

Assessing Copyright and Related Rights Systems

# Volume of Exported and Imported Copyrighted Products and Services

Report on Piloting in Finland



The logo for Cupore, consisting of the word "cupore" in a white, lowercase, sans-serif font, centered within a solid red rectangular background.

**Assessing Copyright and Related Rights Systems: Volume of Exported and Imported Copyrighted Products and Services. Report on Piloting in Finland.**

This report is the result of the first pilot study implementing Methodology Card 3 – *Volume of Exported and Imported Copyrighted Products and Services*, one of the 37 indicators constituting a methodology framework for assessing the operation of national copyright and related rights systems. The methodology framework has been developed at the Foundation for cultural policy research (Cupore) in Finland as part of a project financed by the Finnish Ministry of Education and Culture. The pilot study was conducted by Project Researcher Milla Määttä together with the core project team (Tiina Kautio and Nathalie Lefever), between April and December 2014 and its results were first published in December 2014 on the website of Cupore.

*A handbook presenting the methodology framework is available on the website of Cupore at [www.cupore.fi](http://www.cupore.fi).*

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## Executive summary

This document presents data collected in application of a methodology framework to assess the operation of copyright and related rights systems. More precisely, the information and analysis below correspond to the third methodology card presented in the methodology handbook, titled "Volume of Exported and Imported Copyrighted Products and Services". This data will be particularly useful in the analysis of the origin of copyrighted goods consumed in the country and the markets' evolution over time.

The study focuses on press and literature, music industry, software industry, audiovisual industry, and game industry. The review is based on data provided by industry organizations or associations, as well as other actors such as Statistics Finland and other government organizations.

The value of exports of Finnish newspapers and periodicals has been higher than the value of their imports during the last few years. The value of exports of Finnish newspapers and periodicals has plummeted from 125 million euros in 2006 to 55 million euros in 2012. The value of imports has also declined from 57 million euros in 2006 to 46 million euros in 2012.

In 2012, a total of 254 Finnish book titles were translated and published outside the country, and a total of 2 585 translated book titles (a fifth of all published titles) were published in the domestic market. In terms of the number of titles, the level of imports has thus been clearly higher than the level of exports. However, according to Statistics Finland, the export volume in goods category "[b]ooks, journals and other printed matter" was the highest of all categories of cultural commodities, with a value of more than 164 million euros. Furthermore, it has been estimated in a study commissioned by Finnish Literature Exchange FILI and the Finnish Book Publishers Association that the value of the sales of translation rights of Finnish literature in 2012 was just under 2 million euros.

Income from international distribution of Finnish films was 3.4 million euros in 2012. In 2013, a total of 164 foreign films were released for the first time in Finland, covering 82 percent of all new releases. Similarly, the share of foreign content in Finnish television channels is high especially in the largest private channels. Most commonly the foreign television programs come from North America. In contrast, in the largest public service channels the majority of content is of Finnish origin.

The value of imports of licenses to reproduce and distribute computer software in 2013 was 134.9 million euros. The value of exports on the other hand was 75.3 million euros. It has been estimated that over 90 per cent of the turnover of the Finnish game companies comes from exports. According to Neogames, the game development and services turnover in 2013 was 900 million euros.

According to Statistics Finland, the sales value of foreign phonograms in 2013 was 7.6 million euros (28 % of total phonogram sales in Finland). The estimated value of exports in the Finnish music industry (including sales of goods and services, and copyright royalties) in 2012 was just under 36 million euros.

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## Introduction

### ***A. CONTEXT OF THE PILOT STUDY***

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A methodology framework for assessing the operation of national copyright and related rights systems has been developed at the Foundation for cultural policy research (Cupore) in Finland. It is a collection of tools for achieving a systematic assessment of the functioning, performance and balanced operation of national copyright and related rights systems.

In the methodology, the assessment of the copyright and related rights system is determined through a framework consisting of so-called description sheets and methodology cards. The description sheets constitute guidelines to produce a comprehensive presentation and description of a country's copyright and related rights system and its operating environment. The methodology cards propose the collection of specific sets of data, either quantitative, descriptive or qualitative, that will be used as indicators of the functioning, performance and balanced operation of the system. Description sheets and methodology cards are accompanied by detailed information on the data to be collected, as well as analysis guidelines that will help connect them to each other.

The methodology framework is envisaged to be continuously improved through application feedbacks. For more information, see the Cupore website, [www.cupore.fi/copyright.php](http://www.cupore.fi/copyright.php).

This report presents data collected in application of Methodology card 3 of the framework, titled "Volume of exported and imported copyrighted products and services". It is the result of the first pilot study applying this indicator in Finland.

This study was conducted by Project Researcher Milla Määttä together with the core project team (Tiina Kautio and Nathalie Lefever), between April and December 2014.

### ***B. PRESENTATION OF THE INDICATOR***

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The indicator implemented here is intended to present the national context of the copyright system. It is part of the first pillar of the methodology, "The copyright environment", and its second area, "Value Creation and the Markets for Copyrighted Products and Services". It is a methodology card which provides information on the international trade of copyrighted works in order to support the analysis of the operation of the national copyright and related rights system.

As explained in the methodology handbook, figures on international trade of copyrighted products and services are one element in forming a comprehensive picture of the operation of the markets.

