and the ability to reveal the cultural uniqueness of territories and communities.

Increasing attention is being paid to the potential of the creative economy around the world, as it generates high added value, creates jobs, is relatively easy to adapt to socio-economic changes, and has a low entry threshold for young people, women, and vulnerable social groups.

The study, conducted in March-November 2024 within the framework of the RES-POL project, aimed to identify essential policy issues - problems that, from the point of view of stakeholders, hinder development in various branches of creative industries. These problems were first verified and ranked by priority level in each sector, and then synchronized into cross-cutting ones for the entire creative industries sector.

The next step of the RES-POL project is to develop policies that could help address the identified challenges at the national level and/or through operational donor support programmes.

Expertise was brought in to examine different areas of creative industries, and the results of their work are presented in policy briefs.

- Book publishing and book distribution – expert Halyna Shyyan.
- Music business – expert Aliona Dmukhovska.
- Creative hubs and spaces – experts Anna Karnaukh, Kateryna Kravchuk, "Lanka.pro" formation.
- Creative agencies – experts Tetyana Landesman, Ivanna Skyba-Yakubova.
- Animation, video game development (gamedev), three-dimensional computer graphics (CGI), visual effects (VFX) – expert Anastasiya Verlinska.
- Design – experts Volodymyr Vorobey, Yaryna Zayats, Marta Kobrynovych.

To further develop the policies, six essential policy issues were selected that the professional community, through public discussions and surveys, identified as critical problems with a long history. At the same time, these problems are compatible with the implementation of quick solutions that will contribute to their mitigation and partial resolution within the project planning horizon of 2027.

These essential policy issues include:

- Loss and flight of human capital.
- Limited international professional presence.
- Competence and professional scarcity.
- Insufficient effectiveness and accessibility of support and financing instruments.
- Low intellectual property culture.
- Non-functioning rights management system.

In developing policies, the RES-POL team will involve lawyers and the professional community. The results of this work will be used in the development of operational programs, pilot projects, regulatory and legal acts proposed for consideration and implementation by the MCSC, international donors, and other stakeholders.

This, in turn, will contribute to the development of the creative economy, which should become one of the priority areas for Ukraine now and in the period of post-war reconstruction, because this area creates innovative and creative solutions with high added value and export potential. The creative economy is often called the economy of the future in the world, and for Ukraine, it is exactly the one.

2. Creative industries in Ukraine and the world

Creative industries are a relatively young sector of the economy, both in Ukraine and in the world as a whole. However, their potential is receiving increasing attention, as they generate high added value, create jobs, and adapt relatively easily to socio-economic changes.

The term “creative industries” came into use more than twenty years ago to describe activities that have a significant creative component, some of which are very old, while some have emerged only with the advent of digital technologies. Many of these activities are closely related to the sphere of culture, while the term “cultural industries” somewhat earlier was used to denote theater, dance, music, cinema, fine arts, and cultural heritage. However, the attitude towards it was controversial, as many artists considered it disparaging to identify their creative works with the industry.

The term “cultural and creative industries” (CCIs) is also often used internationally, as it allows for a broader coverage of the components of this sector. In the RES-POL project, we use the term “creative industries”, but in this report, the term CCIs will also appear if it is indicated in the original source.

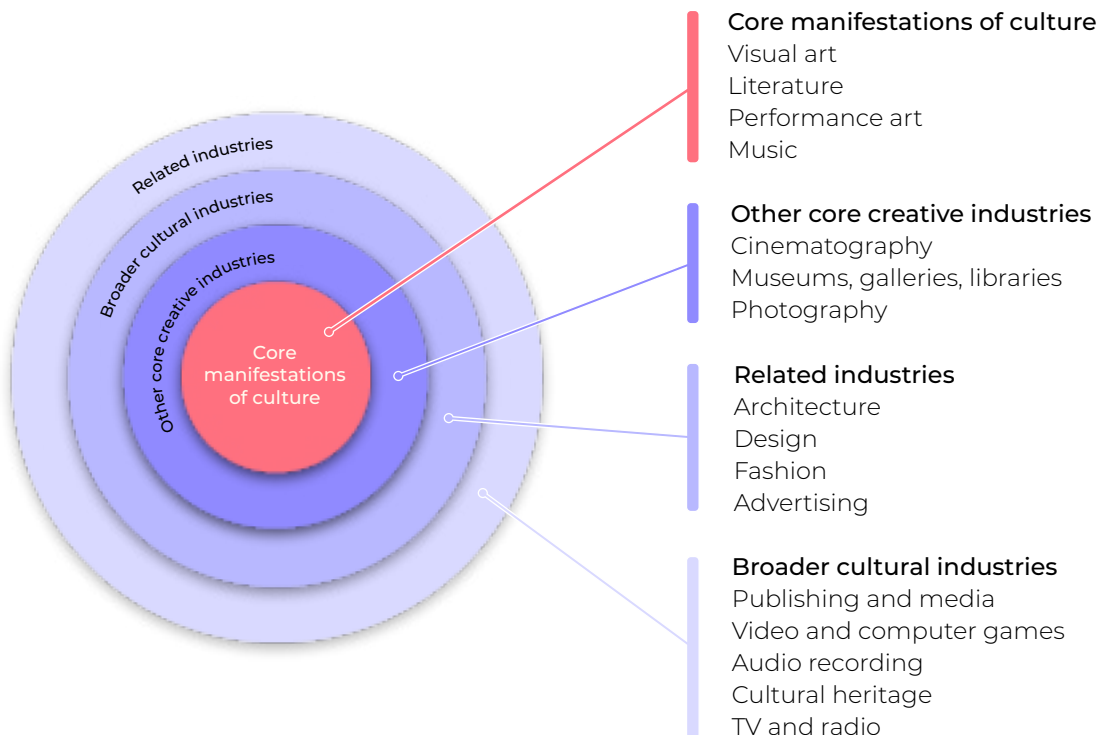
The UNESCO CCI classification model divides them into two main subgroups.

- The first subgroup includes industries in core cultural domains, i.e. those sectors the products of which constitute the result of direct creative and cultural activities.
- The second subgroup, on the other hand, includes industries in expanded cultural domains, i.e. those that reflect the result of creativity and cultural activities and in some sense serve them.

To classify creative industries, the European Commission uses David Throsby's Concentric Circles Model (2001).

Cultural and creative industries. Concentric circles model

(based on UNESCO's materials)



The concept of creative industries and their importance are now recognized by almost all governments around the world, expanding them into the broader concept of the creative economy. The definition of industries that fall under the definition of creative industries varies: in some countries, this categorization is closely linked to art and culture, while in others, for example, it also includes gastronomy as an economically and culturally significant sector. Most creative industries include such developed businesses as IT, advertising, design, and book publishing.

Many countries, including the UK, find it difficult to determine which department should be responsible for developing policies for creative industries and whether these policies are economic, industrial, cultural, educational, or are located on the border and combine components from different areas.

The facts that the PRC has announced a transition from the “made in China” model to “developed in China”, and the UN has declared 2021 the International Year of the Creative Economy for Sustainable Development could be considered to be the signals that in the economy of the 21st century, the creation of a product that is subject to intellectual property rights is much more valuable than production. [In 2024, the UK Government included creative industries to the 8 largest branches of economy](#), while [the Ministry of Culture of Sweden in its strategy for 2024–2033 declares that cultural and creative industries should be considered as a new type of primary industry of the state](#).

CREATIVE INDUSTRIES IN THE EU

Cultural and creative industries (CCIs) have been mainstreamed into EU policies and programs for over a decade. Previously, the sector’s potential was long seen in symbolic, intangible, and educational terms, but recently there has been a growing recognition that it can directly or indirectly impact the economy, improving performance and creating jobs, stimulating innovation and contributing to social and sustainable development. [The study and the data collected in different countries of the world do confirm this assumption](#). In particular, in the report [Creativity vs. Robots](#) it is stated that in the UK and the US, around 90% of highly creative jobs are at low risk of being replaced by AI. In the EU, the main creative industries contributed €558 billion to GDP in value added in 2011, or around 4.4% of the total European GDP. They provide around 8.3 million full-time equivalent jobs, or 3.8% of total jobs in Europe. Statistics also shows that most CCIs have a higher proportion of young workers than the rest of the economy, and the sector has proven to be very resilient compared to others during the 2008 European economic and financial crisis. Global economic data for 2013 shows that Europe is the leader in this sector and is becoming a catalyst for growth. CCIs account for 3% of global GDP (USD 2,250 billion in revenue); they provide 29.5 million jobs worldwide.

In 2021, [the European Institute of Innovation and Technology launched a community of knowledge and innovations - EIT Culture & Creativity](#), which focuses on fundamental changes in Europe’s cultural and creative industries, aimed at creating and sustaining jobs, strengthening the business ecosystem’s ability to scale, and enhancing their competitiveness. By 2027, EIT Culture & Creativity aims to support approximately 500 projects. The organization’s strategic plan for 2024-2027 focuses on supporting education, innovation and business creation in five priority areas: fashion, architecture, cultural heritage, audiovisual media, and gaming.

CREATIVE INDUSTRIES IN THE EU POLICIES

Cultural and creative industries are cross-cutting across EU horizontal and vertical policies, as well as national, regional, and local policies. CCI sectors are interdisciplinary, and their sectors are very heterogeneous, so their wide range of needs must be taken into account.

The interests of the different CCI sectors are reflected in the following EU policies:

- [The European Commission Green Paper on unlocking the potential of cultural and creative industries](#), 2010;
- [The Communication Promoting cultural and creative sectors for growth and jobs in the EU](#), 2012;
- [The European Parliament Resolution on promoting the European cultural and creative sectors as sources of economic growth and jobs](#), 2013;
- [The Communication Towards an integrated approach to cultural heritage for Europe](#), 2014;
- [The Digital Single Market Strategy](#), 2015;
- [The European Parliament Resolution on a coherent EU policy for cultural and creative industries](#), 2016
- [A New European Agenda for Culture](#), 2018;

The European Agenda for Culture was adopted in 2007 and updated in 2018 to reflect the development of the cultural sector. The new agenda is a framework for cooperation at EU level, focusing on the positive impact of culture on European society, the economy, and international relations. The agenda also outlines improved working methods for Member States, civil society, and international partners. The new agenda has three strategic directions: social, economic, and external.

- [Audiovisual Media Services Directive](#), 2018;
- [The Copyright Directive \(EU\)](#), 2019;
- [The Digital Services Act](#), 2022;
- [The Digital Markets Act](#), 2022;

SUPPORT OF CREATIVE INDUSTRIES IN THE EU

“Creative Europe” Program

The main programme of financial support for culture, creative industries, and audiovisual sector is open to applicants from the countries of the EU, European Economic Area, and Eastern Partnership countries. Different lots of the program support cinema, music, performing arts, literature, and visual arts.

“Creative Europe” 2021–2027 (budget € 2.4 bln.) has three main directions:

- **Cultural cooperation:** supports cooperation between cultural and creative organisations in Europe.
- **Support for the audiovisual sector:** supports the European film industry, distribution, and promotion of European films.
- **Global cooperation:** helps the representatives of the European creative sector to go global.

InvestEU Fund – SME window

Facilitates access to finance, enhances collaboration, and creates a business ecosystem for SMEs, which are the backbone of the creative industries sector.

CREATIVE INDUSTRIES IN UKRAINE

THE STATUS OF CREATIVE INDUSTRIES IN UKRAINE

The notion of creative industries first appeared in Ukraine at the legislative level in 2018. [The Law of Ukraine “On Culture”](#) provides the following definition: *“Creative industries are types of economic activity the purpose of which is to create added value and jobs through cultural (artistic) and/or creative expression”*.

Basic types of economic activity that belong to creative industries are defined by the order of the Cabinet of Ministers of Ukraine [“On Approval of the Types of Economic Activity That Belong to Creative Industries”](#). They include 34 types of economic activity. At the same time, related sectors (communications, printing,

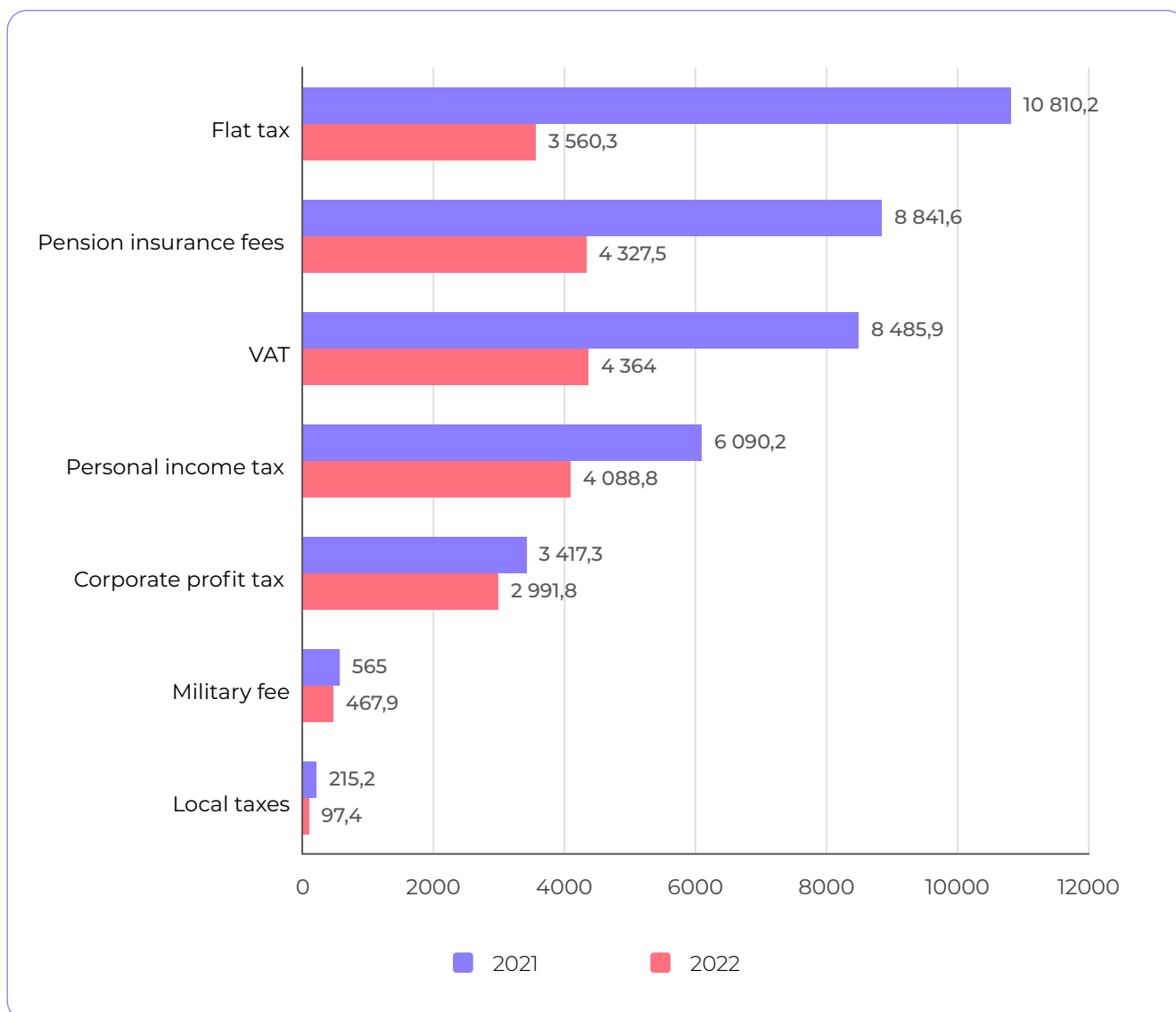
tourism, etc.) also make a significant contribution to the creative economy. These are additional types of economic activity that support, facilitate, service, and/or enable the creation, production, and distribution of the product generated by creative industries. In fact, creative industries are the art that brings money, a synergy of creativity and entrepreneurship.

