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The Philippine Cultural and Creative Industries

An Assessment of the Sector as a Basis for a Progressive Industrial Policy

Josefina N. Natividad, ScD and Grace Javier-Alfonso, PhD



Political Economy Program

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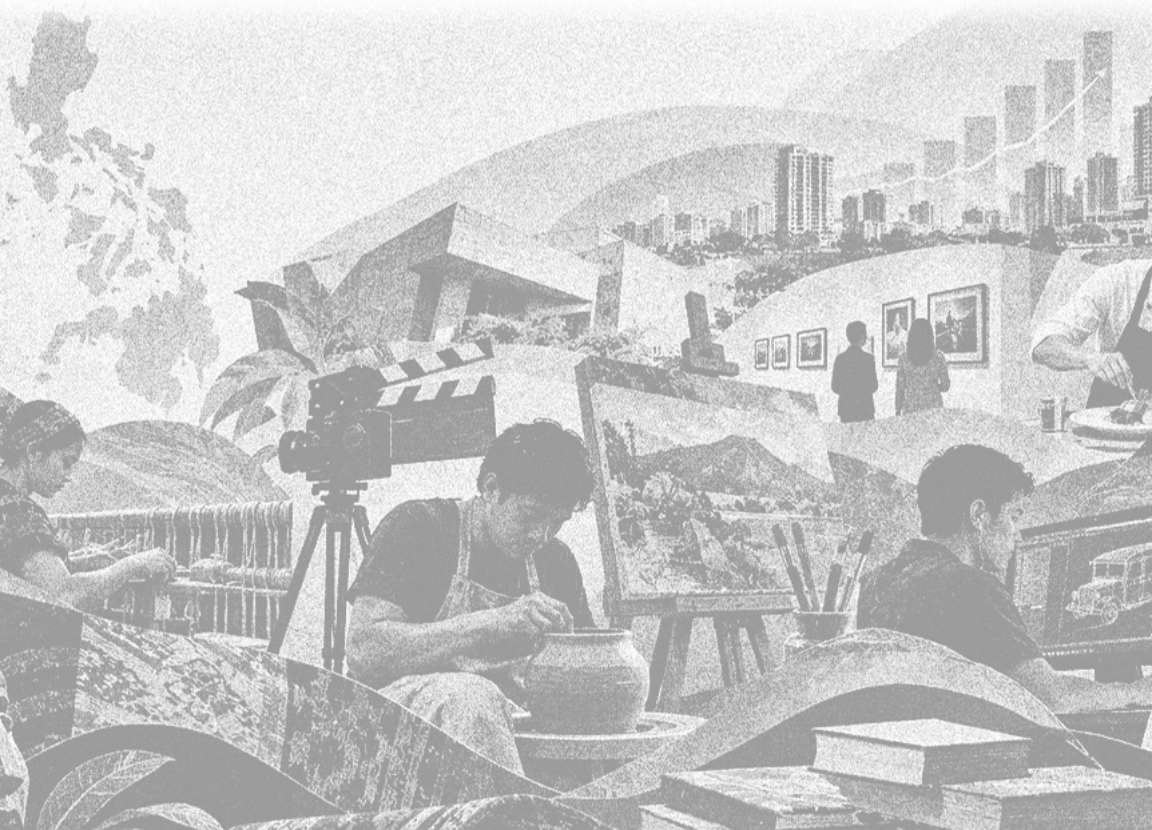
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Cover Image Credit

Figure 1. The Philippine Cultural and Creative Industries. AI-generated illustration depicting the diversity of the Philippine cultural and creative industries, including traditional crafts, visual arts, architecture, publishing, fashion, culinary arts, and digital design, and their interconnected roles in cultural production and economic development. Image generated using OpenAI's ChatGPT, November 13, 2026.

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POLITICAL ECONOMY PROGRAM

Progressive Industrial Policy – Now!

Advancing a Transformative Industrial Development Framework

Rene E. Ofreneo

Introduction

The Strategic Advisory Group (SAG) under the Office of President Angelo Jimenez and the UP Center for Integrative Development Studies (CIDS) are pushing for the adoption by the University and the government of the Progressive Industrial Policy (PIP) as the development compass in attaining economic recovery and transformation for the country. The PIP seeks to address the major sustainability challenges facing the nation (e.g., climate emergency, industrial backwardness, food insecurity, AI-knowledge deficits and joblessness) by transforming these challenges into platforms for the development of solutions to these challenges. Hence, PIP goes beyond the traditional concept of Industrial Policy (IP), which is usually focused on government's enhanced support for the capacity building and upgrading of a particular industry or sector as part of the upward restructuring of the economy.

PIP stands for inclusive and sustainable economic development.

The following is a summary of the reflections of the SAG-CIDS study group on the critical importance of having a transformative IP and why this IP should be elevated to PIP. The SAG-CIDS study group is composed of Rene Ofreneo, Grace Alfonso, Rosalie Hall, Joy Natividad, Niceto Poblador, Antoinette Raquiza, Jose Tabbada, Jaime Veneracion and Temario Rivera (+).

This paper provides a historical review of Industrial Policy (IP) as theorized and applied in developing countries. It traces IP's ideological mooring from the Global North, its subsequent adoption in the US and UK and its placement in the overall development discourse. The role of the World Bank, International Monetary Fund and other multilateral lending institutions in diffusing this type of development discourse, and corresponding shifts in position about IP are described. The call for a progressive industrial policy (PIP) within the frame of Sustainable Development Goals (SDG) and Climate Change (CC) global development discourse is described. A set of policy recommendations are outlined for the ship to PIP. The paper concludes with a pitch for University of the Philippines to advance the Progressive Industrial Policy agenda alongside other State University and Colleges (SUCs).

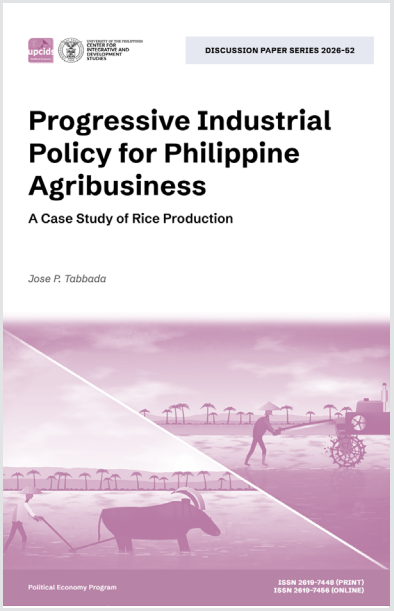
Industrial Policy in Global Development Discourse: State as Center, Absent, and Comeback

Decline of Industrial Policy, Rise of Washington Consensus

After World War II and upon their acquisition of political independence, many developing countries embraced Industrial Policy (IP) as the primary guide in industrializing their economies. IP was expressed mainly through a program of import-substituting industrialization (ISI), a program aimed primarily at the establishment of import-replacing industries. The government took the leadership in fostering ISI, usually done through the protectionist fencing of the economy against imported industrial products. IP-supported ISI was seen as the fastest way of catching up with the developed economies of the Global

POLICY BRIEF

Progressive Industrial Policy – Now!: Advancing a Transformative Industrial Development Framework



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Progressive Industrial Policy for Philippine Agribusiness