For a thorough description of the markets of copyrighted products and services, the data on the volume of domestic production (mapped in the context of Methodology card 2) can be complemented with the volume of imported and exported goods. The comparison between those figures in a given market will tell about the origin of copyrighted goods consumed in the country, as well as the balance between imported and exported creative goods by category. Furthermore, the combined data will provide an indication on the total amount of copyrighted goods exchanged.

This indicator mirrors the previous one; both indicators are designed to allow either individual analysis for each type of creative good, or an assessment of the markets in general. In cases where data on the volume of imported and exported goods has not been accessible according to the methodology card, alternative data on the international trade of the goods in question have been provided.

When the necessary data is available over a longer period, a description of the markets' evolution over time can be made. In order to detect possible causalities, this evolution can be compared to certain events such as changes in relevant legislation or policies.

The methodology card presenting the indicator can be found in Appendix A of this report.

### ***C. METHODS***

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The information collected for this indicator was found through available national and international information sources such as databases of branch organizations and official statistics. The method chosen was therefore desktop research.

The information is collected separately for each industry. When considered relevant, a distinction was made between digital and physical products.

## Results

The purpose of this report is to describe the volume of exported and imported creative goods in Finland by looking at yearly data from different industries. During the piloting it became clear that no data regarding certain parameters defined in the methodology card was accessible. Instead, alternative information concerning international trade in those industries in Finland has been provided.

### **A. INTERNATIONAL TRADE OF NEWSPAPERS AND MAGAZINES**

International trade of newspapers and magazines has been described by looking at the value of exports and imports of newspapers and periodicals. It would be also interesting to examine the number of exported and imported newspaper and magazine titles; however, data concerning these parameters was not found at the time of the piloting.

#### **▪ VALUE OF EXPORTS AND IMPORTS OF NEWSPAPERS AND PERIODICALS**

According to Statistics Finland, the value of exports of Finnish newspapers and periodicals in 2012 was approximately 55 million euros. The figure has plummeted compared to the level of 2006 when the value of Finnish exports of newspapers and periodicals in was 127 percent higher (125 million euros).

The value of imports of newspapers and periodicals has also declined, but not as drastically: in 2012, the value of imports was 45.8 million euros, which was 20 percent less than in 2006 (57.3 million euros). It seems that previously the value of exports of Finnish newspapers and periodicals was clearly more than the value of imports of newspapers and periodicals to Finland. In recent years, however, the value of exports has declined faster than the value of imports, and hence the difference between the two figures is not as major as it has been previously.

	2006	2007	2008	2009	2010	2011	2012
Exports	125.1	124.3	122.0	66.5	58.1	59.7	55.2
Imports	57.3	57.4	58.3	52.6	56.0	51.5	45.8

### **B. INTERNATIONAL TRADE OF BOOKS**

The volume of exported and imported books has been described by looking at the number of domestic books published for the first time outside the country and the number of foreign books published for the first time in the country. The statistics presented in this section cover only titles which have been translated either from domestic languages to other languages (exports) or from foreign languages to Finnish or Swedish (imports). Therefore, no data concerning the international trade of literature distributed in the original language of publication is included.

<sup>1</sup> Source: Statistics Finland, Finnish Mass Media. Exports of printing industry by product groups 2002–2012. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_jvie\\_201300\\_2013\\_10433\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_jvie_201300_2013_10433_net.pdf).

▪ **NUMBER OF TRANSLATED DOMESTIC BOOKS PUBLISHED OUTSIDE THE COUNTRY**

Data concerning the number of translations of domestic works published outside Finland each year was used to measure the number of domestic books made available for the first time abroad. In 2012, a total of 254 Finnish book titles were translated and published outside the country. As table 2 shows, this was a fairly large number of works compared to the previous five years.

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
170	177	201	175	185	188	254

According to the European cultural statistics, in 2009, the European Union member states exported more cultural goods to the rest of the world than they imported, recording a trade surplus of around 1.9 billion euros. At national level, books were the main cultural items exported and imported.<sup>3</sup> With regards to exports, the situation was the same in Finland: according to Statistics Finland, the export volume in goods category "Books, journals and other printed matter" was the highest of all cultural commodities, at more than EUR 164 million.<sup>4</sup>

It has been estimated in a study launched by Finnish Literature Exchange FILI and the Finnish Book Publishers Association and conducted by Media Clever in 2013 that the value of the sales of translation rights of Finnish literature<sup>5</sup> in 2011 was 1.26 million euros. In 2012, the value of exports in terms of sold translation rights was 1.98 million euros, which means that the value of exports has clearly risen (60 %) that year. According to FILI, factors affecting this development are the high quality of Finnish literature, the professional and increasingly systematic nature of the sales of translation rights as well as the systematic training of translators and Finland's role as Guest of Honor at the Frankfurt Book Fair 2014.<sup>6</sup>

<sup>2</sup> Source: The Finnish Literature Society. FILI – Finnish Literature Exchange. The Finnish Literature in Translation database: <http://dbgw.finlit.fi/kaannokset/index.php?lang=ENG>. Visited on 15.2.2014. The database contains reference information on Finnish, Finland Swedish and Sami literature in translation. Works listed include book-length works as well as translation anthologies but no individual poems, short stories or articles.

<sup>3</sup> Most of the books imported to the European Union came from the United States (34 %), China (28 %) and Hong Kong (11 %). Exports outside the member states, on the other hand, were widely distributed to the rest of the world. European Cultural Statistics. Eurostat, 2011. E-publication, available at: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-32-10-374/EN/KS-32-10-374-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-32-10-374/EN/KS-32-10-374-EN.PDF)

<sup>4</sup> Cultural Statistics. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_klt\\_201300\\_2014\\_10376\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_klt_201300_2014_10376_net.pdf), p. 14.

