A detailed analysis of the Cultural and Creative Industries of the Basque Country: books and press, music, and audiovisual and multimedia

EXECUTIVE SUMMARY

POSITIONING STUDIES OF THE CULTURAL AND CREATIVE INDUSTRIES

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The Cultural and Creative Industries (CCIs) have been recognised as key drivers of innovation and socio-economic development, as well as playing a crucial role in enhancing overall wellbeing. However, they operate in a constantly changing environment that presents both opportunities and challenges. Among the most prominent challenges are the digital transition, which has profoundly transformed the way culture is produced, distributed and consumed. In addition, global crises such as the COVID-19 pandemic have forced many industries to adapt quickly to new business models and market dynamics. Nonetheless, these challenges do not affect all cultural and creative sectors equally, making it essential to adopt a differentiated approach that takes into account how each industry is responding to these changes and what strategies can be implemented to ensure their sustainability. In the Basque Country, the economic studies carried out to date by Orkestra-Basque Institute of Competitiveness in collaboration with the Vice-Ministry of Culture of the Basque Government, have revealed a wide variation in the trajectories of the different sectors that make up the CCIs. This highlights the need to develop tailored strategies and policies to maximise their cultural, social, and economic impact.

In this context, we present a detailed analysis of three strategic sectors within the CCIs in the Basque Country: Books and Press, Music and Audiovisual and Multimedia. The selection of these sectors responds to specific criteria, prioritising those that have undergone significant evolution, both positive and negative, and which require a deeper understanding for the formulation of public policies adapted to their specific needs. To this end, both a quantitative and qualitative approach has been used to provide a comprehensive view of the current situation in these sectors.

On the one hand, the quantitative analysis looks at the evolution of the number of companies and employment between 2020 and 2023, using data from the INE and EUSTAT, with disaggregation at the four-digit level of the CNAE-09 classification. This allows for a precise assessment of the recent economic developments in each sector. On the other hand, the qualitative analysis was carried out through sectoral discussion groups, gathering the perceptions and experiences of stakeholders involved in each sector. This approach made it possible to identify emerging trends, as well as sector-specific challenges and opportunities.

Book and Press

The Books and Press sector in the Basque Country has experienced an economic contraction, with a 9.82 % decline in the number of companies between 2020 and 2023. This downturn has affected both core sector activities (-11.98 %) and auxiliary services (-6.96 %), pointing to a structural crisis impacting the entire value chain. In addition, employment has fallen by 3.90 %, particularly affecting book publishing and book trade, where the decline has been most pronounced. High business turnover is another characteristic of the sector, with nearly 30 % of companies are renewed every three years, with more closures than new start-ups. Another significant trend is increasing market concentration. The number of companies based outside the Basque Country but operating within the region rose by 23.08 %, from 39 in 2020 to 48 in 2023. This suggests a centralisation of the market in the hands of large publishing groups and a diminishing role for local players. In comparative terms, the Basque Country has a lower density of companies in the sector per 100,000 inhabitants (76) compared to Madrid (146) and Catalonia (129),although it ranks slightly above Navarre (75).

Furthermore, as indicated by the agents of the book and press sector, while book sales have grown by 16.1 % in Spain between 2021 and 2024, in the Basque Country the increase has been more moderate (5.2 %), with a notable difference by language: sales in Spanish have increased by 16.7 %, while those of books in Basque have fallen by 7 %. Stakeholders indicate that, despite the digital transformation, the paper book remains the dominant format (95 % of readers), although competition from digital platforms and the closure of bookshops are affecting the sector, especially local publishers. The press, meanwhile, has suffered an 80 % drop in the print market, which has led the media to move towards digital subscription models and diversification of formats. However, these new models have not been able to fully compensate for the loss of advertising revenues, creating uncertainty about the sustainability of the sector.

Digital transformation and changes in consumption habits have posed major challenges for the promotion and distribution of content in Basque, which struggles to compete with Spanish and English. Stakeholders note that the lack of visibility on digital platforms and the limited availability of content in genres popular among younger audiences exacerbate this situation. Despite this, there are opportunities to strengthen the sector through the diversification of formats, with the growth of audiobooks, podcasts and audiovisual content based on Basque literature. Strategies have also been proposed to encourage reading in Basque, including coordinated reading plans involving all stakeholders in the book and press ecosystem. Therefore, stakeholders conclude that, to ensure the sector's sustainability, it is essential to strengthen public–private collaboration and adapt promotional and distribution strategies to new dynamics within the digital market.