A Case Study of Rice Production

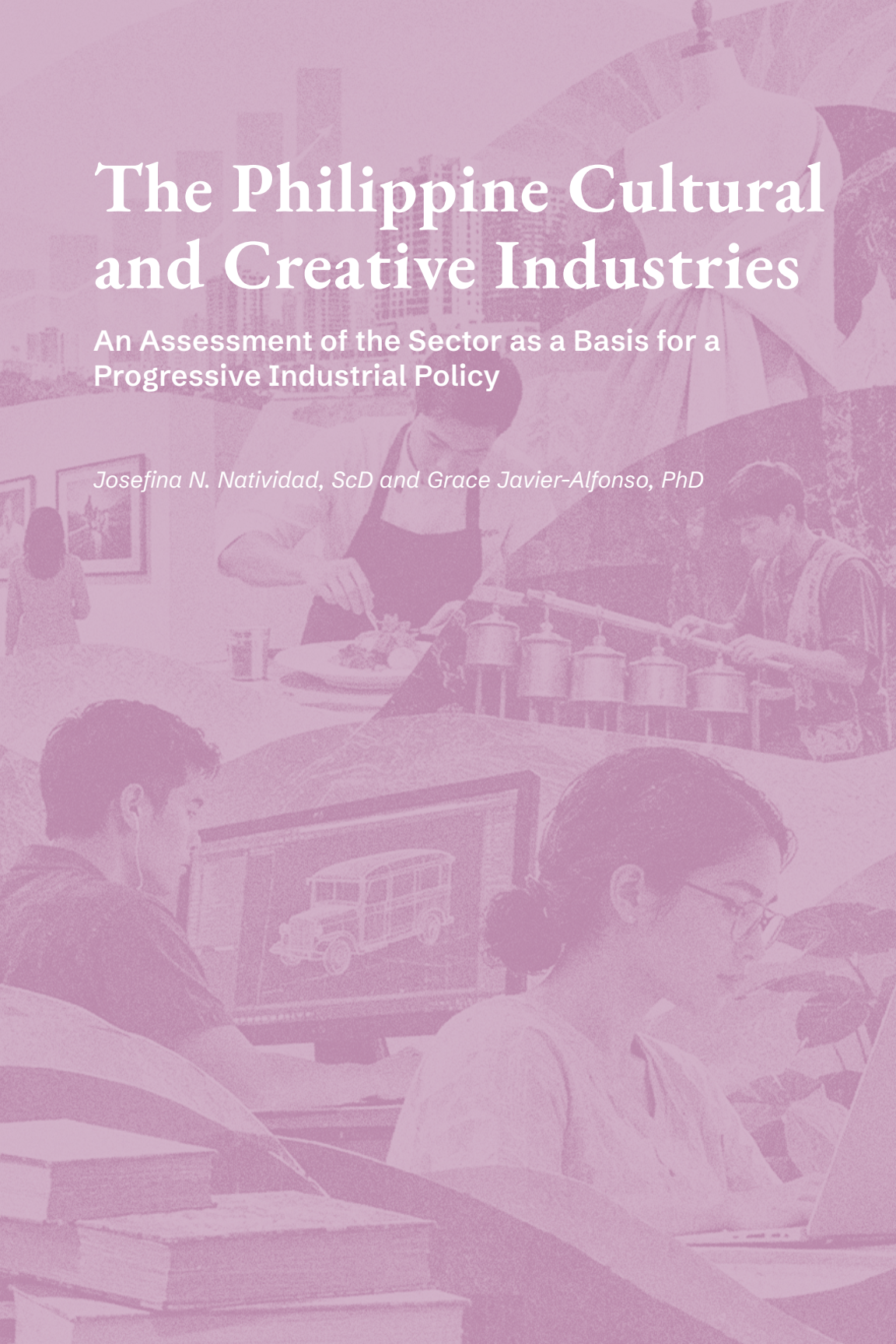
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DISCUSSION PAPER

Progressive Industrial Policy for Philippine Agribusiness: A Case Study of Rice Production



The Philippine Cultural and Creative Industries

An Assessment of the Sector as a Basis for a Progressive Industrial Policy

Josefina N. Natividad, ScD and Grace Javier-Alfonso, PhD

Key Highlights

- New analytical frameworks for clarifying, delineating and defining the highly diverse industries under the creative and cultural sector, developed by UNESCO, UNCTAD and the Philippine Statistics Authority have provided a clearer understanding of the breadth of human activity encompassed by this sector as well as provided the tools for measuring the industry's over all contribution to the economy and to the culture in general.

- Although the culture and creative industries (CCIs) collectively contribute a substantial share to the economy in terms of revenue generation and total employment, there is a distinct continuum of differentiation in their respective contributions. On the one end are industries that generate high economic value but have low employment numbers, on the other end are industries that generate low economic value but have high employment.

- The contrast between these extremes calls for a differentiated rather than a uniform industrial policy for CCIs. In particular a progressive industrial policy for the CCIs will aim not simply to build a more competitive creative economy, but to develop one that is inclusive, culturally grounded, innovative, and capable of contributing to a more resilient and self-reliant Philippine economy.

- From a review of the literature, data from official statistics and a series of round-table discussions and focus group discussions with CCI stakeholders, key issues that need to be addressed were identified. The general conclusion is that Philippines does not lack creative talent or cultural assets. Rather, the challenge lies in building the institutions, capabilities, markets, infrastructure, and protections that allow these assets to generate sustainable livelihoods, competitive enterprises, and cultural value. This distinction is central to a progressive industrial policy for the CCIs, because it shifts the focus from merely promoting creative outputs toward developing the ecosystem within which Filipino creators and creative enterprises can innovate, scale, retain value, and participate more equitably in economic growth.

Progressive industrial policy refers to a government strategy that actively shapes and develops key industries in ways that promote not only economic growth but also social equity. It goes beyond simply allowing markets to determine which industries should thrive. The "progressive" dimension emphasizes that economic development should benefit workers, communities, and the environment, rather than serving only corporations or investors. In the context of the Philippine economy, this includes a stronger focus on self-reliance, better job creation, adoption of environmentally sustainable technologies, and the promotion of a circular economy (Raza 2026)

A. Cultural and creative industries: frameworks, definition and measurement

This case study examines cultural and creative industries (CCIs) in the Philippines. Its primary objective is to develop recommendations for a progressive industrial policy that is responsive to the unique characteristics of the sector, particularly one that promotes the growth, competitiveness, and sustainability of small players as well as advances environmentally sustainable technologies and the circular economy.

Interest in framing the cultural and creative industries as sources of economic revenue is of recent origin compared to the traditional sectors of agriculture and manufacturing, not just in the Philippines but in the rest of the developed and developing world. Among the reasons for this shift in perspective is the recognition that cultural activities can contribute to local development—for example, through local festivals and the production of creative goods such as crafts—while also creating economic opportunities for women, youth, and indigenous peoples (IPs). Moreover, some cultural industries are predominantly made up of small businesses or family businesses that are well-suited for locally based development. Globalization and the rapid spread of digital technology are two recent trends that further heightened interest in the cultural and creative industries because these developments provide opportunities for all, in both the developed and developing world, to share their cultural and creative outputs, both locally and internationally and to earn from it (UNESCO Institute for Statistics 2009).

In the Philippines, the economic significance of creative activity predates the more recent adoption of the creative economy as a distinct policy framework. An early assessment of copyright-based industries found that activities dependent on copyright already made measurable contributions to national

output and employment, providing empirical support for treating creative activity not only as a cultural concern but also as a productive component of the economy (Francisco et al. 2007). Subsequent Philippine studies have likewise emphasized that creative industries combine economic activity with broader cultural and social functions. In particular, cultural micro, small, and medium enterprises (MSMEs) engaged in traditional crafts and culinary products simultaneously sustain livelihoods and preserve cultural heritage, illustrating why the contribution of CCIs cannot be assessed solely in terms of conventional measures of economic output (Casimiro et al. 2024).

Since cultural and creative products are created, produced, and consumed across a wide range of human activity, there was a need to clarify, delineate, and define the various types of industries under the creative and cultural sector. In this regard, UNESCO initiated the adoption of a common framework on cultural statistics (FCS) both nationally and internationally, based on a conceptual foundation and a common understanding of culture, enabling the measurement of a wide range of cultural expressions—irrespective of the particular economic and social mode of its production. The use of standard definitions allows for the production of internationally comparable data (UNESCO Institute for Statistics 2009). The framework is updated to accommodate rapid and consequential developments affecting the CCIs. The latest revision was in 2025.

The 2025 version of the FCS introduced a re-imagined conception of the culture and creative industries, veering away from the value chain approach to a cultural and creative ecosystem (CCE) approach. The cultural and creative ecosystem represents:

> ... a complex environment where artists, creative producers, social groups, cultural communities, audiences and a broad spectrum of public and private intermediaries engage in various relationships to generate diverse forms of cultural and economic value... (with) the promotion, regulation, financing and development of cultural practices as the key drivers of both formal and informal interactions within the CCE. (This approach) expands beyond the traditional economic production approach by advocating for a comprehensive analytical framework that equally values heritage practices and cultural participation alongside the economic activities developed by artists and creative producers... (UNESCO Institute for Statistics 2025, 2).

The 2025 FCS also addresses the profound impact of technological development on cultural production and consumption, in particular, generative artificial intelligence (AI). It emphasizes that, while AI has the potential to reshape the cultural and creative industries, the human contribution and creativity that underpins cultural diversity must be recognized and prioritized.

Both the value chain and ecosystem perspectives lend themselves well for adoption as guiding frameworks for a progressive industrial policy as both recognize that value creation in the CCIs is not confined to economic gains. Rather these industries create cultural capital for a nation (Throsby 1999). Cultural capital is an asset that embodies, stores, or gives rise to cultural value independent of its economic value, if any. It exists in tangible (e.g., artwork, cultural artifacts, heritage sites) or intangible forms (e.g., beliefs, folklore, cultural traditions, shared values), contributing to the overall culture of a given group (Throsby 2020).