<sup>5</sup> Value of rights sold by foreign agencies are not included in the figures.

<sup>6</sup> It was estimated, that during the examined years, fiction accounted for around 50 percent of the sales of translation rights, children's and juvenile books for a third, and approximately 10 percent of the sales concerned non-fiction works. FILI and the Finnish Book Publishers Association commissioned Media Clever to gather information from publishers and literary agents for the years 2011 and 2012, with results reflecting overall observations of developments in the field. Study on the value of literature exports from Finland from 2011 to 2015 will be continued. FILI – Finnish Literature Exchange: The value of exports in literature rises significantly in Finland, 18.12.2013: <http://www.finlit.fi/fili/en/suomalaisen-kirjallisuuden-vienti-vetaa-luvut-puhuvat-puolestaan/>. Visited on 20.4.2014.

▪ **NUMBER OF FOREIGN BOOKS PUBLISHED FOR THE FIRST TIME IN THE COUNTRY**

The number of foreign books made available for the first time in the country has been measured by looking at the number of translated titles published in Finland each year. As table 3 indicates, a total of 2 585 translated book titles were published on the domestic market in 2012 either in Finnish or Swedish. This was 22 per cent of all published titles (11 513 titles) that year. English has been the source language for approximately two thirds of translated books each year.<sup>7</sup>

<b>Table 3. Number of translated titles published in Finland in 2006 - 2012<sup>8</sup></b>							
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Translated books	2 472	2 454	2 345	2 409	2 544	2 558	2 585
<i>Into Finnish</i>	2 363	2 341	2 262	2 314	2 432	2 470	2 507
<i>Into Swedish</i>	109	113	83	95	112	88	78

When compared to the number of translations of domestic works published outside Finland, it can be stated that the volume of imports in terms of translated and published titles has been clearly higher than the volume of exports. For instance, the Finnish Association of Translators and Interpreters has estimated that around half of the fiction sold in Finland is translated. A great deal of translated non-fiction works are also being sold on the domestic market.<sup>9</sup>

**C. INTERNATIONAL TRADE OF FILMS**

The imports and exports of films in Finland have been examined by looking at the number of foreign films made available for the first time in the country and the international money flow to the Finnish audiovisual industry. The number of foreign films published in the country is reported by looking at the display of foreign new releases in Finnish movie theaters. The parameter measuring film exports defined in the methodology card 3 is “The number of domestic films made available for the first time abroad (whether by selling copies or by display in movie theaters)”; however, no data concerning this parameter was found at the time of the piloting.

▪ **NUMBER OF FOREIGN FILMS PUBLISHED IN THE COUNTRY**

In 2013, a total of 164 foreign films were released for the first time in Finland. The share of foreign films in all new releases that year was 82 per cent. The largest number of new releases originated from the USA (108), followed by the UK (11), Sweden (11) and France (10).<sup>10</sup> The following table 4 includes the number of both domestic and foreign new releases as well as the share of foreign new releases each year.

<sup>7</sup> Cultural Statistics. Translated books published in Finland 1980–2012 by source language. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_klt\\_201300\\_2014\\_10376\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_klt_201300_2014_10376_net.pdf).

<sup>8</sup> Source: The National Library of Finland: Legal Deposit and Publisher Statistics: <http://www.nationallibrary.fi/publishers/statistics.html>. Visited on 28.2.2014. Based on data from the national bibliography as classified by subject under Finnish literature. Statistics compiled according to Unesco recommendations (see Unesco Statistical Yearbook). Small publications (5–48 pages) are included in the figures.

<sup>9</sup> The Finnish Association of Translators and Interpreters. <http://www.sktl.fi/liitto/apurahat/>. Visited on 20.4.2014.

<sup>10</sup> The Finnish Film Foundation. Yearly Statistics. Facts & Figures 2013: [http://ses.fi/fileadmin/dokumentit/Elokuvavuosi\\_2013.pdf](http://ses.fi/fileadmin/dokumentit/Elokuvavuosi_2013.pdf). Visited on 19.7.2014.

<b>Table 4. Number of films released for the first time in Finland in 2008 - 2013, titles<sup>11</sup></b>						
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Domestic new releases	19	20	23	30	36	36
Foreign new releases	150	154	163	161	139	164
<i>Share of all new releases</i>	89 %	89 %	88 %	84 %	79 %	82 %
<b>New releases total</b>	<b>169</b>	<b>174</b>	<b>186</b>	<b>191</b>	<b>175</b>	<b>200</b>

#### ▪ INTERNATIONAL MONEY FLOW TO THE FINNISH AUDIOVISUAL INDUSTRY

Audiovisual industry association Favex (Finnish Film & Audiovisual Export) has provided statistics concerning the international money flow to the Finnish audiovisual industry. According to the estimation made by Favex, income from international distribution of Finnish films (e.g. in theaters and television, DVDs and VoDs) in 2012 was 3.4 million euros. Furthermore, international sales earnings in the Finnish audiovisual industry in 2012 were approximately 16 million euros.<sup>12</sup>

#### ***D. INTERNATIONAL TRADE OF BROADCASTS***

#### ▪ NUMBER OF FOREIGN RADIO CHANNELS MADE AVAILABLE IN THE COUNTRY

Time series data concerning the number of foreign radio channels made available in the country and the number of domestic radio channels made available in other countries was not accessible at the time of the piloting.

