

The Economic Contribution of Copyright-Based Industries in China



Introduction

In 2007, National Copyright Administration of the People's Republic of China (NCAC) and World Intellectual Property Organization (WIPO) decided to carry out the project: "Survey on The Economic Contribution of Copyright-Based Industries in China". The primary purpose of the project was to find out the contribution rate of Chinese copyright industries to the national economy and to survey their basic conditions and developing trends, so as to raise public and political awareness of the issue and underline the great potential of the creative and information sector. The project aimed to provide beneficial experience and help for guiding and supporting the development of Chinese copyright-based industries as well as to be a reference for related laws revisions and public policies setting. The project has been commissioned to the Chinese Institute of Publishing Science (CIPS), the direct subsidiary of NCAC.

NCAC has given great importance to the project and convened a project leading group with the Director of NCAC Liu Binjie as the group supervisor, the Deputy Director Yan Xiaohong as deputy supervisor, the Head of the Copyright Administration Department Wang Ziqiang, Jiang Maoning from the Division of the International Office of the Copyright Administration Department and some others as members of the leading group. They have put forward many directional and instructional suggestions for the project which guarantees its complete success.

Meanwhile, WIPO have provided financial assistance and technical instructions as well. The Deputies Secretary-General of WIPO Michael Keplinger and Narendra Sabharwal, the Assistant Secretary-General of WIPO Binying Wang, the Executive Director of OSUIPD Sherif Saadallah and the Acting Head of the Creative Industry Department Dimiter Gantchev were in charge of the implementation of the project. The President of *Economists Incorporated* Stephen Siwek and the economist from Singapore IP Academy Chow Kit Boey were invited by WIPO as technical consultants. During the implementation of the project, Dimiter Gantchev, Stephen Siwek and Chow Kit Boey visited China several times. They had put forward many constructive technical ideas and had offered a lot of precious reference materials. The entire project working group have benefited a great deal from their guidance.

During the surveying period, the project had received the support from many administrative departments and industrial associations including the General Administration of Customs, the National Bureau of Statistics of China, the State Administration of Foreign Exchange, the Ministry of Industry and Information Technology, the General Administration of Press and Publication, the China Federation of Literature and Art, the Chinese Writers Association, the China National Light Industry, the Chinese Advertising Association, the Internet Society of China and so on. They had offered detailed basic data and information.

With the guidance and help of all of the above: departments, leaders and professionals and also under the leadership of the Director of CIPS Hao Zhensheng and the Deputy Directors Xin Guangwei and Wei Yushan, CIPS convened the Project Working Group of the Deputy Director of Copyright Studies Center Zhao Bing, the Deputy Director of Publishing Economy Studies Department Zhang Xiaobin and some other related research staff. After two years of survey and research, the project has been completed successfully in accordance with the original plan. The final result of the project is the report "The Economic Contribution of Copyright-Based Industries in China".

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Abstract

In recent years, since the copyright-based industries are having tremendous influence on the economy, they have been reconsidered and analyzed from an economic perspective. One of the most important tasks is to provide quantifiable characteristics of the economic contribution of the copyright-based industries. With active promotion by WIPO, there have been more than 30 countries surveying the economic contribution of copyright industries since the 1970s when Canada and Sweden first carried out such studies. The existing experience of other countries indicates that these studies have raised public and political awareness of the issue and underlined the great potential of the creative and information sector.

Consequently, since 2007, NCAC and WIPO have begun to cooperate and entrust CIPS to carry out the first survey on the economic contribution of copyright industries in China. The objective of the study is to survey the economic contribution of the copyright-based industries and to provide quantifiable characteristics of this contribution by using the approach provided by WIPO. It contains three main indicators: industrial value-added, share in employment and contributions to foreign trade. Due to the limitation of statistics, this study only surveys and calculates the economic contribution of Chinese copyright-based industries in 2004 and 2006.

According to the definition and classification created by WIPO, Chinese copyright-based industries are industries in which all, or a portion of, the activities are related to works and other protected subject matter that may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales. In terms of their different extent of dependence on copyright, these industries can be categorised as core copyright industries, interdependent copyright industries, partial copyright industries and non-dedicated support industries.

The statistics for the economic contributions of Chinese copyright-based industries to national economy are as follows:

In 2004,

- the value-added reached 788.4 billion RMB or 4.9% of national GDP (Gross Domestic Product);
- they employed 6.16 million people or 5.6% of Chinese workers;
- total exports reached 92.2 billion USD or 15.5% of national gross export value.

In 2006,

- the value-added reached 1319.7 billion RMB or 6.4% of national GDP;
- they employed 7.63 million people or 6.5% of Chinese workers;
- total exports reached 149.3 billion USD or 15.4% of national gross export value.

This study is the first survey on the economic contribution of copyright-based industries in China. Due to the lack of detailed statistics, the limit of time, fund and experience, the study is just preliminary. However, based on the research findings and the results from other countries, we could at least get the following conclusions:

1. The general status of Chinese copyright-based industries

Chinese copyright-based industries have taken initial shape as a whole. The copyright industries have had a significant influence on the national economy. The research results from other countries showed that the growth rate of value-added by copyright-based industries was higher than that of GDP. The copyright-based industries, especially the creative activities, new technology and software service, are among the most prosperous areas in the economy and have played an important role in promoting the economic growth. Compared with other countries, the share of economic contribution achieved by Chinese total copyright industries is relatively high but the share of contribution by core copyright industries is promising to increase and the share of contribution by partial copyright industries is quite low.

2. Developing the environment for Chinese copyright-based industries

Broadly speaking, China has established a relatively complete copyright protection system which has laid the foundations for the development of copyright-based industries. The government at all levels has also issued a series of policies for promoting the development of copyright-based industries. It has been given more emphasis from all around. However, more policy guidance and support are needed and the developing environment should be improved. Employees in partial copyright industries have low awareness of copyright and the phenomenon of piracy is serious. This has both weakened the independent innovation and affected the development of copyright industries to a certain extent.

3. Suggestions for promoting the development of Chinese copyright-based industries

Firstly, improve the statistical system and establish a derivative classification of copyright-based industries, both to provide reference for defining and regulating Chinese copyright industries and to lay the foundation for the establishment and perfection of the related statistical system and industrial studies. Secondly, strengthen propaganda and education by heightening the employees' awareness of copyright. That way the copyright legal system could be widely known by the public and be used as a general norm when protecting people's own rights as well as respecting and safeguarding the rights of others. Thirdly, formulate copyright policies and promote the coordinated development of regional economy. With a vast territory and a long history, different regions in China differ in copyright-based industries' features. Most places have not formulated copyright policies suited to local copyright industries' development. Therefore, local governments should perfect copyright support policies, foster regional industries with special features and promote the coordinated development of the regional economy in accordance with local features and advantages of copyright industries.

Foreword

1. Research Background

As a part of the intellectual property, copyright is a legal concept.¹ Therefore, traditionally, copyright has been considered in studies mostly from its legal perspective. In recent years, with fast development of the theory and practice of copyright, the understanding and study on its economic characteristics has become more intensive.

In academic area, *The Problem of Social Cost* written by Ronald H. Coase in 1960 has served as the foundation stone for legal economic analysis later on and it has been the basis for Ronald Coase to win the Nobel Economics Prize. In the following years economics has greatly influenced both law and legal practice. The book, *The Economic Analysis of Law* written by Richard Posner, professor at the University of Chicago Law School in 1973, symbolises the formal beginning of the legal economics champion. Nowadays legal economics occupies an unshakable status in American law schools, it has even changed the practice of law in the US.² The combination of the empirical economic analysis and normative economic analysis, which complement each other, has promoted and will continue to promote the development of legal research.³ "The intellectual property is a natural domain for law and economic analysis, while copyright is an important form of the intellectual property."⁴ As a result, "the economic analysis of the doctrines in copyright law has been the subject of research by scholars interested in the intersection between law and economics".⁵

Because of the development of digital techniques, the scope of objects protected by copyright has become larger and larger in modern society, which also brings about a high level of economic income. The copyright protection has laid the foundation for the quick development of industries like publishing, music, movie, broadcasting and software in the world. Accompanied by the increasing influence of copyright on the economy, great changes have taken place in people's understanding of the concept of copyright. As WIPO has pointed out, copyright, which has been regarded as an obscure legal concept, is now linked with the daily life of an unprecedented number of people. That is why NCAC has put forward the slogan "copyright generates fortune" to the public.

At an age of fast growing knowledge and economy, people no longer examine copyright from a legal or cultural and artistic perspective but reconsider and analyse it from an economic perspective. One of the most important tasks is to provide quantifiable characteristics of the economic contribution of the copyright-based industries.

In accordance with the statistics of WIPO, since the 1970s when Canada and Sweden first carried out the surveys on the economic contributions of copyright-based industries, a lot of countries have also undertaken such studies. By the 1990s, the quantity and quality of the studies both had reached a higher level. So far, there are more than 30 countries having conducted such studies. In order to provide practical research tools for member countries and to strengthen the comparative possibility among different countries, WIPO prepared the *Guide on Surveying the Economic Contribution of Copyright-Based Industries* (The Guide) in 2003. It has promoted the studies of copyright industries all over the world.

The United States has surveyed the economic contributions of copyright-based industries since the 1990s. It is the most active country conducting this survey and its studies are also the most comprehensive and in-depth. American research methodology and experience have been adopted by many countries. Their study reports can be classified into two types: one is an annual report, the other is a comprehensive report combining data of many years. When the research framework, methodology and statistics have been set, an annual report could provide the up-to-date information and events of the development in copyright industries while a comprehensive report could summarise the developing trends of copyright industries in the span of a

¹See *Intellectual Property Law*, Law Press, 2003, 3rd ed., p2.

²See Suli, "Different Fates of Twin Brothers", Studies of Comparison, 2002.

³See Qian Hongdao, *Economic Analysis of Laws*, Tsinghua University Press, 2006, 1st ed.

⁴Typical thesis include *The Economic Analysis of Copyright Law*, from *Selection of Legal Economics*, Law Press, 2006, 1st ed.

⁵WIPO: *Guide on Surveying the Economic Contribution of Copyright-Based Industries*, Law Press, 2006, 1st ed., p6.

longer period. Meanwhile, due to the change of industries and statistics, the comprehensive report should also reflect the changes in the survey system of copyright industries. Therefore, the combination of the two reports is beneficial to a comprehensive and in-depth study of the current status and trends in copyright industries. The methodology used in the United States is relatively mature and stable. The first survey report was launched in 1990, then the 1977 to 1990 comprehensive report came into being in 1992. The third and fourth reports were the 1993 annual report and the 1977 to 1993 comprehensive report. After that, all the following reports have been annually launched, including the reports for 1996, 1998, 1999, 2000, 2002, 2004 and 2006. The comprehensive report from 2003 to 2007 has already come out in 2009.⁶

Canada was the first country conducting the survey of copyright-based industries. In 1977, Canada's Department of Supply and Services prepared the *Canadian Copyright: Law Revision Suggestions*. Later the *Canadian Patent Reporter* published the article *The Scale of Canadian Copyright-Based Industries*.⁷ In the 2004 report, Canada took the statistics from 1991 to 2002 as its research objects. Therefore, Canada's survey takes a feature of continuity. What's more, Canada's report made a comparison between Canadian data and American and Australian data. The result shows that in general three indicators of the economic contributions of Canada copyright-based industries are slightly higher than Australia, but lower than the US.⁸

Singapore is the first Asian country carrying out the survey of copyright-based industries in terms of the economy with WIPO's approach. Singapore's survey began in November 2003 and the first report was proposed in 2004. Their study surveyed data for quite a long period, ranging from 1986 to 2001. They cut this period into several parts that are: 1986 to 1990, 1990 to 1995, 1995 to 2000 and 2000 to 2001. The comparison of long term data reflects the status of Singapore's copyright industries. Apart from the comparison of data covering many years of growth rate, Singapore also provided related annual data of sub-divisions of each category according to the copyright-based industries classification in WIPO's *Guide*. The methodology used by Singapore is similar to the one used in the United States. In terms of statistical comparison, Singapore selected the data of Austria, Belgium, France, Italy, Sweden, the United Kingdom, the European Union and other western developed countries. In 2007, the Singapore International Intellectual Property Institute updated the data of the economic contributions of copyright-based industries adding the statistics of 2002 and 2004.⁹

⁶See WIPO, *National Studies on Assessing the Economic Contribution of the Copyright-Based Industries*. (WIPO Publication No.624e 2006) and the following reports at http://www.iipa.com/copyright_us_economy.html:

Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy* (released in November 1990)
 Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy: 1977-1990* (released in September 1992)
 Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy: 1993 Perspective* (released in October 1993)
 Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy:1977-1993*(released in January 1995)
 Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy: The 1996 Report* (released in October 1996)
 Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy: The1998 Report* (released in May 1998)
 Siwek: *Copyright Industries in the U.S. Economy: The 1999 Report* (released in December 1999)
 Siwek: *Copyright Industries in the U.S. Economy: The 2000 Report* (released in December 2000)
 Siwek: *Copyright Industries in the U.S. Economy: The 2002 Report* (released in April 2002)
 Siwek: *Copyright Industries in the U.S. Economy: The 2004 Report* (released in October 2004)
 Siwek: *Copyright Industries in the U.S. Economy: The 2006 Report*

⁷See *Guide on Surveying the Economic Contribution of Copyright-Based Industries*, p8.

⁸Wall Communications Inc. *The Economic Contribution of Copyright-Based Industries in Canada: The 2004 Report* WIPO.National Studies on Assessing the Economic Contribution of the Copyright-Based Industries. (WIPO Publication No.624e 2006)

⁹LEO Kah Mun, CHOW Kit Boey, LEE Kee Beng, ONG Chin Huat, LOY Wee Loon: *The Economic Contribution of Copyright-Based Industries in Singapore: The 2004 Report*, WIPO.National Studies on Assessing the Economic Contribution of the Copyright-Based Industries. (WIPO Publication No.624e 2006) http://www.ipacademy.com.sg/site/ipa_cws/resource/executive%20summaries/Economic_Contribution_2007_Exec_Summary_Oct%202008.pdf

2. Significance

The relationship between copyright and economy is a complicated subject because it involves a wide range of fields in the economic life and it is a multi-disciplinary area in academic studies as well. Therefore, WIPO gave a positive and cautious explanation of the target and significance of the research on the economic contributions of copyright-based industries. According to the WIPO's *Guide*, "the scope of the Guide is confined to surveying the economic contribution of the copyright-based industries and providing quantifiable characteristics of this contribution"; however, it does not refer to such issues as the economic influence of copyright law itself, the social influence of copyright, the consequences of piracy, etc. As for the significance of the survey, WIPO underlines "The great merit of the surveys on the copyright-based industries carried out so far in various countries is that they have raised public and political awareness of the issue and underlined the great potential of the creative and information sector". That is because the copyright industries are based on the creation and spread of the "production" whose key feature is "creativity" and all the research results proved that "the contributions of copyright-based industries are larger than the common consideration of the public". Consequently, the research in some countries has promoted the passing of new copyright laws and the making of related policies.

This is especially significant for China, a developing nation where copyright has not been given full attention and where creativity awareness and abilities are in urgent need to be improved. In practice, through great efforts in the past twenty years, China has established a relatively complete copyright legal system. The copyright industries are also developing fast. However, the public, with an indifference to copyright, has not fully recognised the importance of copyright industries and other creative industries in the economic development.

In terms of academic research, Chinese scholars have never conducted research and quantitative study on the economic contributions of copyright-based industries; instead, they are limited to the introduction of the results from foreign countries¹⁰ and to the discussion of the concept of copyright industries in China.¹¹ Indeed, copyright surely has created treasure, but how much treasure has it created and how to create more? Both are still questions in China.

Therefore, it is of great significance in China to conduct researches on the economic contributions of copyright-based industries both theoretically and practically.

Firstly, the research can help us to master the basic rules and developing tendency of Chinese copyright industries, as well as their status and function in the national economy. Thus, the government at various levels and the public can improve their understanding of copyright industries and realise the importance of copyright protection.

Secondly, the long term follow-up investigation can help people understand the developing rules of copyright industries. It can provide useful experiences and assistance to the support of copyright industries in China. Besides, the research will also provide reference data for the related law revision and policy making.

Thirdly, in terms of academic study, just as the *Guide* indicates, this research is "not a merely statistical exercise" but also a preliminary investigation into the copyright problems with a careful multi-disciplinary approach. "The traditional law, due to the lack of training in statistics and economics, can only discuss legal effects with words instead of specific practical statistical data. Consequently, the legal effect, an important legal analysis in jurisprudence, is often misled. The inter-disciplinary study of economics and law can give the law workers a new method and viewpoint, and they will benefit from the inter-disciplinary study in the long term."¹² We believe that, as the study progresses, its academic value in the fields outside the industrial research will arise, just like the great potential of copyright industries will be recognised gradually.

¹⁰eg. Ye Xin, Fan Wenjing, "Brief Introduction to US Copyright Industries in 2005", *Publishing Research*, 2007 (2).

Zhang Qin, "An Overview of Copyright Industries in the U.S. Economy", *Journal of Haidian University*, 2005 (1).

Yang Liya, "Comparison of Copyright Industries and Copyright System between China and U.S.", *Qilu Realm of Arts*, 2005 (4).

Shang Yong, "The Copyright Industries and Copyright Trade in the United States", *Intellectual Property*, 2002 (6).

¹¹eg. Hu Zhiwu, "Copyright Industries in China", *China Publishing Journal*, 1998 (1).

Song Huixian, Zhou Yanmin, "Copyright Industries—World and China", *Publishing Reference*, 2002 (10).

Wang Pinhua, Xu Chunlin, "Analysis of Peculiarities of Copyright-based Industry", *Technology and Innovation Management*, 2007 (4).

¹²Qian Hongdao, *Economic Analysis of Law*, 1st edition, Beijing: Tsinghua University Press, 2006.

In order to draw on the experiences of the international studies on the economic contributions of copyright-based industries, the research in China follows the framework and method given by WIPO's *Guide*, it also learns from the research experiences from other nations. Of course, it is not a mechanical imitation but a "Chinese" research that is both in accordance with the international convention and reflecting the Chinese reality within the direction and framework of WIPO's *Guide*.

3. Objects

The target of this research is to investigate the Chinese copyright industries and to provide a quantitative analysis.

3.1 Definition of Chinese copyright-based industries

According to WIPO, copyright-based industries refers to “the activities or industries where copyright can play an identifiable role”¹³, and copyright-based industries can be classified into four groups: the core copyright industries, the interdependent copyright industries, the partial copyright industries and the non-dedicated support industries.

Based on the explanation provided by WIPO, the definition of Chinese copyright industries is: industries in which all, or a portion of, the activities are related to works and other protected subject matter and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales. Meanwhile, we accept WIPO’s classification of the core copyright industries, the interdependent copyright industries, the partial copyright industries and the non-dedicated support industries.

The core copyright industries are industries that are wholly engaged in creation, production and manufacture, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter. The interdependent copyright industries are industries that are engaged in production, manufacture and sale of equipment which function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter. The partial copyright industries are industries in which a portion of the activities is related to works and other protected subject matter and may involve creation, production and manufacture, performance, broadcast, communication and exhibition or distribution and sales. The non-dedicated support industries are industries in which a portion of the activities is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter, and whose activities have not been included in the core copyright industries.