Philippine evidence reinforces the relevance of this broader conception of value. Case studies of traditional cultural expression MSMEs in Northern and Central Luzon show that enterprises often pursue innovation not simply for commercial expansion but also to preserve cultural heritage, sustain family and community livelihoods, and maintain traditional knowledge across generations. At the same time, these enterprises face constraints in financing, technology adoption, skills succession, and market access (Casimiro et al. 2024). Their experience illustrates the particular challenge for a progressive industrial policy: enabling modernization and productivity improvements without eroding the cultural assets and community relationships from which creative value is derived.

As creators of cultural capital, the CCIs are classified by UNESCO into the following domains:

1. Cultural and Natural Heritage that includes museums, archaeological and historical places (including archaeological sites and buildings), cultural landscapes, and natural heritage.

2. Performance and Celebration that includes both professional and amateur activities, such as theatre, dance, opera and puppetry, music including live and recorded musical performances, music composition, music recordings, digital music including music downloads and uploads, and musical instruments. The domain also includes the celebration of cultural events – festivals, feasts and fairs

3. Visual arts and crafts that are art forms focusing on the creation of visual works, including fine arts such as paintings and sculpture, crafts, and photography. Commercial places where the objects are exhibited, such as commercial art galleries, are also included in this domain

4. Books and Press cover publishing in all its various formats including electronic or virtual forms of publishing such as online newspapers, e-books and the digital distribution of books and press materials. Book fairs and libraries, both physical and virtual, are likewise included in this domain.

5. Audio-visual and Interactive Media include radio and television broadcasting, internet live streaming, film and video, and interactive media. Interactive media covers video games and new forms of cultural expressions that mainly occur through the web or with a computer like online games, web portals, websites for activities related to social networks and Internet podcasting.

6. Design and Creative Services cover activities, goods and services resulting from the creative, artistic and aesthetic design of objects, buildings and landscape. These include fashion, graphic, Interior and landscape design, and architectural and advertising services.

UNESCO also identifies two related domains of: 1) tourism, specifically its cultural dimensions such as cultural tourism, spiritual tourism and eco-tourism activities; and 2) sports and recreation.

For its part, the United Nations Conference on Trade and Development (UNCTAD), as an international body primarily focused on trade, defines the creative industries as producers of goods and services with both cultural significance and economic value. Unlike UNESCO, however, UNCTAD omits the term culture, which is more central to UNESCO's conceptual framework. Specifically, UNCTAD sees the creative industries as the "creation, production, and distribution cycles that leverage creativity and intellectual capital. These industries encompass knowledge- based activities focusing on culture and heritage, including tangible and intangible creative products with economic value" (UNCTAD 2024). The UNCTAD classifies the outputs of creative industries into tangible/physical products called creative goods and intangible products called creative services. There are seven industry groups that produce creative goods

1. audiovisual, multimedia and photography;
2. crafts and design goods;
3. books and publishing;
4. music, performing and visual arts;
5. architecture;
6. software, video games and recorded media; and
7. cultural and natural heritage,

as well as three that produce creative services:

1. advertising;
2. design; and
3. research and development

The primary goal of both UNESCO and UNCTAD in coming up with these classification systems is to arrive at a statistical framework for the creative industries that will assist countries in assessing their own creative economy and at the same time allow for cross-country comparability with the use of common frameworks and metrics. Both bodies recognize that the creative economy is rapidly evolving and this sometimes blurs the distinction between creative goods and services, e.g., software (a creative good when it comes as boxed software and a creative service when upgrades are delivered via the web). Moreover, the anticipated and possible unintended effects of developments like generative AI on the industry require periodic review and updating of the frameworks to reflect current and future conditions.

A crucial issue in the CCIs is intellectual property rights (IPRs), which are fundamental to the creative industries because they protect the products of creativity and intellectual capital, enabling creators to derive economic value from their outputs. By safeguarding ownership, facilitating licensing and commercialization, and encouraging investment in innovation, IPRs provide the legal and economic foundation upon which many creative industries operate. Protection usually comes in the form of patents and copyrights transformed into a service through licensing or copyright fees. Though IPR has clear applications in some CCIs like books and publishing or research and development, they present challenges for protecting traditional and collective cultural expressions, like festivals, traditional cuisine, artisanal products which may not fit into the legal frameworks of other CCIs. This is an ongoing concern and there are as yet no easy solutions.

These issues have particular relevance in the Philippine context. The 2026 national diagnostic of the Philippine creative ecosystem identifies the generation, protection, commercialization, and ownership of intellectual property as important elements in strengthening the capacity of Filipino creators and enterprises to capture greater value from creative production (WIPO 2026). At the level of traditional cultural enterprises, the protection of intellectual property is complicated by the collective and intergenerational character of cultural knowledge. Casimiro et al. (2024) therefore include stronger intellectual property protection among the forms of institutional support needed by cultural MSMEs as they innovate and expand their markets.

Finally, informality in the economic aspects of the creation of cultural and creative products is a highly pervasive feature of CCIs. Informal productive activities are defined as all productive activities carried out by persons or economic units that are—in law or in practice—not covered by formal arrangements as established by regulations and laws (ILO 2023). There are structural and cultural factors that predispose creative and cultural workers to shy away from the formal economy. Among these are the high prevalence of freelance and project-based work, irregular and unpredictable incomes, low startup and capital costs, and the avoidance of regulatory barriers (ILO 2024b). In the case of traditional crafts and design naturally produced outside of formal institutions and financial systems, joining the formal economy does not necessarily hold much appeal (Joffe and Newbigin 2021).

The experience of Filipino online workers provides a domestic parallel to these conditions. Serafica and Oren (2022) note that the expansion of digitally mediated work has created new income opportunities, but has also complicated conventional distinctions between employment and self-employment, with implications for access to social protection and employment benefits. They argue for social protection mechanisms that can accommodate different forms of online work, together with stronger skills development, data collection, and dialogue among government, workers, and other stakeholders. These concerns are particularly relevant to CCIs, where freelance, project-based, and digitally mediated arrangements are common. More broadly, UNESCO (2026) identifies informality, skills mismatches, rapidly changing technological requirements, and weak links between education and industry as continuing employment challenges in the cultural and creative industries, reinforcing the need for industrial policy to address the conditions of creative work alongside sectoral growth.

B. The state of the cultural and creative industries in the Philippines

In July 26, 2021 Republic Act No. 11904 or "An Act Providing for the Development and Promotion of the Philippine Creative Industries and Appropriating Funds Therefor" was signed into law. The law states that, "it is the policy of the State to promote and support the development of Philippine creative industries by protecting and strengthening the rights and capacities of creative firms, artists, artisans, creators, workers, indigenous cultural communities, content providers, and stakeholders in the creative industries as defined in this Act.". The Philippine Creative Industries Development Council, a body created by the law, was soon convened and one of its first major outputs is the crafting of the Philippine Creative Industry Development Plan (PCIDP) 2025–2034. Both R.A. No. 11904 and the PCIDP drew heavily on the 2009 UNESCO FCS.

Within the same year, the Philippine Statistics Authority (PSA) started its pilot initiative to assess the scope and coverage of the creative economy, the data availability and data limitations, and to craft an interim methodology for the compilation of the Philippine Creative Economy Satellite Account (PCESA) (PSA 2026). To support consistent and transparent measurements, the Philippine Standard Creative Classification System (PSCrCS) was developed through the Interagency Committee on Statistical Standards and Classifications (IACSSC) and its Technical Working Group on Creative Statistical Classification (TWGCSC). The system is guided by both UNESCO and UNCTAD frameworks for the classification of creative industries and occupations. This move by the PSA in close coordination with relevant agencies of government is a significant milestone because for the first time the Philippines has an official accounting of its creative economy.

The institutionalization of a dedicated creative economy satellite account also builds on earlier Philippine efforts to quantify the economic significance of creative activity. Francisco et al. (2007), using the WIPO framework for copyright-based industries, demonstrated that copyright-dependent activities already made measurable contributions to Philippine output and employment. While the earlier estimates are not directly comparable with the present PCESA because of differences in concepts, coverage, and methodology, they provide a useful historical indication that the economic significance of creative and copyright-based activities predates their formal recognition as a distinct sector in contemporary Philippine industrial policy.

In the working operational definition adopted by the PSA (2026), an "industry is creative if it is involved in the creation, production, commercialization, or distribution of creative goods and services. A good or service is creative if its production requires input of human talent or ingenuity and satisfies at least one of the following criteria: (a) it contains symbolic message; (b) it has an intellectual property factor; or (c) it results in a novel or new product."

Table 1 compares the listing of the domains of culture and creative industry under RA 11904 with the operational definition adopted by PSA to arrive at the standard classification of industries and occupations in the creative economy sector applicable to the Philippine context.