#### ▪ SHARE OF FOREIGN PROGRAMS IN FINNISH TELEVISION CHANNELS

The origin of television programming in Finland has been examined in the Finnish Television Programming 2013 report commissioned by the Ministry of Transport and Communications.<sup>13</sup> According to the study, the share of North-American programs in Finnish television in 2013 was 45 percent (+6 % compared to the previous year), when the share of domestic programs was 32 percent. In contrast, the share of Nordic programs was 4 percent, other European programs 16 percent and combined share of programs produced outside Europe and North-America 3 percent.

<sup>11</sup> Source: The Finnish Film Foundation. Yearly Statistics. <http://ses.fi/en/statistics/yearly-statistics/>. Visited on 19.7.2014.

<sup>12</sup> International funding, on the other hand, was approximately 11 million euros that year. Equivalent sums in 2011 were 26 (sales) and 18 (funding) million euros. It should be noted, that in addition to films, the statistics cover the share of international funding and sales profits of the total turnover of other audiovisual productions, such as TV shows. Kansainväliset rahavirrat Suomen audiovisuaaliselle alalle vuonna 2012. Favex, 2013. E-publication, available at: <https://dl.dropboxusercontent.com/u/19063616/kv-rahavirrat%20web.pdf>. The study is based on the results of a survey about international money flow to the Finnish audiovisual industry, executed by Favex.

Data concerning the exports of Finnish films was available scarcely. According to the Cultural Statistics of Statistics Finland, the value of exports of exposed and developed cinematographic film (Goods category "Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track") was only approximately 4 300 euros in 2012. Nevertheless, no conclusions concerning the volume of exports of Finnish films can be made on the basis of this information. The most popular Finnish films shown abroad between 1996 and 2012 are also reported in the Cultural Statistics of Statistics Finland. However, there are only seven films listed on the basis of the number of admissions. Cultural Statistics. Imports and exports of cultural goods 1995–2012 and Most popular Finnish films shown abroad 1996–2012. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_klt\\_201300\\_2014\\_10376\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_klt_201300_2014_10376_net.pdf).

<sup>13</sup> The report examines the output of 13 Finnish free-to-air, nation-wide television channels in 2013. Analysis is based on channels' programming log data in five sample weeks, acquired from the Finnish TV meter company Finnpanel. Juntunen, Laura – Koskenniemi, Aino: Finnish Television Programming 2013. Publications of the Ministry of Transport and Communications 19/2014. Available at: [http://www.lvm.fi/c/document\\_library/get\\_file?folderId=3082174&name=DLFE-24802.pdf&title=Julkaisu%202019-2014](http://www.lvm.fi/c/document_library/get_file?folderId=3082174&name=DLFE-24802.pdf&title=Julkaisu%202019-2014). Visited on 22.10.2014.

According to the Ministry of Transport and Communications, the share of foreign programs in 2013 has been higher in private nationwide television channels than in public channels; over half of the programming in the public channels was of domestic origin. MTV3 and Kutonen were the only commercial channels that showcased more domestic than North American programming.

Statistics Finland has also compiled statistics on programming by origin in top five free-to-air TV channels in Finland. In the largest public service channels (YLE TV1 and YLE TV2) the majority (>50 %) of contents has been of Finnish origin during the past decade (figure of 2012 being 62 % in TV1 and 52 % in TV2). In contrast, in the three largest private channels the share of domestic content has been smaller. In MTV3 the share of Finnish programs in 2012 was 48 percent, in Nelonen 30 percent and in Sub 16 percent.

Approximately a third of the remaining program aired on public service channels comes from other European countries, the rest being from North America and other countries. In private free-to-air channels the share of North American content is clearly higher: on MTV3 approximately a third and on Nelonen and Sub over a half of the programs have been American during the last few years.<sup>14</sup>

Time series data concerning the number of Finnish television channels made available in other countries was not accessible at the time of the piloting, and the volume of exports of television broadcasts could not be examined.

#### ***E. INTERNATIONAL TRADE OF DIGITAL GAMES IN TERMS OF VALUE OF TRADE***

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No data concerning imported and exported game titles was found during the piloting. It can be still stated that the Finnish game industry (game development and services represented a 900 million € turnover in 2013) has become a significant part of Finnish cultural exportation. Since the 1980s, Finnish game developers have targeted international audiences, used foreign publishers and taken advantage of the possibilities provided by digital distribution channels. In fact, it has been estimated that over 90 percent of the turnover of game companies comes from exports.<sup>15</sup> Games made only for the Finnish market are mainly learning games or smaller digital games.<sup>16</sup>

#### ***F. INTERNATIONAL TRADE OF PHONOGRAMS***

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The level of internationalization in the field of phonograms has been examined by looking at the value of phonogram sales at distributor level by origin and the value of exports in the Finnish music industry. No data concerning imported Finnish recordings or foreign titles published on the Finnish market was available at the time of the piloting.

##### **▪ VALUE OF SALES OF FOREIGN PHONOGRAMS**

According to Statistics Finland, in 2013 the share of sales of foreign titles out of total phonogram sales in Finland was 28 per cent. The sales value of foreign phonograms in the domestic market that year was

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<sup>14</sup> Finnish Mass Media. Top 5 free-to-air TV channels: Programming by origin 2002–2012. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_jvie\\_201300\\_2013\\_10433\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_jvie_201300_2013_10433_net.pdf)

<sup>15</sup> Neogames, Industry info: <http://www.neogames.fi/en/industry-info/>. Visited on 19.7.2014. See also: "Pelivienti on koko Suomen toivo", Helsingin Sanomat 17.6.2013, available at: <http://www.hs.fi/kulttuuri/a1371351603543>. Visited on 22.10.2014; "Finnish gaming cluster is on the threshold of hyper-growth", The International Game Developers Association Finland 13.2.2014, available at: <http://igda.fi/?p=2442>. Visited on 22.10.2014.