[Global Innovations Index](#) (GII) has been functioning since 2007, and, based on 80 indicators, compiles an annual ranking of innovations in 133 economies of the world following their innovative potential; [over the recent years, Ukraine has been holding the following positions in it:](#)

- 2020 year – 45th position;
- 2021 year – 49th position;
- 2022 year – 57th position;
- 2023 year – 55th position;
- 2024 years – 60th position.

Key factors in this gradual decline include the pandemic and a full-scale invasion.

[According to the data of the Ukrainian Center for Cultural Studies](#), all sectors showed negative dynamics in 2022, even those that grew during the pandemic, such as IT and design. The largest declines in declared income were recorded in the visual sector (-73.4%), advertising (-65.7%), audiovisual sector (-63.8%), architecture (-59%), design (-56.9%), performative sector (-54.8%), and publishing (-50%).



Taxes paid by business entities (individual entrepreneurs and legal entities) in the field of creative industries in 2021–2022 (UAH million). [The impact of war on the performance of creative industries in 2021–2022.](#)

According to the results of the studies [“Creative Industries: Impact on the Development of Ukraine’s Economy”](#) and [“Basic Economic Performance Indicators of Creative Industries in Ukraine”](#), in 2020 creative industries generated 4.2% of added value in Ukraine (UAH 132 billion), providing jobs for 360 thousand people, or 4% of all employed persons. The largest creative sectors in terms of the amount of added value created are IT, advertising, marketing and PR, the audiovisual sector, architecture, and publishing. However, it is important to take these figures with caution because the IT industry officially belongs to creative industries, but, in reality, the majority of IT specialists are engineers, not

representatives of creative industries, and the data on some creative industries are just indicative estimates. The export of creative services in 2019 reached \$ 5.4 billion and accounted for 30% of the total export of services (however, IT services constitute a significant share of it). An increase in capital in creative industries sectors by UAH 1 leads to an increase in total GDP by UAH 1.9–2.2.

According to the results mentioned in the report [“Culture and Creative Industries in Ukraine: Resilience, Recovery, EU Integration”](#), the following needs of CIs in Ukraine have been identified:

- To continuously respond to the emergency needs of cultural institutions damaged by war or staying under occupation.
- To strengthen capacity, ensure business continuity, and support teams of the leading cultural institutions during periods of greatest instability.
- To support CI representatives living in and returning to Ukraine, introduce more medium-term programs in Ukraine to encourage CI representatives to stay and work in the country.
- To introduce institutional funding for organizations in addition to project funding.
- To facilitate the development of new international partnerships: ensure the availability of qualified personnel and funding.
- To support creative industries as a tool for social reconciliation, integration of vulnerable groups, and local economic development.
- To create conditions for retaining talented personnel in the CCI sector.
- To develop platforms for the popularization and promotion of Ukrainian cultural products and services abroad.
- To have a coordinated state policy on cultural heritage.
- To strengthen the capacity and promote sustainability of the activities of Ukrainian cultural institutions.
- To support the digitalization of the cultural sphere.
- To ensure the security of cultural spaces.

Today, all these needs remain relevant, but the war that has been going on all this time has made the situation more complicated:

- The outflow of human capital is becoming increasingly noticeable in all sectors of the economy, affecting efficiency and productivity.
- The war is draining the resources, mental and emotional capacities of Ukrainians, and generating Ukraine fatigue in Europe and beyond.
- The difference in living and working conditions between the frontline areas and the rest of Ukraine is increasing, requiring the use of different policy instruments for different regions.
- There are examples of incredible practices of resilience and flexibility demonstrated at many levels but there is a lack of infrastructure for in-depth reflective learning to reconsider those experiences and integrate them at a systemic level.
- The understanding of the fact that the processes of survival and recovery occur simultaneously and this uncertainty creates confusion in the strategic planning of local communities and institutions is gradually developing.

However, given the extremely difficult circumstances, we can still claim that Ukrainian creative industries demonstrate a high level of resilience and adaptability. In particular, we see successful examples in the book industry and computer game development, and more detailed information can be found in detail in sectoral analytical notes. Now, at the level of state policies and international support programs, it is necessary to make maximum efforts to preserve and develop creative industries, because they constitute an important component of wartime resilience, form a modern Ukrainian identity, which is in high demand, and also become a source of innovative solutions in defense and reconstruction.

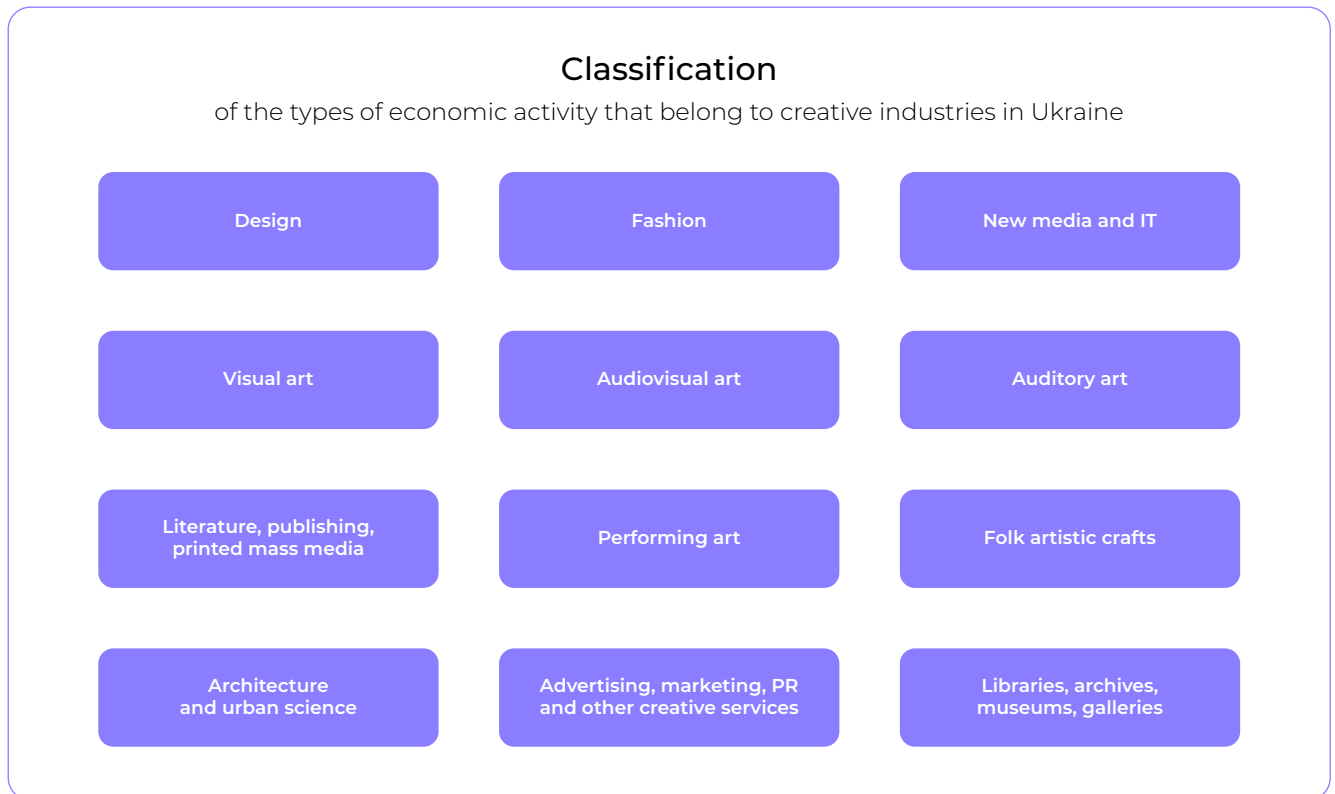
REGULATORY LEGAL ACTS REGULATING CREATIVE INDUSTRIES

To ensure the sustainable development of creative industries, a legal framework is needed that defines the rules for participants in this sector and regulates their activities. Regulatory and legal acts form the basis for the functioning of the sector, establishing the rights and obligations of participants, mechanisms for protecting intellectual property, licensing procedures and other aspects that affect their activities. Such regulatory and legal acts include:

- [Law of Ukraine as of 19.06.2018 No. 2458-VIII](#) "On Amending the Law of Ukraine "On Culture" regarding the definition of the concept "Creative Industries", which defines creative industries as types of economic activity, the purpose of which is to create added value and jobs through cultural (artistic) and/or creative expression, while their products and services are the result of individual creativity. It also points to the need to protect, encourage, and support cultural diversity as one of the most important factors in the sustainable development of the state.
- [Decree of the President of Ukraine as of 18.08.2020 No. 329/2020](#) "On the Measures to Support the Sphere of Culture, Protection of Cultural Heritage, Development of Creative Industries and Tourism".
- [Resolution of the Cabinet of Ministers of Ukraine as of 19.05.2021 No. 501](#) "On the establishment of the Council for Creative Economy Development".
- [Decree of the Cabinet of Ministers of Ukraine as of 15.12.2021 No. 1677-p](#) "On Approval of the Concept of the State Targeted National Cultural Program for the Development of Folk Crafts for 2024–2027" (title of the order with amendments made under the Decree of the Cabinet of Ministers of Ukraine No. 7-r dated 06.01.2023).
- [Decree of the Cabinet of Ministers of Ukraine as of 24.04.2019 No. 265-p](#) "On Approval of the Types of Economic Activity That Belong to Creative Industries".
- [Order of the MCIP as of 28.01.2021 No. 44](#) "On the Establishment of the Creative Industries Development Office".

CREATIVE INDUSTRIES

Under the [National Classifier of Ukraine ДК 009:2010](#), creative industries include 34 types of economic activity (see Annex 1), [grouped by 12 sectors](#).



The RES-POL project analyzes the following within the “Creative Industries” sector:

- book publishing and book distribution;
- animation, video game development (gamedev), 3D computer graphics (CGI), visual effects (VFX);
- music business;
- creative hubs and spaces;
- design;
- creative agencies;
- folk artistic crafts;
- fashion.

Within the “Art and Culture” sector, it analyzes:

- visual art;
- performing art;
- literature;
- libraries;
- auditory art.

VISIBILITY OF CREATIVE INDUSTRIES AT THE STATE LEVEL

In 2018, the Directorate of Creative Industries was created in the Ministry of Culture to be responsible for the formation of state policy in the field of creative industries. Among the main functions of the Directorate are strategizing (determining priorities and vectors for the development of creative industries), coordination (creative industries are of an inter-sectoral nature - economy, foreign affairs, social policy, education, - so the Ministry of Culture generalizes and coordinates the interests and needs of other central government bodies and state institutions in the field of creative industries, ensures public-private partnership and interaction, presents a consolidated position on the development of creative economy in Ukraine), stimulation (initiates research, amendments to legislation, launches pilot projects to support creative industries).

Also, within the subordination to the MCSC, there functions the Ukrainian Center for Cultural Studies (UCCS) – a government agency tasked with collecting and analyzing data and conducting research to support decision-making and cultural policies and unlock the potential of the creative industries sector. The first UCCS study was published in 2016.

In 2017, the MCSC and the UCCS started holding the international forum “Creative Ukraine”, positioning it as the largest Eastern European platform to discuss the state policy in the field of culture and creative industries. In 2021, the Creative Industries Development Office was established, and it was supposed to be a permanent advisory and consultative body at the MCIP. Its tasks included establishing effective communication and interaction between the MCIP and the professional community in the field of creative industries; conducting market research, identifying public opinion, preparing information and analytical materials on the development of creative industries in Ukraine; conducting professional

consultations, preparing and submitting proposals and recommendations on a number of issues to be considered by the MCIP; facilitating the organization and holding of events to inform the general public and representatives of the business environment on the development of the creative industries sector in Ukraine, as well as opportunities to attract investments and use public-private partnerships for the development of the culture, cultural heritage and creative industries; providing recommendations on the preparation of promotional products and marketing materials related to the development of the creative industries sector in Ukraine, as well as opportunities to attract investments and use public-private partnerships for the development of the culture, cultural heritage and creative industries. The Office has conducted several studies, which, however, have not been published; in general, information about its activities and their results is very limited. Since 2022, the Office has been almost inactive.

In 2018, with financial assistance from the German government and in cooperation with the International Trade Center and the NGO “Foundation for Support of Reforms in Ukraine”, an [Export Strategy for the Creative Industries Sector](#) for 2019–2023 was developed for the Ministry of Economy, thus, creative industries are the field where the interests of several agencies intersect, and additional synchronization of stakeholders is required.