3.2 Indicators of Quantitative Analysis of the Economic Contributions of Chinese Copyright-Based Industries

3.2.1 Indicators

According to the research experience of other countries and the suggestions in WIPO’s *Guide*, this study adopted value-added, employment, exports and their shares of national data to measure the economic contribution of Chinese copyright-based industries.

Specifically, measuring the size of the copyright-based industries through their contribution to value-added is an industry-centered approach which accords with the desire to identify the contribution of the copyright-based industries. It reduces the chances of double counting and value-added input-output tables (and the surveys underlying them) are readily available for many countries. Employment is a variable of major importance in the economic analysis of productive activities and this is also the case with China, a country with a large population. The position of a national copyright-based industry in terms of the imports and exports of a country is an indicator that may reflect certain tendencies in economic development.¹⁴

These indicators, which reflect the economic status and importance of the copyright-based industries in one country, are mutually complementary and widely adopted by other countries. This is convenient for the comparison between countries. Therefore, this study selected the above indicators to measure the economic contribution of Chinese copyright-based industries.

¹³See also *Research Guide of Economic Contribution of Copyright Industries*, see the previous note, page 132.

¹⁴See also *Research Guide of Economic Contribution of Copyright Industries*, see the previous note, page 53-62.

3.2.2 Annual Data

The calculation of the economic contribution of Chinese copyright-based industries, especially the calculation of value-added, should be conducted at the level of industrial subcategories (four-digit classification code). Since Chinese official departments currently are not able to provide a comprehensive, complete and systematic value-added data of industrial subcategories, this study chose 2004 when the first national economic census year was held as a basis and surveyed the economic contribution of Chinese copyright-based industries in that year.

For the purpose of a dynamic research, this report studies the copyright-based industries in 2006 based on the 2004 survey. Due to the lack of the related data of the subcategories (four-digit classification code) in 2006, which is not an economic census year, we have had to estimate the value-added of Chinese copyright industries in 2006.

4. Methodology

4.1 Literature review

- (1) The study and use of related research reports. In order to establish the target and methods, this research reviews the relative documents about copyright industries both domestic and abroad; particularly, it analyses systematically WIPO's *Guide* and the reports¹⁵ from those countries that have conducted such researches.
- (2) The study and use of officially announced statistical data. This study collects and analyses the existing and open statistical data¹⁶, especially the national one, and then establishes a database to verify the existing available statistical data and the data which needs further collection.
- (3) The study and use of unannounced official statistical data. With the assistance of the Census Center of the National Bureau of Statistics, the General Administration of Customs, the State Administration of Foreign Exchange and other industrial authorities and associations, this study collects and re-analyses the primitive statistics of relative industries and commodities.
- (4) The study of supplementary statistical data. As the official data cannot satisfy the need of the research completely, this study also collects and reorganises a huge amount of unofficial statistical data, such as the relevant industries reports¹⁷ by some industries associations and research organisations. However,

¹⁵These reports include:

Stephen E. Siwek . Copyright Industries in the U.S. Economy.

WIPO. National Studies on Assessing the Economic Contribution of the Copyright –Based Industries. (WIPO Publication No. 624e 2006. Performance of Copyright Industries in Selected Arab Countries Egypt Jordan Lebanon Morocco Tunisia. (WIPO Publication No. 916E 2003.

Japan Copyright Institute. Copyright White Paper-A view from the perspective of copyright industries.

The Economic Importance of Copyright ,publish by The Common Law Institute of Intellectual Property.

The Contribution of Copyright and Related Rights to the European Economy.

¹⁶Such documents include:

Office for the Leading Group of the First National Economic Census of State Council, *China Yearbook on Economic Census 2004*, Beijing: China Statistics Press, 2006.

National Bureau of Statistics of China, *China Statistical Yearbook 2005*, Beijing: China Statistics Press, 2005.

National Bureau of Statistics of China, *China Statistical Yearbook 2006*, Beijing: China Statistics Press, 2006.

National Bureau of Statistics of China, *China Statistical Yearbook 2007*, Beijing: China Statistics Press, 2007.

National Bureau of Statistics of China, *China Statistical Yearbook 2008*, Beijing: China Statistics Press, 2008.

National Bureau of Statistics of China, *China Statistical Yearbook on Construction 2005*, Beijing: China Statistics Press, 2006.

Census Center of National Bureau of Statistics of China, *The Data of Tertiary Industry of the People's Republic of China 2000*, Beijing: China Statistics Press, 2000.

National Bureau of Statistics of China, The Ministry of Science and Technology, *China Statistical Yearbook on Technology 2006*, Beijing: China Statistics Press, 2006.

National Bureau of Statistics of China, National Development and Reform Commission, The Ministry of Science and Technology, *China Statistical Yearbook on Hi-tech Industries 2006*, Beijing: China Statistics Press, 2006.

Department of Duty Collection of General Administration of Customs, *Commodity Catalogue of Chinese Customs 2006*, Beijing: China Customs Press, 2006.

Department of Duty Collection of General Administration of Customs, Department of Statistics, *Commodity Catalogue of Chinese Customs 2007*, Beijing: China Customs Press, 2007.

Department of Duty Collection of General Administration of Customs, *Commodity Catalogue of Chinese Customs 2009*, Beijing: China Customs Press, 2009.

Print and Print Equipment Industries Association of China, China Print Yearbook Press, *China Print Yearbook 2005*, Beijing: China Print Yearbook Press, 2005.

Print and Print Equipment Industries Association of China, China Print Yearbook Press, *China Print Yearbook 2006*, Beijing: China Print Yearbook Press, 2006.

Print and Print Equipment Industries Association of China, China Print Yearbook Press, *China Print Yearbook 2007*, Beijing: China Print Yearbook Press, 2007.

Ministry of Information Industry of People's Republic of China, *Annual Report of China Communication Statistics 2005*, Beijing: Posts & Telecom Press, 2006.

Ministry of Commerce of the People's Republic of China, *China Trade in Services Report 2006*, Beijing: China Commerce Press, 2006.

¹⁷These documents include:

Zhang Xiaoming, Hu Huijin, Zhang Jiangan, ed., *Report on Cultural Industry of China 2005*, Beijing: Social Science Academic Press, 2005.

Cui Baoguo, ed., *Report on Media Industry of China 2006*, Beijing: Social Science Academic Press, 2006.

Hao Zhensheng, ed., *Report on Press Industry of China 2006-2007*, Beijing: China Book Press, 2007.

Hao Zhensheng, ed., *Report on Press Industry of China 2007-2008*, Beijing: China Book Press, 2008.

Department of Book Publication Administration of the General Administration of Press and Publication of the People's Republic of China, *Report on China Book Publication Industry 2003-2004*, Beijing: China Renmin University Press, 2006.

Department of Book Publication Administration of the General Administration of Press and Publication of the People's Republic of

because of some problems such as the lack of authority and the statistical criteria, this study only does the comparative research instead of applying the statistics from these reports.

4.2 Questionnaires

According to the approach of WIPO's *Guide*, different statistical methods should be applied in the four copyright industrial clusters respectively when the economic contribution by copyright industries is being measured. The economic contribution of the core copyright industries should be included 100% but as for the other three categories, based on the reality of different nations and the judgment of researchers, the GDP they create, their employment figure and the importing and exporting amounts should be included proportionally. This would be according to the "copyright factor"¹⁸ which is determined by the relationship between these industries and copThe questionnaires mainly aimed to acquire the copyright factor of the partial copyright industries. This study divides the partial copyright industries into several groups and collaborated with their industrial authorities or industrial associations. Then some representative companies were chosen to be surveyed, in such way that the relative data was collected to identify the copyright factor of the industries to which the companies belong.

4.3 Field Survey

The field researches were conducted in some representative companies which belong to the partial copyright industries. The researches, such as observing the production process on the spot and the in-depth interview with the people concerned, aimed to acquire more directly and more specifically the data that can be used in confirming copyright factor.

4.4 Quantitative Analysis

After the data from both questionnaires and fieldwork were collected, this study continued the quantitative analysis to establish the copyright factor preliminarily.

4.5 Comparative Study

In order to understand more accurately the economic contribution of Chinese copyright-based industries, this report makes a comparison between the industrial added values of Chinese copyright industries and other industries in China in 2004 and 2006. Meanwhile, the report also makes a comparison between the economic contribution of Chinese copyright industries and the similar researches in other nations.

China, *Report on China Book Publication Industry 2005-2006*, Beijing: China Renmin University Press, 2008.

Hao Zhensheng, ed., *Report on International Publishing Industry 2008*. Beijing: China Book Press, 2008.

Hao Zhensheng, ed., *Annual Report on China Digital Publishing Industry 2005-2006*. Beijing: China Book Press, 2007.

Hao Zhensheng, ed., *Annual Report on China Digital Publishing Industry 2007-2008*. Beijing: China Book Press, 2008.

Ye Lang, ed., *Report on China Culture Industry 2004*. Changsha: Hunan People's Publishing House, 2004.

Institute for Cultural Industries of Peking University, Cultural Industry Innovation & Development Academe, *Annual Report on China Cultural Industry 2005*, Changsha: Hunan People's Publishing House, 2005.

Institute for Cultural Industries of Peking University, Cultural Industry Innovation & Development Academe, *Annual Report on China Cultural Industry 2006*, Changsha: Hunan People's Publishing House, 2006.

Zhang Xiaoming, Hu Huilin, Zhang Jiangang, ed., *Report on Cultural Industry of China 2007*, Beijing: Social Science Academic Press, 2007.

Zhang Xiaoming, Hu Huilin, Zhang Jiangang, ed., *Report on Cultural Industry of China 2008*, Beijing: Social Science Academic Press, 2008.

He Zhenhu, Zhang Junchang, ed., *Bluebook of China Radio and Television Brands 2005*. Beijing: China Radio & Television Publishing House, 2006.

Cui Baoguo, ed., *Report on Media Industry of China 2004-2005*, Beijing: Social Science Academic Press, 2005.

Li Pin, ed., *Report on China Journal Industry No1: Market Analysis and Method Seeking*. Beijing: Social Science Academic Press, 2005.

¹⁸ A percentage is used to refer to the part that can be attributed to copyright activities in a certain activity or industry. Sometimes it can be expressed as weighting. See also Research Guide of Economic Contribution of Copyright Industries, see the previous note, page 132.

5. Report

Since it is the first time that China conducts the research on copyright-based industries, this report gives an elaborate explanation of methodology before describing the economic contribution of Chinese copyright-based industries. This report includes the following sectors: the scope of Chinese copyright-based industries, the specific classification of Chinese copyright-based industries, the data collecting and calculation of Chinese copyright-based industries, the direct economic contribution of Chinese copyright-based industries, the international comparisons and conclusion.

Chapter 1. Definition and Scope of Chinese Copyright-Based Industries

1.1 Definition of Chinese Copyright-Based Industries

1.1.1 Current definition

Many concepts with overlapping meanings have been used in the current study. Apart from the concept of copyright-based industry, cultural industry, creative industry, cultural creative industry and content industry are also used as synonyms but with different emphases.

1.1.1.1 Definition of Copyright-Based Industries

The concept of copyright-based industry was first put forward by the United States. In 1990, the International Intellectual Property Alliance (IIPA) started the study of the economic contribution of copyright-based industry and released the report of Copyright-Based Industries in the US Economy. In this report, copyright industries were classified as the core copyright industries, the partial copyright industries, the copyright distribution industries and the copyright related industries. Many countries had adopted the concept of “copyright-based industries” in their studies but with different categories. In 2002, in a conference held in Helsinki by WIPO’s work group, the experts ultimately agreed on the definition and classification of copyright-based industries. Copyright-based industries refer to the activities or industries in which the copyright can play great roles, including the core copyright industries (news and literary work, music, opera, drama production, film and video, broadcast and TV, photography, software and database, visual art and painting, advertisement and copyright collective management organisations), the interdependent copyright industries (television, radio, video recorder, CD player, DVD player, tape recorder, electronic games consoles and other similarly used equipments, computer, instruments, camera, photo gear, copier, unrecorded media and paper), the partial copyright industries (garments, textiles, shoes, jewellery and coins; craft works; furniture; household goods, porcelains and glass; wallpaper and carpets; toys and games; architectures, projects and measures, house designs and museums) and the non-dedicated support industries (general distribution and retail for copyright-based products, general transportation, telephone and internet industry).¹⁹ From 2004 the United States began to use the classification of WIPO, and later many other countries also adopted this classification in their studies, such as Canada, Austria, Russia, Ukraine, Singapore, the Philippines, the Netherlands, Hungary and so on.²⁰

Before this study, Chinese professionals had only introduced the research results from other countries or discussed the concept of Chinese copyright-based industries. They had never conducted any survey or quantitative research on the economic contribution of copyright industries. In recent years, advocated by NCA, some national and provincial studies have started up. In terms of the definition of Chinese copyright-based industries, some scholars propose that “copyright-based industries refer to the productive and operative activities by individuals or industries related to the works having copyright and directly or indirectly controlled by copyright laws.”²¹ WIPO’s *Guide* defined the copyright-based industries as “activities or industries where copyright plays an identifiable role”.²² These two concepts both emphasise the role of “copyright” but they are not able to cover the scope established by WIPO’s *Guide*. For example, according to the above definition, the interdependent copyright industries are excluded because even though the major function of these industries is to serve copyright protected objects, the products themselves are not closely related to copyright or copyright laws. Therefore, this study intends to propose the definition of Chinese copyright-based industries in accordance with the definition of WIPO’s *Guide*.

¹⁹See also *Research Guide of Economic Contribution of Copyright Industries*, see the previous note, page 38.

²⁰See Table 16.

²¹Li Mingde, “Copyright Industries and Knowledge Economy”, *Intellectual Property*, 2000 (1).

²²See also *Research Guide of Economic Contribution of Copyright-based Industries*, see the previous note, page 132.

1.1.1.2 Definition of Creative Industries

The concept of creative industries was first proposed by the United Kingdom. In Creative Industries Mapping Document, UK, 1998, the “creative industries” concept has been set out as those enterprises getting the impetus from individual’s creativity, skills and talent, and those activities that can bring about potential fortune and job opportunities by exploiting intellectual properties. The definition made by the UK has been the basis of the classification of creative industries of many other countries. Almost all classifications have been related to 13 forms, such as advertisement, architecture, arts & antique, crafts, design, fashion design, software design, film & video, interactive leisure software, music, performance, publishing, TV & broadcast and so on.²³

In China, the concept of creative industries has been frequently used and some cities have even issued a series of policies or plans to develop the creative industries. The Outline of the Eleventh Five-Year Plan for National Economic and Social Development of Beijing points out that the creative industry is also called creative economy. It is an industry creating fortune and job opportunities by making use of intellectual properties with personal creativity, skills and talent. The creative industries include advertisement, architecture, art and antique, comics, films, TV, music, performance, publishing, information service and so on.

The definition made in Shanghai’s Outline of the Eleventh Five-Year Plan for Creative Industries is the industries taking the creative ideas, skills and advanced technique, and other intellectual and knowledge-intensive factors as the core. Through a series of creative activities, they bring value-added to production and consumption, and generate fortune and job opportunities to the society. They mainly include research and development, culture and arts, consultancy and fashion consumption.

Apart from the different definitions made by different countries, even professionals and art groups may have their own understandings on creative industries. However, the various definitions basically agree that the creative industries are based on the creator and designer, emphasising the personal creativity of the creator and meanwhile concerning the policy plan of each country.

1.1.1.3 Definition of Cultural Industries

Cultural industry is a “historically comprehensive concept with changes, multi-dimensions, multi-levels and capacity”. According to the statistics, there are more than 500 definitions for culture.²⁴ At present, culture usually refers to the theories and studies of applicative cultural industries. It is the study of the production, distribution and communication of cultural industries.²⁵ The definition of cultural industries made by UNESCO is that cultural industries are a series of activities producing, re-producing and distributing the cultural products and services in accordance with industrial standards. The cultural industries include printing, publishing and multimedia, audio-visual, recording and film production, arts and design; in some countries the architecture, visual art and performances, sports, musical instruments production, advertisement and cultural tourism, media, cartoons, entertainment, games, tourism, education, internet and information service, music, opera and art museum are also included.

The definition and exploitations of Chinese cultural industries are also various. In April 2004, the National Bureau of Statistics of China issued the “Circular On Culture and Culture-Related Industrial Classification”²⁶ which defined the scope and classification of Chinese cultural industries in terms of statistics. This definition provides valuable reference both for defining and regulating Chinese cultural business and cultural industries as well as for copyright industries.

The *Circular* indicates that, in a broad sense, culture is the sum of all physical and intellectual products created by human beings; in a narrow sense, culture only refers to the intellectual products including language, literature, arts and other ideology. According to *Culture and Culture-Related Industrial Classification*, “Culture and culture-based industries” are the activities providing cultural and entertaining products or services for the general public, and the collection of activities relating to such activities.

²³See Zhang Jingcheng, *Chinese Creative Industries Report 2007*, China Economy Press, p.23.

²⁴Zhang Guoyou, “Cultural Industries Need Correct Developing Strategies”, *Annual Report for Chinese Cultural Industries*, ed. Institute of Cultural Industries of Peking University & State Cultural Industrial Innovation and Development Base (Changsha: Hunan People’s Publishing House, 2006) 6.

²⁵See previous note.

²⁶See *Culture and Culture-Related Industrial Classification*.

According to the above definition, the scope of cultural and culture-based industries includes the activities providing cultural products (e.g. books, video/audio products), cultural communication services (e.g. broadcast and TV, performances, museums) and cultural leisure (tourism, tourist service, indoor entertainment, sports and so on). These activities are the main body of cultural industries. Besides that, the cultural and culture-based industries also include the production and sale of the articles (e.g. stationary, instruments, toys, printing paper, writing paper, blank tape, cine film, photographic equipment, film, recreational machine) and equipments (e.g. equipments for interviewing and editing of news, professional video, film, printing, television, CD-ROM player, recorder and audio equipment) that directly relate to the cultural products, cultural communication services and cultural entertainment. These activities are supplements of cultural industries.

Cultural industries classification forms the core level of cultural industries, the surrounding level of the cultural industries and the culture-related industrial level. The core level of cultural industries includes news services, publishing and copyright services, broadcast, TV, film and arts; the surrounding level refers to web culture, cultural entertainment and other cultural services; the culture-related industrial level includes the production and sale of cultural products, equipment and culture-related products.

We can see from the above classification that the scope of core culture is similar to that of the core copyright industry; the relative culture service resembles inter-dependence copyright industries and it includes some parts of partial copyright industries as well.

