

Greetings by Volkmar Strauch, Undersecretary of State Senate for Economy, Technology and Women

4. Conference on Culture and Creative Industries, May 3rd 2007

- First of all I would like to send a warm welcome to all the guests from the EU Commission and Federal Parliament, the European guests as well as to all visitors from the region; I hope that you had a very interesting and inspiring conference today.
- Creativity is taking on growing importance in industrialized cities and regions experiencing economic structural change. A city or region's "creative class" is regarded as its prime source of innovation and sustainable competitive advantage.
- For years now, experts have been pointing to the increasing economic significance of creative industries. Creative industries now generate roughly 7% of global GNP, and current UNCTAD studies predict growth of up to 10% annually worldwide. They are both knowledge- and labor-intensive. They foster the climate of innovation in a region. The true potential of these industries has yet to be realized.
- Let me focus on Berlin for some minutes.
- Berlin is the first city in Germany and second city in Europe (following Edinburgh as City of Literature) to be appointed to UNESCO's Creative Cities Network which is shaping the future of local creative industry development on a global level.
- There is no doubt that Berlin inspires and nurtures creative talent in a multi-cultural setting, cultivating a unique and organic cultural industry. The city has continued to evolve as a hub for creative industries as artists, visionaries, entrepreneurs and countless visitors come here to be inspired by and to take part in a rich and unique cultural scene that has never stopped impacting the world around it.
- Word of the city's creative strength continues to spread from London to Paris and Milan and soon to New York, where designers from Berlin present design objects in the Museum of Modern Art for the next months.
- By promoting a policy of clustering in the film, design, music and fashion scene, Berlin is remarkably increasing the productive capacity of its creative industry stakeholders and forging a stronger culture of ownership that is boosting production and distribution facilities in the domestic and international markets.
- Because we are not a rich city (in financial terms) we have to work hard to provide an enabling environment that recognizes the value of creative and cultural production.
- Considering the impressive developments that have taken place over the last 15 years, Berlin's way as a creative capital isn't a surprise. But to be honest - we

have not much alternatives because we lost more than 60% of jobs in the industrial sectors inbetween the last ten years and we had to manage a great structural change in our economy.

- Berlin is an outstanding creative metropolis in Germany today. In addition to the city's creative atmosphere, the major factors contributing to the boom are its excellent work opportunities and its low cost of living. Berlin is dynamic, unpredictable and full of contrasts. These are optimal sources of inspiration for creative people.
- Approximately 20.000 companies and more than 100.000 employees in the creative industries sector produce an annual turnover of approximately 10 billion euro – an economic potential that the Berlin Senate takes very seriously.
- Problems typically shared by the many micro-companies in the creative industries include: a small equity base, weak financing, management deficits, inadequate awareness of programs offering assistance, and deficiencies in marketing. These deficits have thus far hindered companies in this sector from realizing their full potential for growth and participation in international markets.
- From 1998 to 2004, the State of Berlin spent more than 20 Mio. Euro on a variety of initiatives and projects to support companies and projects in the different creative industries sectors.
- The list of activities is long and ranges from the "Create Berlin" network to management training for entrepreneurs as well as initiating cooperations between purchasers and small companies in B2B events. It also includes many presentations and joint stands at music, fashion and design fairs in Cannes, Copenhagen, Paris, and Milan.
- Our next projects are a new internet platform for Creative Industries starting in June 2007 giving all the information to freelancers, entrepreneurs or companies, a new venture capital funds for creative enterprises as well as a coaching program for microcompanies.
- Berlin is an upcoming creative metropolis in Europe and on the move. After all, it has a reputation to keep and to improve.
- We are very interested in collaboration with creative cities in Europe to share our experiences and best practices in building local capacity and opening up new markets. Let's start now.