STATE INSTITUTIONS

Ukrainian Cultural Fund

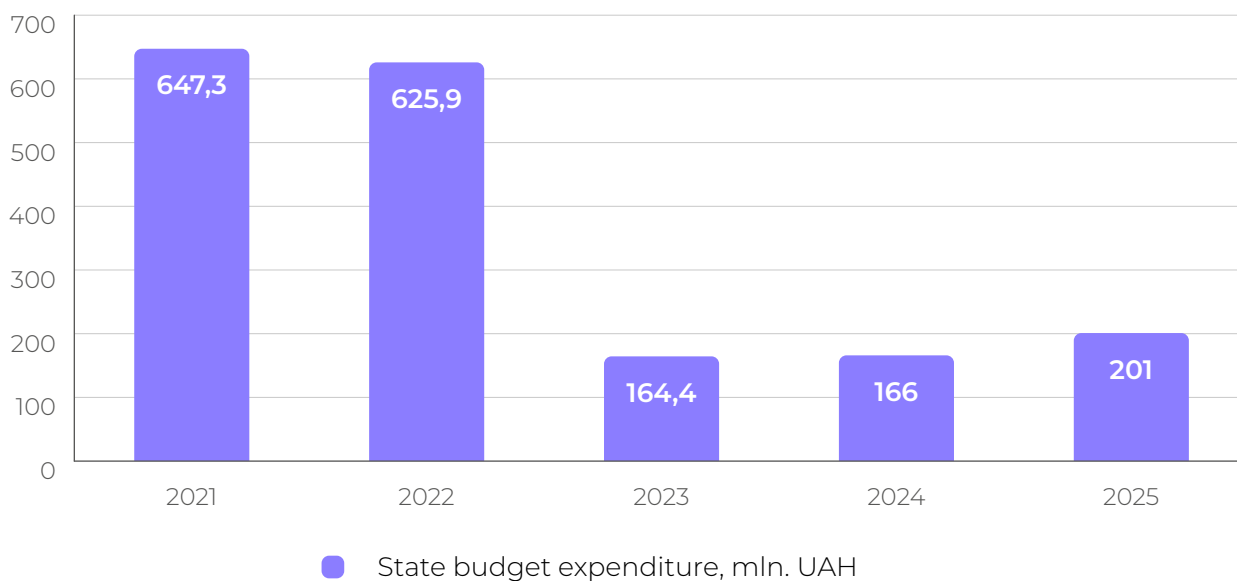
[Ukrainian Cultural Fund](#) – a state budgetary institution coordinated by the MCSC and providing financial support to projects in the field of culture and creative industries. It was established in 2017 and has since supported many projects in various sectors of the creative industries. The Ukrainian representation of the “Creative Europe” program operates under UCF, where Ukraine has become a full member in all programs (in the MEDIA program - since 2024). Since 2025, UCF has been expanding its interaction with other funds and donors within the framework of the “Partnership for Institutional Development” program. During the period of the UCF's activity, reports on supported projects have been uploaded to the institution's website.

[In 2018](#), 293 projects for the amount of UAH 139.4 mln were supported, and in [2019](#) already 432 – UAH 497.9 mln. in the following directions: "Visual Arts", "Auditory Arts", "Audiovisual Arts", "Design and Fashion", "Performing and Scenic Art", "Cultural Heritage", "Literature and Publishing", "Cultural and Creative Industries".

In 2020, 1,205 applications for the amount of UAH 847 mln. were supported, and in 2021 – 542 projects for the overall amount of UAH 503.94 mln. were supported under the programs "Cultural Analytics", "Innovative Cultural Product", "Training. Exchanges. Debuts. Residencies", "Inclusive Art", "Audiovisual Art", "Landmark Events for Ukrainian Culture", "Networks and Audiences", "Culture. Tourism. Regions", "Culture for Change", "Cultural Capitals of Ukraine", "Culture Plus", "Children of Culture", "Scholarships", "Culture in Times of Crisis: Institutional Support", "Innovative Cultural Product", "Development of a Film Project".

In the 2022 grant season, UCF received 3,384 applications for the implementation of cultural projects. However, due to the full-scale Russian invasion of Ukraine, funding was suspended in 2022. The competitive programs of the 2022 grant season were not implemented according to the planned procedure. At the same time, grant programs for which expert evaluation had been made before the start of the full-scale Russian invasion were extended to 2023. Grant programs for which expert evaluation had not been conducted and applications had not been accepted, in particular, "D.O.R.S." (LOTs 1–4), "Grand Event" (LOT 2), "Audiovisual Art" (LOTs 4–5), "Cultural Heritage", "Innovative Cultural Product", "Culture. Regions", "Cultural Capitals of Ukraine". Extraplanned LOT 5 "Scholarship for the Restoration of Cultural and Artistic Activities" of the "D.O.R.S." Program was fully funded.

In 2023, the Fund conducted a competition under three programs: "Culture. Regions", "Cultural Heritage", "Restoration of Cultural and Artistic Activities". Three more programs – "Culture without Barriers", "Audiovisual Art" (LOTs 1–3), and "Grand Event" (LOT 1) – were extended from 2022 due to the termination of funding because of the full-scale invasion. In total, in 2023, UCF organized 6 programs for 15 lots. 213 projects for the amount UAH 148.67 million were supported.



Ukrainian Book Institute

[Ukrainian Book Institute](#) – the institution affiliated with the MCSC, founded in 2016 and [aiming to develop the state policy in the book sector](#), promote book reading in Ukraine, support book publishing, stimulate translation activities, and popularize Ukrainian literature abroad. One can find a more detailed report [on the website of the institution](#).

The results of the institution's activity are as follows:

- [replenishment of library stock](#) (2018–2021, 2 mln. copies);
- [grants for translation from Ukrainian Translate Ukraine](#);
- [art competitions in book publishing](#);
- reading promotion;
- national stands and programs at international book events and popularizing of Ukrainian literature abroad;
- [state support for the acquisition of books for Ukrainians coming of age](#);
- development of [the program of state subsidies for book stores to reimburse the costs of property lease](#).

Ukrainian Institute

[Ukrainian Institute](#) – an institution subordinated to the Ministry of Foreign Affairs of Ukraine, founded in 2017, which develops cultural diplomacy and accordingly plays a role in promoting abroad the products of Ukrainian creative industries: book publishing, music business, animation, fashion, and folk artistic crafts.

Ukrainian National Office of Intellectual Property and Innovations

[Ukrainian National Office of Intellectual Property](#) and Innovations – a state organization that falls under the jurisdiction of the Ministry of Economy of Ukraine and exercises powers in the field of intellectual property, as defined by laws and other regulatory legal acts of Ukraine. This is an important institution that can help the industry fight piracy and counterfeiting, as well as resolve complex issues related to copyright. The Ukrainian National Office of Intellectual Property and

Innovations (UkrNOIPI) began performing the functions of the National Intellectual Property Authority on November 8, 2022. Prior to that, during 2018–2019, the “National Intellectual Property Office” operated as part of the state system of legal protection of intellectual property, and it was responsible for the implementation of memoranda of cooperation between the Ministry of Economy of Ukraine and the [World Intellectual Property Organization](#) (WIPO).

TISC (Technology and Innovations Support Center)

[TISC \(Technology and Innovations Support Center\)](#) – an international project of the World Intellectual Property Organization (WIPO), which has been implemented in Ukraine by the Ministry of Economy of Ukraine and the IP Office since 2018 under the [Memorandum of Understanding](#) between the Ministry of Economic Development and Trade of Ukraine and the World Intellectual Property Organization (WIPO) regarding the establishment of Technology and Innovation Support Centers in Ukraine as of July 26, 2018. The WIPO TISC project has been under implementation since 2009 in over 80 countries around the world. Regional TISCs provide a wide range of information and consulting support and services in the field of intellectual property rights protection, commercialization of intellectual property rights, technology transfer, and promotion of innovations in Ukraine and abroad. Currently, the TISC Head Office successfully interacts with educational institutions, scientific institutions, business incubators, business accelerators, inventors, innovators, authors, creators, startups, and business representatives. Today, 15 regional centers have been opened in Ukraine, mainly based on higher education institutions in Kyiv, Kharkiv, Ternopil, Lviv, Dnipro, Cherkasy, Chernihiv, Luhansk, and Vinnytsia.

State Film Agency of Ukraine

[State Film Agency of Ukraine](#) – established under the [Decree of the President of Ukraine as of 09.12.2010 No. 1085/2010](#) "On Optimization of the System of Central Executive Bodies" as a result of the reorganization of the Ministry of Culture and Tourism of Ukraine and liquidation of the State Cinematography Service ([Resolution of the Cabinet of Ministers of Ukraine as of 28.03.2011 No. 346](#)). The Regulation on the State Agency of Ukraine for Cinema, approved by [Resolution of the Cabinet of Ministers of Ukraine as of 17.07.2014 No. 277](#), determines that the State Film Agency of Ukraine is established as a central executive body, the activities of which are directed and coordinated by the Cabinet of Ministers of Ukraine and which ensures the formation and implementation of state policy in the field of cinematography. Since the establishment of the State Film Agency, the

state funding of film production has been significantly increased. In particular, in 2010, the funding for Ukrainian cinema amounted to UAH 24 million, and in 2011 - already UAH 111 million. In 2012, the state funding for the film industry reached UAH 176 million. In 2011, the State Film Agency held the first pitching under new rules, according to which state funding was distributed after evaluation by experts to whom projects were presented. Initially, the State Film Agency financed 10 short films, and later began to increase the pace and conduct pitching every year, which stimulated the development of independent Ukrainian cinema and the emergence of new names.

On November 10, 2021, by [Resolution 1183 to fulfill paragraph 4, Art. 1 of the Decree of the President of Ukraine as of September 10, 2021 No. 464](#), the Cabinet of Ministers separated the State Film Agency from the MCIP and transferred it to its direct subordination. The text of the decision states that this was done to promote the development of the national film industry and improve state policy in the field of cinematography. The State Film Agency began to independently make and implement decisions regarding Ukrainian cinematography, in particular, to hold competitions for the production and distribution of patriotic TV series.

The policy and actions of the State Film Agency during this period were sharply criticized by the professional community. First of all, this concerned the reorganization of [Dovzhenko Center](#), which presupposed the separation of the Center from the collection and its transfer through a non-transparent procedure as well as the disbandment of an integral institution that had for many years popularized Ukrainian cinema within the country and abroad. The change of the vector of activity of the State Film Agency also concerned the rejection of broad state support for auteur cinema and giving preference to films for the mass audience.

[On February 7, 2025, the Cabinet of Ministers of Ukraine adopted Resolution No. N° 138](#), which granted the Ministry of Culture and Strategic Communications the authority to develop and implement state policy in the field of cinematography and returned to the Ministry the authority to coordinate and direct the activities of the State Film Agency, as well as to make amendments to the legislation on cinematography to be considered by the Cabinet of Ministers.

Entrepreneurship and Export Promotion Office

[Entrepreneurship and Export Promotion Office](#) – a state institution responsible for the development and support of Ukrainian entrepreneurship in the domestic

and foreign markets. Since May 2021, together with the Ministry of Digital Transformation of Ukraine, it has been implementing the Diia.Business project. The project has two components: an online portal and a network of entrepreneur support centers. The project philosophy is to inspire people to set up businesses in Ukraine and implement innovations; teach entrepreneurship, help with the start-up, support. and development of one's own business; promote the implementation of digital solutions, scaling, and internationalization of Ukrainian business, focusing on increasing digital maturity.

CURRENT POLICIES

Restricting the influence of the Russian cultural product

Since 2014, [the State Film Agency started to reject requests for film distribution certificates for showing Russian and Soviet films](#) that glorify Russian power structures in Ukraine.

On June 19, 2022, the Verkhovna Rada voted on amending certain laws of Ukraine regarding support of the national music product and [restriction of the public use of music product of the aggressor state](#) (7273-д as of 29.05.2022). The law stimulated an increase in the volume of national musical products in the cultural space, acceleration in the development of the music industry, increase in the share of national products on the radio, on television and in the public space, and financial support for musical performers, in particular through grant mechanisms.

On June 22, 2023, the President signed Law No. 2309-IX “[On Amending Certain Laws of Ukraine Regarding the Establishment of Restrictions on the Import and Distribution of Publishing Products Related to the Aggressor State, the Republic of Belarus, and the Temporarily Occupied Territory of Ukraine](#)”. Before the full-scale war, books from Russia had a share of 50% - 70% of the Ukrainian market, therefore, this law became a significant incentive for reinforcing Ukrainian publishers.

Simplified taxation system

A simplified taxation system was introduced in 1998 for small businesses based on the [Decree of the President of Ukraine “On the Simplified System of Taxation, Accounting and Reporting of Small Business Entities” No. 746/99 as of 28.06.99,](#) to stimulate the development of small businesses and reduce informal enterprise

activity and informal employment. A significant part of creative industries operators belong to the category that can operate as FOPs (individual entrepreneurs, or sole proprietors) of the 3rd group under a simplified taxation system (valid for a wide list of KVED (codes of types of economic activity)).

[The Government's program "Affordable Loans 5-7-9 %" was developed under the Procedure for Providing State Financial Support to Business Entities, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 28 as of January 24, 2020.](#) The program [is implemented by the Entrepreneurship Development Fund](#) as a component of the government policy "Made in Ukraine" aimed to support Ukrainian manufacturers. Today, 46 banks participate in the program; since the beginning of 2024 alone, Ukrainian entrepreneurs have received 14,645 preferential loans under the "Affordable Loans 5-7-9%" program for a total amount of UAH 55.2 billion.

Cash rebates

State support for cinematography in the form of a state subsidy for the reimbursement of part of the qualified expenses incurred by foreign filmmakers during the production (creation) of a film, which is provided under the Law of Ukraine On Amending the Law of Ukraine ["On State Support of Cinematography in Ukraine" regarding the Provision of a State Subsidy for the Reimbursement of Part of the Qualified Expenses Incurred by a Foreign Cinematographic Entity during the Production \(Creation\) of a Film in Ukraine](#)" as of 20.09.2019 No. 130-IX. The only entity that can apply for a cash rebate is a foreign cinematographic entity. At the same time, a mandatory condition for receiving a subsidy to reimburse part of the qualified expenses is the absence of residents of Ukraine among its owners (including ultimate beneficial owners (controllers)), participants, shareholders, and officials. From January 1, 2021, a requirement has also been added that cash rebate recipients must stay on the general taxation system. The object of state support in the form of a cash rebate is films that have passed the cultural test.

"ePidtrymka certificates

At the end of 2021, during the coronavirus vaccination campaign, the government introduced a program of cash bonuses that could be used for cultural services. This program became a significant support for the industry.