1.1.1.4 WIPO's Definition of the above Mentioned Notions

When discussing the above mentioned notion, WIPO's *Guide Book* points out "when mentioning activities and industries where copyright functions, the phrases *industry based on copyright*, *creative industry* and *culture industry* are used as synonyms. However we must be aware of the differences among them. *Culture industry* refers to those that use industrial scale to copy products of profound cultural connotation and the usage is always related with the production of mass media. *Creative industry* shall be understood in a broad way, for it includes all cultural and arts production besides culture industry, including live shows or productions produced by individuals. Traditionally, its usage is relative to live performance, cultural heritage and similar 'high art' activities".²⁷

1.1.2 Definition of Chinese Copyright-Based Industries

The description of WIPO and definitions by different countries show that the connotations of these concepts overlap each other and they share similar contents. However each of them enjoys a different focus and has its own functions. The copyright-based industry, as a legal concept, emphasises on promoting social awareness of the importance of copyright protection. Though different countries have diverse definitions of copyright-based industry, they share some common points as follows²⁸:

- (1) All countries have defined copyright and related rights which entitle the copyright owner with the exclusive rights to authorise other people to use the protected works. These rights are normally regarded as economic rights. A copyright legal system is a prerequisite for the existence of copyright-based industries and also a basis to distinguish its concept from others'.
- (2) In the process of using copyrighted works, copyright shows its economic functions and its multiple influences on the economy. This economic influence is related to both the production and the publishing and consuming of works. The economic influence of copyright is comprehensive and multiple, related to all sectors of the creation: production, distribution and consumption.
- (3) It is difficult to assess the overall influence of copyright on the economy (including the economic influence of copyright itself, the evaluation of pirate behaviour, etc.), thus the existing researches and WIPO's *Guide Book* are limited to research into the economic contribution of copyright-based industry and provide quantitative analysis.

Consequently, "copyright-based industry" is not a new industrial sector, but only a collection of industries related to copyright in the national economy. The core of this industry is copyright. The purpose of such studies is to measure its influence on the economy.

²⁷See Guide on Surveying the Economic Contribution of the Copyright-based Industries, the previous note, page 24.

²⁸See the preface of *Guide to the Economic Contribution of Copyright-based Industry*, the previous note, p14.

Based on the above consensus and with reference to the definition and classification of copyright-based industry in WIPO's *Guide Book*, this research defines China's copyright-based industry as industries in which all, or a portion of, the activities are related to works and other protected subject matter and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales.

1.2 Scope of Chinese Copyright Property

Since the copyright industries are industries in which all, or a portion of, the activities are related to copyright law, the scope of copyright industries should be based on copyright law. "Copyright is about rights and the protection of these rights constitutes the essential basis for building entire industries and their related activities."²⁹ Understanding the issue of the basic legal notions (works protected by copyright law and property held by copyright owner) in copyright protection will help to build better assumptions as to which economic activities should be studied and surveyed.³⁰ They are the starting points of copyright property classification and the border lines of copyright property scope as well. Only when an activity is related to copyright, can it be enlisted into the scope of copyright property, or else the economical contribution of such industries will be exaggerated. So long as an activity is related to copyright—, whether in part or in whole, it shall be enlisted into the scope of copyright property, otherwise the economical contribution of such industries will be low estimated. As a result, the determination of the scope of China's copyright property shall be started from the understanding of legal foundation of copyright property: China's copyright law.

1.2.1 Chinese Copyright Legal System

1.2.1.1 An Overview of the Chinese Copyright Legal System

The new Chinese modern copyright system began in the late 1970s of the 20th century. Passed in 1986, The General Principles of the Civil Law of the People's Republic of China admits for the first time that copyright is enjoyed by every citizen and legal person. The *Copyright Law of the People's Republic of China* was issued in September 1990 and came into force the next year. The state council issued and implemented the *PRC Copyright Law Implementing Regulations* and *Regulations for the Protection of Computer Software* in succession in 1991. The 24th meeting of the Standing Committee of the Ninth National People Congress reviewed and approved the amendment to copyright property in October 2001, based on which the state council issued the new *Regulations for the Protection of Computer Software* in December 2001 and new *PRC Copyright Law Implementing Regulations* in August 2002. The state council also issued *Collective Management of Copyright Regulations* in December 2004 and *Protection Regulation on Internet Information Spreading Right* in May 2006.

When strengthening domestic legislation, China also positively develops the multi- and bi-lateral copyright cooperation. China has joined several important international copyright conventions such as *Berne Convention for the Protection of Literary and Artistic Works*, *the universal copyright convention*, *the International Convention for Protection of Audio Recordings against Unauthorized Duplication* and *the Agreement on Trade-related Aspects of Intellectual Property Rights*.

Through 30 years of efforts, China has established a modern copyright legal system suited to the Chinese actual conditions and to international rules, which takes copyright law as the core and the related regulations and international conventions as a compliment. This has laid foundations for the development of Chinese copyright-based industries.

²⁹Refer to the preface of *Guide to the Economic Contribution of Copyright-based Industry*, the previous note, p14.

³⁰Jennifer Skilbeck, *The Economic Importance of Copyright*, international publisher union, 1988. Quote from the preface of *Guide to the Economic Contribution of Copyright-based Industry*, p 14.

1.2.1.2 Works protected by Chinese copyright law

Based on the above mentioned laws and regulations, the works protected by copyright law in China includes:

- (1) "Written works" which means works expressed in written form, such as fictions, poems, prose and theses;
- (2) "Oral works" which means works expressed in form of spoken language, such as impromptu speeches, lectures and court debates;
- (3) Musical works, quyi works, choreographic works and acrobatics works. "Musical works" means such works as songs and symphonic works, with or without accompanying words, which can be sung or performed; "dramatic works" means such works as dramas, operas and local traditional operas for stage performance; "quyi works" means such works as "xiangsheng" (cross talk), "kuai shu" (clapper talk), "dagu" (ballad singing with drum accompaniment) and "pingshu" (story telling based on novels) which are mainly performed by recitation or singing, or by both; "choreographic works" means works in which ideas and feelings are or can be expressed through successive body movements, gestures, facial movements, etc.; "acrobatic works" means works expressed through body movements and skills, such as acrobatics, magic and circus;
- (4) Works of fine arts and architecture. "Works of fine arts" means two- or three-dimensional works of the plastic arts created in lines, colors or other media which impart aesthetic effect, such as paintings, works of calligraphy and sculptures; "works of architecture" means works with aesthetic effect which are expressed in form of buildings or structures;
- (5) "Photographic works" which means artistic works created by recording images of objects on light-sensitive or other materials with the aid of devices;
- (6) "Cinematographic works and works created by a process analogous to cinematography" which means works filmed on a certain medium and consisting of a series of frames, with or without accompanying sound, which are projected or otherwise communicated by means of appropriate equipment;
- (7) "Graphic works" which means drawings of engineering designs and drawings of product designs that are made for construction work or engineering purposes as well as maps, schematic drawings, etc., that reflect geographical phenomena or illustrate the principles or structures of things; "model works" means three-dimensional works made to a certain scale on the basis of the shape and structure of objects, for purposes of display, testing or observation, etc.
- (8) Computer software;
- (9) Other works as provided for in laws and administrative rules and regulations.

1.2.1.3 Copyright owners' exclusive rights vested by Chinese copyright law

Intellectual property is a kind of property that takes rights as its object³¹ and all the rights under the intellectual property provide the right owners with a legal framework for transaction. In accordance with Chinese laws and regulations, the rights enjoyed by copyright owners over the above mentioned works includes:

- (1) right of reproduction, that is the right to make one or more copies of a work by means like printing, photocopying, copying by hand, rubbing, audio-recording, video-recording, re-recording or photographing;
- (2) right of distribution, that is the right to make available to the public the original or reproductions of a work though sale or other transfer of ownership;
- (3) right of rental, that is the right to authorise, with payment, others to temporarily use cinematographic works, works created by virtue of an analogous method of film production and computer software, except any computer software that is not the main subject matter of rental;
- (4) right of exhibition, that is the right to publicly display the original or reproduction of a work of fine art and photography;
- (5) public performance, that is the right to publicly perform a work and publicly broadcast the performance of a work by various means;
- (6) right of showing, that is the right to show to the public a work of fine art, photography, cinematography and any work created by analogous methods of film production through film projectors, overhead projectors or any other technical devices;

³¹Zhen Chengsi, *On Intellectual Property Law*, Law Press. October, 2003. P 64.

- (7) broadcasting, that is the right to publicly broadcast or communicate to the public a work by wireless means, to communicate to the public a broadcast work by wire or relay means and to communicate to the public a broadcast work by a loudspeaker or by any other analogous tool used to transmit symbols, sounds or pictures;
- (8) right of communication of information on networks, that is the right to communicate to the public a work, by wire or wireless means in such a way that members of the public may access these works from a place and at a time individually chosen by them;
- (9) right of making cinematographic works, that is the right to fixate a work on a carrier by way of film production or by virtue of an analogous method of film production;
- (10) right of adaptation, that is the right to change a work to create a new original work;
- (11) right of translation, that is the right to translate a work in one language into one in another language;
- (12) right of compilation, that is the right to compile works or parts of works into a new work by reason of selection or arrangement;
- (13) any other rights a copyright owner is entitled to enjoy.

A copyright owner may authorise another person to exercise the above mentioned rights and receive remuneration. A copyright owner may assign, in part or in whole, the above mentioned rights and receive remuneration. The term of protection for the right of a work shall be the lifetime of the author and fifty years after his or her death.

Besides, China's copyright law has also stipulated the neighbouring rights: publisher rights, performer rights, sound or visual recording producer's rights, broadcaster's rights and their protection term.

1.2.2 Copyright Market within the Chinese Legal Framework

The above mentioned rights arising from works have provided economical transactions with legal frameworks. In daily life "the economic characteristics have been manifested throughout the process from the beginning of work creation to its using and transmission". The copyright law directly protects the authors' economic interest, on which most of them live; as for the users of the works, their primary purpose is to gain economic interest, whether by reproducing or transmitting the works. A large number of people in society, from book publishers to newspaper-magazine offices, from movie producers to audio-visual products makers, from broadcasting television stations to satellite broadcasting industries, as well as book retailers, newspaper retailers, magazine retailers and audio-visual products retailers, all rely on the transactions of copyright works.³²

Through the above activities, copyright performs economic functions. Usually an economic transaction involves many rights, with values determined by different market factors. The rights may operate differently in the different markets. The following indicative table may help in positioning the rights and their scope with respect to the markets of products in which they operate.³³

³²Li Minde, *Copyright-based Industry and Knowledge Economy, Intellectual Property*. 2000.

³³ Refer to the preface of *Guide to the Economic Contribution of Copyright-based Industry*, p 22.

Table 1: Market Scope of Copyright-Based Industries within the Chinese Copyright Legal System

Types of works	Right	Scope of the Market
Written works; oral works; musical, quyi, choreographic and acrobatics works; works of fine arts and architecture; photographic works; cinematographic works and works created by a process analogous to cinematography; graphic works; model works and computer software	Right of reproduction	Reproduction of works in a material or non-material form. It might also cover the adaptation of works.
	Right of distribution	Dissemination of physical copies, resale, sale and rental, and even lending of copies of such categories of works as musical works, included in phonograms, audiovisual works, computer programs. It might also cover the importation on copies.
	Right of communication to the public	Relaying of works by any distant communication or interactive communication means. It might embrace a broad field of activities including the relaying of a performance to members of the public outside the place where the performance is made, the transmission by cable and the making available of works in digital networks.
	Right of public performance	Live performances of works in the presence of the public (including by means of recordings and phonograms).
	Right of broadcasting	Transmission of works through wireless and non-interactive means intended for public reception. It embraces also satellite transmissions intended for public reception.

We can see from the above table that copyright has a great influence on the economy which concerns not only the production of the works but the distribution and consumption as well. The law provides protection for each phase from the creation or production to the distribution of the works, and all of these activities have direct influence on the economy, though the influence may vary from one another. Consequently, the following elements shall be taken into consideration when determining the copyright-based industry scope and classifying its categories so as to fully and accurately estimate the economic contribution of the copyright-based industry, avoiding either over or low estimating.

Firstly, a study the activities resulting from the multiple effects of copyright on the economy – those of the creators, the right-holders, the distributors, users, equipment manufacturers, advertisers, etc. In view of maximizing the comprehensiveness of the study one should try to incorporate all relevant economic values related to works and other protected subject matter which can be economically justified.

Secondly, classify the industries to be researched into reasonable categories according to the dependence degree of the industry activities on copyright so as to estimate their economic contribution as per different ratios. The existing researches have provided several different classifying methods.³⁴ After repeated discussion and practice, the WIPO experts highly suggest core copyright industries, interdependent copyright industries, partial copyright industries and non-dedicated support industries for primary classification.

This research has adopted the methods provided in WIPO's *Guide*, which is to divide Chinese copyright industries as the core copyright industries, the interdependent copyright industries, the partial copyright industries and the non-dedicated copyright industries. Since the core copyright industries rely on copyright more than the other three categories and they are quite different from the other three, this report calls the other three categories "non-core copyright industries" for convenience.

³⁴ Refer to the preface of *Guide to the Economic Contribution of Copyright-based Industry*, p 37.

Chapter 2. Specific Classifications of Chinese Copyright-Based Industries

2.1 Classification Method

After the categorisation in accordance with WIPO's methods, the four categories should be subdivided for calculation.

All the data in this study is based on national statistics which are not only the direct body for the calculation of economic contribution of Chinese copyright industries but also the main basis for indirect calculation or estimation. As has been pointed out in WIPO's *Guide*, the official statistical data is the foundation for researches of national grade, for this data is released regularly and enjoys high reliability which contributes to the international comparison.³⁵

The specific classification of the industry and the data collection process are closely linked with the data acquisition. Therefore the copyright-based industry must be subdivided according to different national classification systems for various kinds of statistics. For the aims of this research, the copyright-based industry shall be classified into the following two types:

2.1.1 *Copyright-Based Industry Classification Corresponding to National Economic Industrial Classification*

The increasing value of metrology industry and the employment number are mainly based on the statistics issued by the State Statistical Bureau. As a result, the classification of copyright-based industry on the basis of copyright law in Table 2 shall correspond with the industry classification of the State Statistical Bureau so as to gain the relative data for statistical calculation.

This report is based on the National Standard (GB/T4754—2002) which was issued by the State Statistical Bureau in the year of 2002 and was adopted during the economic census in 2004. According to the classification standard, the Chinese national economy shall be classified into 19 sections, 94 divisions, 395 groups and 912 classes. Refer to the scope of copyright-based industry in Table 2 for the description of industry classes in this report. Of the 912 classes of industries, 225 have been enlisted into the scope of copyright-based industry research (industry classes that appear repeatedly in different categories shall be counted by the respective ratio).

In order to increase the international comparability of the result in this research, the researchers have also checked the above industry classes one by one based on the national industry classification codes corresponding with the United States Industry Classification (ISIC) codes³⁶ provided in WIPO's *Guide*.

2.1.2 *Copyright-Based Industries Classification Corresponding to Commodity Classification for Customs*

Considering that there is no export data of the industrial subcategories issued by the State Statistical Bureau, the Customs statistics shall be adopted when measuring the total commodity trade exports of the copyright industries. Based on the scope of copyright-based industry in Table 2, this study has selected 220 types of four-digit code commodities from the *List of Statistical Commodities for Customs of People's Republic of China* to calculate the export of copyright-based industries.

2.1.3 *Copyright-Based Industries Classification Corresponding to International Balance of Payment Classification*

Considering that there is no official service trade exports data of the industrial subcategories issued by the State Statistical Bureau, the international balance of payment of the State Administration of Foreign Exchange should be used to measure the service trade exports of copyright-based industries. Based on the scope of

³⁵Refer to the preface of *Guide to the Economic Contribution of Copyright-based Industry*, p 67.

³⁶Refer to the preface of *Guide to the Economic Contribution of Copyright-based Industry*, p 113.

copyright-based industries in Table 2, this study selected 4 categories from the Handbook of International Balance of Payment to measure the service trade exports of copyright-based industries.

2.2 The Specific Classification of Core Copyright Industries

2.2.1 The Definition and Categorisation of Core Copyright Industries

The core copyright industries are industries which are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales of works and other protected subject matters. It is suggested in WIPO's *Guide* that the final products list which mostly rely on the protection of copyright shall be first considered when choosing the industries that best suit the definition of core copyright industries. Based on different researches and methods, WIPO proposes to adopt nine groups of core industries into the research, namely press and literature works; musical, theatrical production and opera works; motion picture industry; radio and television; photography; computer software and databases; visual graphic arts; advertising services and copyright collective management association.

Based on the classification of works in China's copyright law, this research adjusts the WIPO classification of industries as follows: firstly, change the "press and literature works" into "written works"; secondly, change the "musical, theatrical production and opera works" into "musical works, quyi works, choreographic works and acrobatics works"; thirdly, change the "visual graphic arts" into "works of fine arts and architecture, graphic works and model works".

2.2.2 Classification of Core Copyright Industries

According to the definition in WIPO's *Guide*, the following principles should be followed with care when subdividing the core copyright industries.

- (1) The core copyright industries encompass not only the production (creation, making and manufacture) but the intangible communication (performance, broadcast, communicating and exhibition) and tangible communication (distribution, sale and service) as well.
- (2) All activities of the core copyright industries shall be related to the works or other objects protected by the copyright.
- (3) Since the core copyright industries would be greatly different or even would not exist without the works or other objects protected by the copyright, the economic contribution of the core copyright industries shall figure as per to the ratio of 100%.
- (4) In the distribution industries, only those industry shares that are totally engaged in the distribution of copyright materials shall be taken into account by the core copyright industries.

According to these principles, WIPO has proposed instructive subdivision of the above mentioned 9 groups as follows³⁷:

Press and literature works include: (1) writer, author and translator; (2) newspaper; (3) news agencies (4) magazines; (5) book publishing; (6) greeting cards and maps; (7) directory and other press work; (8) pre-and after press proof of books, magazines and advertising materials; (9) wholesale and retail of newspaper and literature works; (10) libraries.

Musical, theatrical production and opera works include: (1) composers, song writers, adapters, choreographers, directors, performers and other staff members; (2) printing and publishing of musical works; (3) production and manufacturing of music phonograms; (4) wholesale and retail of music phonograms; (5) arts, word creation and narration; (6) performance and relative organisations.

Motion picture industry includes: (1) play writers, directors and performers; (2) production and issue of films and videos; (3) film projection; (4) lease and sale of videotapes, including order program; (5) relative service.

Radio and television include: (1) national radio and television broadcasting companies; (2) other radio and television organisations; (3) independent producers; (4) cable TV; (5) satellite TV; (6) relative service.

³⁷Refer to the *Guide to the Economic Contribution of Copyright-based Industry*, the previous note, p41.

Photography includes: (1) studio and commercial photography; (2) photo agencies and libraries.

Computer software and databases include: (1) planning, programming and designing; (2) production, wholesale and retail of pre-installed software (commercial program, video games, education program, etc.); (3) database processing and publishing.

Visual graphic arts include: (1) artists; (2) galleries and other wholesalers, retailers; (3) frame and other relative service; (4) graphic design.

Advertising services include advertisements agencies and purchasing service (excluding advertisements publishing cost).

Copyright collective management & services include copyright collective management association (excluding sales volume).

In accordance with the above classification, this study proposes the classification of Chinese core copyright industries corresponding to the National Economic Industrial Classification, including 72 industrial subcategories (classes that appear repeatedly in different categories shall be counted by their respective ratio). See Appendix 1 (Table 20) for detailed information. Similarly it has sorted out the structure of China core copyright industry classification corresponding to commodity classification for customs, including 18 types of four figure code commodities. See Appendix 1 (Table 21). Besides that, four categories in international balance of payment system that are the computer and information service (software and database), exclusive right fees (copyright), advertisement and publicity, film and audio/visual form the service trade of core copyright industries.

