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Mini Presentation: Arts, Entertainment & Recreation services

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1.0 Definition of the service

The *Arts, Entertainment and Recreation services* sector covers a wide range of activities to meet various cultural, entertainment and recreational interests of the general public, including live performances, operation of museums, gambling, sports and recreation activities.

The sector comprises private, public and community non-profit type establishments.

In Ireland these services are defined according to the Statistical Classification of Economic Activities in the European Community NACE Rev. 2. It includes the following NACE Divisions:

90 Creative, arts and entertainment activities

This division includes the operation of facilities and provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances.

It excludes the activities of personal, theatrical, casting agents or agencies, manufacture of statues, other than artistic originals, restoring of organs and other historical musical instruments, motion picture and video production.

91 Libraries, archives, museums and other cultural activities

This division includes the activities of libraries and archives; the operation of museums of all kinds, botanical and zoological gardens; the operation of historical sites and nature reserves activities. It also includes the preservation and exhibition of objects, sites and natural wonders of historical, cultural or educational interest (e.g. world heritage sites, etc).

92 Gambling and betting activities

This division includes the operation of gambling facilities such as casinos, bingo halls and video gaming terminals and the provision of gambling services, such as lotteries and off-track betting.

93 Sports activities and amusement and recreation activities

This division includes the provision of recreational, amusement and sports activities (except museums activities, preservation of historical sites, botanical and zoological gardens and nature reserves activities; and gambling and betting activities).

It excludes the operation of teleferics, funiculars, ski and cable lifts, fishing cruises, provision of space and facilities for short stay by visitors in recreational parks and forests and campgrounds,

trailer parks, recreational camps, hunting and fishing camps, campsites and campgrounds, and discotheques.

2.0 Output measurement

In Ireland, a combination of monthly and annual surveys collect turnover information from private sector enterprises in the Arts, Entertainment and Recreation services sector.

For national accounts purposes other sources of output measures are appropriate e.g. Lotteries – the sales of tickets, less the prizes given out, gives the gross output for the sector;

Non-profit sports clubs - output is the sum of the costs including volunteer labour. Where membership fees cover the costs then they represent an alternative measure of output.

3.0 Surveys collecting turnover information

There is no European Union legal requirement to provide short-term or structural business statistics on the turnover of the Arts, Entertainment and Recreation services sector. However, the Central Statistics Office, Ireland includes some of these sectors in the mainstream inquiries of the services sector to meet national needs.

Monthly Services Inquiry

The Monthly Services Inquiry was introduced in January 2009 to meet user demands for a short-term indicator on the performance of the services sector. It collects turnover information from enterprises in the traded services sector in order to show trends in output at current prices. The long term plan is to produce an Index of Service Production by deflating the monthly turnover series. The next step in the development of the volume index is to compile monthly deflators for all traded services sectors. The Arts, Entertainment and Recreation services sector is included in the survey although results are not published for these sectors. The sample is relatively small so results for the sector are included in a residual Other Services category. In 2012, the sample was boosted in order to provide the National Accounts area with an additional source of information on short-term trends in the personal consumption of Arts, Entertainment and Recreation services.

Structural Business Statistics

Structural Business Statistics (SBS) cover industry, construction, trade and services. They describe the structure, conduct and performance of businesses in Ireland and across the EU. The main indicators within SBS are generally collected and presented as monetary values. These include numbers of enterprises, persons employed, turnover, cost of sales, expenses, investment in capital, gross value added.

The Annual Services Inquiry (ASI) is the primary source for structural business statistics on the traded services sector in Ireland. It is a sample survey which collects Profit & Loss and Balance Sheet type information from enterprises on an annual basis. In order to reduce response burden on small enterprises the CSO uses administrative taxation data from the Revenue Commissioners in place of statistical surveys for very small services sector enterprises. A regression model is used to integrate the administrative and survey data. For further information, see <http://www.cso.ie/en/media/csoie/releasespublications/documents/corporatepublications/Administratedata.pdf>.