Table 1. Domains of the cultural and creative economy listed in R.A. No. 11904 and their operational definitions from the Philippine Statistics Authority

Domain (R.A. No. 11904)	Domain (as operationalized by PSA)
Audiovisual Media Domain	Audio and audiovisual media activities comprising of manufacturing, renting, trading of live and recorded audio and audiovisual media
Digital Interactive Media Domain	Digital interactive goods and service activities including manufacturing, renting, trading of computers, software, programs, mobile applications, and electronic games
Creative Services Domain	Advertising, research and development, and other artistic service activities referring to advertising, research and development, recreational services, translation and interpretation including construction of other civil engineering projects
Design Domain+	Symbols and images and other related activities including manufacturing, renting, trading of symbols and images in textiles, garments, footwear, furniture, jewelry, fashion and accessory, toys, etc.

Publishing and Printed Media Domain	Media publishing and printing activities comprising of publishing and printing, renting, trading of books, magazines, newspapers, journals including manufacturing of ink, hand-made paper, etc.
Performing Arts Domain	Music, arts, and entertainment activities referring to manufacturing and trading of musical instruments, publishing of music; casting, booking; operations of concerts and theaters including activities in creative arts and entertainment
Visual Arts Domain	Visual arts activities including manufacturing, trading, distribution, and preservation of works which are visual in nature including paintings, drawings, photographs, antiques, and other visual art
Traditional Cultural Expressions Domain	Traditional cultural expression activities which are related to customs, practices, traditions, culture, heritage including arts and crafts, gastronomy, culinary practices, cultural festivals, and celebrations
Cultural Sites Domain	Art galleries, museums, ballrooms, conventions and trade shows and related activities including operation of art galleries, ballrooms, discotheques, conventions and trade shows, libraries and archives, botanical and zoological gardens, museums and preservation of historical sites and buildings.

Contribution to Gross Value Added/Gross Domestic Product:

Applying the newly crafted PSCrCS, the PSA estimated the economic contribution of the creative industries to the Philippine economy using the Production (Value-Added) Approach. Results of this estimation (see Table 2) indicate that the contribution of the creative economy is substantial and consistently growing within the period 2018-2025 (except for a dip in 2020-2021, most likely as a result of the COVID-19 pandemic lockdowns). From 2018 to 2025, the total gross value added (GVA) of the creative economy increased from PHP 1.314 trillion in 2018 to PHP 2.12 trillion in 2025—signifying a 61 percent increase.

In terms of the domains, Design (i.e. symbols and images) contributed the most to GVA at PHP 670 billion in 2025 while Cultural Sites (i.e., art galleries, museums, and related sites and activities) contributed the least at PHP 6.9 billion.

Table 2. Gross Value Added (GVA) of Creative Economy by domain at Current Prices: 2018-2025 (in Million Pesos)

	2018	2019	2020	2021	2022	2023	2024	2025
Audio and audiovisual media activities	69,871	72,715	62,767	68,316	73,065	76,144	80,277	84,408
Digital interactive goods and service activities	252,496	274,054	262,017	280,408	314,345	352,040	388,332	416,333
Advertising, R&D, and other artistic service activities	217,153	237,013	231,476	251,700	279,338	301,998	324,999	337,636
Symbols and images and other related activities	414,717	450,631	426,997	457,812	509,633	566,328	624,303	670,147
Media publishing and printing activities	149,602	163,260	156,302	168,613	183,420	205,027	227,543	243,623
Music, arts and entertainment activities	12,779	13,895w	12,702	13,161	14,761	16,315	17,681	19,044
Visual arts activities	27,544	28,845	25,833	27,926	30,149	32,079	34,357	36,324
Traditional cultural expression activities	166,574	177,190	132,417	149,076	181,398	231,736	277,243	303,146
Art galleries, museums, ballrooms, and related activities	3,567	3,977	2,668	2,874	3,785	4,750	5,779	6,880
Total GVA of Creative Economy	1,314,303	1,421,581	1,313,178	1,419,886	1,589,894	1,786,416	1,980,515	2,117,539

Source: Philippine Statistics Authority 2026

From 2018–2025 the domain of design outperformed all other domains, both in level and trajectory of growth. Digital interactive goods and services came in a distant second. Table 3 shows that the design domain had the highest share to the total GVA generated by the creative economy, accounting for almost one-third of the total GVA, while digital interactive goods and services contributed about one-fifth. Combined, these two domains made up half of the total GVA attributed to the creative economy. It is no surprise that these two dominate total GVA as they include the major exporting industries among the CCIs. Creative goods under the design domain include furniture, jewelry, fashion apparel, and accessories, while creative services under the digital and interactive goods and services domain include game development, animation, and graphic design.

Philippine sectoral studies help explain why strong economic performance in creative industries does not necessarily imply that domestic firms have reached the highest-value segments of production. In the animation industry, for example, Tschang and Goldstein (2010) found that Philippine competitiveness was built substantially on a skilled workforce capable of undertaking outsourced production, but that firms encountered greater difficulty moving into higher-value creative activities such as conceptualization. This distinction is important for industrial policy: growth in the output of design and digital creative activities should be accompanied by deliberate efforts to strengthen domestic capabilities, original content creation, intellectual property ownership, and participation in higher-value stages of production.

During the same period, the three domains with the lowest GVA year on year were the cultural sites domain, visual arts, and the performing arts. Cultural sites contributed the least, accounting for only 0.3 percent, while performing arts registered the second lowest share at about one percent of total GVA. These two domains largely depend on local demand for their creative products. The low GVA may be a reflection both of low demand as well as lack of means and opportunities to attend paid performances and to visit museums, galleries and other venues for cultural participation.

The relatively low economic contribution of these domains should therefore be interpreted with caution. As discussed earlier, the cultural and creative ecosystem generates forms of value that are not necessarily captured by market transactions or GVA. From a progressive industrial policy perspective, low measured output does not by itself constitute a basis for deprioritizing cultural activities whose benefits include cultural participation, heritage preservation, community identity, and the accumulation of cultural capital.

Table 3. Gross Value Added of Creative Economy, 2018-2025 (Percent share to total)

Industry	2018	2019	2020	2021	2022	2023	2024	2025
Audio and audiovisual media activities	5.3	5.1	4.8	4.8	4.6	4.3	4.1	4.0
Digital interactive goods and service activities	19.2	19.3	20.0	19.7	19.8	19.7	19.6	19.7
Advertising, research and development, and other artistic service activities	16.5	16.7	17.6	17.7	17.6	16.9	16.4	15.9
Symbols and images and other related activities	31.6	31.7	32.5	32.2	32.1	31.7	31.5	31.6
Media publishing and printing activities	11.4	11.5	11.9	11.9	11.5	11.5	11.5	11.5
Music, arts and entertainment activities	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9
Visual arts activities	2.1	2.0	2.0	2.0	1.9	1.8	1.7	1.7
Traditional cultural expression activities	12.7	12.5	10.1	10.5	11.4	13.0	14.0	14.3
Art galleries, museums, ballrooms, conventions and trade shows, and related activities	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3

Source: Philippine Statistics Authority 2026

In terms of the Gross Domestic Product (GDP), the creative economy's share hovered around seven percent from 2018-2025 with a trend of gradual increase over the period, from 7.2 percent in 2018 to 7.8 percent in 2025.

Table 4. Creative Economy and Gross Domestic Product (GDP) at Constant Prices: 2018-2025 (Levels in Million pesos)

	2018	2019	2020	2021	2022	2023	2024	2025
Creative Economy	1,314,303	1,407,600	1,288,795	1,385,508	1,497,784	1,599,117	1,709,766	1,803,718
Gross Domestic Product (GDP)	18,265,190	19,382,751	17,537,843	18,540,084	19,945,605	21,046,393	22,244,357	23,223,862
Share of Creative Economy to GDP (in percent)	7.2	7.3	7.3	7.5	7.5	7.6	7.7	7.8

Source: Philippine Statistics Authority 2026

Contribution to employment

Shifting the focus to the status of employment in the CCIs, Table 4 shows the contribution of the creative sector to total employment in the country. In all, over the seven-year period, the average share of the creative sector to employment is about 18 percent. Trend-wise, there appears to be a slightly decreasing percent share of employment from 18.6 percent in 2018 to 17. 8 percent in 2025. Despite the decreasing share, the total number of persons employed in the CCIs has risen by 14 percent over the period 2018-2025, from 7.6 million workers in 2018 to 8.7 million in 2025

Table 5. Employment in cultural and creative industries 2018-2025 (levels in thousand workers)

	2018	2019	2020	2021	2022	2023	2024	2025
Total Employment in CCIs	7,645	7,708	6,966	7,373	8,023	8,403	8,742	8,708
Total Employment in the Philippines	41,157	41,938	39,378	43,988	46,887	48,178	48,841	49,013
Share of Employment in Creative Industries to Total Employment in the Philippines (in percent)	18.6	18.4	17.7	16.8	17.1	17.4	17.9	17.8

Source: Philippine Statistics Authority 2026

Table 6 breaks down the total employees in the creative industries into the specific domains and shows that the domains with the highest number employed are traditional cultural expressions, design, and creative services, in that order, each employing over two million Filipinos. Employment in these three domains make up 84 percent of all creative sector employees. The traditional cultural expressions domain refers to tangible products and intangible customs, practices and expressions of traditional Filipino culture and heritage, including arts and crafts, gastronomy and culinary practices, as well as cultural festivals and celebrations. This domain covers such a vast array of expressions of Filipino culture, it is no wonder it has the most number employed in the sector. Meanwhile design and digital interactive services employ high numbers of workers because they are mainly engaged in export-oriented activities.