2.3 The Specific Classification of Interdependent Copyright Industries

2.3.1 Definition of Interdependent Copyright Industries

Interdependent copyright industries are industries engaged in the production, manufacture and sale of equipment whose main function is to facilitate the creation, production or use of works and other protected subject matters.

Based on their supporting degree to the core copyright industries, the interdependent copyright industries can be further divided into core interdependent copyright industries and partial interdependent copyright industries.

2.3.2 Classification of Interdependent Copyright Industries

The core interdependent copyright industries encompass the production, wholesale and retail (sale and rent) of the following equipment: TV sets, radios, VCRs, CD players, DVD players, tape readers, electronic game equipment and other similar equipment, computer and relative equipment, and musical instruments. This group of products is normally consumed together with the products of core copyright industries. For example, television programs could not be communicated without TV sets. These products are consequently called "hardware of copyright".

The partial interdependent copyright industries encompass the production, wholesale and retail (sale and rent) of the following equipment: photographic and cinematographic instruments, photocopiers, blank recording material and paper. Their main functions are also to promote the use of the copyright.

This type of industries varies from the core copyright industries in that the former come under the copyright-based industry due to the application of the products, not because the products themselves enjoy copyright.

In accordance with the subdivision of interdependent copyright industries, there are 52 industry classes corresponding to the industrial classification for national economic activities (classes that appear repeatedly in different categories shall be counted by their respective ratio). See Appendix 1 (Table 22). Similarly there are 58 industry classes corresponding to commodity classification for customs. See Appendix 1 (Table 23).

2.4 The Specific Classification of Partial Copyright Industries

2.4.1 Definition of Partial Copyright Industries

Partial copyright industries are industries in which a portion of their activities is related to works and other protected subject matters and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales.

2.4.2 Classification of Partial Copyright Industries

According to the classification in WIPO's *Guide Book*, the main products and 10 groups of industries involved in this category are apparel, textiles and footwear; jewellery and coins; other crafts; furniture; household goods, chinaware and glass; wall coverings and carpets; toys and games; architecture, engineering and surveying; interior design and museums.

There are 94 industry classes in partial copyright industries corresponding to the industrial classification for national economic activities (classes that appear repeatedly in different categories shall be counted by their respective ratio). See Appendix 1 (Table 24). There are 170 industry classes corresponding to commodity classification for customs. See Appendix 1 (Table 25).

2.5 The Specific Classification of Non-Dedicated Industries

2.5.1 Definition of Non-Dedicated Support Industries

Non-dedicated support industries are industries in which a portion of the activities is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter, and whose activities have not been included in the core copyright industries. These industries calculate the spillover effect that is away from the core copyright industries and their functions are shared by both copyright-based industries and other industries.

2.5.2 Classification of Non-Dedicated Support Industries

These industries including general wholesale and retail industry, general transportation industry, telephone and Internet industry distribute copyright works.

There are 42 industry classes in non-dedicated support industries corresponding to the industrial classification for national economic activities. See the attachment 1 (Table 26) for detailed information.

Table 2: Classification of Copyright-Based Industry³⁸

Classification	Definition	Specific Categories
Core copyright industries	The core copyright industries are industries which are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales of works and other protected subject matters.	press and literature; motion picture industry; musical productions (including theatrical and operas); radio and television; photography; computer software and databases; visual graphic arts; advertising services and copyright collective management and services
Interdependence copyright industries	Interdependent copyright industries are industries engaged in the production, manufacture and sale of equipment whose main function is to facilitate the creation, production or use of works and other protected subject matters.	TV sets, radios, VCRs, CD players, DVD players, tape readers, electronic game equipment and other similar equipment; computer and relative equipment; musical instruments; photographic and cinematographic instruments; photocopiers; blank recording material and paper

³⁸Refer to the Chapter 4 of the *Guide to the Economic Contribution of Copyright-based Industry*, the previous note, p37.

Table 2: Classification of Copyright (continued)

Partial copyright industries	Partial copyright industries are industries in which a portion of the activities is related to works and other protected subject matters.	apparel, textiles and footwear; jewellery and coins; other crafts; furniture; household goods, chinaware and glass; wall coverings and carpets; toys and games; architecture, engineering and surveying; interior design; and museums
Non-dedicated support industries	Non-dedicated support industries are industries in which a portion of the activities is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter, and whose activities have not been included in the core copyright industries.	general wholesale and retail industry, general transportation industry and telephone and Internet industry that distribute copyright works

Chapter 3. Data Collection and Calculation of the Economic Contribution of Chinese Copyright-Based Industries

The data collection and calculation of the economic contribution of Chinese copyright industries include two parts: the collection and calculation of basic data and the selection of copyright factors. According to WIPO's *Guide*, core copyright industries and non-core copyright industries are quite different in statistics. In core copyright industries, 100% are considered to be copyright factors; while in non-core copyright industries, the GDP they create, employment figure and the copyright share of import and export volume are all determined by to what extent the industries depend on copyright, that is the copyright factors should be strictly separated from the other factors. There is little data research on copyright factors in China, so the standard can only be established by doing research and analysis on Chinese copyright industries as well as comparing with and drawing conclusions from the research results in other countries.

3.1 Basic Data

Basic data includes the value-added of copyright industries, the number of employees, export values and other indirect data used for calculating the above statistics when it is impossible to collect them.

3.1.1 Source of the Data

As stated above, official data is the basis of such nation level research. So most of the data used in this research are from official sources. The major sources are as follows:

- (1) *China Economic Census Yearbook 2004* published by China Statistical Publishing House, compiled by the Office of the Leading Group for Chinese First Economic Census of the State Council.
- (2) *China Statistics Yearbook* and other statistics yearbooks in each year published by China Statistical Publishing House, compiled by the PRC Bureau of Statistics.
- (3) Relevant industrial statistics for 2004 and 2006 provided by governing bodies such as the Ministry of Industry and Information Technology, the Ministry of Culture, the State Administration of Radio, Film and Television and the General Administration of Press and Publication.
- (4) The statistics of 2004 economic census acquired from the Economic Census Center in the State Bureau of Statistics.
- (5) The 8-digit-level statistics of 2004 and 2006 import and export goods acquired from Customs Head Office.
- (6) Statistics of 2004 and 2006 service trade acquired from the State Administration of Foreign Exchange.

3.1.2 Calculation Methods

3.1.2.1 The calculation of industrial value-added

The calculation of industrial value-added is mainly based on the subcategories of copyright industries with current prices.

For those industries for which the statistics of value-added can be provided by the Census Bureau or governing bodies, the data provided by those departments are used as industrial value-added in this study.

For those industries for which the statistics of value-added cannot be provided by the Census Bureau or governing bodies, we first calculated the industrial value-added of these industries in 2004 based on the related industrial statistics gathered from the Economic Census 2004. We then estimated the industrial value-added for 2006 of these industries based on both the proportion of industrial value-added in those of the second or the third industry and the industrial value-added of the second and the third industry in 2006.

The industrial value-added for 2004 was calculated in accordance with the formula provided by WIPO's *Guide*:

industrial value-added = employees' income + production tax + depreciation of this year + operation surplus – production or operating subsidies

In the formula, the components are estimated by two steps: first, to calculate the corresponding data of each type of corporate units; second, to add the data of all corporate units in an industry. The statistics of employees' income, production tax, depreciation of this year, operating surplus, production and operating subsidies were calculated in accordance with the calculating methods provided in *Calculating Methods of Annual GDP of Chinese Economic Census*³⁹ edited by the Auditing Department of State Bureau of Statistics.

Table 3: Calculation Formulas of Industrial Value-Added Components⁴⁰

Components	Types of corporate units	Calculating formula
the employees' income	industrial enterprises above designated size	labour insurance and unemployment insurance + endowment insurance and Medicare + house fund and housing allowance + payroll in this year + welfare fund in this year + travel expense×64% + union dues×60% + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	industrial enterprises below designated size, wholesale and retail enterprises below designated size	workers' income + labour insurance and unemployment insurance + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	wholesale and retail enterprises above designated size	labour insurance and unemployment insurance + house fund and housing allowance + payroll in this year + welfare fund in this year + travel expense×64% + union dues×60% + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	enterprises in the service sector	workers' income + labour insurance and unemployment insurance + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	public institution	personnel's income + welfare fund + labour service charge + heating fees + travel expense×64% + subsidiary expenses for families and individuals – assistantship – pension and living subsidies

³⁹Auditing Department of State Bureau of Statistics. *Calculating Methods of Annual GDP of Chinese Economic Census*. Beijing: China Statistics Press, 1st edition in Feb. 2007.

⁴⁰Auditing Department of State Bureau of Statistics. *Calculating Methods of Annual GDP of Chinese Economic Census*. Beijing: China Statistics Press, 1st edition in Feb. 2007.

Table 3: Calculation Formulas of Industrial Value-Added Componen (continued)

production taxes	industrial enterprises above designated size	primary business taxes and additional charges + taxes management expenses + VAT in this year + charges for disposing pollutants + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	industrial enterprises below designated size	sales taxes and additional charges + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	wholesale and retail enterprises above designated size	primary business taxes and additional charges + taxes management expenses + VAT in this year + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	wholesale and retail enterprises below designated size	primary business taxes and additional charges + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	enterprises in the service sector	primary business taxes and additional charges + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	public institution	operation taxes
depreciation of fixed assets	industrial enterprises above designated size, industrial enterprises below designated size, transportation and telecommunication enterprises, wholesale and retail enterprises above designated size, wholesale and retail enterprises below designated size, enterprises in the service sector	depreciation in this year
	public institution	fix assets original price×4%
operating surplus	industrial enterprises above designated size	operating profit×[primary business revenue/(primary business revenue + other business revenue)] + union dues×40% + subsidized income + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	industrial enterprises below designated size	operating profit + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	wholesale and retail enterprises above designated size	operating profit×(primary business revenue/total operating revenue) + union dues×40% + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	wholesale and retail enterprises below designated size	operating profit×(primary business revenue/total operating revenue) + part of the 3 types of expenses (1. operating expenses, 2. management expenses, 3. financial expenses)
	public institution	balance of revenue and expenses×[(operating revenue + undertaking revenue)/total revenue in this year]
production and operating subsidies	industrial enterprises above designated size	subsidised income

3.1.2.2 Calculation of employees

The calculation of the number of employees should also be based on industrial subcategories.

For those industries of which the number of employees can be provided by the Census Bureau or governing bodies, the data provided by those departments was used.

For those industries of which the number of employees cannot be provided by the Census Bureau or governing bodies, first we estimated the number of employees in 2004 by using the average annual employment data from the Economic Census 2004 of each type of corporate units in related industries and then we estimated the number of employees in 2006 by using the number of employees of all industries in 2006 and the proportion of employees in these industries in corresponding industries in 2004.

3.1.2.3 Calculation of total export value

Exports are presented with commodity exports of customs. The commodity exports of customs for copyright-related industries are calculated with customs commodity export statistics in 2004 and 2006 provided by the General Administration of Customs.

The calculation of service trade export value used the service trade statistics in 2004 and 2006 provided by the State Administration for Foreign Exchange based on corresponding categories. Due to the limitation of classification, the calculation of service trade export value only focused on the core copyright industries.

3.1.2.4 Separation

Although the subcategories and customs import/export products list have been the minimal level for effective calculation, it is still too comprehensive for some copyright industries. For example, in national economic industrial classification, photography and processing are classified as one subcategory but only photography is considered as a component of copyright industries. What's more, in the category of service trade, there is only the item of exclusive right use and licensing fee covering copyright without subdivision of copyright.

For avoiding including non-copyright industrial departments into the calculation of the economic contribution of copyright industries, we have separated the data to a certain proportion and have only selected the copyright-related data as the basis of the calculation.

3.2 Copyright Factor

As stated above, in the core copyright industries WIPO identifies the copyright factor as 100 percent but it differs from the other three types of copyright-based industries: interdependent copyright industries, partial copyright industries and non-dedicated support industries. In these three copyright industries, the copyright factor is determined on the basis of the practical situation in various countries to research.

This study concentrates on the copyright factor primarily by sample survey (questionnaire survey⁴¹ and special interviews), international comparison⁴² and quantitative calculation, etc. WIPO experts provide a very detailed copyright factor of other countries and related formulas, and the researchers use these as a reference, combining them with the investigation to measure the copyright factor of Chinese copyright-based industry.

3.2.1 Interdependent Copyright Industries

For determining the copyright factor of interdependent copyright industries, there are two distinct approaches in the world. Some countries have directly identified the copyright factor of interdependent copyright industries as 100%, such as the United States, the United Kingdom, Latvia, Hungary, Mexico, Jamaica, Bulgaria, Lebanon, Colombia and Croatia; the other countries are based on the investigation to determine the different copyright factor in different industries, such as Singapore, the Philippines, Malaysia, Romania, Russia and other countries. In the second group, the copyright factor values are between 20% and 40%.

The study is based on WIPO's classification of the interdependent copyright industries, combining the two methods, namely the value of the copyright factor in the core interdependent copyright industries which is of 100% and copyright factors for the partial interdependent copyright industries which are determined by the degree of their products correlation. The specific values are shown in Table 4.1.

⁴¹ See appendix.

⁴² See *The Economic Contribution of Copyright-based Industries Research Guide*, supra note, page 86.

3.2.2 *Partial Copyright Industries*

The copyright factor for the partial copyright industries is primarily obtained by field survey and questionnaire. The working group conducted field surveys in tens of enterprises and distributed 1100 copies of questionnaires to other enterprises and public institutions in partial copyright industries.

From the interviews and the questionnaire we know the majority of enterprises have a great haphazard method to estimate the profits of copyright activities or explain it is an awkward question. The main reason may have the following two points: firstly, the current copyright industries practitioners in China have relatively low awareness of copyright, so that copyright activities cannot be identified from the industrial activities; secondly, the proportion of the profits which is brought by copyright activities is indeed difficult to estimate. In some countries the question in the questionnaire is "What's the proportion of total profits that the creative activity brings to the company?" Respondents may find easy to answer, but for researchers, how to split the profits from the copyright activities is still a question.

This study combines field interviews and survey, uses these conclusions to do quantitative analysis for the partial copyright industries and refers to other countries' achievement of investigation and research to derive the copyright factor for the partial copyright industries, specific values are shown in Table 4.2. For the detailed investigations of various industries see appendix to this report.

3.2.3 *Non-Dedicated Support Industries*

Copyright factors of non-dedicated support industries are determined by WIPO's formula. The copyright factors formula for calculating value-added is:

copyright factors of non-dedicated support industries = (value-added of core copyright industries + value-added of interdependent copyright industries + value-added of partial copyright industries) ÷ non-tradable GDP

non-tradable GDP = GDP – value-added of transportation, wholesale and retail, information and communication industries + value-added of tradable industries (e.g. the wholesale and retail of press and literary work, musical sound recordings, packaged software, television, recorders, textiles, apparel, shoes and leather goods) in core industries, interdependent industries and partial copyright industries

The copyright factors formula for calculating the number of employees is:

copyright factors of non-dedicated support industries = (the number of employees in core copyright industries + the number of employees in interdependent copyright industries + the number of employees in partial copyright industries) ÷ non-tradable number of employees

non-tradable number of employees = total national employees – the number of employees in transportation, wholesale and retail, information and communication industries + the number of employees in tradable industries of core copyright industries, interdependent copyright industries and partial copyright industries

The calculating results are in Table 4.3.

Table 4: Copyright Factor of Chinese Copyright Industries

Table 4.1: Interdependent Copyright Industries

Main industries groups	Copyright factor
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic game equipment and other similar equipment	100%
Computers and equipment	100%
Musical instruments	100%
Photographic and cinematographic instruments	35%
Photocopier	30%
Blank recording material	25%
Paper	25%

Table 4.2: Partial Copyright Industries

Main industries groups	Copyright factor
Apparel, textile and footwear	0.4%
Jewellery and coin	8%
Other handicraft	40%
Furniture	5%
Household goods, china and glass	0.3%
Wall coverings and carpets	2%
Toys and computer games	40%
Architecture, engineering, surveying	6%
Interior decoration	5%
Museums	0.5%

Table 4.3: Non-Dedicated Support Industries

Main industries groups	2004		2006	
	GDP	Quantity of employment	GDP	Quantity of employment
Non-Dedicated Support Industries	4.94%	5.55%	6.37%	6.51%

Chapter 4. The Economic Contribution of Chinese Copyright-Based Industries

4.1 Summary

4.1.1 *The Economic Contribution of Chinese Copyright-Based Industries in 2004*

Table 5: The Economic Contribution of Chinese Copyright-Based Industries in 2004

Indicators Category		Industrial Value-Added		Employment		Total Value of Export Goods	
		Value (in billion RMB)	Ratio (%)	Number (in thousands)	Ratio (%)	Value (in billion USD)	Ratio (%)
Core copyright industries		318.87	2.00	3009	2.71	1.56	0.26
Non-core copyright industries	Interdependent copyright industries	259.30	1.62	1617	1.46	83.80	14.12
	Partial copyright industries	76.38	0.48	866	0.78	6.83	1.15
	non-dedicated support industries	133.86	0.84	668	0.60	–	–
	Total	469.55	2.94	3150	2.84	90.63	15.28
Total		788.42	4.94	6159	5.55	92.19	15.54

Note: The above ratio is in proportion to the national GDP, national employment and total value of all export goods, respectively.

The value-added of Chinese copyright industries in 2004 was 788.4 billion RMB, which takes up roughly 4.9% of national GDP (15,987.83 billion RMB). The employment is 6.16 million which accounts for 5.6% of national employment (1,109,890,000). Total value of export of merchandise is 92.2 billion USD which is 15.5% of the total value of all export (593.32 billion USD).

Copyright-based industry can be separated into two parts: the core copyright industries and the non-core copyright industries. The economic contribution of core copyright industries can be found in the second part of this chapter. The non-core copyright industries is composed of interdependent copyright industries, partial copyright industries and non-dedicated support industries. In 2004, the industrial value-added of the non-core copyright industries is about 469.6 billion RMB which takes up roughly 2.9% of national GDP. The employment is 3.15 million which accounts for 2.8% of national employment. Total value of customs export of merchandise is 90.6 billion USD which is 15.3% of the total value of all customs export.