The *Gambling and betting activities* and *Sports activities and amusement and recreation activities* sectors are included in the ASI sample to meet the needs of National Accounts although difficulties exist with coverage of the small non-profit enterprises in these sectors. The *Creative, arts and entertainment activities* and *Libraries, archives, museums and other cultural activities* divisions are not included in the ASI sample.

Business Demography

The CSO's Business Demography series provides the most complete statistical coverage of the Arts, Entertainment and Recreation services sector. The data for Business Demography are based on the CSO Central Business Register. The Business Register is a register of all enterprises that are active in the State and is based on enterprises that are registered for tax purposes with the Revenue Commissioners.

Information provided from the Business Demography source includes statistics on the number of enterprises, number of enterprise births and deaths, the survival rates of newly born enterprises, along with employment figures related to each of these statistics. Turnover information is contained most enterprise level records however an aggregate series has not yet been produced.

4.0 Market conditions and constraints

In 2010, the *Arts, Entertainment and Recreation services* sector contributed around 1.3% to total GDP in Ireland.

There were 5,147 enterprises and 31,654 persons employed in the sectors. Over 55% of enterprises in the *Arts, Entertainment and Recreation services* are involved in *Sports activities and amusement and recreation* activities. *Gambling and betting* activities make up just 9% of the total number of enterprises but account for just under a quarter of the total employment. The *Creative Arts and Entertainment* activities make up a third of enterprises but account for just 12% of employment. The *Libraries, archives, museums and other cultural* activities account for

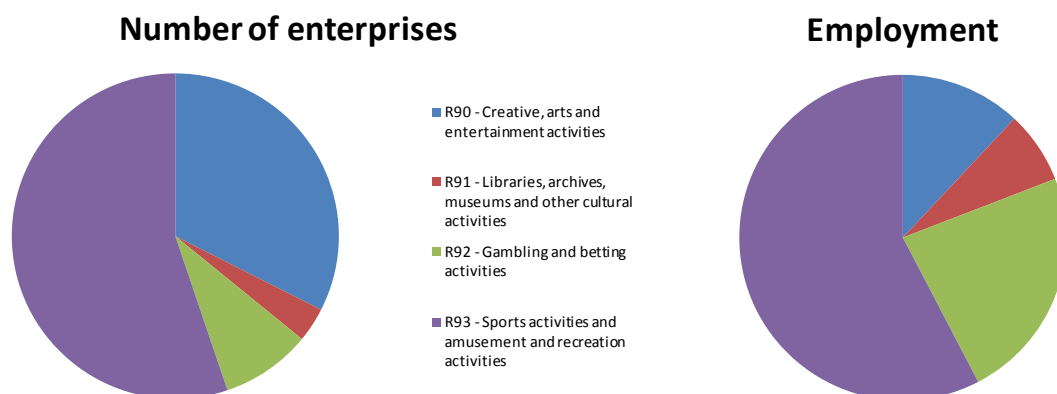
just 3% of the enterprises and 7% of the employment in the sectors. *See Table 1 and Figure 1 below.*

Table 1: Number of enterprises and employment in the Arts, Entertainment and Recreation services sector, 2010

	Number of enterprises	Employment
R Arts, entertainment and recreation	5,147	31,654
R90 - Creative, arts and entertainment activities	1,670	3,796
R90.01 Performing arts	398	749
R90.02 Support activities to performing arts	390	1,007
R90.03 Artistic creation	760	1,089
R90.04 Operation of arts facilities	122	951
R91 - Libraries, archives, museums and other cultural activities	176	2,264
R91.01 Library and archives activities	26	383
R91.02 Museums activities	56	827
R91.03 Operation of historical sites and buildings and similar attractions	75	777
R91.04 Botanical and zoological gardens and nature reserves activities	19	277
R92 - Gambling and betting activities	460	7,342
R93 - Sports activities and amusement and recreation activities	2,841	18,252
R93.1 Sports activities	2,305	16,065
R93.11 Operation of sports facilities	1,266	9,236
R93.12 Activities of sport clubs	441	2,849
R93.13 Fitness facilities	108	868
R93.19 Other sports activities	490	3,112
R93.2 Amusement and recreation activities	536	2,187
R93.21 Activities of amusement parks and theme parks	68	392
R93.29 Other amusement and recreation activities	468	1,795