Table 6. Employment in Creative Industries: 2018-2025 (levels in thousand workers)

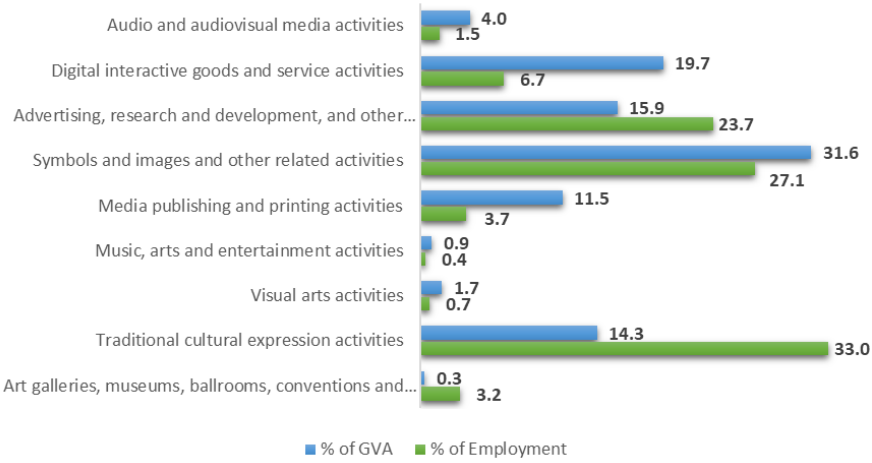
	2018	2019	2020	2021	2022	2023	2024	2025
Audio and audiovisual media activities	75	90	76	90	102	124	125	130
Digital interactive goods and service activities	377	406	372	629	680	589	603	584
Advertising, R&D, and other artistic service activities	1,771	1,734	1,557	1,626	1,697	1,947	2,048	2,065
Symbols and images and other related activities	2,405	2,467	2,302	2,296	2,477	2,377	2,402	2,361
Media publishing and printing activities	308	323	370	351	384	320	327	320
Music, arts and entertainment activities	33	36	31	27	29	33	33	33
Visual arts activities	69	71	65	54	62	63	65	63

Traditional cultural expression activities	2,408	2,373	2,077	2,130	2,373	2,674	2,867	2,875
Art galleries, museums, ballrooms, , and related activities	199	209	117	169	219	276	272	277
Total Employment in Creative Industries	7,645	7,708	6,966	7,373	8,023	8,403	8,742	8,708

Source: Philippine Statistics Authority 2026

To get an insight on the possible relationship of the economic value generated by a domain to its employment numbers, we compare the percentage share of each domain in total GVA and total employment (Figure 2)

Figure 2. Comparative percent share of GVA and of employment, by domain, 2025



Source: Philippine Statistics Authority 2026

The results indicate that the design domain contributes the largest share to creative-sector GVA, accounting for 32 percent, while also employing a substantial proportion of the workforce at 27 percent. The high level of employment can be attributed to the labor-intensive nature in the production of creative goods for export, at the same time that it generates substantial value. The digital interactive goods and services domain which contributes

about 20 percent of total GVA accounts for only seven percent of employment indicating higher value creation relative to a comparatively smaller workforce. This contrasts with the traditional cultural expressions domain, which contributes only 14 percent of total GVA yet employs one-third of all workers in the creative sector.

The production of creative goods and services in the traditional expressions domain embodies both cultural and economic value, as it involves creating products that express lived traditions, shared knowledge, and community values. These include, for example, weaving, traditional crafts, festivals, and gastronomy. This is also the domain where production is more likely to be done within households, using family labor. Overall, working in this domain goes beyond purely economic considerations. This finding provides an important insight in the formulation of a progressive industrial policy. It highlights the need for policy frameworks that recognize and support the multiple forms of value generated by cultural and creative industries, including social, cultural, and community benefits, rather than focusing solely on economic output.

Recent Philippine evidence on cultural MSMEs reinforces this interpretation. For instance, enterprises engaged in traditional crafts and culinary products operate at the intersection of cultural preservation and economic development (Casimiro et al. 2024). Their motivations extend beyond firm growth to the preservation of heritage, the continuation of traditional knowledge, and the sustenance of community livelihoods. Yet these enterprises face constraints in access to finance and technology, workforce and skills succession, market access, and competition from mass-produced products. These findings suggest that the high employment contribution of traditional cultural expressions warrants policy support not simply because of the number of livelihoods involved, but also because these activities sustain forms of cultural and social value that conventional productivity measures may undervalue.

This has an important implication for a progressive industrial policy. Different CCI domains may require different forms of intervention. High-value and technology-intensive sectors may benefit from capability upgrading, R&D, intellectual property development, and support for movement into higher-value activities. Labor-intensive traditional cultural sectors, in contrast, may require interventions that simultaneously improve productivity and incomes while protecting cultural knowledge, strengthening community enterprises, and ensuring the intergenerational transmission of skills. Industrial policy for the CCIs therefore cannot be based solely on selecting sectors with the highest measured GVA.

Contribution to Philippine Export: creative goods and services

The products of the culture and creative industries contribute to the country's exports. Creative goods consist primarily of manufactured products like furniture, apparel, fashion accessories, and woodcraft. Creative services, on the other hand are in the form of software and IT services, animation, game development, digital marketing, and design services (Sirivunnabood and Alegre 2021). Comparing the country's exports and imports in creative goods and services for the period 2018-2025, it appears that the Philippines is a net importer of creative goods but a net exporter of creative services.

Table 7. Comparison of exports and imports of creative goods and services (2018-2025), in Billion Pesos

	2018	2019	2020	2021	2022	2023	2024	2025
Export of Creative goods	279.4	287.4	228.8	284.1	301.5	250.6	297.2	320.1
Exports of Creative Services	288.2	304.5	251.7	274.9	326.8	365.4	404.5	427.0
Import of Creative Goods	435.5	516.1	387.5	449.1	515.7	577.1	637.9	711.5
Import of Creative Services	106.4	113.2	77.2	69.7	83.3	105.3	123.5	138.0

Source: Philippine Statistics Authority 2026

The country's position as a net exporter of creative services is consistent with earlier assessments of the potential of Philippine creative services in regional and international markets. Castillo (2012) identified opportunities for the Philippines to expand its participation in creative-services value chains but emphasized the importance of human capital, ICT capabilities, market development, and institutional support. In the audiovisual sector, Pasadilla and Lantin (2005) similarly identified export opportunities for Philippine film and television while pointing to technological change, skills, regulation, and

industry competitiveness as important determinants of the country's capacity to reach international markets. These earlier studies indicate that the export potential of the CCIs has long been recognized, while also underscoring that participation in international markets requires sustained capability-building rather than reliance on existing creative talent alone.

The promising role of creative services in boosting export earnings underpins the country's optimism about expanding this segment of the CCIs and moving the country up the value chain in creative services, as reflected in the recently released *The Creative Ecosystem of the Philippines National Diagnostic Report* (WIPO 2026). The report assesses the current state of the CCIs in relation to the intellectual property framework, governance, and the social and cultural environment, and identifies the barriers, opportunities, and next steps needed to advance the country's creative services sector.

However, the Philippine experience cautions against equating increased exports with successful industrial upgrading. The animation industry's experience demonstrates that integration into global production networks can generate employment and exports while domestic firms remain concentrated in outsourced stages of production (Tschang and Goldstein 2010). A progressive industrial policy should therefore seek not only to increase the volume of creative exports but also to deepen domestic capabilities, expand Filipino ownership of intellectual property and original content, strengthen local firms, and increase the share of value retained by Filipino creators and enterprises. This is consistent with the ecosystem approach of the 2026 national diagnostic report, which places intellectual property, commercialization, governance, talent, and market development among the conditions necessary for strengthening the Philippine creative economy (WIPO 2026).