Diagram 1: The Composition of Industrial Value-Added of Chinese Copyright-Based Industries in 2004

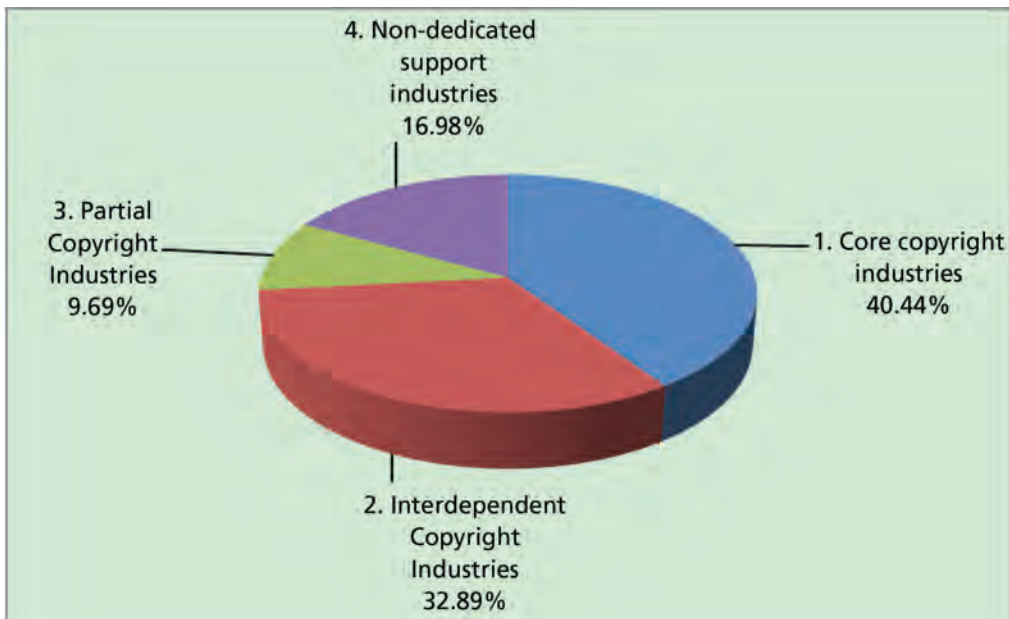


Diagram 2: The Composition of Employment among Chinese Copyright-Based Industries in 2004

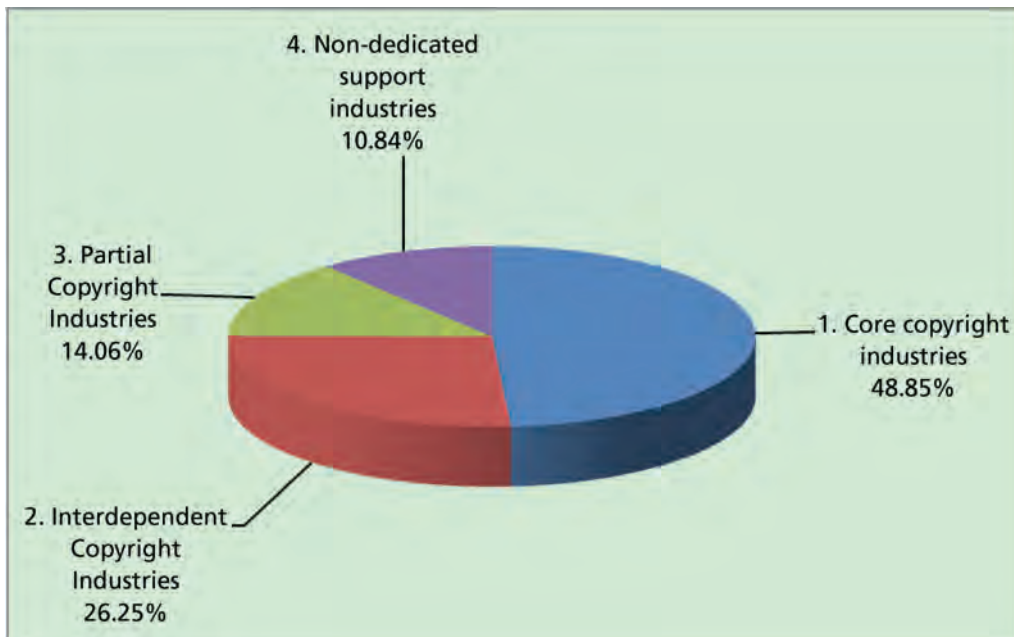
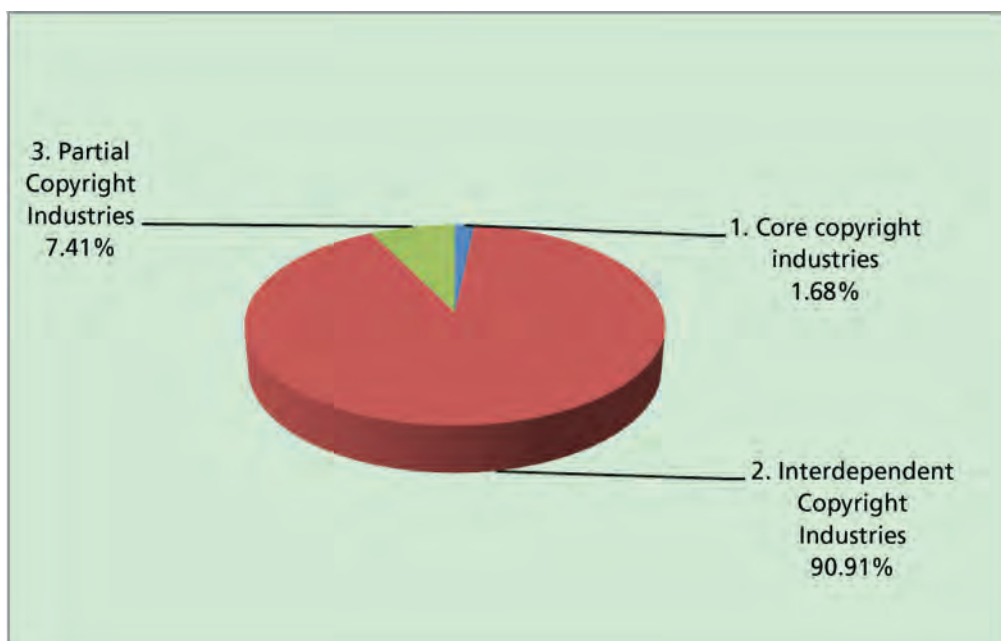


Diagram 3: The Composition of Total Export of Merchandise of Chinese Copyright-Based Industry in 2004



4.1.2 The Economic Contribution of Chinese Copyright-Based Industries in 2006

The value-added of Chinese copyright industries in 2006 is 1,319.7 billion RMB which takes up roughly 6.4% of national GDP (210,871 billion). The employment is 7.63 million which accounts for 6.5% of total national employment (117.132 million). Total export of merchandise is 149.3 billion USD which is 15.4% of the total value of all export (968.94 billion USD).

Table 6: The Economic Contribution of Chinese Copyright-Based Industry in 2006

Indicators	Industrial Value-Added		Employment		Total Value of Export of Goods		
	Value (in billion RMB)	Ratio (%)	Number (in thousands)	Ratio (%)	Value (in billion USD)	Ratio (%)	
Core copyright industries	647.16	3.07	3679	3.14	2.49	0.26	
Non-core copyright industries	Interdependent copyright industries	406.90	1.93	2222	1.90	136.38	14.08
	Partial copyright industries	101.42	0.48	993	0.85	10.39	1.07
	Non-dedicated support industries	193.46	0.92	736	0.63	–	–
	Total	701.78	3.33	3950	3.37	146.77	15.15
Total	1348.93	6.40	7629	6.51	149.26	15.40	

Note: The above ratio is in proportion to the national GDP, national employment and total value of all export goods, respectively.

Diagram 4: The Composition of Industrial Value-Added of Chinese Copyright-Based Industry in 2006

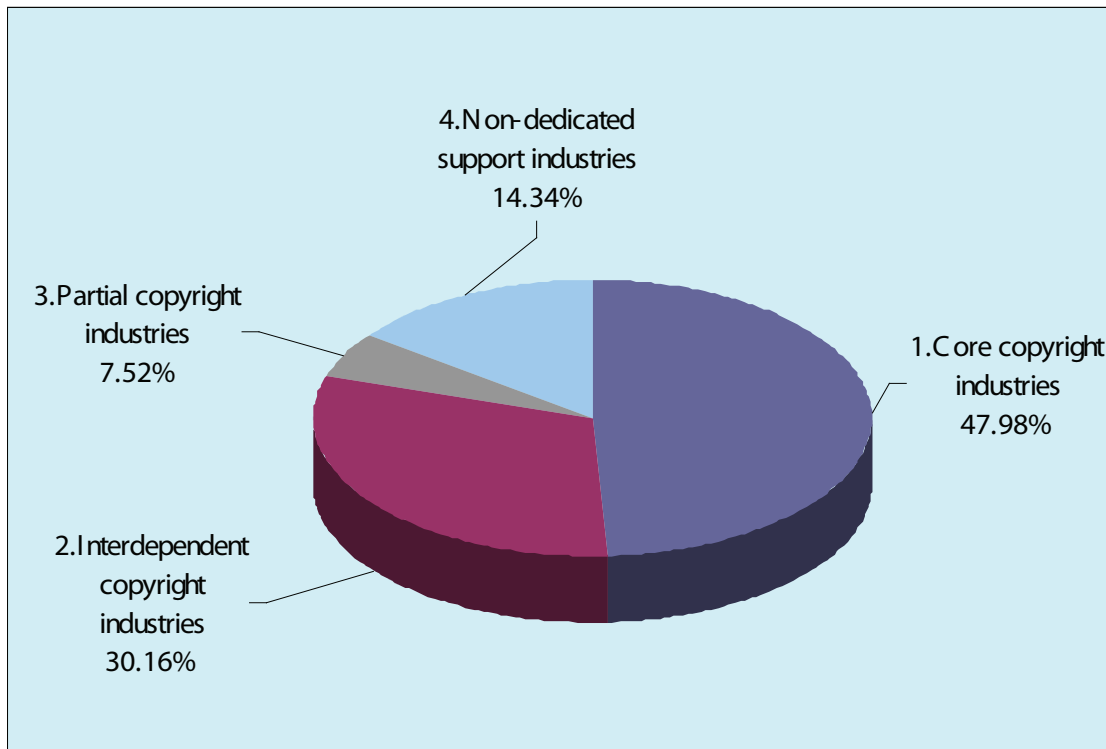


Diagram 5: The Composition of Employment among Chinese Copyright-Based Industry in 2006

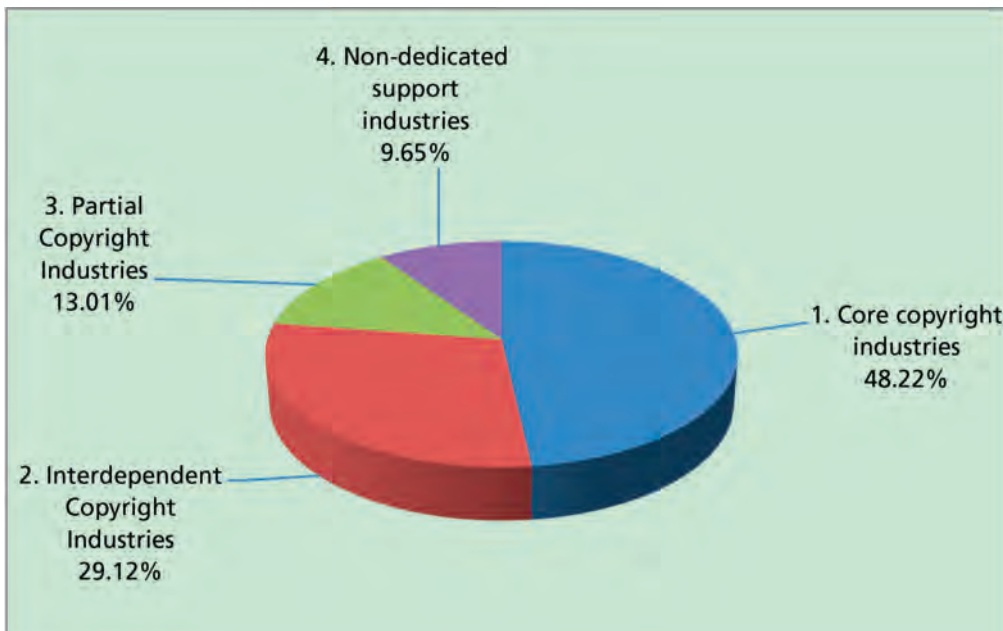
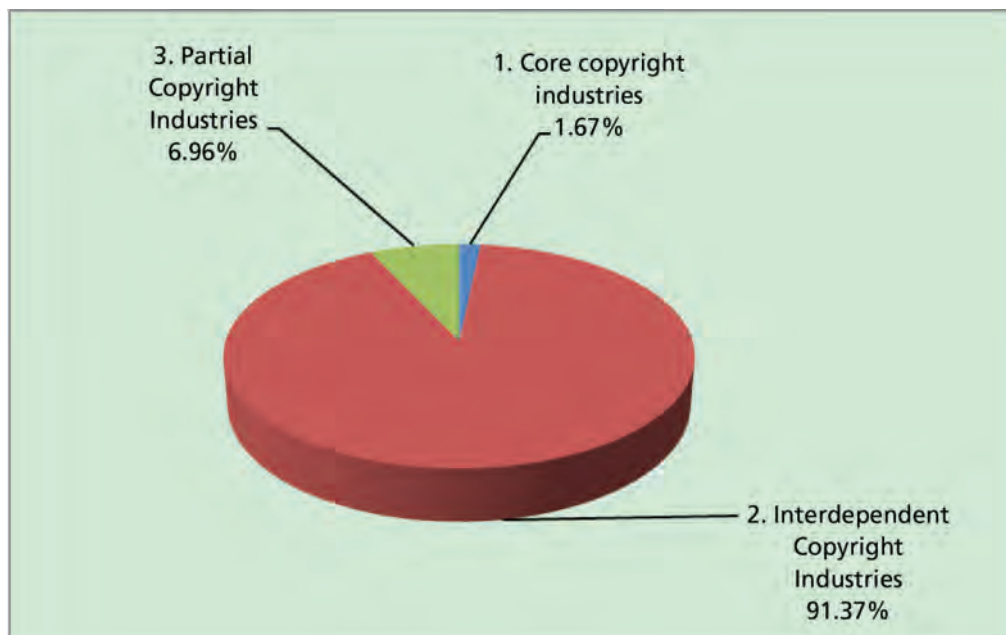


Diagram 6: The Composition of Total Export Goods of Chinese Copyright-Based Industry in 2006



4.1.3 Comparison of Industrial Value-Added between Copyright Industries and Other Industries

From the ratio of industrial value-added to national GDP's point of view, there are only three industries, namely manufacture (33.8%), wholesale and retail (7.3%) and agriculture (6.6%), having higher ratio than that of copyright-based industries among all the twenty one industry categories, while the rest of eighteen industries have a lower ratio. There are eleven categories of industry having higher ratio than core copyright industries, including: manufacture, wholesale and retail, agriculture, transportation, storage, mailing and postal industry (5.9%), mining (5.7%), construction (5.6%), real estate (4.6%), finance (4.0%), electric, energy and water supply and delivery (3.8%), public management and society management (3.6%), animal breeding (3.1%), while there are ten categories, such as education, lodging and food and etc., having lower ratio.

Table 7: Industrial Value-Added of Chinese Economic Industries and their Ratios to National GDP in 2004 and 2006

Unit: billion RMB%

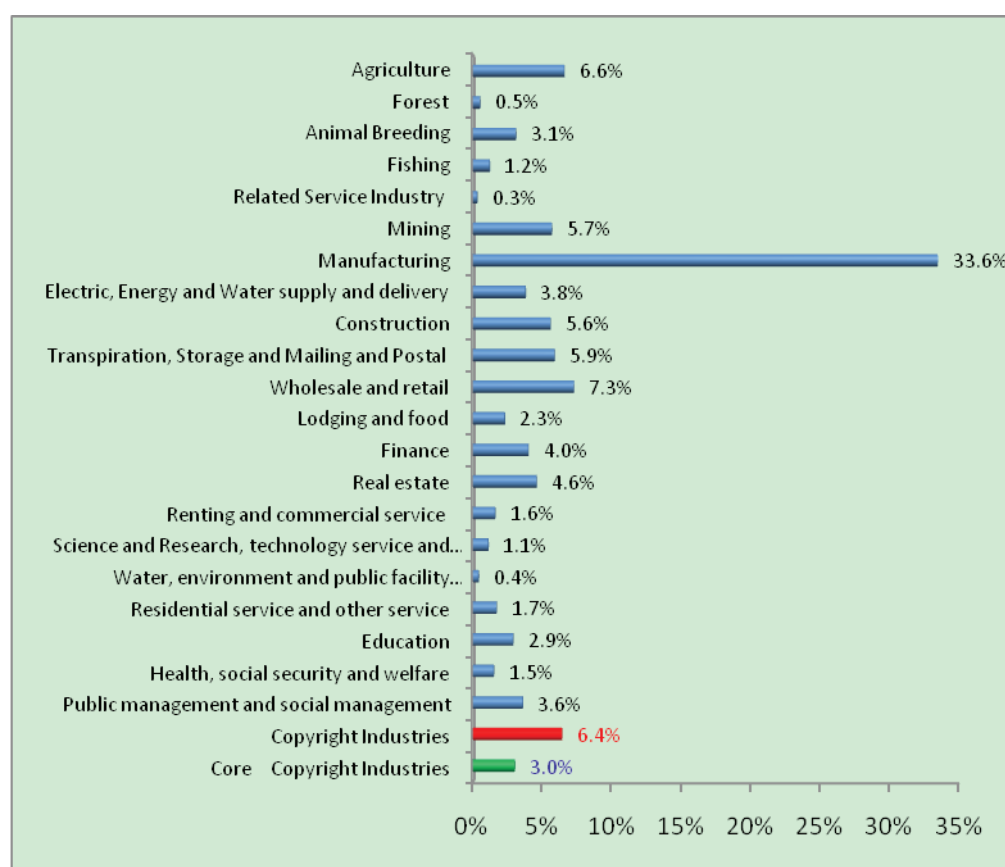
Industry Category	2004		2006	
	Value	Ratio	Value	Ratio
Primary Industry	2,141.27	13.4	2,404.00	11.7
– Agriculture	1,182.77	7.4	1,395.19	6.6
– Forest	90.56	0.6	109.30	0.5
– Animal Breeding	595.37	3.7	657.82	3.1
– Fishing	208.11	1.3	255.59	1.2
– Related Service Industry	45.69	0.3	55.84	0.3
Secondary Industry	7,390.43	46.2	1,0316.20	48.7
– Mining	762.83	4.8	1,208.29	5.7
– Manufacturing	5,174.85	32.4	7,121.29	33.6
– Electric, Energy and Water supply and delivery	583.33	3.6	801.52	3.8
– Construction	869.43	5.4	1,185.11	5.6
Third Industry	6,456.13	40.4	8,472.14	40.0
– Transport, Storage, Mailing and Postal	930.44	5.8	1,248.11	5.9
– Information communication, computer service and software	423.63	2.6	532.92	2.5

Table 7: Industrial Value-Added of Chinese Economic Industries and their Ratios to National GDP in 2004 and 2006 (continued)

– Wholesale and retail	1,245.38	7.8	1,547.11	7.3
– Lodging and food	366.48	2.3	479.21	2.3
– Finance	539.30	3.4	849.03	4.0
– Real estate	717.41	4.5	966.40	4.6
– Renting and commercial service	262.75	1.6	328.00	1.6
– Science and Research, technology service and geological exploration	175.95	1.1	240.93	1.1
– Water, environment and public facility management	76.86	0.5	94.42	0.4
– Residential service and other service	248.15	1.6	354.15	1.7
– Education	489.26	3.1	617.90	2.9
– Health, social security and welfare	262.07	1.6	320.96	1.5
– Culture, sport and entertainment	104.32	0.7	132.52	0.6
– Public management and social management	614.14	3.8	760.46	3.6

Source: Primary industrial value-added is obtained from the Department of Agriculture website (<http://www.agri.gov.cn/sjz/baipsh/WB2007.htm#1>), while others are obtained from *China Statistical Yearbook 2006-2008*, edited by the National Bureau of Statistic, People's Republic of China.