Source: CSO Business Demography, 2010

Figure 1: Comparison of the number of enterprises and employment in the Arts, Entertainment and Recreation services sector, 2010



These sectors are dominated by small and in particular micro enterprises. Almost 87% of enterprises in these sectors employ less than 10 persons. A very small number of large enterprises exist in the Gambling and betting activities and Sports and amusement and recreation activities sector. *See Table 2 below.*

Table 2: Number of enterprises classified by employment in the Entertainment and Recreation services sector, 2010

	Employment Size					All
	< 10	10 - 19	20 - 49	50 - 249	250+	
R Arts, entertainment and recreation	4,463	375	225	78	6	5,147
R90 - Creative, arts and entertainment activities	1,613	27	19	11	0	1,670
R91 - Libraries, archives, museums and other cultural activities	130	24	10	12	0	176
R92 - Gambling and betting activities	378	34	27	18	3	460
R93 - Sports activities and amusement and recreation activities	2,342	290	169	37	3	2,841

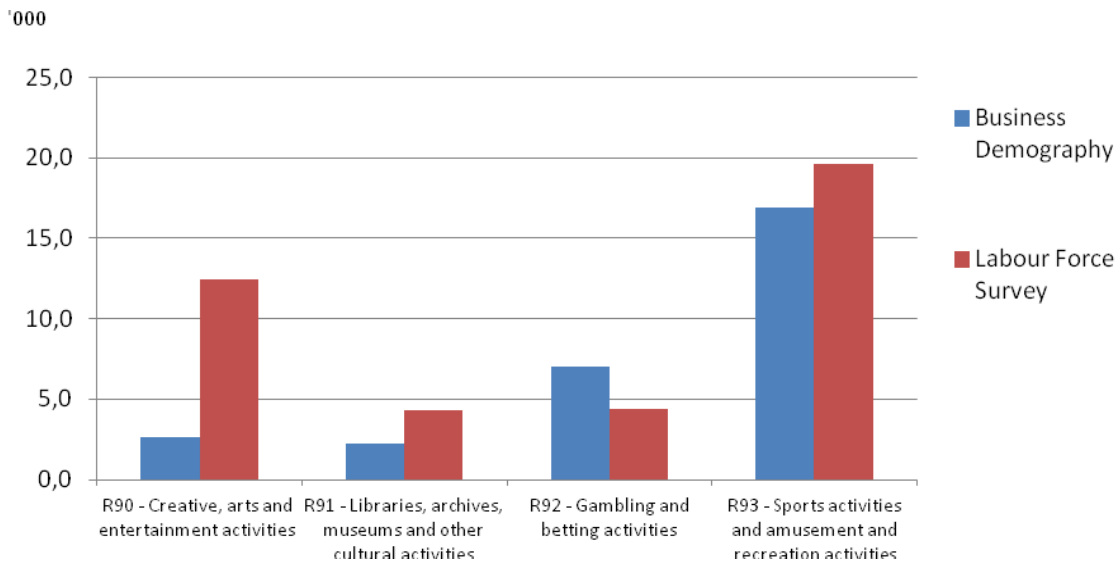
Source: CSO Business Demography, 2010

In considering the levels of economic activity in these sectors in Ireland it should be noted that:

- 1) The employment of public establishments such as libraries will not be included in this sector as staff are directly employed by local authorities. Such employment will be included in *NACE Sector O: Public Administration and Defence; Compulsory Social Security*.
- 2) Some employment in the Arts or non-profit establishments will not be recorded in the administrative systems as revenues may be below a certain threshold or the activities may be tax exempt.
- 3) There is a high degree of seasonality and part-time and casual employment.