Participation in international events

Over the past decade, Ukraine has participated in many events abroad. Such participation is financed partly by state funds, partly by donors, but since 2023, there has been a noticeable trend of reducing international support in this direction.

[Art competitions are organized by the MCSC](#) to implement cultural and artistic projects in various fields, such as book publishing, development of information product models, celebration of memorable dates, production of video information products, etc.

Creative Economy Support Centers

[The State Regional Development Strategy for 2021–2027](#) states the goal of “Increasing the level of competitiveness of regions”, within which it is envisaged to spread the practice of establishing creative economy development centers in cities and towns of various scales and with different socio-economic conditions (budget program 2751510).

The state budget for 2021 provided more than UAH 110 million for the establishment of such centers. The funds were to be directed, in particular, to the construction (new construction, reconstruction, or major repairs) of buildings in which [creative economy centers](#) would be located, as well as to the preparation of project documentation. In 2022, the program was to continue and received funding in the amount of UAH 200 million. In March 2023, the program funds were directed to the reserve fund of the state budget.

The opening of the creative industries center was implemented within the limits of [the cross-border cooperation program for the Black Sea basin](#) for 2014–2020 of the European Neighbourhood Instrument (ENI). The project “Development of Cultural and Creative Industries in the Black Sea Basin” CREA CENTER is implemented in five countries, including Ukraine. The city of Mykolaiv is represented in the project by the all-Ukrainian public organization “Ukrainian Association of Business Support Centers”. The physical space [CreaCentre](#) in Mykolayiv was opened in March 2023.

The government project eRobota

[The government project eRobota \(eWork\)](#) is one of the components of the “Made in Ukraine” policy, offering grant programs aimed at entrepreneurial activity stimulation and job creation.

To start a business. Creative industry

The educational series “[To Start a Business. Creative Industry](#)” aims to help potential and current entrepreneurs establish and successfully develop their own business in the creative sector. The course is based on the experience of the educational platform “Projector”, and it was developed within the framework of the UN Recovery and Peacebuilding Program with financial support from the EU and the governments of Poland and Japan.

uResidency Ukraine

[uResidency Ukraine](#) is a special status that allows foreign freelancers working in IT and other creative sectors to conduct business in Ukraine regardless of location. Having received the status of an electronic resident, you can cooperate with Ukrainian companies, look for clients from all over the world, and acquire a digital signature for remote document signing.

INTERNATIONAL DONORS

[International Renaissance Foundation](#) – one of the largest Ukrainian charitable foundations, supporting Ukrainian culture, media, and creative industries since 1990.

[The EU program “Horizon. Europe”, cluster “Culture, creativity, inclusive society”](#) supports the development of research and innovation. Its goal is to solve global problems and promote industrial modernization through coordinated research and innovation efforts. The total budget of the “Horizon Europe” program is EUR 95.5 billion. The “Culture, creativity, inclusive society” cluster of the program mobilizes interdisciplinary expertise in European social sciences and humanities to understand the fundamental contemporary transformations of society, economy, politics, and culture.

In 2016, Ukraine joined the “Creative Europe” program, and in December 2021, [a new EU-Ukraine Agreement on the participation of Ukraine in the “Creative](#)

[Europe” program” \(2021–2027\) was signed](#). Thanks to that, the representatives of Ukrainian creative industries were enabled to apply for grant programs aiming at the implementation of projects in different sectors.

The program “[Culture and Creativity](#)” from 2015 to 2019, within the framework of the EU program aiming to support the contribution of culture to socio-economic development, offered opportunities to six Eastern Partnership countries. Since 2019, this role has been taken over by the [House of Europe](#) – a program funded by the EU and implemented by [Goethe-Institut Ukraine](#). It focuses on culture and the creative sector, education and working with youth, social entrepreneurship, media and offers over 15 different lots.

[Worth Partnership Project](#) – funded by the EU program COSME, it creates and supports transnational collaborations between creatives, artisans, SMEs, and technology firms that are committed to developing innovative design-driven products. The project focuses on sectors such as fashion and textiles, furniture, home decor, interior design, jewelry and accessories. It provides financial support, consultations on business strategy and technology development, and legal advice on intellectual property rights protection.

[The British Council](#) in Ukraine has been actively supporting the creative and art sector for more than 20 years. The opportunities created by this organization include:

- [Creative Enterprise Ukraine](#) (2015–2022), a business creation training program that provided access to funding and mentoring, with 775 graduates.
- [Creative Spark](#) – a five-year program to develop entrepreneurship and creative economy in the system of higher education; it supported partnerships between Ukrainian and British universities.
- [Creative Economy Support](#) – a training program on the strategic development of the creative economy sector, designed for policymakers and those involved in the development of the CI sector from different sides of the ecosystem.
- [Grants for the development of the creative economy ecosystem](#) – in 2024–2025, the program focuses on supporting creative hubs and sectoral associations with CIs.

- The studies and publications on the CI sector in Ukraine: Copyright and Creative Industries in Ukraine; Research on the Ukrainian Publishing Industry; Entrepreneurship Education in Creative Industries in Ukraine; Fashion DNA Ukraine; Guide for the Creative Hub Leader; Mapping Creative Hubs in Ukraine.

[EURIMAGES](#) – the fund aims to encourage co-production between EU Member States. EURIMAGES supports feature, animated and documentary films with a minimum running time of 70 minutes.

[EU4Culture](#) (2021–2024) – the EU project supports cultural and creative sectors with a particular focus on non-capital cities in the Eastern Partnership countries. The overall objective of EU4Culture is to support the role of culture as a driver of growth and social development in the regions.

[U.S. Agency for International Development \(USAID\)](#) supported creative industries via the program “[Competitive Economy of Ukraine](#)” and via the [socially important content support program](#) which promoted creation of audiovisual projects, including those about modern Ukrainian culture, entrepreneurship development, etc. In early 2025, the new US leadership suspended all USAID support programs for 90 days for an audit.

3. Research methodology

The aim of the research which was conducted in March-November 2024 was to identify the key policy issues – problems that stakeholders perceive as hindering development in different sectors of creative industries. We first verified and ranked those issues by priority in each sector, and then synchronized them across the creative industries sector.

The next step of the RES-POL project is to develop policies that could help address the identified issues at the state level and/or through operational donor support programs.

To explore different sectors of creative industries, we engaged professional experts, and the results of their work are presented in policy briefs:

- book publishing and book distribution – expert Halyna Shyian;
- music business – expert Aliona Dmukhovska;
- creative hubs and spaces – experts Anna Karnaukh, Kateryna Kravchuk, “Lanka.pro” formation;
- creative agencies – experts Ivanna Skyba-Yakubova, Tetyana Landesman;
- animation, video game development (gamedev), three-dimensional computer graphics (CGI), visual effects (VFX) – expert Anastasiya Verlinska;
- design – experts Volodymyr Vorobey, Yaryna Zayats and Marta Kobrynovych.

The study consisted of the following stages:

- data analysis and mapping of industry actors;
- in-depth interviews with representatives of different areas;
- public discussions of the first proposal of essential issues;
- verification and ranking of essential issues by a wider circle of subsector actors (online questionnaire) and finalization of essential issues for the subsector.

The study involved approximately 300 sector actors, including representatives of companies of various sizes, institutions, the public sector, and independent specialists, entrepreneurs, and experts.

4. Essential policy issues in creative industries

As a result of the research, significant issues that hinder the development of the listed subsectors of creative industries have been identified. The full list can be found in Annex 2, and a detailed description and specific examples of problems can be found in the policy briefs. After expert discussions, a list of essential policy issues was formed – the ones that in one way or another concern all subsectors of creative industries, except for the issue of the non-functioning collective rights management system, which is related to the music business sector only.

Essential issues have different levels of criticality, and are also divided into those that are a direct consequence of the war, or not.

The identified essential issues were partially mentioned in the previous results of analytical work, however, since in-depth research was not conducted in all sectors and was not systematic, we do not see the full picture and dynamics of development.

THE LIST OF ESSENTIAL ISSUES, DEPENDING ON THEIR CRITICAL NATURE

Loss and flight of human capital
Competence and professional scarcity
Infrastructure vulnerability and non-adaptability
Low intellectual property culture
Non-functional system of collective rights management (subsector "Music business")
Unrealized monetization potential of cis
Institutional weakness and non-systematic nature
Lack of interaction and weakness of the ecosystem
Limited professional international presence
Lack of counteraction to russian product
Regulatory regimes not calibrated to the needs of cis
Lack of efficiency and availability of support and financing instruments
Lack of Ukrainian-language professional tools and sources

DESCRIPTION OF THE ESSENTIAL ISSUES. ESSENTIAL ISSUES FOR WHICH POLICY IDEAS WERE DEVELOPED

LOSS AND FLIGHT OF HUMAN CAPITAL

Sectors: all CI sectors

Is it related to the war: YES

All branches of creative industries note an acute shortage of human capital due to the consequences of the war; this problem is generally painful for Ukraine in both the public and private sectors.

However, in creative industries, the outflow of professionals abroad in many cases does not mean their complete disappearance from the industry; many of them are interested in maintaining ties with the professional environment in Ukraine and continuing to participate in projects remotely. However, the situation is more complicated due to the lack of clarification regarding the legal and tax status of nomadic professionals and Ukrainian citizens working from abroad for Ukrainian companies.

In addition, there are no systemic efforts to attract Ukrainians staying abroad as employees, partners, and audiences.

Regarding professionals who stayed in Ukraine in the status of civilians or military personnel, the following issues require attention:

- difficulty or impossibility of reserving rare key industry specialists from mobilization, criteria for identifying such specialists in the private sector, especially among self-employed individuals (FOPs);
- difficulty in finding and hiring people, especially with specific competencies;
- depressed psychological state, burnout and depression among industry specialists;
- underutilization of the professional potential of creative industry specialists in the Defense Forces of Ukraine;
- underutilization of the potential of creative industry specialists in public diplomacy abroad;
- difficulty of reintegration into the profession after demobilization.

According to the data of the article [“Where did game developing specialists move due to the war. Migration map”](#) («Куди переїхали геймдев-спеціалісти через війну. Карта міграції»), as of July 25, 2022, approximately 20 to 40% of specialists in the sector had left Ukraine, and this figure also includes full-time employees relocated by companies. In total, out of 8,474 employees of 26 companies, 3,498 people changed their place of residence, **i. e. 41.28 % moved either abroad**, or within Ukraine (policy brief “Animation, Video Game Development (gamedev), Three-Dimensional Computer Graphics (CGI), Visual Effects (VFX). Essential Policy Issues”, A. Verlinska, RES-POL, 2024).

“For example, there is a person for whom we have enough work and he wants to work with us. He is in the Netherlands, attends their courses, and receives payments. If he officially receives income from us, he risks losing his state support there, so the only option left is to conceal this income but he is afraid to go for it”

(policy brief [“Creative agencies. Essential Policy Issues”](#), T. Landesman, I. Skyba-Yakubova, RES-POL, 2024).

“Competition is everywhere. Hiring staff for bookstores and publishing houses, standing in line to get a translator, publishing a book on time, with queues at printing houses, and even obtaining rights to a Ukrainian author’s manuscript – these are the main problems that Ukrainian book publishing faces. Competition has reached unprecedented levels” ([Viktor Kruhlov](#), publishing house “Ranok”)

(policy brief [“Book Publishing and Book Distribution. Essential Policy Issues”](#), H. Shyyan, RES-POL, 2024).

Policy ideas

Discussing essential issues, respondents and experts suggested possible policies for resolving this essential issue:

- Creating tools for analyzing the situation with a shortage of specialists to better understand who and in what quantities is lacking in the labor market.
- Creating tools for searching for specialists for project work.
- Working by specialty in the Armed Forces of Ukraine and mechanisms for reserving the representatives of the independent sector from mobilization.

- Creating mechanisms for insurance against war risks for creative businesses.
- Creating programs for reintegration into the profession after demobilization.
- Creating programs for internships, mentoring, retraining, and career guidance.
- Finding formats for attracting Ukrainian specialists who are interested in working on Ukrainian projects from abroad, avoiding double taxation.
- Creating tools for networking Ukrainian professionals in creative industries abroad.
- Creating DIIA.Creatives for teams of sole proprietors from CCIs, which will increase the level of trust in creators and will also stimulate their transparent activities.
- Vouchers for businesses to hire beginners and interns.

LIMITED PROFESSIONAL INTERNATIONAL PRESENCE

Sector: All CI sectors

Is this related to the war: Partially

The financial and logistical inaccessibility of representative trips abroad for most industry actors and the complicated procedure for obtaining permits for people liable for call-up to travel outside Ukraine negatively affect the quality of contacts with foreign partners and potential investors, and therefore the growth rate of creative businesses.

At the same time, the situation is also affected by the lack of agents, artist managers, marketing specialists, digital specialists, promotion agents who understand global markets and are able to promote Ukrainian products. There can also be traced the lack of specialists with a sufficient level of foreign languages and other competences required for establishing international cooperation and working on international projects, while the planning horizons of international organizations and events are inaccessible to representatives of Ukrainian CIs, who, due to the war, cannot make commitments for several years in advance.

The state support for participation in international exhibitions and realization of export potential (in particular, through the provision of state guarantees for foreign

partners who are afraid to cooperate with Ukrainian manufacturers due to risks) is also insufficient, especially in conditions of complexity and increasing cost of logistics due to the closure of ports and the lack of air connections.

"In the background of the outflow of human capital from Ukraine, we cannot afford to lose contact with the talents who have left, and it is worth making as much effort as possible to maintain their involvement in the intellectual field of Ukraine. Creative hubs do not understand their role in solving the problem, they lack the vision and resources to help creative people who have left to maintain contact with the professional field in Ukraine and involve them in the development of the sector and cultural diplomacy. Representatives of Cis, who have left Ukraine, are moving away from the Ukrainian context and professional environment. Ukraine is losing professionals and ambassadors due to the lack of systematic work aimed at their involvement.

The ban on citizens (mostly men) liable for call-up for traveling outside Ukraine affects the quality of contacts with foreign partners and potential investors, and this has a negative impact on the growth rate of creative businesses. In creative industries, personal human interaction significantly increases the chances of long-term cooperation, product development, collaboration, etc. Respondents to in-depth interviews gave several examples when "cold" contacts did not transform into "warm" ones, and cooperation was suspended due to the impossibility of traveling abroad for professional meetings and negotiations"

(policy brief "[Creative Hubs and Spaces. Essential Policy Issues](#)", A. Karnaukh, K. Kravchuk, RES-POL, 2024).