Diagram 7: The Comparison of Industrial Value-Added between Copyright-Based Industry and Other Industries in 2006



Therefore, we have a reason to believe that from the point of view of the industrial value-added, the economic contribution of overall copyright-based industry is on top of the category list, while that of core copyright industries sits in the middle of list. Meanwhile, there is a crossing point between copyright-based industry and the other twenty one industries involved in the comparison which also needs to be paid special attention to.

4.2 The Economic Contribution of Core Copyright Industries

4.2.1 The Economic Contribution of Chinese Core Copyright Industries in 2004

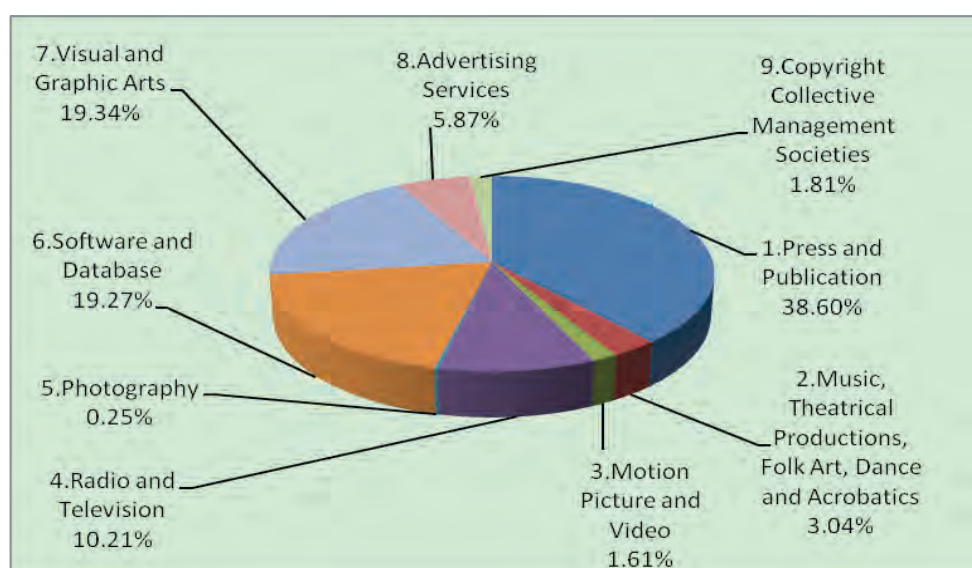
Table 8: The value-added, employment and total commodity exports of Chinese core copyright industries in 2004

Main Industry Group	Value-Added (in billion RMB)	Employment (in thousands)	Total Commodity Exports (in million USD)
Written works	123.08	747.21	956.58
Music, opera, folk art, dance and acrobatics	9.70	214.01	226.72
Film and video	5.14	118.85	0.06
Broadcasting and TV	32.55	302.10	–
Photography	0.79	9.87	2.19
Software and database	61.44	889.01	345.22
Art and architecture design, graphic and model product	61.68	543.30	23.84
Advertising service	18.70	148.46	–
Copyright collective management and service	5.78	36.20	–
Total	318.86	3,009.01	1,554.61
Ratio (%)	1.99	2.71	0.26

Table 9: Total service trade exports of Chinese core copyright industries in 2004

Categories	Total service trade exports (in millions of dollars)
Computer and information service (software and database)	546
Exclusive right fees (copyright)	39
Advertisement and publicity	849
Film and audio/video	41
total	1475
ratio (%)	2.36

Diagram 8: The Composition of Industrial Value-Added of Chinese Core Copyright Industries in 2004



In 2004, the total value-added of Chinese core copyright industries was 318.9 billion RMB, accounting for 2.0% of national GDP and employed 3.01 million workers or 2.7% of total employment in that year. The total commodity export value for customs was 1.6 billion USD or 0.3% of the total national commodity export value. The total service trade export value was about 1.5 billion USD or 2.4% of the national service trade export

value (62.43 billion USD). The total of the above two items, including the total export value of commodity and service trade was about 3 billion USD or 0.5% of the total national trade value (655.75 billion USD).

Diagram 9: The Composition of Employment among Chinese Core Copyright Industries in 2004

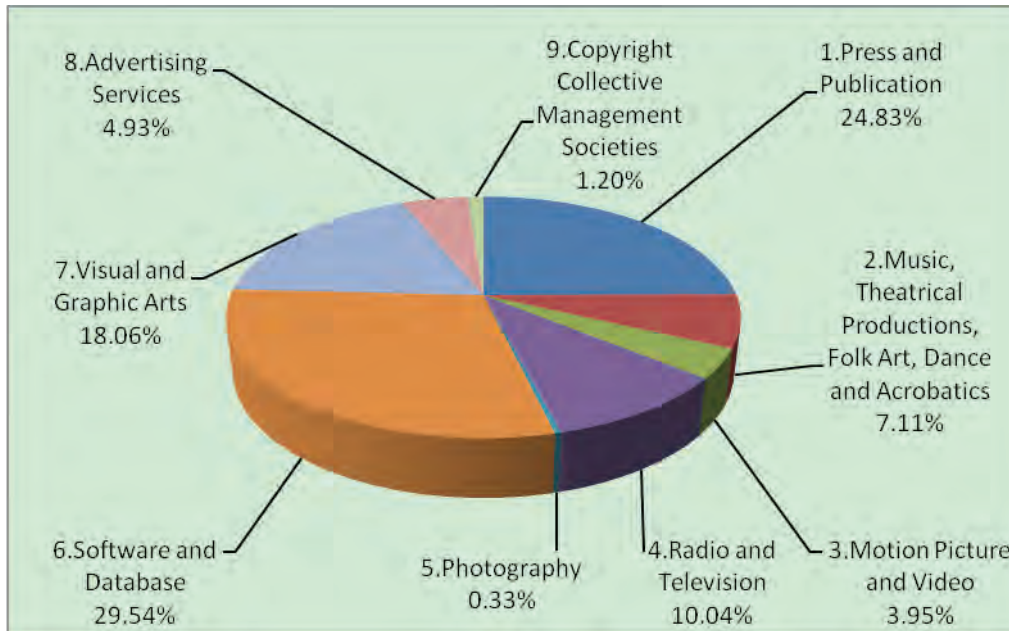
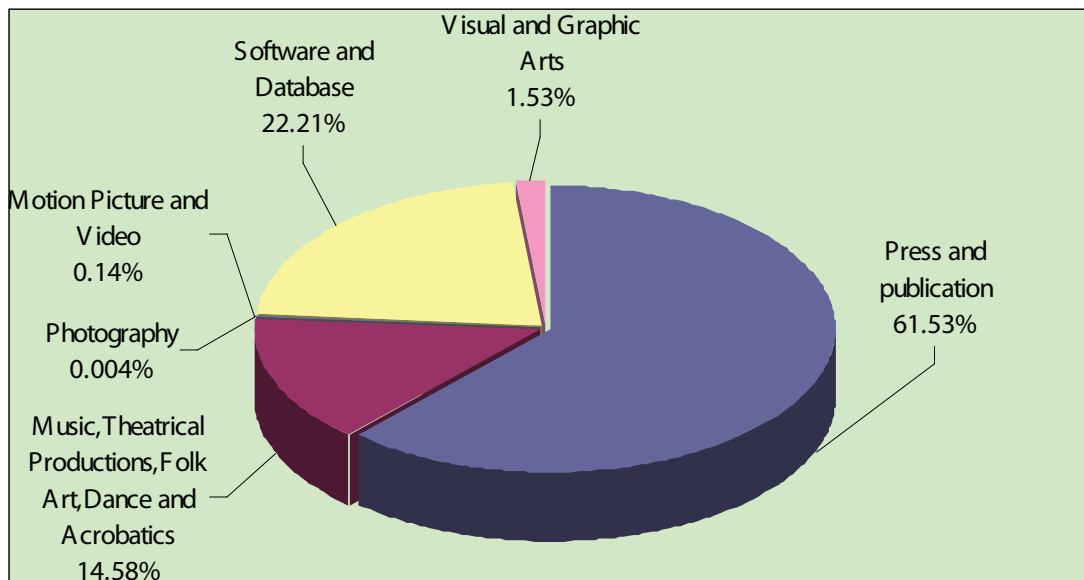


Diagram 10: The composition of total value of export goods from Chinese core copyright industries in 2004



4.2.2 The Economic Contribution of Chinese Core Copyright Industries in 2006

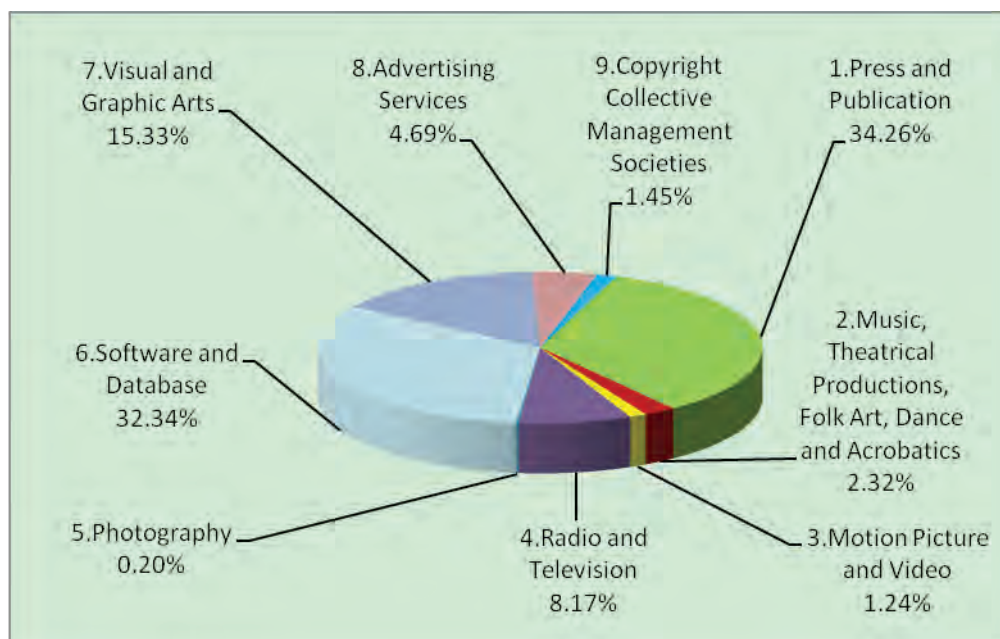
Table 10: The value-added, employment and total commodity exports of Chinese core copyright industries in 2006

Main Industry Group	Added Value (in billion RMB)	Employment (in thousands)	Total Value of Export Goods (in million USD)
Written works	221.69	781.56	1,450.45
Music, opera, folk art, dance and acrobatics	15.04	211.33	153.15
Film and video	8.04	118.26	0.17
Broadcasting and TV	52.87	307.47	–
Photography	1.29	10.31	0.95
Software and database	209.29	1,451.18	828.62
Art and architecture design, graphic and model product	99.18	574.19	60.91
Advertising service	30.38	180.77	–
Copyright service and management	9.39	44.08	–
Total	647.16	3,679.14	2,494.25
Ratio (%)	3.06	3.14	0.26

Table 11: Total service trade exports of Chinese core copyright industries in 2006

Categories	Total service trade exports (in millions of dollars)
Computer and information service (software and database)	986
Exclusive right fees (copyright)	34
Advertisement and publicity	1445
Film and audio/video	137
total	2602
ratio (%)	283

Diagram 11: The composition of value-added of Chinese core copyright industries in 2006



In 2006, the total value-added of Chinese core copyright industries was 647.2 billion RMB, accounting for 3.1% of national GDP and employed 3.68 million workers or 3.1% of total employment in that year. The total commodity export value for customs was 2.5 billion USD or 0.3% of the total national commodity export value.

The total service trade export value was about 2.6 billion USD or 2.9% of the national service trade export value (92.00 billion USD). The total of the above two items, including the total export value of commodity and service trade was about 5.1 billion USD or 0.5% of total national trade value (1060.94 billion USD).

Diagram 12: The composition of employment of Chinese core copyright industries in 2006

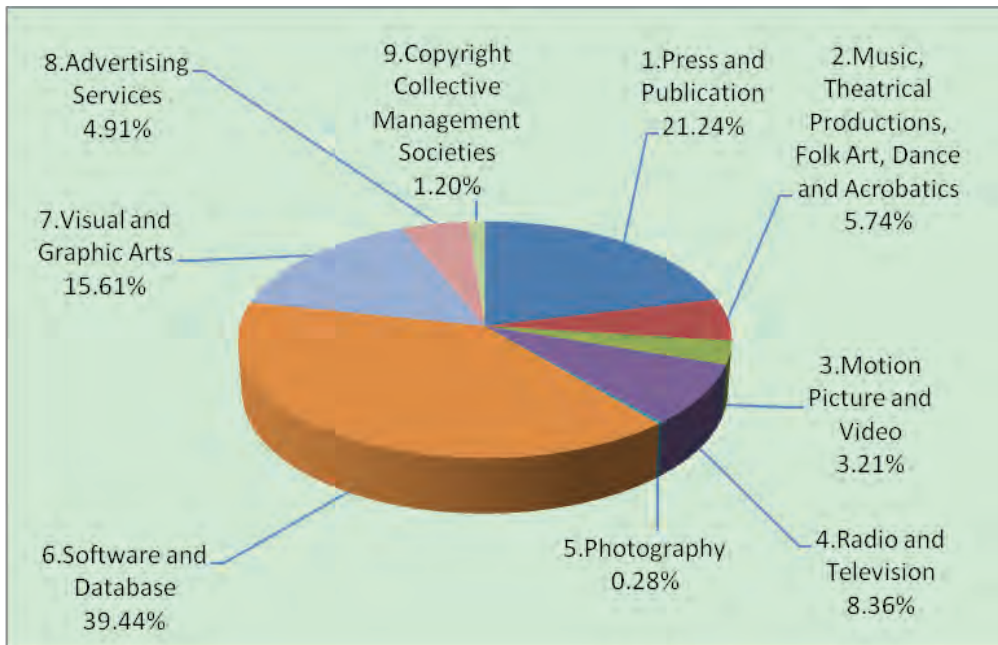
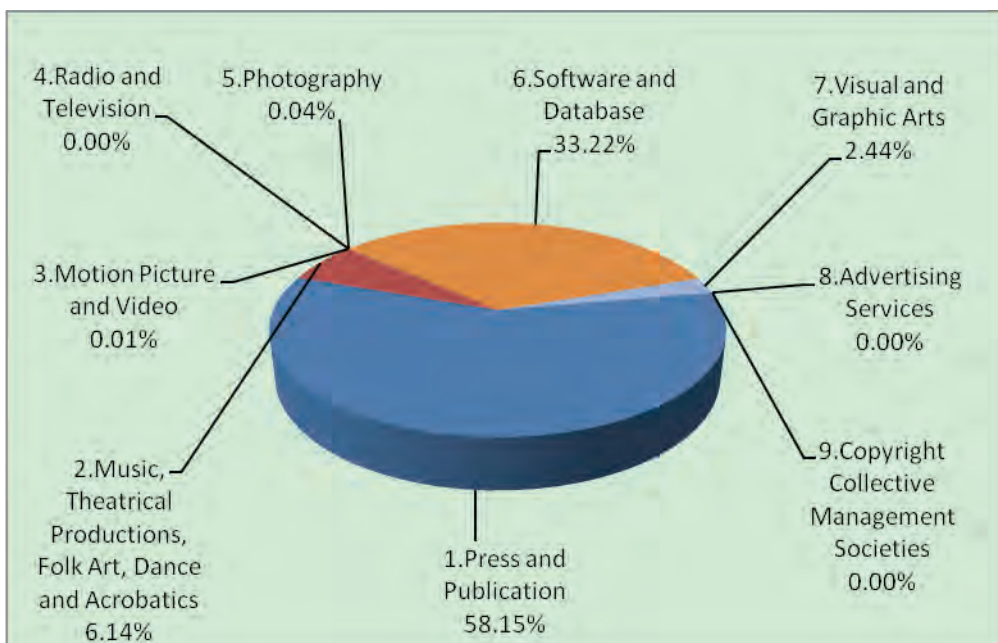


Diagram 13: The composition of total value of export goods of Chinese core copyright industries in 2006



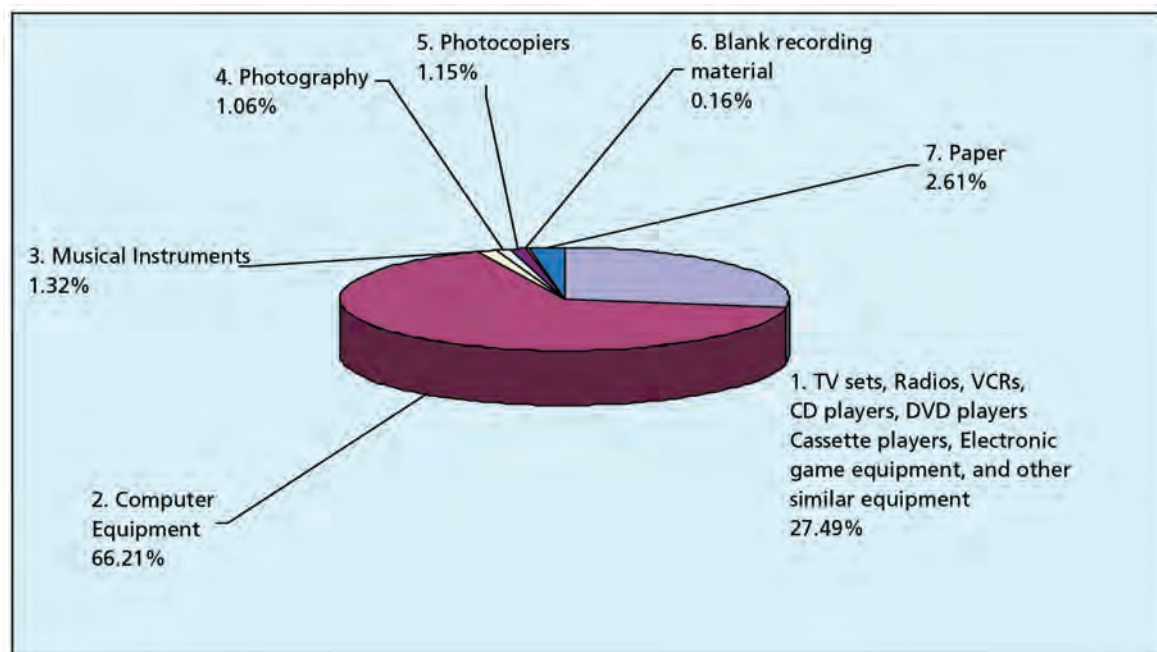
4.3 The Economic Contribution of Interdependent Copyright Industries

4.3.1 The Economic Contribution of Chinese Interdependent Copyright Industries in 2004

Table 12: The economic contribution of Chinese interdependent copyright industry in 2004

Main Industry Group	Added Value (in billions of RMB)	Employment (in thousands)	Total Value of Commodity Export (in millions of dollars)
TV, Radio, Video Recorder, CD Player, DVD Player, Cassette Player, Video Games and other similar equipments	71.29	632.06	21,785.98
Computer and related equipments	171.68	855.63	58,768.28
Musical Instrument	3.42	36.10	810.33
Camera and film, photography equipment	2.75	20.78	1,607.89
Copier	2.99	18.71	332.36
Recording Media	0.41	4.39	323.88
paper	6.77	49.10	174.24
Total	259.31	1,616.77	83,802.95
Ratio (%)	1.62	1.46	14.12

Diagram 14: The composition of value-added of Chinese interdependent copyright industries in 2004



In 2004, the value-added of Chinese interdependent copyright industries was 259.3 billion RMB or 1.6% of national GDP; the employment was 1.6 million or 1.5% of national total employment and the total value of commodity export for customs was 83.8 billion USD or 14.1% of the total national commodity export for customs.