As a result, estimates from the Labour Force survey show higher levels of employment in these sectors. See Figure 2 below.

Figure 2: Comparison of employment in the Arts, Entertainment and Recreation services sector, Business Demography, 2010 and Labour Force Survey, Q2 2010



Source: CSO Business Demography, 2010
CSO Quarterly National Household Survey, Q2 2010

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Structural Business Statistics

The *Gambling and betting activities* and *Sports activities and amusement and recreation activities* sectors are surveyed annually to obtain Profit & Loss and Balance Sheet type information to meet national accounts requirements.

The main economic results for these sectors are presented in Table 3 below. It shows 427 enterprises in the *Gambling and betting activities* sector generating over €1.1bn turnover. The *Sports activities and amusement and recreation activities* sector also generated around €1.1bn sales through 2,408 enterprises. Both sectors are characterized by high levels of part-time employment.

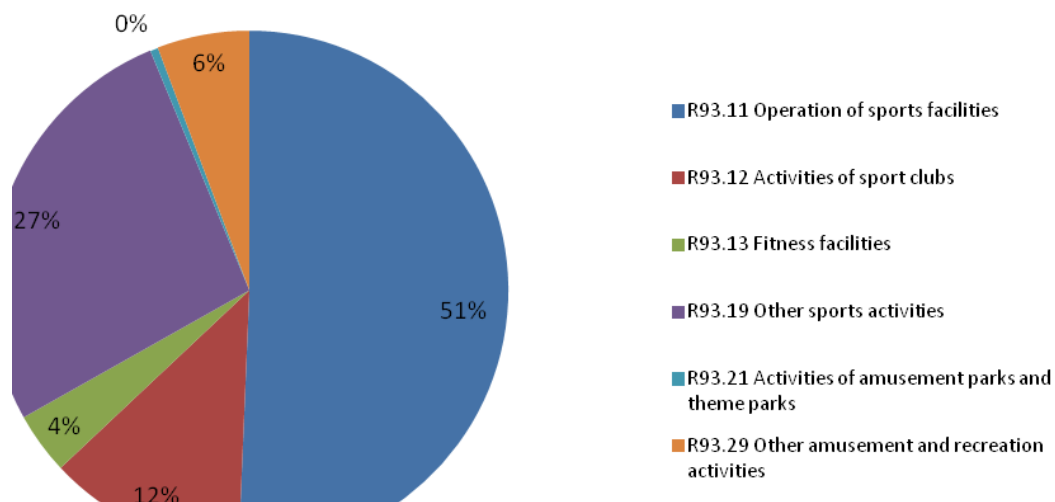
Table 3: Summary economic data on selected Entertainment and Recreation services sectors, 2010

	Unit	R92 - Gambling and betting activities	R93 - Sports activities and amusement and recreation activities
Enterprises	No.	427	2,408
Turnover	€'000	1,143,000	1,090,578
Personnel costs	€'000	225,786	397,184
Total employment	No.	7,344	18,045
<i>of which</i>			
Proprietors, partners, family member	No.	430	1,776
Full-time employees	No.	4,358	8,997
Part-time employees	No.	2,556	7,272

Source : CSO Annual Services Inquiry, 2010

The following chart shows the distribution of turnover in the *Sports activities and amusement and recreation activities* sector :

Figure 3: Distribution of total turnover in Sports activities and amusement and recreation activities sector, 2010



5.0 Standard classification structure

5.1 Industrial classification

Ireland uses the Statistical Classification of Economic Activities in the European Community NACE Rev. 2 for national purposes.