"Ukrainian specialists who have been living abroad for some time and feel the insights in those markets become a kind of guide in understanding cultural codes on which communication strategies/creative ideas could be built. At The Gradient, specialists who left for Britain and the Netherlands due to the invasion opened agency offices there. It is noted that sometimes European clients are afraid to deal with agencies where the entire team is located in Ukraine. "The Clutch platform worked very well for us to find clients. Now it almost doesn't work, because we don't hide that we are from Ukraine, and clients are afraid"

(policy brief "[Creative Agencies. Essential Policy Issues](#)", T. Landesman, I. Skyba-Yakubova, RES-POL, 2024).

“Participation in international forums and festivals allows specialists to get acquainted with the latest trends, technologies, and methods in the industry. The lack of such opportunities limits the acquisition of new knowledge and ideas necessary for the development of innovative projects. Participation in international events is key to establishing contacts and future cooperation with foreign companies and specialists. The lack of such opportunities limits the access of Ukrainian actors in the sector to potential partners and sponsors, and therefore hinders business expansion and the launch of joint projects”

(policy brief “[Animation, Video Game Development \(gamedev\), Three-Dimensional Computer Graphics \(CGI\), Visual Effects \(VFX\). Essential Policy Issues](#)”, A. Verlinska, RES-POL, 2024).

“Attending specialized business events is one of the most effective tools for establishing international cooperation. International showcases combine training and networking and create an opportunity to get acquainted with the work of artists in person. Such events usually provide free venues for performances and provide room for certain marketing activities, but the costs of transportation and accommodation are covered by the participants themselves, which young authors and performers cannot always afford. In European countries, the presence of local artists and their business representatives at international events is financed by export offices, ministries, and in addition, there are various grant opportunities. Such tools are mostly unavailable to Ukrainian participants, as international institutions rarely reimburse the costs of Ukrainian participants, and grant opportunities are very limited.

As foreign organizers are accustomed to planning events and the associated logistics in advance, the unpredictability and short deadlines for obtaining travel permits for Ukrainians liable for call-up become another obstacle to the visibility of Ukrainian performers on global platforms. This problem also resonates with the issue of reserving specialists in the independent music sector and insufficient communication on this issue from the state”

(policy brief “[Music Business. Essential Policy Issues](#)”, A. Dmukhovska, RES-POL, 2024).

“Networking efforts in the industry abroad (engaging diaspora resources, briefings, and training for capable organizations on the needs of the

industry). In this way, capable organizations themselves would ensure the presence of Ukrainian publishers, authors, and books abroad"

(Iryna Baturevych, "Chytomo").

"Funding for trips and stands is an incredibly important element, and no matter how much money you pour in, there will be objectively not enough. For example, the success of Polish authors in Britain is actually the success of one Polish stand at the London Book Fair in 2017, where they brought all their top authors and concluded all their top deals. Sales increase tenfold when there is such representation on the international arena, so there will never be enough here" (Inna Bilonozhko, Indie Book Data)

(policy brief "[Book Publishing and Book Distribution. Essential Policy Issues](#)", H. Shyyan, RES-POL, 2024).

Policy ideas

Discussing the essential issues, respondents and experts suggested possible policies to address this essential issue:

- Creating DIIA.Creatives for collectives of individual entrepreneurs from CCI, which will increase the level of trust in creators, as well as stimulate their activities through benefits, special regulations, and tax relief.
- Attracting potential partners through Ukrainian diplomatic institutions (embassies and chambers of commerce and industry) abroad.
- Introducing competitions with a transparent evaluation procedure and creating a pool of specialists to select competitive projects with international potential.
- Forming a common vision of the modern Ukrainian cultural product as a result of the state's dialogue with the key players in the CCI sector.
- Determining priority countries for the promotion of Ukrainian culture and organizing the participation of Ukrainian delegations in key events.
- Creating a transparent procedure for approving travel abroad for people liable for call-up and a mechanism for controlling their return.

- Systematizing the offer of Ukrainian creative industries by way of creating databases of artists, companies, cultural projects and products on the websites of the Ministry of Foreign Affairs and state institutions (UI, UBI, Derzhkino (State Film Agency), Invest in Ukraine).
- Presenting CI sectors through such state economic structures as PrJSC "EKA" ("Export Credit Agency") and State Enterprise "Entrepreneurship and Export Promotion Office".
- Promoting the distribution of Ukrainian products on international platforms (Etsy, Amazon) to expand access to the global market.
- Implementing financial risk insurance mechanisms for organizers of foreign events in case of cancellation of Ukrainian delegates' participation for war-related reasons (failure to obtain travel permits, mobilization, loss of physical ability).
- Creating guarantee programs to reimburse the losses incurred by Ukrainian organizers and delegates due to canceled events (costs for booking tickets, accommodation, etc.).
- Supporting and further developing the Ukrainian Institute's study visit program.
- Creating safety instructions, materials, and trainings for foreign guests and those who host them.
- Regular discussions at a horizontal level in professional communities of the public position and possible response strategies regarding the presence of Russians at international events.
- Creating a database/map of Ukrainian associations and organizations abroad, encouraging networking, and an accreditation system for organizations to officially represent Ukraine and engage in cooperation.

COMPETENCE AND PROFESSIONAL SCARCITY

Sectors: All CI sectors

Is this related to the war: PARTIALLY

All sectors of creative industries report a lack of formal and informal training and

advanced training programs that meet market demands, as the specialties and training programs offered by the higher education system in Ukraine largely do not meet the current requirements of creative industries. At the same time, there is a lack of cooperation between educational institutions and industries, as well as career guidance programs for adolescents. In addition, a long period of online learning due to the pandemic and full-scale invasion for some specialties also affects the quality of graduates' competences.

In particular, there is shortage of specialists:

- who understand the latest management models;
- with a sufficient command of foreign languages and other competences required for establishing international cooperation, working on international projects, systematic interaction with foreign networks and organizations, and supporting sustainable international partnerships;
- with financial management competences for working with state, grant, and private funds and creating models of organizations where this funding is combined;
- legally and financially literate, with knowledge of entrepreneurship, competitiveness, and sales markets;
- with competences required for managing modern cultural infrastructure.

This problem is also closely related to the classifier of professions, which does not include many relevant specialties, and to the classification of types of economic activities (KVED), which does not reflect real professions/functions.

"The specialties offered by the higher education system in Ukraine do not meet the current requirements of the industry. Animation, gamedev, and visual effects are closely related to the fast development and rapid changes in innovative technologies. At the same time, changes in educational programs, creation of new specialties, and updating the classifier of professions are quite lengthy and bureaucratic processes"

(policy brief "[Animation, Video Game Development \(gamedev\), Three-Dimensional Computer Graphics \(CGI\), Visual Effects \(VFX\). Essential Policy Issues](#)", A. Verlinska, RES-POL, 202).

"We lack people who know how to work with the assortment as part of the overall business process – category managers and procurement specialists. Recruiters close such vacancies for several months, and personal recommendations mostly work there. I also lack qualified project managers who have a basic level of education in the humanities and at the same time understand how business works, know how to build effective cooperation. Mostly, managers in the book sector are people who have retrained from other areas of activity, and therefore need additional education. Business courses focused on the development of the book market would probably be helpful here. And if this is deployed as some kind of infrastructural sustainable project and regular interaction with universities and non-formal education courses, it could improve the situation"

(Kateryna Kotvitska, Head of MEGOGO AUDIO)
(policy brief "[Book Publishing and Book Distribution. Essential Policy Issues](#)", H. Shyyan, RES-POL, 2024).

Policy ideas

Discussing the essential issues, respondents and experts suggested possible policies to address this essential issue:

- Support of the development of professional associations (industry associations) of various sectors of culture and creative industries as links for strengthening the interaction between the market and the education sector, especially higher education.
- Support program for practitioners who develop curricula and teach in the formal education system.
- Program to stimulate cooperation between the education, culture, and creative industries sectors in terms of joint revision of educational programs, development of new relevant programs, and drastic acceleration of the development of professional standards.
- Short-term grants from the state and donors for market representatives to update the classifier of professions and differentiate the KVED system.
- Launch of a regular forum for providers of educational services for culture and creative industries where feedback on their quality would be provided by market representatives.

- Motivation program (from universities or grant programs) for teachers who develop and deliver educational programs in English.
- Support programs for bilateral exchanges and collaborations with foreign teachers and practitioners – support in the arrival of foreigners to Ukraine to teach for a period of one year (preferably longer) as an additional element – additional grants for the creation of joint products while teaching in Ukraine.
- Programs for recognizing and motivating specialists (awards, competitions, distinctions) who take on the role of mentors in the workplace.
- Support of experimental laboratories at universities as a format for collaboration with foreign partners and the market.
- Development of procedures for closing specialized institutions (from HEIs to vocational training institutions) and the option of directing the released funds to competence-building programs for teachers.
- Development of procedures for suspending the work of HEIs in front-line territories for the period of active hostilities, especially for applicants for professions that require practical skills and cannot be taught online. Transfer of teachers and students to other educational institutions.
- Vouchers for employers in frontline regions, designed to quickly upgrade people's skills. One can use the offers of existing players - Projector, Prometheus, etc.
- Creation of creative professional centers based on a network of municipal cultural institutions, where practitioners may act as teachers.
- Attracting foreign talent to the professional field in Ukraine thanks to a favorable tax system.

In the context of professional and competence scarcity, it is worth mentioning separately the direction of preparation for work with deoccupied territories and the development of a strategy for how culture and creative industries could be involved in such work. One possible policy example is to launch a laboratory to develop a methodology for working with deoccupied territories that would combine education, culture, and CIs, and then train a pool of experts using such approaches.

INSUFFICIENT EFFECTIVENESS AND ACCESSIBILITY OF SUPPORT AND FINANCING INSTRUMENTS

Sector: All CI sectors

Is this related to the war: No

In Ukraine, there is a government program “[Affordable Loans 5–7–9 %](#)”, developed under the Procedure for the Financial State Support Provision to Business Entities, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 28 as of January 24, 2020. This program [is implemented by the Entrepreneurship Development Fund](#) and constitutes a component of the government policy “Made in Ukraine” aiming to support Ukrainian producers. Currently, 46 banks are involved in the program, and Ukrainian entrepreneurs have received 14,645 preferential loans under the “Affordable Loans 5–7–9 %” from the beginning of 2024 alone for a total amount of UAH 55.2 bln. More than two-thirds of the amount was allocated to the [sectors of agriculture and processing industry](#). On April 30, 2024, the Government slightly modernized the “5–7–9 %” program [to re-focus this type of state support primarily on investment crediting](#). However, even having attractive rates, 5–7–9 % loans are not affordable for most book businesses, particularly small ones, due to the lack of assets that can be given as collateral. SMEs working as sole proprietors can provide only their own property as collateral.

There are also problems in each of the industries related to the effectiveness of state and donor support instruments.

“In Ukraine, there are almost no state support programs for indie startups. At the same time, microgrants equivalent to about \$5,000 could help beginners in developing and testing games, which would contribute to the development of the industry as a whole. Currently, only international opportunities are available, such as Epic MegaGrants (from \$5,000 to \$75,000); Unity for Humanity (financing, mentoring and advertising support); ID@Xbox developer acceleration program; Google Indie Games Accelerator for Google Play projects, etc.

The Law of Ukraine on State Support for Cinematography, adopted in 2017, systematized all forms of support available to the cinematography industry. One of the innovations was [granting subsidies for the repayment of qualified costs incurred by foreign cinematographic entities in the production of movies in Ukraine](#). This formulation, known as cash rebates, was introduced into the legislation in 2019. Despite the adoption of the

law, the mechanism for implementing cash rebates remained imperfect. Only in 2021 did clear conditions for receiving these subsidies appear, an important condition for compensation is that all costs can be reimbursed only to business entities that stay on the general taxation system. However, foreign investors often prefer to work with sole proprietors for the purpose of tax optimization, which makes cash rebates unavailable"

(policy brief "[Animation, Video Game Development \(gamedev\), Three-Dimensional Computer Graphics \(CGI\), Visual Effects \(VFX\). Essential Policy Issues](#)", A. Verlinska, RES-POL, 2024).

"Creative hubs are a commercially complex model that begins with building a community, and for the period of achieving solvency, financial support is required to ensure sustainable activity and work processes launch. A significant part of the respondents of the in-depth interviews noted that they had experience in applying for grant programs to support the activities of their creative hub (the UCF and the House of Europe were most often mentioned), but it was about the implementation of additional projects, and not about co-financing the main program activities of the organization as a creative hub. Funding programs do not recognize creative hubs as separate important players and do not understand the importance of their support. Without support, successful hubs close, unable to overcome times of crisis, and newly created ones do not gain momentum and sustainability"

(policy brief "[Creative Hubs and Spaces. Essential Policy Issues](#)", A. Karnaukh, K. Kravchuk, RES-POL, 2024).

Policy ideas

Discussing the essential issues, respondents and experts suggested possible policies to solve this essential issue:

- Increasing the capacity to attract external financing due to the development of financial literacy, a culture of conducting professional/entrepreneurial activities, and the required competences.
- Creating effective profile associations that will advocate the interests of the industry in improving access to financing.
- Expanding financial support (specialized programs/products) for the CI sector, adapted to the specific needs of the industry.

- Developing and implementing new forms of lending, in particular against the collateral of future sales, contractual revenues.
- Expanding hybrid forms of financing (grants-loans, consulting-loans, etc.) and expanding the range of financing providers (for example, financial companies and investment funds).
- Creating conditions for the development of creative industries by introducing relevant amendments to legislation, in particular to the Law of Ukraine “On Financial Services and Financial Companies”, adopting new laws, in particular on patronage and crowdfunding.
- Reinforcing communication with financial institutions and specialized associations to develop new support mechanisms, aligning the needs of creative industries with the offer of funding providers.
- Reducing risks for funding providers (risk insurance, state guarantees).
- Providing loans to publishers under guarantees from the UBI (obligations of future state purchases of items for libraries are considered as a guarantee) - only for book publishing.

LOW INTELLECTUAL PROPERTY CULTURE

The low general level of literacy and awareness regarding respect for copyright has long been a problem for Ukrainian society, as the Ukrainian audience perceives piracy and counterfeiting to a large extent as the norm, therefore, the level of their consumption in music, cinema and animation, book publishing and book distribution is high. At the same time, fines for violating intellectual property rights are low, and the justification for using pirated products is the high cost of licensed products and software; some distributors of pirated content are also convinced that in this way they are promoting the product of Ukrainian authors.