<sup>16</sup> Reunanen – Heinonen – Pärssinen 2013: Suomalaisen peliteollisuuden valtavirtaa ja sivupolkuja (in Finnish). Pelitutkimuksen vuosikirja 2013. Tampereen yliopisto. Available at: [http://www.pelitutkimus.fi/vuosikirja2013/ptvk2013\\_03.pdf](http://www.pelitutkimus.fi/vuosikirja2013/ptvk2013_03.pdf). Visited on 19.7.2014.

7.6 million euros. It should be noted that this number covers only the sales of physical recordings of IFPI Finland members only; however, the members of IFPI cover 95 percent of the markets for phonograms in Finland.<sup>17</sup>

<b>Table 5. Value of phonogram sales in Finland in 2008–2013, EUR million<sup>18</sup></b>						
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Domestic titles	28.9	25.4	22.1	22.3	21.2	19.1
Foreign titles	20.5	16.4	13.1	10.8	9.5	7.6
<i>Share of total sales</i>	41 %	39 %	37 %	33 %	31 %	28 %
<b>Value of sales total</b>	<b>49.4</b>	<b>41.8</b>	<b>35.2</b>	<b>33.1</b>	<b>30.7</b>	<b>26.7</b>

#### ▪ VALUE OF EXPORTS IN THE FINNISH MUSIC INDUSTRY

According to a survey study launched by Music Finland in 2013, the estimated value of exports in the Finnish music industry (including sales of goods and services, and copyright royalties) in 2012 was just under 36 million euros. The sales figures of music goods, which include goods produced by record companies and other companies operating in the recording industry, have been growing since 2008. In 2012, the total sales of music goods was 21.6 million euros (the figure of 2011 being EUR 21.1 million.) Other European countries are the main market for Finnish music exports, but music is being exported also to the United States and Asia.<sup>19</sup>

#### ***G. INTERNATIONAL TRADE OF SOFTWARE (COMPUTER PROGRAMS) IN TERMS OF VALUE OF TRADE***

Volume of exported and imported computer programs in terms of the value generated has been assessed by looking at the statistics on international trade on services provided by Statistics Finland. The imports of the service type “*Licenses to reproduce and distribute computer software*” in 2013 was 134.9 million euros, the exports of the same category being 75.3 million euros.<sup>20</sup>

<sup>17</sup> IFPI Finland: <http://www.ifpi.fi/in-english>. Visited on 22.10.2014.

<sup>18</sup> Source: Statistics Finland, Cultural Statistics, Value of phonogram sales at distributor level by origin 1990–2013. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_klt\\_201300\\_2014\\_10376\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_klt_201300_2014_10376_net.pdf).

<sup>19</sup> Silvonen, Janne 2013: Suomalaisen musiikkiviennin markkina-arvo ja rakenne 2011–2012 (in Finnish). Music Finland – Tunnuksukuja ja tutkimuksia 5. Available at: [http://musicfinland.fi/fi/media/dokumentit/Tunnuslukuja\\_ja\\_tutkimuksia\\_5\\_vienti2011-2012.pdf](http://musicfinland.fi/fi/media/dokumentit/Tunnuslukuja_ja_tutkimuksia_5_vienti2011-2012.pdf). Data was collected by conducting a survey about international money flows to the Finnish music industry.

<sup>20</sup> The corresponding figure was not accessible for the previous years. It is also unclear whether or not digital games are excluded. Statistics Finland, International trade in services: [http://www.stat.fi/til/pul/tau\\_en.html](http://www.stat.fi/til/pul/tau_en.html). Visited on 22.10.2014.

## Conclusions

### **A. ANALYSIS AND SUMMARY OF THE RESULTS**

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#### **▪ INTERNATIONAL TRADE OF NEWSPAPERS AND MAGAZINES**

International trade of newspapers and magazines has been described by looking at the value of exports and imports of newspapers and periodicals. Statistics showed that the value of exports of Finnish newspapers and periodicals has been higher than the value of imports of newspapers and periodicals during the last few years.

According to Statistics Finland, the value of exports of Finnish newspapers and periodicals has plummeted: in 2006, the value of exports of newspapers and periodicals was 125 million euros, whereas in 2012, the corresponding figure was approximately 55 million euros. The value of imports of newspapers and periodicals has also declined, but not as drastically: in 2012, the value of imports was 45.8 million euros, and in 2006 it was 57.3 million euros.

#### **▪ INTERNATIONAL TRADE OF BOOKS**

The volume of exported and imported books was described by looking at the number of domestic books published for the first time outside the country (exports) and the number of foreign books published for the first time in the country (imports). The statistics covered only titles which have been translated either from domestic languages to other languages (exports) or from foreign languages to Finnish or Swedish (imports).

In 2012, a total of 254 Finnish book titles were translated and published outside the country. In contrast, a total of 2585 translated book titles were published in the domestic market in 2012 either in Finnish or Swedish. This was 22 percent of all published titles that year.