90 Creative, arts and entertainment activities

- 9001 Performing arts
- 9002 Support activities to performing arts
- 9003 Artistic creation
- 9004 Operation of arts facilities

91 Libraries, archives, museums and other cultural activities

- 9101 Library and archives activities
- 9102 Museums activities
- 9103 Operation of historical sites and buildings and similar visitor attractions
- 9104 Botanical and zoological gardens and nature reserves activities

92 Gambling and betting activities

92.00 Gambling and betting activities

93.1 Sports activities

93.11 Operation of sports facilities

93.12 Activities of sport clubs

93.13 Fitness facilities

93.19 Other sports activities

93.2 Amusement and recreation activities

93.21 Activities of amusement parks and theme parks

93.29 Other amusement and recreation activities

5.2 Product classification

Ireland uses the EU CPA 2008 classification. *See Appendix 1.*

6.0 Evaluation of standard vs. definition and market conditions

Coverage of non-profit enterprises

The Arts, Entertainment and Recreation services sector is comprised of a number of non-profit community type enterprises which may not appear in the administrative system. Small sports clubs are examples of such enterprises which may not generate sufficient revenue to register for tax purposes. The primary source of information for the Business Register in Ireland is tax data from the Revenue Commissioners. As a result, such non-profit community type enterprises would not be included in the coverage of CSO statistical surveys. Business Register staff attempt to supplement the administrative sources through information from industry representative groups and internet searches etc. The main difficulty with information obtained from non-administrative sources is updating the status and employment data of such concerns.

Public sector activity

Activities of establishments such as public libraries will not be covered in this sector as they are operated by local authorities who are classified under *NACE Sector O: Public Administration and Defence; Compulsory Social Security.*

Ancillary activities

A significant part of the turnover from activities in these sectors is generated by ancillary revenues such as bar sales in sports clubs. In order to minimize response burden on enterprises in Ireland, we do not collect turnover information at a product level.

7.0 National accounts concepts and measurement issues related to GDP measurement

Virtually all the output from the Arts, Entertainment and Recreation services sectors goes to final consumption. The national accounts use a variety of sources to compile GDP estimates for these sectors:

- Expenditure information on consumption of services from Household Budget Surveys
- Information on incomes from administrative tax data
- Output data from the Structural Business Statistics surveys for *Gambling and betting activities* and *Sports activities and amusement and recreation activities*
- Other industry sources such as the National Lottery revenues and outgoings
- Consumer price indices for deflators

In the compilation of the Institutional Sector Accounts it is necessary to produce estimates of GDP for Non-Profit Institutions Serving Households (NPISH). It is difficult for the Central Business Register to identify and update information on these concerns as they may not be registered with tax authorities. These NPISH are prevalent in the *Arts, Entertainment and Recreation* sectors and as result it poses challenges for national accounts to measure their GDP.

These are difficult fragmented sectors for national accounts to measure. Their contribution to overall GDP is quite low however improvements in the coverage of business statistics should lead to better quality estimates for the sectors.

8.0 Turnover data methods

The various surveys that collect data on these methods are outlined in Section 3 above. Administrative data from the Revenue Commissioners also provide annual and sub-annual turnover data. National Accounts complement these sources with expenditure information from the Household Budget Survey and other sources. *See previous section.*

9.0 Evaluation of comparability of turnover/output data with price index practices

Virtually all the output from these sectors goes to final consumption so there is no producer prices compiled.

10.0 Summary

The *Arts, Entertainment and Recreation services* sector is a small part of the Irish economy that provides a wide range of activities to meet various cultural, entertainment and recreational interests of the general public, including live performances, operation of museums, gambling, sports and recreation activities.

The availability of turnover data for the sector is incomplete in Ireland as they are not covered under EU Regulations on Business Statistics. There is however a good source of detailed annual survey data for private sector enterprises in the *Gambling and betting activities* and *Sports activities and amusement and recreation activities* sectors.