C. Issues affecting the Culture and Creative Industries in the Philippines: insights from the ground

As part of the broader project on progressive industrial policy, two roundtable discussions (RTDs) were conducted with participants from the agribusiness, manufacturing, and creative industries sectors. The objective of these RTDs was to gather ground-level insights on the current state of the sectors. In addition, a separate focus group discussion (FGD) was held with stakeholders from the music, arts, and entertainment industries.

The following section presents a synthesis of the RTD and FGD discussions on the current state of the CCIs, particularly the key concerns affecting the sector culled from the experiences of stakeholders. From these discussions, five overarching themes emerged.

The themes identified through the consultations are broadly consistent with findings in Philippine-based studies of the creative industries. The literature points to persistent concerns involving institutional fragmentation, skills and labor conditions, limited domestic capability and market development, technological disruption, and the protection and commercialization of intellectual property. The convergence between stakeholder experiences and published studies suggests that many of the issues raised in the consultations are structural rather than isolated to particular creative subsectors.

Theme 1. Weak Creative Ecosystems and Institutional Support

This theme highlights deficiencies in the broader ecosystem needed to sustain CCIs, including infrastructure, governance, and institutional coordination.

The key issues that were cited

a. Lack of dedicated cultural infrastructure and performance venues;
b. Reliance on private-sector partnerships rather than sustained public investment;
c. Weak alumni and institutional support systems for universities offering courses in music;
d. Fragmented government policies affecting creative industries;
e. Limited recognition of the sector's economic and cultural importance; and
f. Insufficient state support for theater, performing arts, and cultural programs.

Illustrative Insights from the RTD and FGD participants

- There is a notable absence of dedicated halls and training facilities for the performing arts.
- The performing arts are often treated as non-essential and are among the first sectors to lose funding.

- Past historical successes in Original Pilipino Music (OPM) and cultural programming demonstrate that sustained institutional support can effectively shape cultural development.

These observations are supported by studies pointing to gaps in the institutional environment for creative-sector development. Samodio (2018) examined government programs supporting creative education and identified the need for stronger coordination among agencies such as the Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), National Commission for Culture and the Arts (NCCA), and Department of Trade and Industry (DTI) and for closer linkages between education, culture, and industry. More recently, the national diagnostic of the Philippine creative ecosystem similarly emphasizes that the development of creative industries depends on an interconnected system of governance, financing, talent development, intellectual property, infrastructure, and markets (WIPO 2026). Taken together with the stakeholder accounts, these findings suggest that support for CCIs cannot be reduced to isolated programs or events; it requires sustained institutional coordination and investment across the creative ecosystem.

Theme 2. Human Capital Development, Professionalization, and Labor Conditions

This theme focuses on skills formation, education-industry linkages, employment opportunities, and working conditions in creative industries.

Key Issues

1. There is abundance of talent but lack of formal training systems.
2. Education-industry mismatch resulting in limited employment opportunities.
3. Need for industry-relevant curricula and teaching of entrepreneurial skills for creatives
4. High prevalence of freelance and informal work arrangements
5. Lack of labor standards and fair compensation mechanisms

Illustrative Insights from the RTD and FGD participants

- Many creative practitioners are self-taught.
- Music educators highlighted the need to include entrepreneurship and production-oriented training.
- Workers in the sector face precarious employment conditions, exacerbated by the absence of standardized compensation and remuneration practices

These concerns closely parallel findings from local studies. Samodio (2018) identified gaps between creative education and industry requirements, emphasizing the need for updated curricula, apprenticeships, entrepreneurship training, intellectual property education, and stronger academe-industry linkages. The changing nature of creative work also raises concerns beyond skills formation. Serafica and Oren (2022), in their study of Filipino online workers, found that digitally mediated and non-standard work arrangements create opportunities for workers while complicating access to conventional employment protections and social benefits. They therefore call for more adaptable social protection, continuing skills development, improved data collection, and greater dialogue among government, workers, and industry.

These Philippine findings are consistent with broader evidence worldwide on employment in the cultural and creative industries as UNESCO (2026) also identifies informality, skills mismatches, rapidly changing technological requirements, and weak education-industry alignment as persistent constraints in most culture and creative economies. UNESCO thus advocates for lifelong learning, developing digital and entrepreneurial competencies, and stronger public-private collaboration. A progressive industrial policy for the CCIs should therefore treat human capital development and labor protection as complementary objectives: upgrading the skills of creative workers should occur alongside improvements in the security, compensation, and sustainability of creative work.

Theme 3. Value Chains, Markets, and Demand Development

This theme concerns the economic foundations of creative industries, including production systems, branding, consumer behavior, and market creation.

Key Issues

1. Weak domestic value chains and industrial linkages
2. Decline of local industries due to import competition
3. Undervaluation of design and creative inputs
4. Consumer preference for imported products
5. Need for stronger national branding and demand-side interventions
6. Government procurement and market development as strategic tools

Illustrative Insights from the RTD and FGD participants:

- The decline of the Marikina footwear industry was because of cheap imports
- The Philippines failed to move up the value chain through branding and product differentiation.
- There is a need for better market segmentation and consumer research for Philippine creative products
- There are successful niche products for Philippine creative products like *hablon* textiles and Marikina custom-made shoes but these remain small-scale enterprises with limited production capacity.
- The Philippines needs to develop a strong national brand.
- Government procurement is a strategy to stimulate the market for Philippine creative products.

The difficulty of moving toward higher-value activities has also been documented in Philippine creative industries. In the context of Philippine animation, participation in international outsourcing generated production capabilities but did not automatically enable firms to move into higher-value creative functions such as conceptualization (Tschang and Goldstein 2010). Castillo (2012) likewise emphasized that expanding the country's participation in creative-services value chains requires complementary investments in skills, ICT capabilities, market development, and institutional support. These studies reinforce the stakeholder observation that competitiveness cannot depend indefinitely on relatively low-cost production or creative talent alone; domestic firms must develop capabilities in design, branding, original content, intellectual property, and other activities through which greater value can be captured.

Similar constraints appear among smaller cultural enterprises. Casimiro et al. (2024) found that cultural MSMEs face limited access to finance and technology, difficulties in expanding markets, and competition from mass-produced products. Their findings also show, however, that product adaptation, strategic marketing, technology adoption, and collaboration can allow traditional enterprises to innovate while retaining their cultural identity. This provides a Philippine basis for combining supply-side interventions with demand-side measures—including branding, market development, procurement, and consumer awareness—to strengthen domestic creative value chains.

Theme 4. Digital Transformation, Technological Change, and Industry Restructuring

This theme captures the profound impact of digital technologies and emerging innovations on creative production, distribution, and business models.

Key Issues

1. Decline of traditional film, music, and media business models.
2. Expansion of digital platforms and democratized content creation.
3. New opportunities for distribution, marketing, and audience engagement.
4. Challenges in monetization and revenue generation.
5. Emerging implications of artificial intelligence for creative work.

Illustrative Insights from the RTD and FGD participants

- Digital technologies transformed the film and music industries, both in positive and negative ways.
- Online platforms sustained creative work during the pandemic.
- Participants raised concerns about AI's future impact on creative employment and skills requirements.

Technological disruption in Philippine creative industries predates the current emergence of generative AI. Pasadilla and Lantin (2005) already identified digital technologies as an important force reshaping the production, distribution, and consumption of audiovisual content and highlighted the corresponding need for technological and skills upgrading. Earlier research

on the Philippine film industry similarly identified inadequate technology, limited investment in research and development, and the need for continuous workforce training as constraints to industry competitiveness (Garcia and Masigan 2001). The present shift toward platform-based production and distribution therefore represents a continuation—and acceleration—of a longer process of technological restructuring.

More recent assessments extend this challenge to emerging creative technologies and AI. Tarnovskaya and Hitchen (2026) emphasize the potential of the Philippines' creative talent and expanding digital ecosystem while identifying continuing gaps in digital readiness, financing, skills, and innovation capacity. UNESCO (2026) likewise stresses the need for continuous skills development as technologies transform creative occupations. For industrial policy, digital transformation thus presents a dual challenge: enabling firms and workers to exploit new technologies and distribution channels while ensuring that technological change does not further marginalize smaller enterprises and workers who lack access to capital, infrastructure, or advanced skills.

Theme 5. Cultural Identity, Intellectual Property, and Strategic Cultural Development

This theme focuses on the cultural mission of creative industries, including identity formation, ownership of creative work, and long-term cultural strategy.

Key Issues

1. Creative industries can serve as vehicles for national identity formation.
2. Balancing cultural value with market viability.
3. Recognition of cultural diversity alongside national unity.
4. Weak copyright and ownership protections for creators especially in micro enterprises, and for freelance creators.
5. Need for deliberate cultural policies that shape both supply and demand.