The volume of imports in terms of translated and published titles has thus been clearly higher than the volume of exports. Nevertheless, similarly as in other European countries, books have been the main cultural items exported from Finland. According to Statistics Finland, the export volume in goods category "Books, journals and other printed matter" was the highest of all cultural commodities, at more than 164 million euros.

Furthermore, it has been estimated that the value of the sales of translation rights of Finnish literature in 2012 was 1.98 million euros. The value of exports has risen significantly, and according to Finnish Literature Exchange FILI, factors affecting this development have been, for example, the professional and increasingly systematic nature of the sales of translation rights as well as the systematic training of translators.

#### **▪ INTERNATIONAL TRADE OF FILMS**

In this report, the number of foreign films published in the country was reported by looking at the display of foreign new releases in Finnish movie theaters. In 2013, a total of 164 foreign films were released for the first time in Finland, covering 82 percent of all new releases. The largest number of new releases originated from USA, UK, Sweden and France.

According to estimations of Finnish Film & Audiovisual Export Favex, income from international distribution of Finnish films (e.g. in theaters and television, DVDs and VoDs) was 3.4 million euros in 2012. International sales earnings in the Finnish audiovisual industry that year were approximately 16 million euros.

#### ▪ INTERNATIONAL TRADE OF BROADCASTS

International trade of broadcasts was examined by looking at the only available data, the share of foreign content in Finnish television channels. The share of foreign content in Finnish television channels is high especially in the largest private channels. Most commonly the foreign television programs come from North America. In contrast, in the largest public service channels the majority of contents is of Finnish origin. Approximately a third of the remaining program aired in public channels comes from other European countries, the rest being from North America and other countries.

#### ▪ INTERNATIONAL TRADE OF DIGITAL GAMES

The Finnish game industry has become a significant part of Finnish cultural exportation (game development and services turnover in 2013 being 900 million euros), and it has been estimated that over 90 percent of the turnover of game companies comes from exports. Mainly learning games and smaller digital games are targeted only to the domestic market.

#### ▪ INTERNATIONAL TRADE OF PHONOGRAMS

The level of internationalization in the field of phonograms was examined by looking at the value of phonogram sales at distributor level by origin and the value of exports in the Finnish music industry. According to Statistics Finland, in 2013, the sales value of foreign phonograms was 7.6 million euros, which was 28 percent of total phonogram sales in Finland. According to Music Finland, the estimated value of exports in the Finnish music industry (including sales of goods and services, and copyright royalties) in 2012 was just under 36 million euros, of which the sales of music goods was 21.6 million euros.

#### ▪ INTERNATIONAL TRADE OF SOFTWARE

International trade of software was examined by looking at the volume of exported and imported computer programs in terms of the value generated through licensing. According to Statistics Finland, the value of imports of the service type "*Licenses to reproduce and distribute computer software*" in 2013 was 134.9 million euros. The value of exports on the other hand was 75.3 million euros, which would indicate that Finland exports clearly less software than it imports from outside the country.

#### ▪ INTERNATIONAL TRADE OF COPYRIGHTED GOODS AND SERVICES – GENERAL REMARKS

Regarding books, digital games and software the levels of imports and exports were high during the period considered. Concerning the trade of films, Finnish markets import considerably more than they export, as can be expected from their small level of production and the small potential market for movies in Finnish. The imports and exports of newspapers and periodicals have plummeted in the last ten years. A third of phonograms sold in the domestic markets were of foreign origin in 2013, and it seems that the sales of Finnish music outside the domestic market have been increasing in recent years.

### ***B. METHODOLOGICAL FINDINGS***

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#### ▪ LIMITATIONS

Time series data concerning the number of foreign radio channels made available in Finland and the number of Finnish domestic radio channels made available in other countries was not accessible at the time of the piloting.

#### ▪ GUIDELINES FOR FUTURE RESEARCH

The data is easily found as long as relevant statistics and databases exist. It is particularly relevant to explore national and international statistical databases (see the list of international sources in Appendix B).

Since the methodology is designed to be internationally implemented, it is important to use sources which are official or widely recognized. All sources should be listed and, as much as possible, widely available for consultation by international researchers.

The time needed for this pilot study will depend for each country on the availability of data and the country's inclusion in international databases, statistical researches and international indexes. The task consists mainly in gathering information; a relatively small amount of analysis work is necessary. In the case of Finland, where most of the data was easily accessible, the workload for collecting data and drafting this report could be evaluated at two weeks of full-time work. With the help of an already-made list of useful references, this time could be reduced.

## Appendices

### A. METHODOLOGY CARD

Methodology card as presented in the Methodology Handbook, version 20.12.2013.