Authors, in turn, lack knowledge and understanding of the mechanisms for registering and protecting copyright for their creative products and inventions, and therefore they have a low level of resistance to theft of their ideas, plagiarism, and illegal distribution of the products of their creative work.

“There are situations when a collector bought a work of art, but, having paid money for it, did not sign a contract and then exhibits it in a catalog

or makes merch based on it. Due to general ignorance, there is no understanding that there are different types of rights, such as for publication, for commercial use, and that copyright belongs to the artist if he has not officially transferred it to anyone. In addition, Ukrainian legislation regulates copyright for a product, but not for an idea, and even representatives of the industry themselves do not always fully understand what happens to intellectual property rights when a client buys an idea. In general, in the field of intellectual rights, the problem is primarily not in legislation, but in ignorance and contemptuous attitude towards this issue; in conditions where there are almost no cases that end in high-profile trials, no laws will work. The spread of the use of artificial intelligence tools further complicates the situation, because the determination of authorship and, accordingly, the transfer of rights becomes even more complicated, the situation is so dynamic that even global experience cannot always be an example"

(policy brief "[Creative Agencies. Essential Policy Issues](#)", T. Landesman, I. Skyba-Yakubova, RES-POL, 2024).

"[GFK study](#) for 2020 claims that only 13% of users in Ukraine use only legal resources to listen to music. This statistic is also confirmed by respondents to RES-POL in-depth interviews. According to one of them, the ratio of legal and pirated content in Ukraine is 1:10 (for 1 legal listening there come 10 pirated)"

(policy brief "[Music Business. Essential Policy Issues](#)", A. Dmukhovska, RES-POL, 2024).

"Patent trolls use blackmail as a method of pressure on businesses. They register trademarks and start competing with original users, delaying the process or demanding payments. Some patent trolls specifically register trademarks or images, hoping that original users will not be able to prove primary use and will be forced to pay. Small local businesses often do not realize the importance of registering their trademarks"

(policy brief "[Animation, Video Game Development \(gamedev\), Three-Dimensional Computer Graphics \(CGI\), Visual Effects \(VFX\). Essential Policy Issues](#)", A. Verlinska, RES-POL, 2024).

"Actually, the feeling is that the problem of piracy is becoming even more tangible. And since Ukrainian books have become more popular, Ukrainian

pirates have become even more brazen. We see this in our publications. And we are talking not only about electronic, but also about printed publications. In total, we tracked down and purchased about 80 titles of our books so that we would have evidence to file a copyright infringement complaint. Usually, such books do not contain any source data, for example, it may say that they were printed in Finland or Estonia. Mostly, such books can be found on the market, but there were even several cases when such pirated editions ended up in well-known online bookstores. But after the complaint filing, of course, they are instantly removed from sale”

(Olena Rybka, “Vivat”) (policy brief “[Book Publishing and Book Distribution. Essential Policy Issues](#)”, H. Shyyan, RES-POL, 2024).

Policy ideas

Discussing the essential issues, respondents and experts suggested possible policies to address this essential issue:

- Legislative approval of convenient and fast mechanisms and tools for reporting copyright infringement.
- Legislative approval of tools for quick punishment of minor infringers.
- Requirement for Internet providers to provide data on the traffic of pirated products in order to track the volume of the problem.
- Legislative approval of requirements for confirming the licensing of products by online payment systems, marketplaces, social media, and retail establishments (the risk is excessive regulation and uncertainty of the formats of such documents and verification methods).
- Automation of copyright infringement tracking, application of AI, study of foreign practices.
- Labeling of sellers of legal content by professional associations and unions, registration of TM for website marking (need to be combined with an information campaign for buyers).
- WIPO alert, or blacklisting of sites at the request of the affected party (recommendation to block the website, after which it loses advertising).

- Educational activities in the field of intellectual property.
- Uniting professional communities in the fight against piracy.

NON-FUNCTIONING COLLECTIVE RIGHTS MANAGEMENT SYSTEM

Sectors: Music business
Is it related to the war: No

Essential issues:

Lack of transparency in the accreditation of responsible collective management organizations (CMOs), setting tariffs, collecting and distributing royalties has created conditions for a shadow model of work over the past decades, in which rightholders and authors receive meager deductions, and the market does not receive a significant part of the income. As a result, Ukraine is among the countries with major violations related to copyright protection, according to the Office of the US Trade Representative “Special 301”. In addition, improving the functioning of collective management organizations and paying royalties to rightholders is part of the approved action plan to implement the EU recommendations presented in the Progress Report on Ukraine within the framework of the European Union Enlargement Package 2023. Establishing processes that are part of the essential issues related to the system of collective management of rights involves joint actions of state bodies, business representatives, and the professional community, required in order to completely restart the existing inefficient system.

The absence of an accredited collective management organization(s) negatively affects the establishment of effective operation of the entire system, and the non-functioning transparent mechanism for controlling the collection and payment of royalties creates chaos and conditions for unaccountable cash flows. The process of setting tariffs for the use of musical content is not transparent and unclear, and the legislative consolidation of “setting tariffs as a result of negotiations” (potentially) creates inequality in lobbying the interests of different users of musical content (for public performance, making copies, adaptations, etc.), for example between television channels and performers, and legalizes conflicts of interest. At the same time, low fines for infringement of intellectual property rights do not motivate the consumer to take a responsible approach to this issue, and the fact that a higher court for intellectual property issues has not yet been established makes it impossible to have a full-fledged copyright protection mechanism.

Payments to Collective Management Organizations (CMOs), which carry out voluntary collective management, are not transparent and incomprehensible to authors, which creates general distrust in the system and encourages them to register works in foreign collective management organizations, which launders funds away from Ukraine and undermines the subjectivity and capacity of the local industry.

Policy ideas

Discussing the essential issues, respondents and experts suggested possible policies to address this essential issue:

General

- At the legislative level, distinguishing between copyright and related fees and deductions to make them more transparent.
- Reviewing the requirements for accreditation of CMOs and aligning them with European practice.
- Accrediting CMOs in the field of copyright and related rights.
- Creating a working group and introduce regular meetings of businesses and the state to coordinate efforts and improve regulatory acts.

For music content users

- Creation of a single window for purchasing a license.
- Establishment of a system for monitoring payment and reporting by users.
- Revision of administrative control tools: payment of an increased tariff or a fine in case of failure to provide a list of used works in the established format.
- Introduction of a unified reporting form by users.
- Borrowing and implementing an effective technical solution for collecting and distributing funds at the local level (through international partners and/or associations, such as CISAC, IFPI, SCAPR).
- Creation of “tariff tribunals” - an independent body that can agree on a tariff

if it cannot be established as a result of negotiations.

- Legislative fixation of tariffs proposed and agreed upon by an accredited CMO for different types of rights.
- Involvement of independent economic experts in the formation of tariffs.

For effective administration

- Reviewing the requirements for CMOs' reporting to authors and rightsholders and introducing a transparent format using an internationally recognized technical solution for reporting.
- Reviewing the requirements for audit reports of CMOs to realistically reflect the collection and distribution of funds.
- Reviewing the requirements for the reporting format of CMOs to the Ministry of Economy of Ukraine.

For increasing the visibility of the industry

- Creation of a publicly accessible register of Ukrainian works and authors.
- Conducting educational campaigns among authors on the importance of rights registration.

INFRASTRUCTURE VULNERABILITY AND NON-ADAPTABILITY

Sectors: All CI sectors

Is it related to the war: PARTIALLY

In recent decades, the infrastructure involved in the work of creative industries has had many problems, which have become even more acute in the context of war, as energy efficiency, inclusiveness, trauma sensitivity and safety of working and event spaces, which have never been at a high level, now require a particularly thorough rethinking, improvement and security.

Even in large cities, there is a shortage of safe locations with shelters for holding events of various scales and formats (concerts, workshops, conferences, residencies).

With the beginning of a full-scale invasion, issues like the threat to infrastructure, risk insurance, and obtaining the status of critical infrastructure have become highly relevant for many creative industries enterprises, in particular, for example, Kharkiv printing houses which cannot be relocated.

There is a big problem with insurance, which is required by foreign customers, because insurance companies either do not cover risks in Ukraine at all, or the cost of coverage is excessively high. This situation deters potential foreign investors, customers, partners, authors, and performers who are interested in working with Ukrainian businesses and cultural events, but are not ready to do this at their own peril and risk.

At the level of municipal infrastructure, which includes more than 30 thousand cultural institutions, it is noticeable that there are no clear formats for accessing it for independent creative environments and the private sector. In addition, among the heads of municipal cultural institutions, there is a noticeable lack of specialists with an ecosystemic vision and willingness to transform such spaces into centers of attraction for the community and professional communities in culture and CIs.

“Underutilization of the potential of municipal infrastructure for the formation and growth of local creative communities creates a gap between players depending on whether they have access to premises, and inhibits the development of communities and the creative potential of communities. Such synergy between owners of cultural infrastructure facilities and independent creative environments is necessary for the full realization of the potential of the CI sector”

(policy brief “[Creative Hubs and Spaces. Essential Policy Issues](#)”, A. Karnaukh, K. Kravchuk, RES-POL, 2024).

“During the years of Independence, the state paid almost no attention to the development and support of modern concert infrastructure in Ukraine, and the pandemic and war only complicated the situation. In recent decades, most concert venues have emerged and been functioning only thanks to private investments: !FESTREPUBLIC (Lviv), Bel Etage and ATLAS (1,000 seats, Kyiv), Mezzanine and Closer (300–500 seats, Kyiv), the Some People Center for New Culture, which, despite the war risks, is now being built in Kharkiv”

(policy brief “[Music Business. Essential Policy Issues](#)”, A. Dmukhovska, RES-POL, 2024).

«The full-scale invasion has raised the risks of businesses in Ukraine to a critical level and made long-term planning impossible. At the same time, the gradation of threats by region remains. The high concentration of printing houses and publishers in Kharkiv makes the book publishing industry particularly vulnerable. And if publishing houses can mitigate the threats a bit by transferring some of their employees to remote work, then printing houses are firmly tied to a developed infrastructure and rare and expensive equipment that has been accumulated and improved over the years»

(policy brief “[Book Publishing and Book Distribution. Essential Policy Issues](#)”, H. Shyyan, RES-POL, 2024).

INSTITUTIONAL WEAKNESS AND NON-SYSTEMIC NATURE

Sectors: All CI sectors

Is it related to the war: No

The lack of interdepartmental synchronization between the MCSC, the Ministry of Economy, the Ministry of Foreign Affairs, the Ministry of Education and Science, the Ministry of Reconstruction, the Ministry for Communities and Territories Development regarding the promotion of reading, financing, international promotion, prevention of piracy and other activities that occur at the intersection of their spheres of influence negatively affects the processes and leads to either duplication of tasks or their unsystematic implementation. Most industries do not have specialized state institutions such as the Ukrainian Book Institute, which contribute to their internal development and international presence. In addition, a significant problem is the lack of high-quality and up-to-date statistics, analysis of the market and its volumes.

“The music industry remains invisible to the state. According to the testimonies of respondents obtained during in-depth interviews by RES-POL, the lack of a specialized state institution (such as the State Film Agency, the Ukrainian Book Institute) that would take care of the music industry significantly hinders its development. Currently, there are almost no systematic actions taken by the state either to support the Ukrainian music industry or to promote its products at the national and international levels”

(policy brief “[Music Business. Essential Policy Issues](#)”, A. Dmukhovska, RES-POL, 2024).

“The lack of centralized sales data and outdated statistical data collection mechanisms were outlined as one of the industry challenges in the study [“The publishing sector of Ukraine: sectoral review”](#), conducted by the UBI and the British Council in 2019. According to its results, [the Book Chamber](#) was considered by the respondents as a slow, cumbersome, and worthless institution, because its statistics did not reflect the market reality. As of 2024, the situation has not changed”

(policy brief [“Book Publishing and Book Distribution. Essential Policy Issues”](#), H. Shyyan, RES-POL, 2024).

“The Ministry of Culture and Strategic Communications is not perceived by the creative agency sector as either a partner or a stakeholder. The professional community does not feel that the MCSC is doing anything for the advertising industry or is seeking to interact with it in any way. There are individual episodes and projects that are more like the ministry receiving services from communication agencies under specific requests”

(policy brief [“Creative Agencies. Essential Policy Issues”](#), T. Landesman, I. Skyba-Yakubova, RES-POL, 2024).

“There is no systematic customer of analytics at the institutional level that would be interested in presenting and discussing the data. In 2020–2021, the MCIP showed interest in creative hubs, but the research commissioned by it was ultimately not published. Due to the cross-sectoral nature (CIs + economy + infrastructure + regional development) and dispersed responsibility, none of the stakeholders was interested in creative hubs deeply enough to commission research and apply a cross-sectoral lens to the data and results.

The MCIP identified creative hubs as one of the priorities in the Strategy for the Development of Creative Industries and Hospitality (2021, part of the [National economic strategy until 2030](#)), in the same year, creative hubs called “centers of the creative economy” were identified as a priority for support within the framework of the State Regional Development Strategy for 2021–2027. There is no information on the logic of synchronizing these two programs in the public domain”

(policy brief [“Creative Hubs and Spaces. Essential Policy Issues”](#), A. Karnaukh, K. Kravchuk, RES-POL, 2024).

LACK OF INTERACTION AND WEAKNESS OF THE ECOSYSTEM

Sectors: All CI sectors

Is it related to the war: No

Creative industries and sectoral communities are quite hermetic, and the mutual integration of creative industries is quite low, although the potential for creating added value under conditions of interaction between industries is quite high (for example, the sale of film licenses, computer games, prints for clothing, merch).

In each industry, there is a noticeable lack of capable professional associations and unions, platforms and opportunities for exchanging professional experience and networking. At the same time, for example, creative hubs are not aware of their function as an intermediary organization, they lack the skills to work with the creative community and leaders who would perform the functions of facilitating interaction.