Diagram 15: The composition of employment in Chinese interdependent copyright industries in 2004

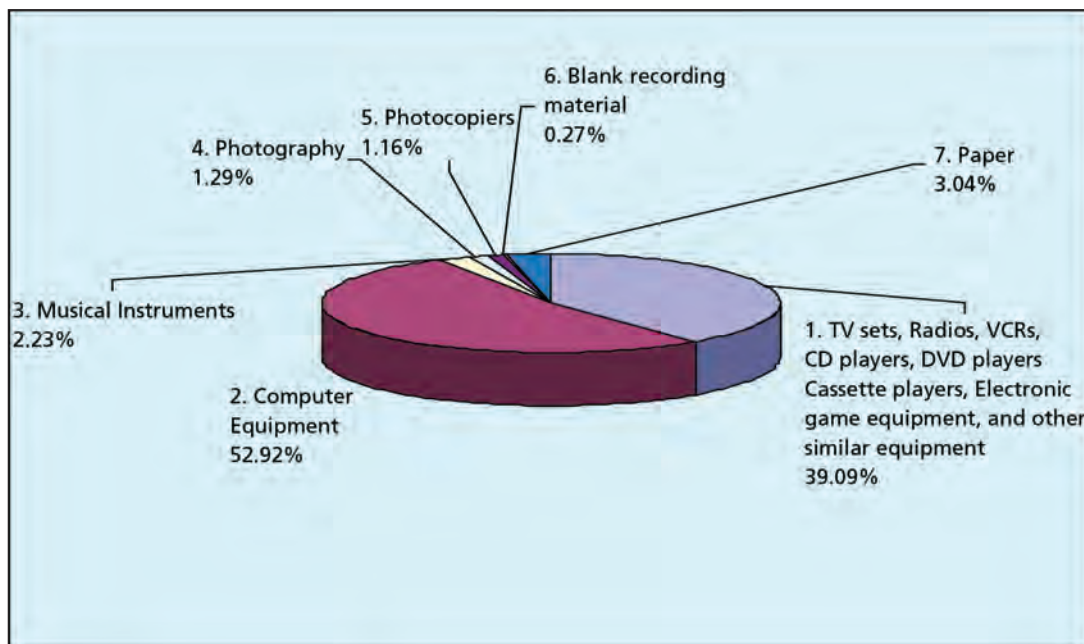
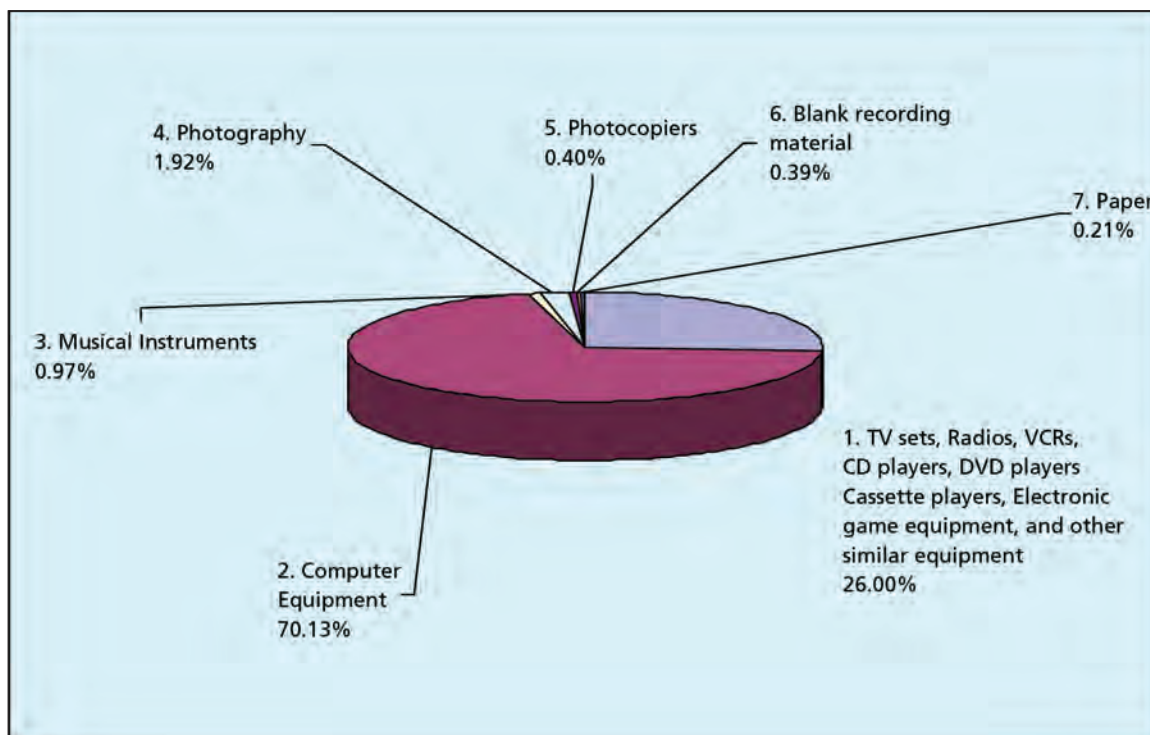


Diagram 16: The composition of total value of export goods from Chinese interdependent copyright industries in 2004



4.3.2 The Economic Contribution of Chinese Interdependent Copyright Industries in 2006

The value-added of Chinese interdependent copyright industries was 406.9 billion RMB in 2006, accounting for 1.9% of national GDP; the employment was 2.2 million, which is 1.9% of national total employment; the total value of export goods is 136.4 billion USD which accounts for 14.1% of the total export value of all goods that year.

Table 13: The economic contribution of Chinese interdependent copyright industries in 2006

Main Industry Group	Value-Added (in billion RMB)	Employment (in thousands)	Total Value of Export Goods (in million USD)
TV, Radio, Video Recorder, CD Player, DVD Player, Cassette Player, Video Games and other similar equipments	101.57	776.67	36,183.12
Computer and related equipments	283.90	1,306.55	92,951.55
Musical Instrument	4.37	38.41	1,016.65
Camera and film, photography equipment	4.03	23.28	3,342.24
Copier	3.93	18.90	2,017.68
Recording Media	0.74	4.54	500.80
Paper	8.37	53.19	370.16
Total	406.90	2,221.54	136,382.20
Ratio (%)	1.93	1.90	14.08

Diagram 17: The composition of value-added of Chinese interdependent copyright industries in 2006

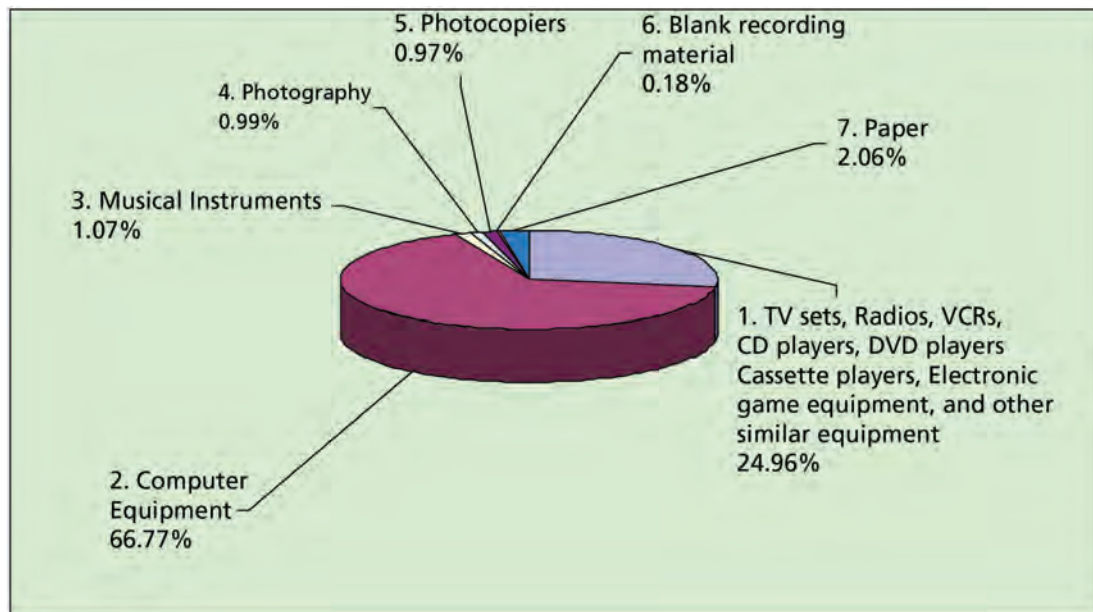


Diagram 18: The composition of employment among Chinese interdependent copyright industries in 2006

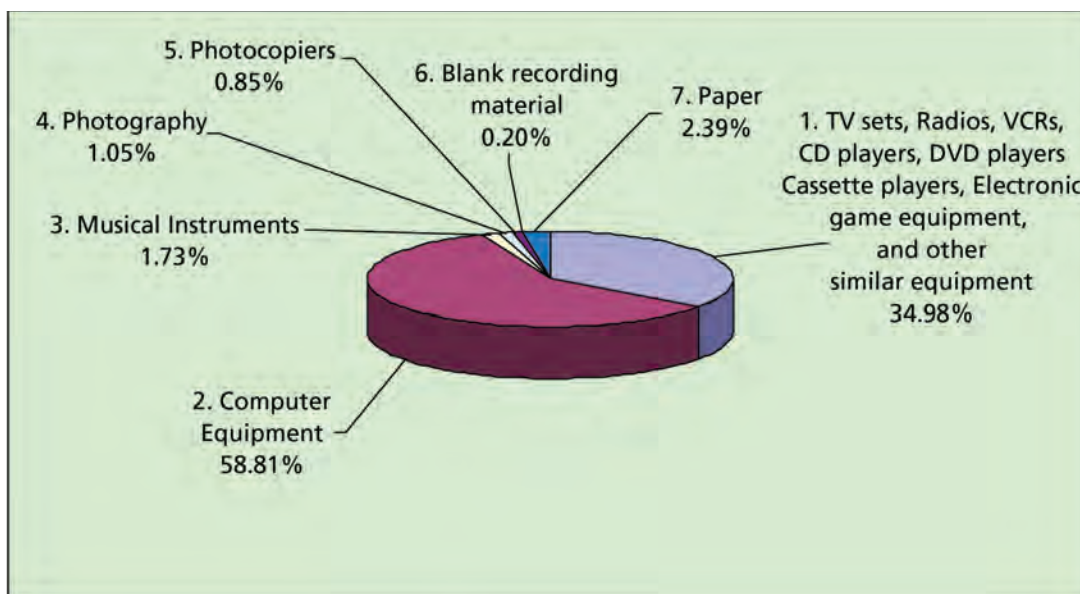
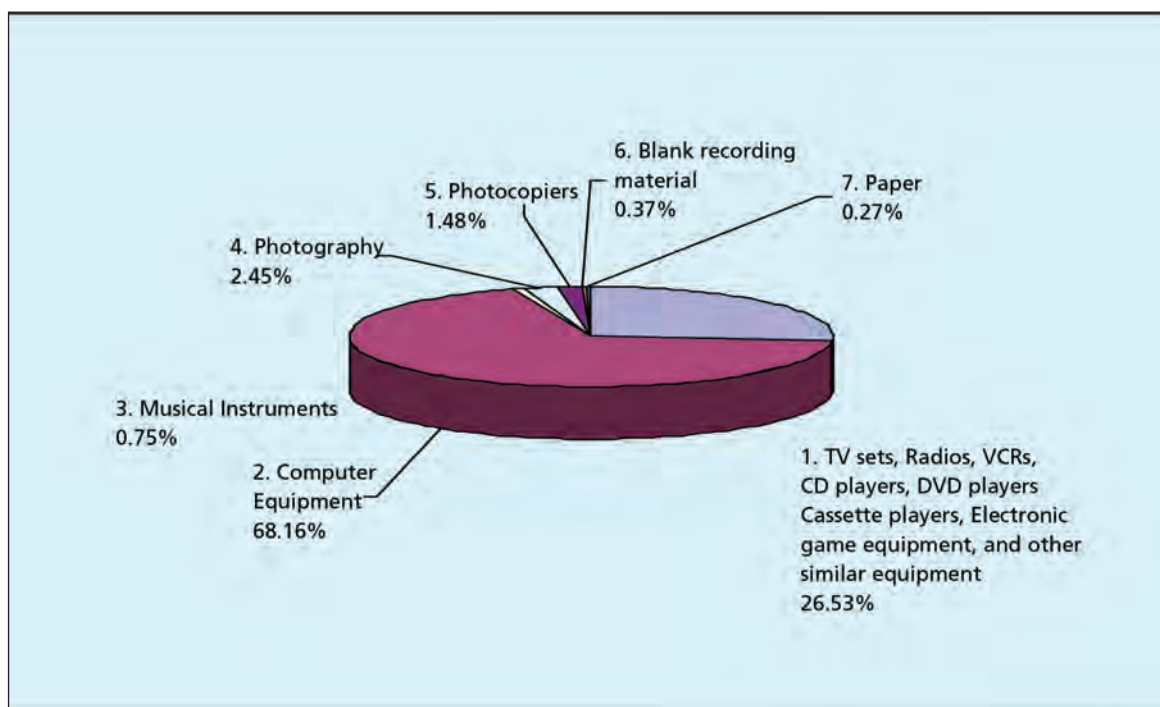


Diagram 19: The composition of total value of export goods from Chinese interdependent copyright industries in 2006



4.4 The Economic Contribution of Partial Copyright Industries

4.4.1 The Economic Contribution of Chinese Partial Copyright Industries

The industrial value-added of Chinese partial copyright industries is 76.4 billion RMB in 2004, accounting for 0.5% of national GDP; the employment is 0.9 million which is 0.8% of national total employment; the total value of export goods is 6.8 billion USD which accounts for 1.2% of the total export value of all goods that year.

Table 14: The economic contribution of Chinese partial copyright industries in 2004

Main Industry Group	Added Value (in billion RMB)	Employment (in thousands)	Total Value of Export Goods (in million USD)
Clothes, Texture and Shoes	1.69	21.95	397.97
Jewelry and Coins	0.44	5.03	176.94
Other crafts	11.94	176.06	1,473.35
Furniture	1.76	21.40	357.88
Household goods, porcelain and glassware	0.32	3.31	65.29
Wall paper and Carpet	0.11	1.58	16.33
Toys and Games	7.26	131.60	4,340.16
Architecture, Engineering and Surveying	52.17	504.60	–
Interior Design	0.68	–	–
Museum	0.01	0.17	–
Total	76.38	865.70	6,827.92
Ratio (%)	0.48	0.78	1.15

Diagram 20: The composition of industrial value-added of Chinese partial copyright industries in 2004

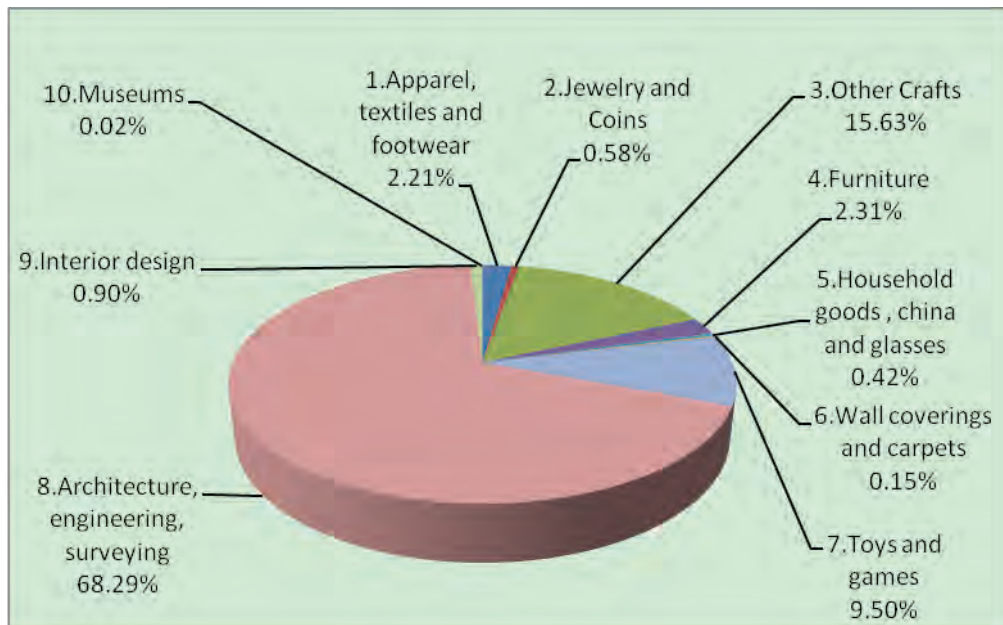


Diagram 21: The composition of employment among Chinese partial copyright industry in 2004

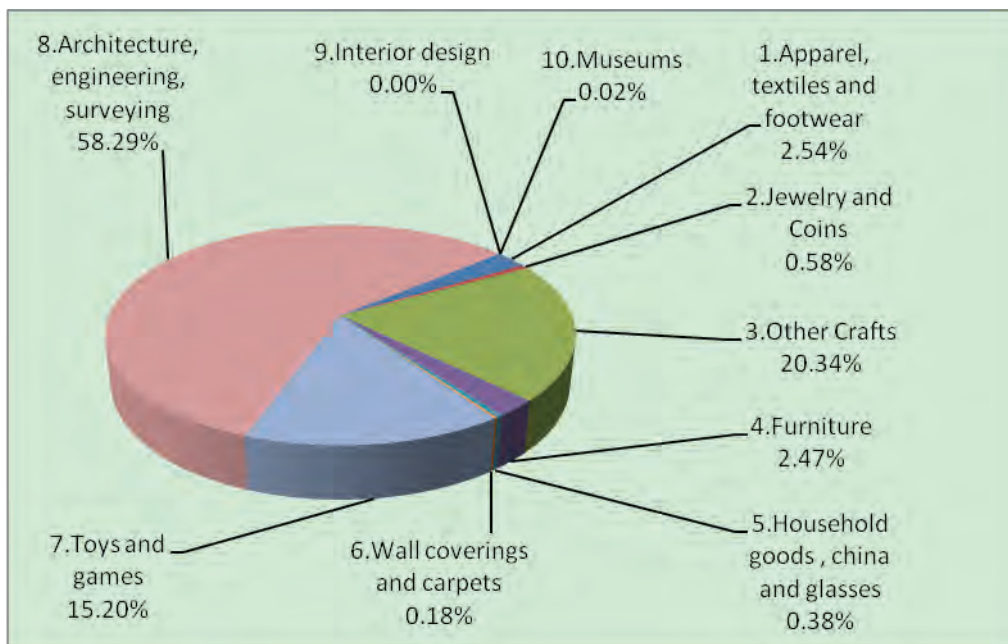
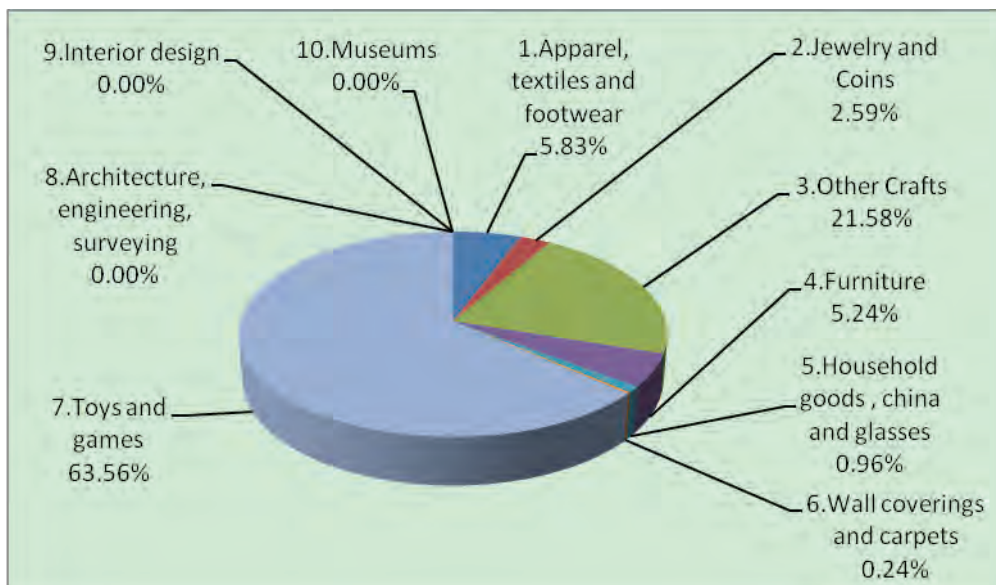


Diagram 22: The composition of total value of export goods from Chinese partial copyright industry in 2004



4.4.2 The Economic Contribution of Chinese Partial Copyright Industries in 2006

The industrial value-added of Chinese partial copyright industries is 101.4 billion RMB in 2006, accounting for 0.5% of national GDP; the employment is 0.99 million which is 0.9% of national total employment; the total value of export goods is 10.4 billion USD which accounts for 1.1% of the total export value of all goods that year.