Area: Value creation and the markets	<b>Methodology card 3. The volume of exported and imported copyrighted products and services</b>
Key question	What is the volume of exports and imports of creative products and services in different industries or by different categories?
Type of data	<i>objective data</i>
Description	Volumes of exported and imported creative goods in different industries (yearly data)
Parameters to measure	<p><u>Computer programs</u></p> <p><b>1. Volume of exported and imported computer programs in terms of the revenues generated</b></p> <p><u>Newspapers and magazines</u></p> <p><b>2. Number of exported and imported newspaper titles</b></p> <p><b>3. Number of exported and imported magazine titles</b></p> <p><u>Books</u></p> <p><b>4. Number of foreign books (titles) made available for the first time in the country and number of domestic books (titles) made available for the first time abroad</b></p> <p><u>Additional information:</u> Consider the following sub-classification:</p> <ul style="list-style-type: none"> <li>- Educational textbooks, in print</li> <li>- General reference books, in print</li> <li>- Professional, technical and scholarly books, in print</li> <li>- Children's books, in print</li> <li>- Other books, in print</li> <li>- Audio books (on disk, tape or other physical media)</li> <li>- Text-based disks, tapes or other physical media</li> <li>- On-line books</li> </ul> <p><u>Films</u></p> <p><b>5. Number of foreign films made available for the first time in the country and number of domestic films made available for the first time abroad</b> (whether by selling copies or by display in movie theaters)</p> <p><u>Broadcasting</u></p> <p><b>6. Number of foreign radio channels made available in the country and number of domestic radio channels made available in other countries</b></p> <p><b>7. Number of foreign television channels made available in the country and number of local television channels made available in other countries</b></p> <p><u>Games</u></p> <p><b>8. Number of foreign games made available for the first time in the country and number of games produced in the country and made available for the first time abroad</b></p> <p><u>Phonograms</u></p> <p><b>9. Number of foreign audio recordings (titles) made available for the first time in the country and number of audio recordings (titles) produced in the country and made available for the first time abroad</b></p>

	<u>Alternative method to analyze the volume of exports and imports:</u> <b>10. Repertoire origin (domestic / international) of physical products, as based on the trade value of physical sales, as a percentage figure</b>	
Guidelines for data collection	Information can be found from available national and international statistics and industry databases, such as the databases of branch organizations and official statistics. <sup>21</sup> The information is to be collected separately for each industry. A distinction can be made between digital and physical products if considered relevant.	
Definitions	<i>Imported</i>	<i>A major part of the production takes place outside the nation's borders</i>
	<i>Exported</i>	<i>A major part of the production takes place in the country but the commercialization takes place outside the nation's borders</i>
Limitations of the indicator	The indicator does not include all categories of creative works.	

## ***B. INFORMATION SOURCES***

### **International:**

- Eurostat: European Cultural Statistics, Eurostat, 2011. E-publication, available at: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-32-10-374/EN/KS-32-10-374-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-32-10-374/EN/KS-32-10-374-EN.PDF)
- UNCTADstat: <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>

### **Finland:**

- Favex Finnish Film & Audiovisual Export: Kansainväliset rahavirrat Suomen audiovisuaaliselle alalle vuonna 2012. Favex, 2013. E-publication, available at: <https://dl.dropboxusercontent.com/u/19063616/kv-rahavirrat%20web.pdf>
- FILI – Finnish Literature Exchange, "The value of exports in literature rises significantly in Finland", 18.12.2013, available at: <http://www.finlit.fi/fili/en/suomalaisen-kirjallisuuden-vienti-vetaa-luvut-puhuvat-puolestaan/>
- Helsingin Sanomat, "Pelivienti on koko Suomen toivo", 17.6.2013, available at: <http://www.hs.fi/kulttuuri/a1371351603543>
- IFPI Finland: <http://www.ifpi.fi/in-english>
- Janne Silvonen, 2013: Suomalaisen musiikkiviennin markkina-arvo ja rakenne 2011–2012. Music Finland – Tunnuslukuja ja tutkimuksia 5, available at: [http://musicfinland.fi/fi/media/dokumentit/Tunnuslukuja\\_ja\\_tutkimuksia\\_5\\_vienti2011-2012.pdf.pdf](http://musicfinland.fi/fi/media/dokumentit/Tunnuslukuja_ja_tutkimuksia_5_vienti2011-2012.pdf.pdf)
- Laura Juntunen and Aino Koskeniemi, 2014: Finnish Television Programming 2013. Publications of the Ministry of Transport and Communications 19/2014, available at: [http://www.lvm.fi/c/document\\_library/get\\_file?folderId=3082174&name=DLFE-24802.pdf&title=Julkaisu%2019-2014](http://www.lvm.fi/c/document_library/get_file?folderId=3082174&name=DLFE-24802.pdf&title=Julkaisu%2019-2014)

<sup>21</sup> See for example UNCTADstat (UNCTAD secretariat calculations based on IMF Balance of Payments Statistics) with data on the exports and imports of creative services by category and the annual average growth rates of creative services exports and imports for individual countries and selected country groupings.  
(<http://unctadstat.unctad.org/TableView/tableView.aspx?ReportId=14774>)

Data on the international trade of creative services is presented and analyzed in UNCTAD's *Creative Economy Report 2010*.

- Markku Reunanen, Mikko Heinonen and Manu Pärssinen, 2013: Suomalaisen peliteollisuuden valtavirtaa ja sivupolkuja. Pelitutkimuksen vuosikirja 2013. Tampereen yliopisto, available at: [http://www.pelitutkimus.fi/vuosikirja2013/ptvk2013\\_03.pdf](http://www.pelitutkimus.fi/vuosikirja2013/ptvk2013_03.pdf)
- Neogames, Industry info: <http://www.neogames.fi/en/industry-info/>
- Statistics Finland:
  - Cultural Statistics 2014. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_klt\\_201300\\_2014\\_10376\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_klt_201300_2014_10376_net.pdf)
  - International trade in services: [http://www.stat.fi/til/pul/tau\\_en.html](http://www.stat.fi/til/pul/tau_en.html)
  - Finnish Mass Media. Statistics Finland, 2014. E-publication, available at: [http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt\\_jvie\\_201300\\_2013\\_10433\\_net.pdf](http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/yklt_jvie_201300_2013_10433_net.pdf)
- The Finnish Association of Translators and Interpreters: <http://www.sktl.fi/liitto/apurahat/>. The Finnish Literature Society. FILI – Finnish Literature Exchange. The Finnish Literature in Translation database: <http://dbgw.finlit.fi/kaannokset/index.php?lang=ENG>
- The Finnish Film Foundation:
  - Yearly Statistics: <http://ses.fi/en/statistics/yearly-statistics/>
  - Yearly Statistics. Facts & Figures 2013: [http://ses.fi/fileadmin/dokumentit/Elokuvavuosi\\_2013.pdf](http://ses.fi/fileadmin/dokumentit/Elokuvavuosi_2013.pdf)
- The International Game Developers Association Finland, “Finnish gaming cluster is on the threshold of hyper-growth”, 13.2.2014, available at: <http://igda.fi/?p=2442>
- The National Library of Finland, Legal Deposit and Publisher Statistics: <http://www.nationallibrary.fi/publishers/statistics.html>.