“Underutilization of talent potential affects the level of innovations that can be a product of sectoral interaction. Against the background of the shortage of human capital in Ukraine, such synergies could increase the efficiency of people’s work and strengthen the country’s ability to respond to the pressing challenges of the time. There is obvious potential in the interaction of makers and artisans, as well as representatives of IT and art sectors, etc.; the possibility of potential cooperation between the Center for Carpathian Culture in Kosovo and the Pole makerspace is one such example. A separate direction is the cooperation of Cis with the Armed Forces of Ukraine, in particular, the design sector could offer solutions for product military innovations. The freelance unit for the development and innovation of weapons of the National Academy of the Land Forces offers cooperation in the creation of defense-tech rooms based on creative hubs to involve people of all ages in the creation of technical solutions and creative products for the army”

(policy brief “[Creative Hubs and Spaces. Essential Policy Issues](#)”, A. Karnaukh, K. Kravchuk, RES-POL, 2024).

“The creative agency sector should be in closer contact with communities of cultural actors and social projects, because in these sectors a new ethic relevant to wartime is being born, a new language. It is also about language itself – how we call what and whom, what words we do not use because

they can be triggers or spoil diplomatic efforts. And regarding visual, audio language: we must be very careful about the level and specificity of sound, about images, so as not to re-traumatize people”

(policy brief “[Creative Agencies. Essential Policy Issues](#)”, T. Landesman, I. Skyba-Yakubova, RES-POL, 2024).

“The Association of Ukrainian Publishers and Book Distributors, as a single professional association, did a lot in its time to launch the market. However, its activities in the last decade have not been sufficiently active and effective, although such an organization should represent Ukraine in the International Publishers Association and the Federation of European Publishers. According to respondents, foreign partners are used to working with associations, so Ukraine sometimes does not receive support only because our Association is not effective and proactive in cooperation with European donors and institutions.

*The creation of films, cartoons, video games, toys, merchandise, and other products based on books is an important part of the industry. An important global trend is also **reading gamification** - an effective tool for promoting reading, primarily among teenagers. For the development of all these areas, there is a lack of platforms for cross-sectoral interaction, forums and hackathons, where representatives of different industries could discuss joint projects”*

(policy brief “[Book Publishing and Book Distribution. Essential Policy Issues](#)”, H. Shyyan, RES-POL, 2024).

REGULATORY REGIMES NOT CALIBRATED TO THE NEEDS OF CIS

Sectors: All CI sectors

Is it related to the war: No

Creative industries are predominantly non-state sectors: businesses, public organizations, so when there is some interaction with the state, the interests of the parties do not always coincide. Representatives of different sectors of creative industries voice problems related to taxation, rental auctions, permits for mass event holding, etc.

“The specifics of grant projects for the development of creative hubs and creative industries does not take into account the specifics of development projects. In the conditions of almost complete absence of programs to support creative hubs, educational institutions that nevertheless received grant funding for the formation or implementation of the activities of a creative hub lose part of the grant funds due to the need to pay VAT. For example, LNAA received a grant from the British Council as part of the program to support the development of the CI sector in the higher education system - Creative Spark. In particular, the grant provided for the development of a concept for establishing a creative hub based on LNAA. The grant was taxed.

CI players do not have a legally established right of priority over commercial non-profile operators for lease in state and municipal cultural organizations. Such priority would help stimulate the organic formation of creative hubs and clusters, but the regulatory framework does not reflect the needs of CIs and does not take into account the potential for the development of cultural organizations due to close location and cooperation with tenants from the same sector”

(policy brief “[Creative Hubs and Spaces. Essential Policy Issues](#)”, A. Karnaukh, K. Kravchuk, RES-POL, 2024).

“Often, the issuance of permits for mass event holding is highly non-transparent, and one often learns about the provision of such a permit or a rejection just a few days before the event itself. Such unpredictability negatively affects organizational processes and creates corruption risks”

(policy brief “[Music Business. Essential Policy Issues](#)”, A. Dmukhovska, RES-POL, 2024).

“Since 2015, book imports in Ukraine have been subject to VAT, which increases the cost for the end consumer. Although at first glance the problem seems insignificant, because the main priority of state policies is to support Ukrainian books, in the context of stimulating the study of English and other foreign languages, reducing the price of authentic educational materials and books for reading in the original can become an additional tool for promoting this trend. In addition, this will reduce the number of counterfeits and piracy of foreign books, as it will be more difficult for their producers to maintain a competitive price”

(policy brief "[Book Publishing and Book Distribution. Essential Policy Issues](#)", H. Shyyan, RES-POL, 2024).

"Touring activities in Ukraine can be carried out by limited liability companies or individual entrepreneurs staying on the general taxation system only". [FOPs \(sole entrepreneurs\) paying single tax are not allowed to carry out tour activity](#). Under the [Tax Code of Ukraine](#), for Ltds, such activities are subject to VAT, and for individual entrepreneurs, the obligation to pay personal income tax (PIT) is imposed - 18%; military fee (MF) - 1.5%; single social contribution (SSC) - 22%. According to industry representatives, for a sector that has not had time to recover from the consequences of the pandemic and is almost paralyzed by wartime factors, such requirements create a significant administrative barrier to conducting activities, and such a level of taxes generally calls into question its feasibility, which, in turn, contributes to the shadowing of the industry"

(policy brief "[Music Business. Essential Policy Issues](#)", A. Dmukhovska, RES-POL, 2024).

LACK OF UKRAINIAN-LANGUAGE PROFESSIONAL TOOLS AND SOURCES

Sectors: All CI sectors

Is it related to the war: No

The shortage of relevant professional and technical literature in Ukrainian is noticeable in most industries. And if in high-tech modern professions, specialists prefer to use English-language sources, in many cases, Russian-language sources remain almost the only available educational materials.

Not all professional tools and software have Ukrainian localization. Also, due to the orientation towards the foreign market, there is a noticeable lack of Ukrainian localization of domestic games.

"Despite a fairly large amount of translated literature and the presence of several academic, scientific, and university publishing houses and scientific journals, a significant lack of professional scientific literature in Ukrainian remains a fundamental problem - both translated and from Ukrainian scientists, with the possible exception of the Ukrainian humanities. Such projects, especially in the exact and natural sciences, are complex, expensive

in terms of copyright acquisition and translation, and unprofitable for publishers, so most important current sources are currently available only in foreign languages, but they are difficult and expensive to order in Ukraine; in this case, Russian versions remain more easily accessible - either from old stocks or pirated ones"

(policy brief "[Book Publishing and Book Distribution. Essential Policy Issues](#)", H. Shyyan, RES-POL, 2024).

INSUFFICIENT COUNTERACTION TO THE RUSSIAN PRODUCT

Sectors: all CI sectors

Despite the high awareness of the community, laws, sanctions, investigations into the origin of companies and capital, Russia and Russians continue to be present on the market in different ways, in the business environment. In particular, a Russian book is available on pirated resources and as counterfeit editions; Russian content is still available online in Ukraine and generates income for Russian companies/artists; some Ukrainian gaming companies have not stopped sales to the Russian-speaking market, including the Russian Federation, and cooperating with Russians.

On the international arena, an increasingly loyal attitude towards Russian creative businesses and cultural figures is noticeable, which poses a great challenge for Ukrainian cultural diplomacy and exports.

"According to rough estimates made by various market players, 25–30% of the total income of the Ukrainian online music market through Ukrainian subscriptions and advertising on Spotify, Apple Music, YouTube, and on social media is received by Russian companies and artists. These figures are confirmed by media publications, which note that in 2023 alone, Ukrainians listened to Russian content worth \$81.6 million. Although from 2022 the Law of Ukraine on Amending Certain Laws of Ukraine on the Support of National Musical Product and Restrictions on Public Use of Musical Product of the Aggressor State in Ukraine prohibits the organization and holding of touring events by Russian artists and the public performance and demonstration of their works; the law does not affect online access to Russian music through international platforms"

(policy brief "[Music Business. Essential Policy Issues](#)", A. Dmukhovska, RES-POL, 2024).

UNREALIZED MONETIZATION POTENTIAL OF CIS

Sectors: ALL CI sectors

Is it related to the war: No

Most creative industries operators in Ukraine are micro-businesses, which are legally formed from a group of individual entrepreneurs. The molecular nature of industries hinders the increase in the efficiency of Ukrainian companies through business scaling (reducing overhead costs per project or unit) or scaling activities, which is also relevant for non-profit creative industries operators. The lack of institutions and the weakness of the ecosystem require excessive involvement of industry leaders in educational and representative activities. The lack of working capital, and therefore the ability to invest hinders creative industries operators from developing and launching new products, entering export markets, and expanding their activities in Ukraine.

Annex 1. The list of economic activities that belong to creative industries.

Code under the National Classifier of Ukraine ДК 009:2010	Name of the type of economic activity
32.12	Manufacture of jewelry and related products
32.13	Manufacture of imitation jewelry and related products
32.2	Manufacture of musical instruments
58.11	Book publishing
58.13	Newspaper publishing
58.14	Publishing of magazines and periodicals
58.19	Other publishing activities
58.21	Publishing of computer games
58.29	Publishing of other software
59.11	Production of motion pictures and videos, television programs
59.12	Composition of films and videos, television programs
59.13	Distribution of films and videos, television programs
59.14	Demonstration of films
59.2	Publishing of sound recordings
60.1	Radio broadcasting activities
60.2	Television broadcasting activities
62.01	Computer programming
62.02	Informatization consultancy
63.91	News agency activities
70.21	Public relations activities
71.11	Architecture activities
72.2	Research and experimental development in the social sciences and humanities
73.11	Advertising agencies

73.12	Mediation in advertising in mass media
74.1	Specialized design activities
74.2	Photography activities
74.3	Provision of translation services
85.52	Cultural education
90.01	Theatre and concert activities
90.02	Activities related to the support of theatre and concert events
90.03	Individual artistic activities
90.04	Operation of theatre and concert halls
91.01	Operation of libraries and archives
91.02	Operation of museums

Annex 2. The list of essential issues by creative industries subsectors

RANKING OF ESSENTIAL ISSUES

	Essential issue	The percentage of respondents who consider this issue to be important or critical
1	Infrastructure at risk (especially Kharkiv printing houses), unavailable risk insurance	74 %
2	The infrastructure critical for the industry is not recognized as critical for the state	71 %
3	Piracy and counterfeiting. Low general level of literacy and awareness in matters of respect for copyright.	70 %
4	Difficulty or impossibility of reservation due to the mobilization of rare key specialists	70 %
5	Acute shortage of personnel due to the war	57 %
6	Effectiveness of state support instruments for the industry, in particular the program of rent reimbursement for bookstores	54 %
7	Inaccessibility of loans 5–7–9% due to lack of collateral	50 %
8	Lack of high-quality and up-to-date statistics on the book industry and market	49 %
9	Lack of the institute of literary agencies (internal and external); misunderstanding of the global market by authors, publishers, agents	48 %
10	Low integration of books into other creative industries (for example, the sale of licenses for films, computer games, prints for clothing, merch)	46%
11	Lack of professional translators of literary texts from world languages into Ukrainian and from Ukrainian into world languages	45 %
12	Lack of relevant professional technical and academic literature in Ukrainian	45 %
13	Unregulated market and dumping wars	44 %
14	Lack of formal and informal training programs and advanced training programs that meet market demands	39 %
15	Lack of professional editors at all levels (literary, conceptual, main)	36 %
16	Financial and logistical unavailability of representative trips abroad for most industry players	35 %
17	Lack of professional associations and exchange of professional experience	35 %

18	Lack of award institutions, professional media, criticism	33 %
19	Lack of systematic involvement of Ukrainians abroad, uncertainty of tax residency of nomadic specialists	33 %
20	Lack of qualified specialists, especially with working English and the competences necessary for working at the level of international projects and grant management	30 %
21	Lack of new Ukrainian authors of various genres	30 %
22	High cost of a foreign book, in particular due to VAT on book imports; partial shadowing of imports and VAT evasion	26 %
23	The price on the cover and its feasibility	20 %
24	Quality standards of works, services and products in the book industry	19 %

ANIMATION, VIDEO GAME DEVELOPMENT (GAMEDEV), 3D COMPUTER GRAPHICS (CGI), VISUAL EFFECTS (VFX)

	Essential issue	The percentage of respondents who consider the issue to be important or critical
1	Lack of cooperation between educational institutions and industry	80 %
2	Specialties offered by the higher education system in Ukraine do not meet the current requirements of the industry	76 %
3	Limited funding and project implementation deadlines from institutions that support animation projects. Fund programs do not meet the real needs and requirements of animation film production	71 %
4	Outflow of specialists abroad, which negatively affects the development of the sector	67 %
5	Lack of marketing promotion of products	64 %
6	Inaccessibility of licensed software due to the cost not adapted to the solvency in Ukraine	62 %
7	Procedure and criteria for booking industry specialists	58 %
8	Difficulties with employment for junior specialists and graduates of specialized universities/courses	57 %
9	Independent Ukrainian animation producers lack the competence to create co-production projects	56 %
10	Low availability of international trips to participate in forums and festivals and a lack of networking platforms in Ukraine	56 %
11	Depressed psychological state, burnout, and depression among industry specialists	55 %

12	Lack of highly qualified workers in the industry who are able to work at the level of international projects	51 %
13	Lack of state support programs for indie game developers	48 %
14	Lack of understanding of copyright protection, ethics of AI use, and the availability of patent trolls	45 %
15	Lack of Ukrainian localization of domestic games due to orientation towards the foreign market	39 %
16	Legal and financial illiteracy of industry specialists	39 %
17	Absence of clarifications regarding the legal and tax status of nomadic specialists and Ukrainians who continue to work for Ukrainian companies from abroad	37 %
18	Reduction of the terms of most contracts and investments to one year	35 %
19	Ineffectiveness of the law on cash rebates	28 %
20	Limited funding for experiments with research and the latest technologies	not identified
21	Lack of attention and interest in forming a capable industry	not identified

DESIGN

No.	Essential issues	Percentage of respondents who identified the issue as important or critical
1	The state does not recognize, does not see, and does not use design. Low design culture of state and municipal institutions, organizations and enterprises. Design is not used to solve significant social issues. Group of issues 1. Low awareness of design (we do not know and do not care).	69 %
2	Underused and distorted role of procurement of design services by the state and local sectors. Incompetent technical specifications. Non-transparent procurement of design services and payment mechanisms. Denial of responsibility for orders. Group of issues 2. Lack of competences in working with design and designers (we do not know how to use)."	69 %
3	Lack of design culture among manufacturers and undeveloped perception of design by customers (individuals). Design plagiarism – low intellectual property culture, low quality of product design, lack of skills in interacting with designers (non-payment of royalties, non-payment of services, etc.), perception of design as an artistic, not a professional practice. Group of questions 2. Lack of competences in working with design and designers (we do not know how to use them).	67 %