The tension between cultural preservation and commercialization is particularly evident among Philippine cultural MSMEs. Casimiro et al. (2024) show that traditional cultural enterprises innovate not only to remain commercially viable, but also to preserve heritage, sustain community

livelihoods, and transmit traditional knowledge. Their experience underscores the importance of policy mechanisms that allow modernization and market expansion without reducing cultural products to their commercial value alone.

Intellectual property is equally central to the question of who benefits economically from creative production. The national diagnostic of the Philippine creative ecosystem identifies the creation, protection, ownership, and commercialization of intellectual property as important components of strengthening the country's creative economy (WIPO 2026). This has implications not only for copyright enforcement but also for industrial upgrading: greater domestic ownership of original content, brands, designs, and other creative assets can enable Filipino creators and enterprises to retain a larger share of the value generated from their work. At the same time, conventional intellectual property mechanisms may be difficult to apply to traditional and collectively held cultural expressions, requiring policy approaches sensitive to indigenous and community ownership.

Illustrative Insights from the RTD and FGD participants

- There is evidence of the historical role of state-supported cultural programming in nation-building and branding.
- There are some tensions between what is culturally valuable and what is commercially successful.
- There is a need for a more diverse and inclusive conception of Filipino identity (e.g. regional differences, role of indigenous peoples) in creating a national identity.
- There is need for a cultural policy that actively develops markets while protecting creative rights.

Summary of the Five Themes

Theme	Main focus
1. Weak Creative Ecosystems and Institutional Support	Infrastructure, governance, public investment, policy coordination
2. Human Capital Development, Professionalization, and Labor Conditions	Skills, education, employment, labor standards

3. Value Chains, Markets, and Demand Development	Industrial upgrading, branding, consumer demand, market creation
4. Digital Transformation, Technological Change, and Industry Restructuring	Digitalization, platform economies, AI, new business models
5. Cultural Identity, Intellectual Property, and Strategic Cultural Development	Nation-building, cultural diversity, copyright, cultural policy

These five themes provide a coherent framework for developing recommendations for a progressive industrial policy for the cultural and creative industries, linking cultural objectives with economic development, institutional strengthening, and technological adaptation.

Importantly, the convergence between the RTD and FGD findings and Philippine-based research suggests that these concerns are neither confined to individual creative subsectors nor solely the product of recent disruptions. Studies spanning film and audiovisual production, animation, cultural MSMEs, creative education, online work, and the wider creative ecosystem repeatedly identify related constraints in skills formation, technology, financing, market development, institutional coordination, labor protection, and intellectual property (Garcia and Masigan 2001; Pasadilla and Lantin 2005; Tschang and Goldstein 2010; Samodio 2018; Serafica and Oren 2022; Casimiro et al. 2024; WIPO 2026). Their persistence across sectors and over time strengthens the case for a coordinated industrial policy rather than a collection of isolated sectoral interventions.

Other assessments of the state of the cultural and creative industries in the Philippines, one conducted with funding from the British Council (Fleming n.d.) and another prepared by the Philippine Creative Industries Development Council as basis for the PCIDP 2025-2034 echo similar themes and raise essentially the same concerns.

Taken together, the consultations and the literature point to a central policy challenge: the Philippines does not lack creative talent or cultural assets. Rather, the challenge lies in building the institutions, capabilities, markets, infrastructure, and protections that allow these assets to generate sustainable

livelihoods, competitive enterprises, and cultural value. This distinction is central to a progressive industrial policy for the CCIs, because it shifts the focus from merely promoting creative outputs toward developing the ecosystem within which Filipino creators and creative enterprises can innovate, scale, retain value, and participate more equitably in economic growth.

D. Government response to the culture and creative industries:

There have been numerous Philippine laws, regulations, and international agreements entered into by the government that relate to cultural heritage. In contrast, there has been less legislation specifically focused on the creative industries as they are defined today. Since 2010, however, government policy has increasingly directed attention to the culture and creative sector through the enactment of four key pieces of legislation, as follows:

1. Republic Act No. 10066 (Approved March 26, 2010)

   Natural Cultural Heritage Act 2009 (An act providing for the protection and conservation of the national cultural heritage, strengthening the National Commission for Culture and the Arts (NCCA) and its affiliated cultural agencies, and for other purposes)

2. Republic Act No. 10557 (Approved May 13, 2013)

   Philippine Design Competitiveness Act of 2013

   An act promoting and strengthening Filipino design, providing for the purpose a national design policy and renaming the Product Development and Design Center of the Philippines into the Design Center of the Philippines and for other purposes

3. Republic Act No. 11904 (Approved July 28,2022)

   Philippine Creative Industries Development Act of 2021

   An act providing for the development and promotion of the Philippine creative industries, and appropriating funds therefor

4. Republic Act No. 11961 (Approved April 11, 2025)

   An act strengthening the conservation and protection of Philippine cultural heritage through cultural mapping and an enhanced cultural heritage education program, amending for the purpose RA No. 10066, otherwise known as the "National Cultural Heritage Act of 2009"

R.A. No. 11961 contained the 2024 implementing rules and regulations (IRR)[1] of RA 10066, The National Cultural Heritage Act of 2009.

Of these laws, the most significant for the sector is the Philippine Creative Industries Development Act (R.A. No. 11904), signed into law in 2022. It led to the creation of the Philippine Creative Industries Development Council which drew up the master plan for the sector, the Philippine Creative Industries Development Plan 2025-2034 (PCIDP). This is ''a comprehensive national roadmap intended to inform policymakers, industry stakeholders, and the general public about the strategic direction of the Philippines for developing creative industries'' (PCIDP 2025).

The enactment of R.A. No. 11904 represents an important shift from fragmented interventions toward an explicit whole-of-sector approach to creative-industry development. This direction is consistent with research findings emphasizing that creative-sector growth depends on coordination across education and skills development, cultural policy, industry support, intellectual property, financing, technology, and market development (Samodio 2018; Casimiro et al. 2024; WIPO 2026). The policy challenge is therefore not merely the presence of government programs, but their coordination within a functioning creative ecosystem.

Another milestone legislation of major significance for the CCIs is R.A. No. 11981, otherwise known as *Tatak Pinoy* Act, signed into law on February 26, 2024. This is an ''act mandating the formulation, funding, implementation, monitoring, and evaluation of a comprehensive and multi-year "Tatak Pinoy" (proudly Filipino) strategy, establishing a Tatak Pinoy Council, appropriating funds therefor, and for other purposes.'' The Council developed the Tatak Pinoy Strategy, ''a plan to support workers and small businesses, strengthen

1 R.A. No. 11961 harmonizes and rationalizes the implementation of 34 Philippine laws, regulations and agreements that relate to cultural heritage, including Presidential Decrees dating back to the 1970s.

value chains, and make our economy more resilient to future shocks... The Strategy focuses on six (6) major programs that work together to upgrade key industries like electronics, food and agro-processing, e-vehicles, and IT-BPM, help MSMEs and startups grow and connect to markets, use government procurement to support local suppliers, invest in infrastructure, skills, and innovation, streamline government programs, and support high-potential businesses and regions." (Tatak Pinoy Strategy 2025).

While not specifically geared toward the CCEs, the Tatak Pinoy Strategy provides a pathway by which the products of the creative sector can expand their market share by leveraging reforms in government procurement that enable government agencies to increase their consumption of locally produced products and services, including those from the cultural and creative industries. By PSA account, in March, 2025 consumption of creative goods and services constituted only 0.4 percent of government final consumption expenditure. The reforms in procurement rules under Tatak Pinoy can potentially increase this share with government purchase of such creative products as apparel, footwear, textile, and furniture for use of the armed forces, for government uniforms, and for office equipment. The Tatak Pinoy brand could eventually evolve into a broader national brand that represents the country as a whole.

These two plans—the PCIDP 2025-2034 and the Tatak Pinoy Strategy—working in synergy, have the potential to transform the culture and creative industries into key drivers of the country's economic development. At the same time, they can help realize the sector's broader social and cultural potential by strengthening national identity, building a distinctive Philippine brand, fostering social cohesion, and instilling greater pride in being Filipino. The critical challenge, however, lies in translating these plans from policy frameworks into concrete actions and measurable outcomes.

Their implementation should therefore be viewed not as two parallel policy processes but as an opportunity to connect creative-sector development with the country's broader industrial strategy. The PCIDP can provide the sector-specific framework for developing creative capabilities and cultural value, while the Tatak Pinoy Strategy can provide complementary instruments for value-chain development, MSME upgrading, innovation, procurement, skills, infrastructure, and market creation. Such coordination would bring the CCIs more clearly within the ambit of Philippine industrial policy while preserving their distinct cultural and social objectives.