Music

As for the Music sector in the Basque Country, it has experienced a growth between 2020 and 2023 in the number of companies, with an increase of 7.43 %, reaching a total of 636 in 2023, which represents 3.72 % of the total number of CCIs. This growth has been more notable in Bizkaia (+10.23 %) than in Gipuzkoa (+6 %) and Araba (+3.57 %), consolidating Bizkaia as the main centre of the sector (52.76 % of the companies). Despite this growth, employment fell by 3.95 %, with 63 jobs lost, particularly in music education and instrument manufacturing. The sector is also marked by high business turnover, with 27.03 % of companies ceasing operations, although this is offset by a high number of new start-ups (34.46 %), suggesting constant renewal of the productive fabric. In addition, the number of self-employed workers (63.36 %) rose by 17.49 %, reflecting a trend towards fragmentation within the sector. Nonetheless, the Basque Country is above the national average in terms of the number of music-related businesses per 100,000 inhabitants (25 compared to 8 nationally), indicating a dynamic ecosystem, albeit with challenges in consolidating employment.

Stakeholders in the music sector discussion group believe that the sector has experienced a strong recovery following the pandemic, with a revival of musical activity. Digital transformation has played a key role in this development, with some digital tools improving internal management and enhancing the promotion of performances, allowing for greater visibility and access to new audiences. However, this transformation has also brought challenges, such as the emergence of artificial intelligence in music composition. While it offers new creative possibilities, it also raises concerns around regulation, copyright, and ethics in music production.

Another major challenge identified for the Basque music sector is internationalisation and the promotion of music in Basque. Despite its cultural significance, it struggles to gain visibility in a global market dominated by large platforms. Although institutions such as Musika Bulegoa, the Etxepare Institute and the Basque Government are working to raise the sector's international profile, Basque music remains under-represented at trade fairs and events.

To strengthen the Basque Country's musical ecosystem, stakeholders propose better coordination between public bodies and industry actors, improving access to support and encouraging collaborative networks. They also stress the importance of establishing more structured distribution circuits, especially for classical and contemporary music, to ensure continuity and presence in cultural venues. Another key aspect is enhancing the visibility of local artists in the media, promoting their presence on both digital and traditional platforms to expand their reach and consolidate their impact on society.

Audiovisual and Multimedia

The Audiovisual and Multimedia sector in the Basque Country has shown positive development between 2020 and 2023, with a 6.48 % increase in the number of companies, reaching a total of 1,611 in 2023. This represents 9.42 % of all CCIs. Growth was seen across all three historical territories: Álava (+14.29 %), Gipuzkoa (+7.29 %), and Bizkaia (+4.82 %). However, the sector has experienced high business turnover, with a 33.58 % drop-out rate, although this has been offset by a high number of new entries (40.05 %). Unlike other cultural sectors, this growth has had a direct impact on employment, which rose by 15.81 % (944 new jobs), especially in support activities (+25.22 %). Furthermore, the sector exceeds the national average in terms of the number of companies per 100,000 inhabitants (66 compared to 52) and the proportion of audiovisual companies within the economy as a whole (1.09 % in the Basque Country versus 0.78 % nationally).

Although the data available on the number of companies and employment in the Audiovisual and Multimedia sector does not yet allow for an assessment of growth in the last year, stakeholders in the sector discussion group perceive a notable boost, primarily due to the implementation of tax incentives. These incentives have attracted large national and international productions, generating increased activity in the sector and stimulating auxiliary services linked to the industry, such as technical services, logistics, and hospitality. However, the high number of simultaneous productions has increased demand for specialised professionals, putting pressure on the local labour market, which is limited in terms of human resources. In addition, a lack of key profiles has been identified, such as people with executive production training, whose work is essential for project management and resource optimisation. To consolidate this growth and ensure that the opportunities created translate into structural development, stakeholders highlight the need to invest in specialised infrastructure and strengthen training provision, ensuring the sector can respond to new challenges and fully exploit its potential.

They also note that digital transformation has opened up new possibilities in audiovisual production and distribution, enabling the expansion of innovative formats such as podcasts, audio fiction, and multimedia projects, thereby diversifying the content offering in the Basque Country. Nonetheless, Basque-language content continues to face visibility and accessibility challenges in a market dominated by major global platforms. To improve its visibility and distribution, stakeholders propose the creation of a centralised digital platform - modelled on successful initiatives in other regions - that brings together Basque-language content and makes it more accessible to wider audiences. They also stress the importance of improving the management of consumption data by establishing agreements with platforms to obtain accurate information on audiences and consumption habits, which would enable producers to design more effective strategies. Additionally, stakeholders emphasise the need to strengthen coordination between public administrations and the private sector, facilitating access to funding and streamlining administrative procedures through a single contact point, with the aim of consolidating a stronger, more competitive, and sustainable audiovisual ecosystem in the Basque Country.

Despite the differences and specific characteristics of each sector analysed in this report, common trends can be observed across the CCIs in the Basque Country. Chief among these is the central role of digital transformation in reshaping the various processes within the value chain, and the need to expand international outreach to foster professionalisation and growth across sectors. Equally important is the promotion of integration and collaboration within each field to drive development, alongside reinforced institutional support through public policies that stimulate the different sectors. These trends are essential for designing strategies that will ensure the future stability and competitiveness of the CCIs as a whole.