4	Underestimation of design as a tool of cultural diplomacy. Lack of a common national design narrative. Group of issues 1. Low awareness of design (we don't know and don't care).	67 %
5	The consequences of the war are increased deadlines for work performance due to problems with electricity supply, shortage of people and mobilization of specialists. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	64 %
6	Lack of interest in design and lack of awareness of its importance at the individual, societal, and institutional levels. Group of issues 1. Low awareness of design (we don't know and don't care).	64 %
7	Lack of competences for promoting Ukrainian designers and Ukrainian design brands on international markets. Group of issues 5. Insufficient representation and low competitiveness of Ukrainian design on international markets.	60 %
8	Low representation of Ukrainian design at specialized international fairs, exhibitions, festivals, platforms. Group of issues 5. Insufficient representation and low competitiveness of Ukrainian design on international markets.	60 %
9	Lack of support at the initial stages of a career. Difficulty entering the market (objective design). Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	58 %
10	Lack of systematic promotion and representation of Ukrainian design both within Ukraine and abroad. Group of issues 2. Lack of competences in working with design and designers (we do not know how to use them).	56 %
11	Lack of competences among designers in the areas of intellectual property, legal and financial literacy, business, and foreign languages. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	56 %
12	Lack of professional criticism and depth of discourse in various areas of design. Shortage of specialists ready for high-level discussions, teaching, and professional criticism. Group of issues 4. Weak and non-synergistic ecosystem of design development.	53 %
13	Lack of support for artisans. Lack or threat of disappearance of certain craft techniques. Lack of interaction between artisans and designers. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	53 %

14	Potential customers and users have a limited understanding of the value and essence of design. Group of issues 1. Low awareness of design (we don't know and don't care).	51 %
15	Mismatch between the market and public and private providers of educational services and the market: demand is not met; the wrong thing is offered; there is inductive teaching based on one's own experience, not market needs. Lack of systematicity and long-term vision in education. Applied arts and decor as design. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	49 %
16	Lack of capable professional associations, professional environments, communities, and information platforms. Low activity of professional environments. Group of issues 4. Weak and non-synergistic ecosystem of design development.	49 %
17	Due to the war, the international presence of specialists from Ukraine is limited, restrictions on traveling abroad for the personnel liable for call-up, high security risks of international visits to Ukraine. That results in the lack of understanding of the context and current trends in the industry. Group of issues 5. Insufficient representation and low competitiveness of Ukrainian design in international markets.	49 %
18	Lack of synergy between elements of the design ecosystem: designers, educational institutions, cultural institutions, etc. Group of issues 4. Weak and non-synergistic design development ecosystem.	49 %
19	Large manufacturing businesses, manufacturing factories do not know how to create design brands and do not know how to work with designers. Group of issues 2. Lack of competences in working with design and designers (we do not know how to use them).	49 %
20	The path to bringing new products (industrial design) to the market is complicated due to the lack of capable contractors, high cost, low quality of products, lack of companies capable of small-scale and serial production, and lack of a culture of interaction between participants in the value chain. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains. Group of issues 3. Lack of competences of market participants, shortage of specialists, and weak links in value chains.	49 %
21	Lack of creative spaces, creative hubs and prototyping bases. Group of issues 4. Weak and non-synergistic design development ecosystem.	49 %
22	Lack of industry and market analytics Group of issues 4. Weak and non-synergistic design development ecosystem.	47 %

23	Shortage of designers in museums, in particular exhibition space designers. Lack of technologists and art directors of design brands. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	47 %
24	Lack of confidence to promote themselves as Ukrainian designers and Ukrainian design brands abroad. Group of issues 5. Insufficient representation and low competitiveness of Ukrainian design in international markets.	47 %
25	High cost of protecting intellectual property rights in international markets and marketplaces. Group of issues 5. Insufficient representation and low competitiveness of Ukrainian design in international markets.	47 %
26	Low level of application of new production technologies and culture of working with new materials. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	44 %
27	Low level of business maturity in the design industry – unwillingness to establish business processes and delegate, legal fragmentation. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	42 %
28	Lack of competences necessary for interaction and achievement of results (products). Insufficient competences of interdisciplinary and intersectoral interaction at the institutional level. Gaps between different creative industries, absence or slowness of spillovers and transitions. Insufficient experimental formats with mandatory discussions, polemics and criticism. Group of issues 4. Weak and non-synergistic ecosystem of design development.	42 %
29	Lack of clear professional standards and established criteria for determining quality. Group of issues 3. Lack of competences of market participants, lack of specialists, and weak links in value chains.	36 %
30	Lack of readiness of brand manufacturers for growth due to the need for large investments in production facilities and new products. Complexity and high cost of prototype manufacturing. Group of issues 2. Lack of competence in working with design and designers (we do not know how to use it).	36 %

CREATIVE HUBS AND SPACES

No.	Essential issue	The percentage of respondents who identified this issue as important or critical
1	Managing modern cultural infrastructure requires an understanding of the latest management models and relevant competencies , and we currently have a shortage of such specialists.	77 %
2	Lack of mixed financial management competencies (working with public, grant, and private funds) reduces the viability of hubs.	71 %
3	Lack of funding programs that support the development of a solid infrastructure of creative hubs.	69 %
4	The win-win culture, synergies, and long-term play are absent as an established practice in society. As a result, public-private partnership models are unattractive because they are very complicated both procedurally and conceptually.	68 %
5	The ban on citizens (mostly men) liable for call-up to travel outside Ukraine affects the quality of contacts with foreign partners and potential investors, which, accordingly, negatively affects the growth rate of creative businesses.	68 %
6	Lack of clear formats for accessing municipal infrastructure. Lack of platforms for meeting and collaborating with independent creative environments.	68 %
7	Energy efficiency, inclusivity, trauma sensitivity, and safety are critical requirements of the new era for rethinking infrastructure for creative hubs and spaces.	68 %
8	Nowadays, fewer people visit spaces and events, commercial spaces are forced to co-finance the social component , as it becomes even less profitable.	65 %
9	Lack of funding and support programs for the program activities of creative hubs.	64 %
10	Many CI representatives have left for abroad. Creative hubs do not work with this audience systematically.	62 %
11	Sectoral communities in CIs are quite hermetic , lacking infrastructure and programs and intersections for different communities where there is high potential for creating added value.	55 %
12	Lack of interdepartmental synchronization regarding hubs and spaces between the MCSC, the Ministry of Economy, the Ministry of Regional Development, and the Ministry of Education and Science.	55 %
13	State structures (enterprises, cultural institutions) operate according to rental auctions on general terms , which makes it difficult for them to expand and integrate additional functions at the expense of creative sector players.	55 %
14	Insufficient understanding of the role and importance of creative hubs among representatives of the CI ecosystem itself and other stakeholders, in particular for the development of medium-sized and small towns.	52 %
15	Investments in creative hub development projects at public educational institutions are subject to VAT , which limits the amount of investment in development.	47 %

16	Limited understanding by creative hub managers of business support tools and ways to integrate them into the creative hub business model reduces the attractiveness of hubs for the business environment and innovators.	44 %
17	Hubs are not aware of their function as an intermediary organization , they lack the skills to work with the creative community and leaders who would perform the functions of facilitating interaction as a primary function, not an additional one.	36 %
18	Lack of analytics on creative hubs, particularly regarding their economic and social contribution.	33 %
19	The model of each creative hub is unique and depends significantly on the context of the region/city/district.	33 %
20	The lack of a well-established definition of a creative hub that would be reflected in policies and support programs limits the opportunities for player synchronization, networking, and strategic development.	30 %

MUSIC BUSINESS

	Collective Rights Management System in Ukraine
1	The absence of an accredited collective management organization(s) negatively affects the revenues of all actors and units of the sector.
2	Payments to CMOs that provide voluntary collective management are non-transparent and incomprehensible to authors.
3	The process of setting tariffs for the use of music content for different types of users is non-transparent and incomprehensible.
4	Low fines for infringement of intellectual property rights do not contribute to their protection.
5	Due to the non-functioning collective management system in Ukraine, authors register works with foreign collective management organizations.
	Legal and tax conditions of work
6	Low legal/financial literacy of artists/performers and reluctance to pay taxes (not everyone is ready to become an individual entrepreneur).
7	The ban on group 3 of individual entrepreneurs to engage in touring activities creates an excessive tax burden for artists/performers and stimulates the shadowing of the industry (not ready to open an Ltd, and pay a 20% VAT).
8	There are no real musical professions/functions in the classification of types of economic activities (KVED).
9	Taxes on royalty payments (19.5%) create an excessive burden for representatives of the music sector.
10	It is too difficult and expensive for artists/performers to open an Ltd.
11	The outflow of digital profits from the Ukrainian market abroad due to the unstable economic situation and the regulation of currency transactions.

	Digital field
12	Digital revenues alone are not enough to develop artists/performers and pay remuneration to their teams.
13	High level of consumption of pirated content by the Ukrainian audience (as a result – lack of income for Ukrainian artists).
14	Russian content is still available online in Ukraine and generates income for Russian companies/artists.
	Concert industry
15	The security situation and mobilization negatively affect the possibility of organizing and holding concerts.
16	Concerts have ceased to be the main source of income for artists/performers.
17	Prices for rental and equipment have increased many times and are not covered by the cost of tickets, which depends on the ability of the audience to pay.
18	Lack of concert halls of various capacities and quality even in large cities.
19	Manual management and lack of clear transparent criteria for issuing permits for holding mass events.
20	Unaffordable risk insurance. Insurance companies either do not cover risks in Ukraine at all (especially for foreign artists), or the cost of coverage is too high for the promoter.
	Education and industry development
20	Lack of educational institutions or courses where you can gain practical knowledge about the details of doing business in the music sector.
21	An acute shortage of management (artist managers, market scientists, digital specialists, promoters) that would help develop the careers of artists/performers and develop work processes in the industry.
22	Absence of a state institution the task of which would be to represent and support the music industry (such as the State Film Agency/Ukrainian Book Institute).
23	Insufficiently clear communication from the state regarding the mobilization and possibility of specialist reservation.
24	Absence of professional associations (at the level of companies, artists, performers, subsectors) and platforms for networking.
25	Absence of state statistics and analysis of the market and its volumes.
26	The process of obtaining grant support for representatives of the sector is unclear and overburdened.
	Music content export
27	Lack of understanding of international audiences and markets.
28	Lack of specialists with a sufficient command of foreign languages and other competences required for establishing international cooperation and working at the level of international projects.
29	Limited financial and logistical accessibility of international trips to participate in showcases and conferences.
30	Lack of information from the state regarding obtaining permits for the personnel liable for call-up to travel outside Ukraine makes it difficult or impossible to participate in international events.

31	Planning horizons of international organizations and events are inaccessible to Ukrainian companies and artists/performers, who, due to the war, cannot make commitments for several years in advance.
32	Lack of clarifications regarding the tax residency status of nomadic specialists and Ukrainians working from abroad for Ukrainian companies.
33	The outflow of specialists abroad (technical specialists, PR managers, promoters) negatively affects the development of the sector as a whole.

CREATIVE AGENCIES

	Market fall
1	Stagnation of Ukrainian clients in the first months of the invasion and cautious handling of marketing budgets in the following period
2	Fear of some foreign companies to work with the Ukrainian market due to the risks of losing personnel and energy instability (lack of light, communication)
3	Inability to hold large mass events
4	Fall of the TV advertising market via the United Marathon
5	Personnel crisis
	Market of specialists
6	Loss of specialists due to the war: departure abroad, mobilization
7	Impossibility of making legal payments to Ukrainians who have temporary protection status in the EU
8	Difficulties with payment to foreign specialists from Ukrainian accounts
9	'Absence of market for strategic specialists: market scientists, communication managers
10	Increased competition for some specialists (for example, designers, art directors) with foreign markets and the Ukrainian IT sphere
11	Loss of creative activity due to the war
12	Irrelevance of salary expectations of young specialists with experience
13	Refusal of some agencies to take interns due to unprofitability
	Finance
14	Lack of market share calculations in the creative sector
15	Inaccessibility of 5–7–9% loans due to lack of assets to pledge. But even 5–7% is high interest for many
16	Unexpected increase in overdraft rates in some banks
17	Difficulty working with sole proprietors for large agencies

	Taxation
18	Unaffordable payroll tax for smaller agencies (price discrepancies)
	Grants
19	Low margin: time spent writing grant applications may not pay off for small agencies without a financial cushion
20	Lack of understanding of available opportunities
21	Inability to work with grant cases
22	Inconsistency of large donors' policies with wartime realities. For example, cumbersome procurement procedures for each project
23	The desire of large donors to work on grantee projects only with a limited pool of agencies
	Pricing
24	Dumping by smaller agencies
25	Price-quality irrelevance
	Interaction with state authorities
26	Inability to break into the pool of agencies that ministries and public organizations work with
27	Distrust of tenders (according to a number of respondents, tenders are held for a predetermined winner)
28	Tenders do not take into account quality, only price
29	Unprofitable participation in tenders (it is necessary to submit an already formed proposal, an idea, which is the main source of income for the creative sector)
	MCSC
30	The creative agency sector does not perceive the Ministry of Culture and Strategic Communications as either a partner or a stakeholder
31	Lack of sector development policy from the MCSC or other government bodies
32	Lack of communication from the MCSC with the creative agency sector
	Entering foreign markets
33	Unprofitability of large conceptual projects due to the high cost of research required to develop an idea/strategy
34	Unwillingness of some foreign clients to work with Ukrainian legal entities (primarily individual entrepreneurs)
35	Mutual misunderstanding of the specifics of bureaucratic procedures, document flow, taxation
36	In case of registration of a legal entity abroad - loss of tax in Ukraine (a problem for the market), high local tax (a problem for the agency/studio)
37	Low level of English proficiency

38	High cost of participation in large competitions (and it is necessary for tenders of large foreign companies)
Interaction in the sector	
39	Absence of watchdogs and unwillingness to have them; confusion of concepts: agencies confuse ethical control institutions with censorship bodies
40	Insufficient communication between agencies
41	Inability to provide feedback: client to agency, agency to client, agency to agency
Legislative issues	
42	Ukrainian legislation regulates copyright for a product, but not for an idea.
43	Unregulated copyright for works created using artificial intelligence tools
44	Unregulated issues of selling art objects and exporting them abroad

RES POL

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