III. Conclusions and Recommendations:

The culture and creative industries are on the cusp of emerging as major generators of economic and social value, driven by several key developments over the past four years. These include the recognition of the sector as a priority area in the Philippine Development Plan 2023–2028; the establishment of the Philippine Creative Industries Development Council and the release of a ten-year industry roadmap through the Philippine Creative Industries Development Plan (PCIDP) 2025–2034; and the development by the Philippine Statistics Authority of a dedicated statistical framework for the CCIs consolidating previously fragmented data from existing industrial and occupational classification systems, providing for the first time a more coherent and comprehensive picture of the sector's contribution to the economy and society. This dedicated data base is crucial for evidence-based planning for the CCIs and evaluation and monitoring of interventions for the sector.

Still, the statistical framework is largely built on data that captures employment and economic productivity in the formal economy. To the extent that much of creative work and production may be taking place in the informal sector, a significant portion of the creative industries' contribution may remain underreported and underappreciated. A key challenge, therefore, is developing a more inclusive statistical accounting framework that can better capture and measure the scale and value of informal creative work.

This statistical limitation has policy consequences. The informality of CCis is not merely a measurement problem; it also affects workers' access to social protection, labor standards, financing, training, and other forms of institutional support. Philippine research on online and non-standard work demonstrates the need for social protection and skills-development mechanisms that can accommodate forms of employment that do not fit conventional employer-employee arrangements (Serafica and Oren 2022). Better measurement of informal creative activity should therefore be accompanied by policies that make workers and enterprises in the informal economy more visible to—and better served by—public institutions.

Decomposing the economic contribution of the industry according to GVA and employment, two broad patterns clearly emerge—the high economic value, low employment sector and the low economic value, high employment sector, with the other sectors in between. It is important to be cognizant of this divide in formulating recommendations for the CCI because clearly there is no one-size-fits-

all solution. A progressive industrial policy puts equal value to all sectors, not just the potential economic winners. Furthermore, there should be acknowledgement at the outset that such values as cultural cohesion and national identity formation are unique contributions of the cultural and creative industries that should weigh equal to, if not more than, their economic value (, 2026).

The contrast between these sectors calls for a differentiated rather than uniform industrial policy. High-value and technology-intensive creative industries require interventions that enable Filipino firms and workers to move toward higher-value activities through technological upgrading, R&D, advanced skills, original content development, stronger intellectual property ownership, and access to domestic and international markets. Philippine experience in animation demonstrates that participation in global creative value chains does not automatically lead to capability upgrading or movement into higher-value creative functions (Tschang and Goldstein 2010). Industrial policy should therefore seek not merely to increase creative exports but also to increase the value retained by Filipino workers, creators, and enterprises.

For labor-intensive sectors such as traditional cultural expressions, the policy objective is necessarily broader. Evidence from Philippine cultural MSMEs demonstrates that traditional creative enterprises simultaneously generate livelihoods and preserve cultural heritage and knowledge, even as they confront constraints in financing, technology, skills succession, and market access (Casimiro et al. 2024). Support for these sectors should consequently combine productivity and income enhancement with measures that protect cultural knowledge, strengthen community enterprises, expand sustainable markets, and facilitate the intergenerational transmission of creative skills.

Across both types of industries, the findings of this study point to five interrelated priorities for a progressive industrial policy for the CCIs: 1) strengthening the creative ecosystem and institutional coordination; 2) investing in human capital while improving labor conditions and social protection; 3) developing domestic value chains, markets, and demand for Filipino creative products; 4) enabling inclusive technological upgrading and adaptation to digitalization and AI; and 5) protecting cultural identity and intellectual property while strengthening Filipino ownership of creative assets. These priorities correspond to the five themes consistently identified in the RTDs and FGD and reinforced by Philippine-based literature.

Implementation requires coordination across agencies whose mandates currently intersect the creative economy, as well as sustained engagement with industry, educational institutions, workers, artists, cultural communities, MSMEs, and local governments. Existing legislation and the PCIDP provide much of the institutional architecture needed for such coordination. The policy task is to translate these frameworks into adequately funded programs with clearly assigned responsibilities, timelines, and measurable indicators—not only for GVA, exports, and employment, but also for worker welfare, Filipino intellectual property ownership, MSME upgrading, regional participation, cultural preservation, and access to creative and cultural activities.

Ultimately, a progressive industrial policy for the Philippine cultural and creative industries should not be judged solely by whether the sector becomes larger. Its success should also be measured by whether Filipino creators and workers are able to capture a greater share of the value they generate; whether smaller enterprises and cultural communities are able to participate meaningfully in growth; whether technological change expands rather than narrows opportunities; and whether economic development strengthens rather than displaces the country's diverse cultural expressions. In this sense, the objective is not simply to build a more competitive creative economy, but to develop one that is inclusive, culturally grounded, innovative, and capable of contributing to a more resilient and self-reliant Philippine economy.

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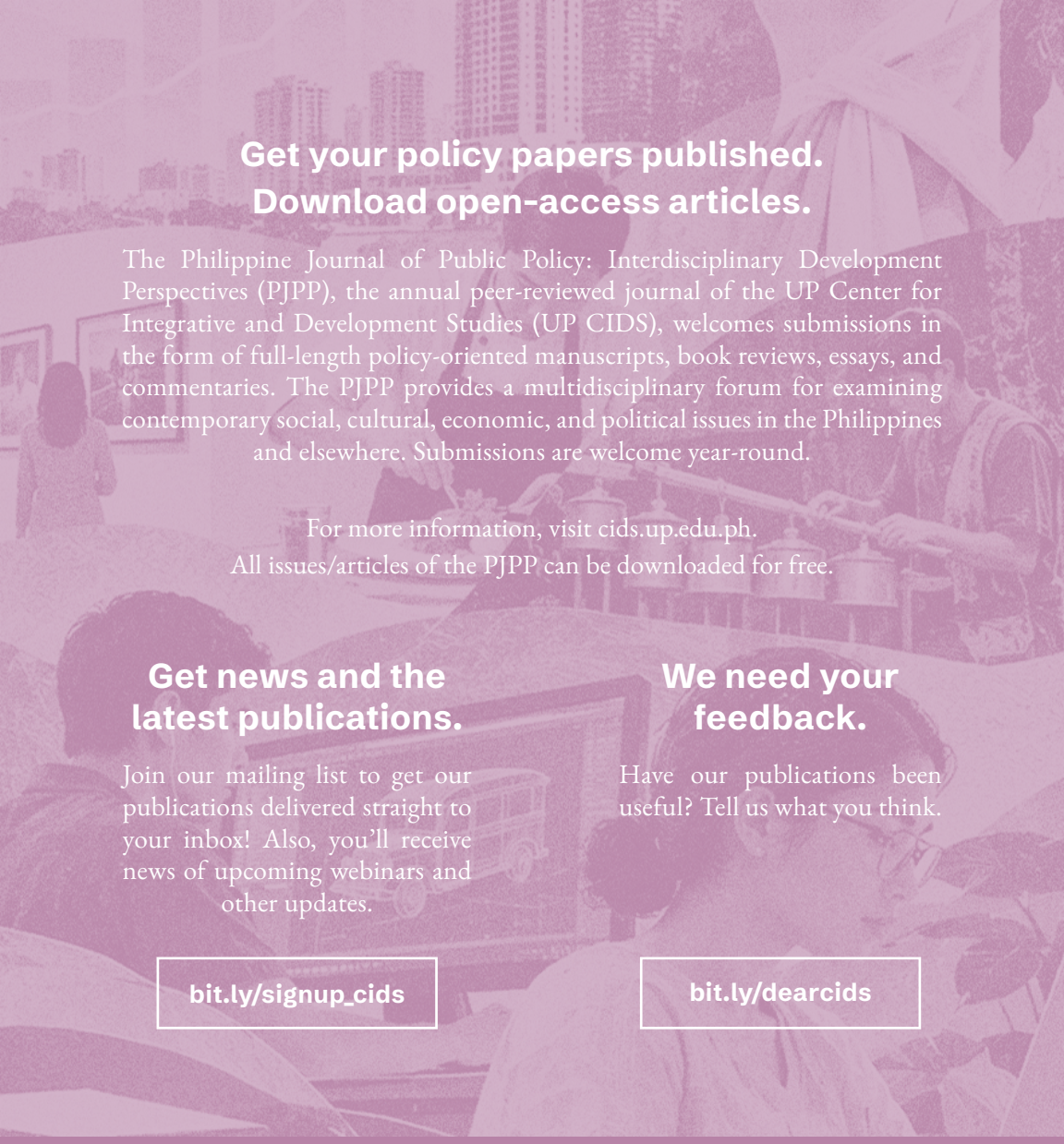
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