These sectors contain a significant number of non-profit establishments. This poses challenges for the Business Register areas in identifying and updating the status of such establishments where they are not registered for tax purposes. As a result, the coverage of this sector may not be complete for statistical purposes.

Activities of establishments such as public libraries will not be covered in this sector as they are operated by local authorities who are classified under *Public Administration* sector.

A significant part of the turnover from activities in these sectors is generated by ancillary revenues such as bar sales in sports clubs. In order to minimize response burden on enterprises in Ireland, we do not collect turnover information at a product level.

These are difficult fragmented sectors for national accounts to measure. A number of different administrative and statistical sources are used in the compilation of GDP

APPENDIX 1 - CPA 2008 structure

R ARTS, ENTERTAINMENT AND RECREATION SERVICES			
90	Creative, arts and entertainment services	92	Gambling and betting services
90.0	Creative, arts and entertainment services	92.0	Gambling and betting services
90.01	Services of performing artists	92.00	Gambling and betting services
90.01.1	Services of performing artists	92.00.1	Gambling services
90.01.10	Services of performing artists	92.00.11	Gambling table services
90.02	Support services to performing arts	92.00.12	Gambling machine services
90.02.1	Support services to performing arts	92.00.13	Lotteries, numerical games and bingo services
90.02.11	Performing arts event production and presentation services	92.00.14	On-line gambling services
90.02.12	Performing arts event promotion and organisation services	92.00.19	Other gambling services
90.02.19	Other performing arts support services	92.00.2	Betting services
90.03	Artistic creation	92.00.21	On-line betting services
90.03.1	Artistic creation	92.00.29	Other betting services
90.03.11	Services provided by authors, composers, sculptors and other artists, except performing artists	93	Sporting services and amusement and recreation services
90.03.12	Original works of authors, composers and other artists, except performing artists, painters, graphical artists and sculptors	93.1	Sporting services
90.03.13	Original works of painters, graphical artists and sculptors	93.11	Sports facility operation services
90.04	Arts facility operation services	93.11.1	Sports facility operation services
90.04.1	Arts facility operation services	93.11.10	Sports facility operation services
90.04.10	Arts facility operation services	93.12	Services of sport clubs
91	Library, archive, museum and other cultural services	93.12.1	Services of sport clubs
91.0	Library, archive, museum and other cultural services	93.12.10	Services of sport clubs
91.01	Library and archive services	93.13	Services of fitness facilities
91.01.1	Library and archive services	93.13.1	Services of fitness facilities
91.01.11	Library services	93.13.10	Services of fitness facilities
91.01.12	Archive services	93.19	Other sporting services
91.02	Museum services	93.19.1	Other sporting services
91.02.1	Museum operation services	93.19.11	Sports and recreational sports event promotion services
91.02.10	Museum operation services	93.19.12	Services of athletes
91.02.2	Museum collections	93.19.13	Support services related to sports and recreation
91.02.20	Museum collections	93.19.19	Other sports and recreational sports services
91.03	Operation services of historical sites and buildings and similar visitor attractions	93.2	Amusement and recreation services
91.03.1	Operation services of historical sites and buildings and similar visitor attractions	93.21	Amusement park and theme park services
91.03.10	Operation services of historical sites and buildings and similar visitor attractions	93.21.1	Amusement park and theme park services
91.04	Botanical and zoological garden services and nature reserve services	93.21.10	Amusement park and theme park services
91.04.1	Botanical and zoological garden services and nature reserve services	93.29	Other amusement and recreation services
91.04.11	Botanical and zoological garden services	93.29.1	Other recreational services n.e.c.
91.04.12	Nature reserves services, including wildlife preservation services	93.29.11	Recreation parks and beach services
		93.29.19	Miscellaneous recreational services n.e.c.
		93.29.2	Other entertainment services n.e.c.
		93.29.21	Firework and "light and sound" shows services
		93.29.22	Coin-operated games machine services
		93.29.29	Entertainment services n.e.c.