**Assessing Copyright and Related Rights Systems: Piloting of the methodology framework in Finland**

Cupore webpublications 39:1	<i>National Context. Report on Piloting in Finland.</i>
Cupore webpublications 39:2	<i>International and Regional Context. Report on Piloting in Finland.</i>
Cupore webpublications 39:3	<i>Technological Development. Report on Piloting in Finland.</i>
Cupore webpublications 39:4	<i>Macroeconomic Importance of Copyright Industries. Report on Piloting in Finland.</i>
Cupore webpublications 39:5	<i>Markets for Copyrighted Products and Services – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:6	<i>Volume of Domestic Production of Copyrighted Products and Services. Report on Piloting in Finland.</i>
Cupore webpublications 39:7	<i>Volume of Exported and Imported Copyrighted Products and Services. Report on Piloting in Finland.</i>
Cupore webpublications 39:8	<i>Development of Digital Business Models and Income Based on Digital Distribution. Report on Piloting in Finland.</i>
Cupore webpublications 39:9	<i>Copyright Law. Report on Piloting in Finland.</i>
Cupore webpublications 39:10	<i>Copyright Policy. Report on Piloting in Finland.</i>
Cupore webpublications 39:11	<i>Public Consultation on Law Proposals. Report on Piloting in Finland.</i>
Cupore webpublications 39:12	<i>Use of Impact Assessment and Research in Policy Development. Report on Piloting in Finland.</i>
Cupore webpublications 39:13	<i>Public Administration of Copyright. Report on Piloting in Finland.</i>
Cupore webpublications 39:14	<i>Enforcement by Public and Private Actors – Focus: Public Authorities. Report on Piloting in Finland.</i>
Cupore webpublications 39:15	<i>Enforcement by Public and Private Actors – Focus: Private Actors. Report on Piloting in Finland.</i>
Cupore webpublications 39:16	<i>Sanctions and Remedies for Copyright Infringement. Report on Piloting in Finland.</i>
Cupore webpublications 39:17	<i>Application of Sanctions and Remedies for Copyright Infringement. Report on Piloting in Finland.</i>
Cupore webpublications 39:18	<i>Availability of Alternative Dispute Resolution Mechanisms. Report on Piloting in Finland.</i>
Cupore webpublications 39:19	<i>Use of Alternative Resolution Mechanisms for Solving Copyright Disputes. Report on Piloting in Finland.</i>
Cupore webpublications 39:20	<i>Individual Exercise of Rights – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:21	<i>Collective Management of Rights. Report on Piloting in Finland.</i>
Cupore webpublications 39:22	<i>Efficiency of Collective Management Organizations. Report on Piloting in Finland.</i>
Cupore webpublications 39:23	<i>Copyright-related Information Activities. Report on Piloting in Finland.</i>
Cupore webpublications 39:24	<i>Copyright-related Education for the Public in General. Report on Piloting in Finland.</i>
Cupore webpublications 39:25	<i>Public Awareness of the Rights. Report on Piloting in Finland.</i>
Cupore webpublications 39:26	<i>Copyright-related Education as Part of the Education of Professionals for Creative Industries. Report on Piloting in Finland.</i>
Cupore webpublications 39:27	<i>Research on Copyright-related Topics. Report on Piloting in Finland.</i>
Cupore webpublications 39:28	<i>Copyright-related Research and Study Programs in Universities and Research Institutes. Report on Piloting in Finland.</i>
Cupore webpublications 39:29	<i>Efficiency of Copyright as an Incentive to Create and Invest in Creative Works – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:30	<i>Access to Copyrighted Works by the Public. Report on Piloting in Finland.</i>
Cupore webpublications 39:31	<i>Access to Copyrighted Works for Follow-on Creation.</i>
Cupore webpublications 39:32	<i>Transaction Costs in Transfer and Licensing of Rights – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:33	<i>Terms for Transfer and Licensing of Rights – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:34	<i>Unauthorized Use of Copyrighted Works in Physical Form. Report on Piloting in Finland.</i>
Cupore webpublications 39:35	<i>Unauthorized Use of Copyrighted Works in Digital Form. Report on Piloting in Finland.</i>
Cupore webpublications 39:36	<i>Analysis of Stakeholders’ Opinions on the Copyright System – Focus: Literature (Book Publishing Industry). Report on Piloting in Finland.</i>
Cupore webpublications 39:37	<i>Analysis of Stakeholders’ Opinions on the Copyright System – Focus: End-users. Report on Piloting in Finland.</i>