Table 15: The economic contribution of Chinese partial copyright industry in 2006

Main Industry Group	Added Value (in billion RMB)	Employment (in thousands)	Total Value of Export Goods (in million USD)
Clothes, Texture and Shoes	2.11	23.83	595.06
Jewellery and Coins	0.60	5.12	233.09
Other crafts	14.80	191.95	2,183.90
Furniture	2.23	23.13	766.17
Household goods, porcelain and glassware	0.39	3.60	88.71
Wall paper and Carpet	0.14	1.71	22.89
Toys and Games	8.97	143.84	6,495.72
Architecture, Engineering and Surveying	71.11	599.22	–
Interior Design	1.05	–	–
Museum	0.02	0.17	–
Total	101.42	992.57	10,385.53
Ratio (%)	0.48	0.85	1.07

Diagram 23: The composition of industrial value-added of Chinese partial copyright industries in 2006

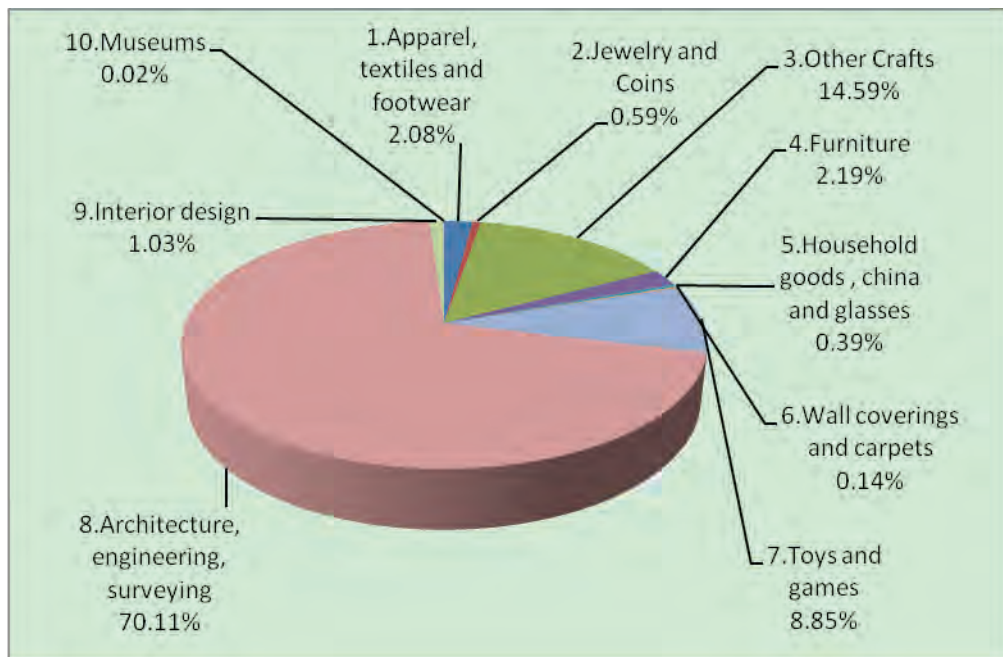


Diagram 24: The composition of employment in Chinese partial copyright industries in 2006

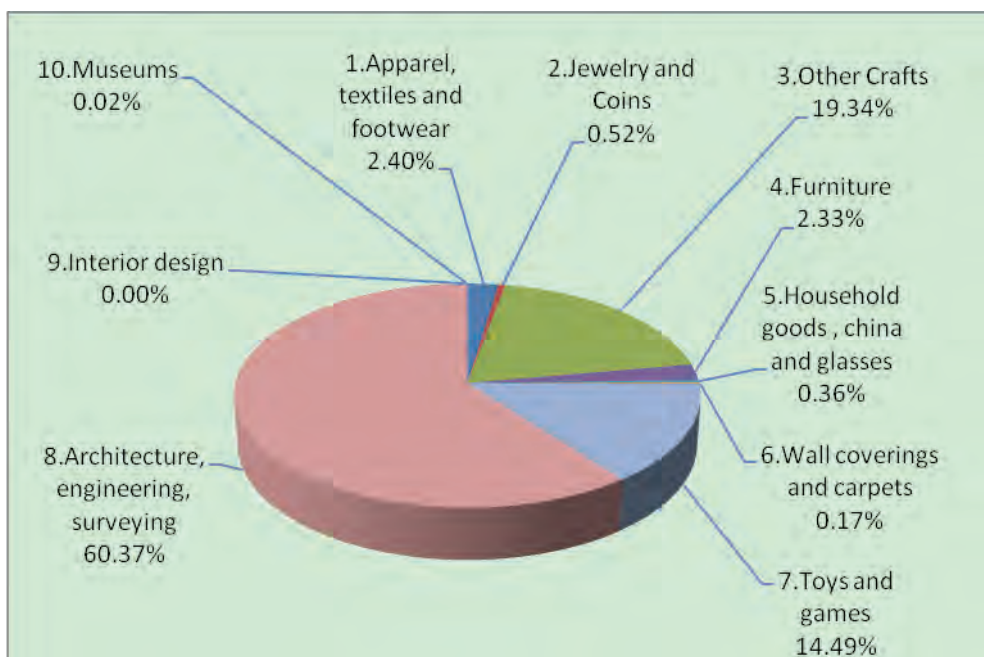
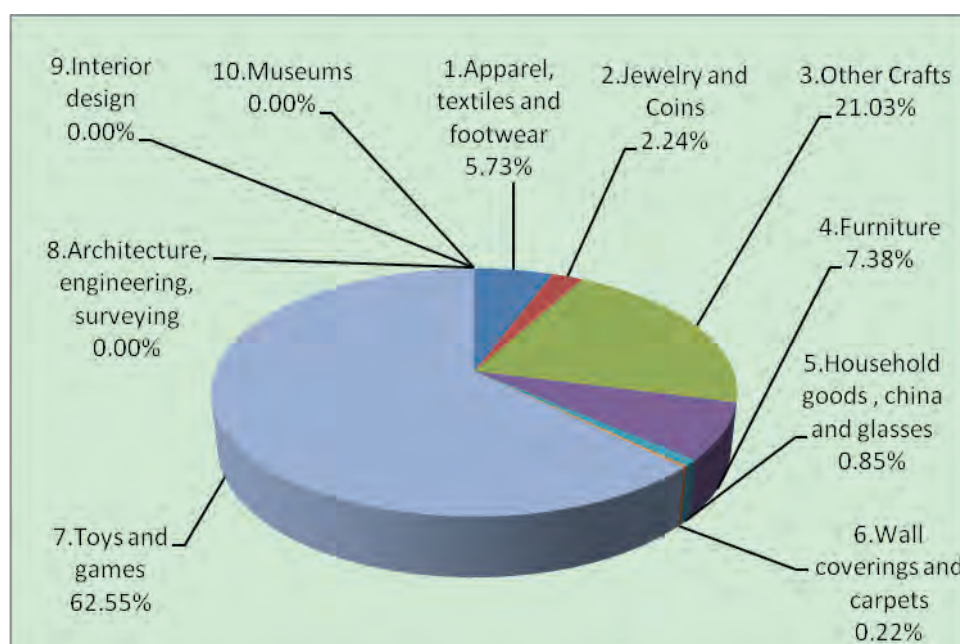


Diagram 25: The composition of total value of export goods from Chinese partial copyright industries in 2006



4.5 The Economic Contribution of Non-Dedicated Support Industries

4.5.1 The Economic Contribution of Chinese Non-Dedicated Support Industries

The industrial value-added of Chinese non-dedicated support industries is 133.9 billion RMB, accounting for 0.8% of national GDP and the employment is 670 thousands which is 0.6% of the total number of people employed in that year.

Table 16: The economic contribution of Chinese non-dedicated support industries in 2004

Main Industry Group	Added Value (in billion RMB)	Employment (in thousands)
Wholesale and retail	56.94	276.74
Transport, storage, mailing and postal industry	59.45	350.60
Telephony and Internet	17.48	40.22
Total	133.87	667.56
Ratio	0.84	0.60

Diagram 26: The composition of industrial value-added of Chinese non-dedicated support industries in 2004

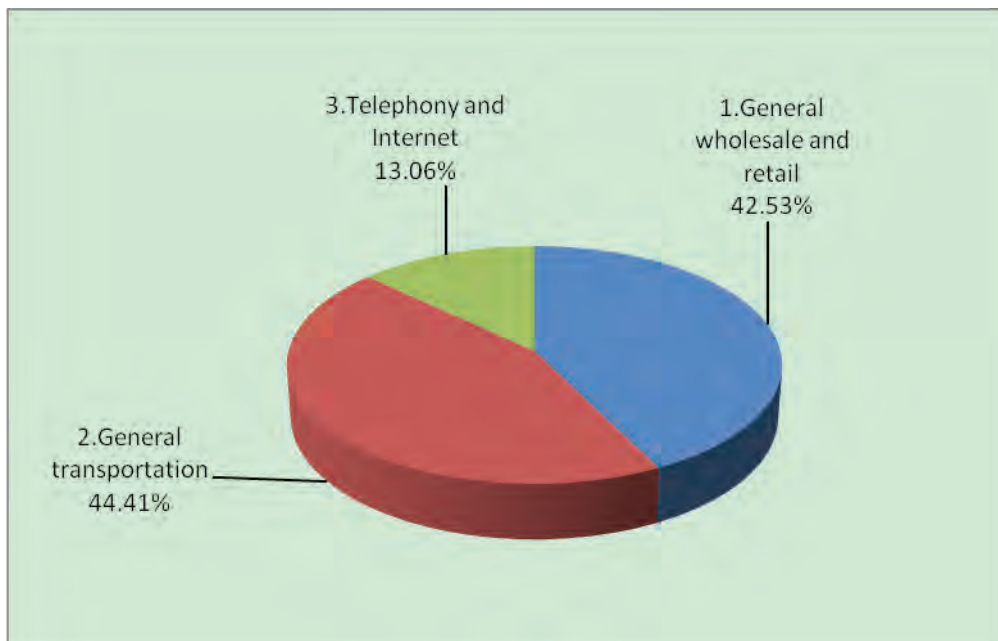
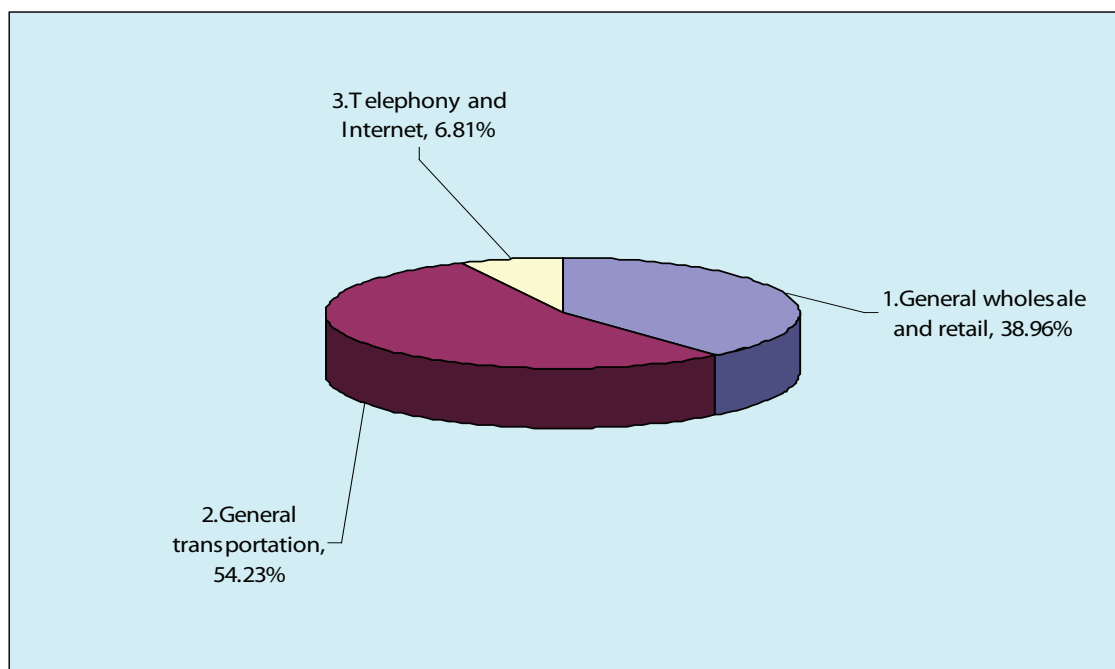


Diagram 27: The composition of employment among Chinese non-dedicated support industries in 2004



4.5.2 The Economic Contribution of Chinese Non-Dedicated Support Industries in 2006

The industrial value-added of Chinese non-dedicated support industries is 193.5 billion RMB, accounting for 0.9% of national GDP and the employment is 740 thousands which is 0.6% of the total number of people employed that year.

Table 17: The direct economic contribution of Chinese non-dedicated support industries in 2006

Main Industry Group	Added Value (in billion RMB)	Employment (in thousands)
Wholesale and Retail	89.45	286.74
Transport, Storage, Mailing and Postal Industry	76.63	399.07
Telephony and Internet	27.38	50.13
Total	193.46	735.94
Ratio	0.92	0.63

Diagram 28: The composition of industrial value-added of Chinese non-dedicated support industries in 2006

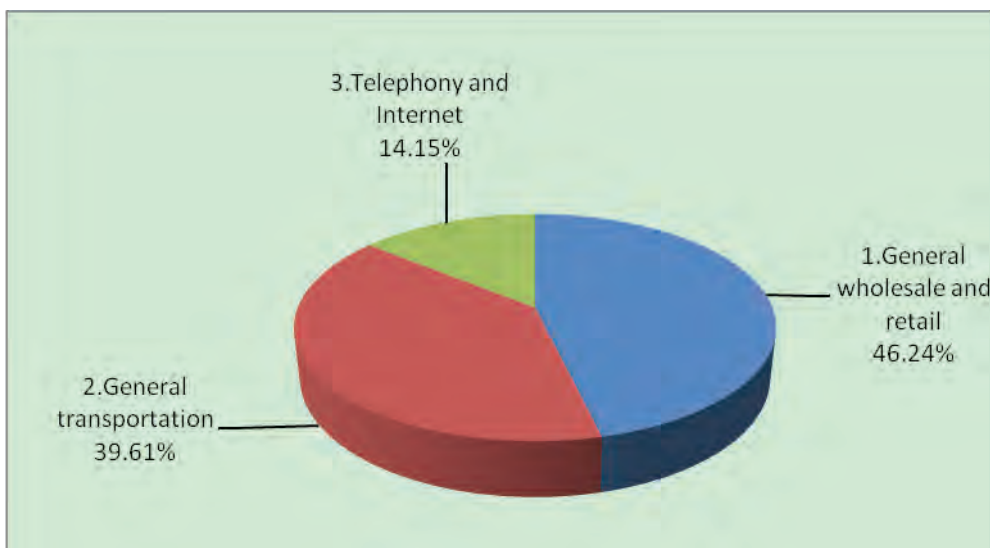
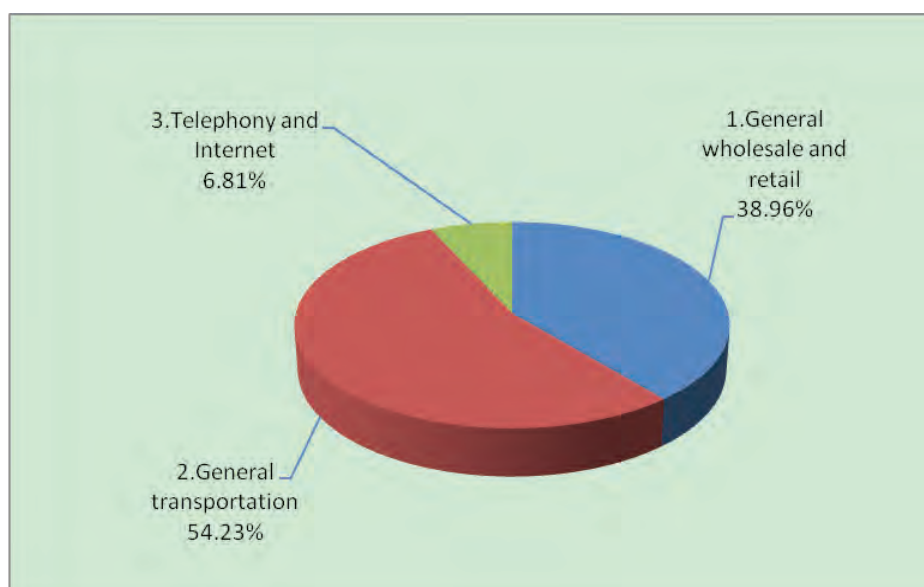


Diagram 29: The composition of employment among Chinese non-dedicated support industries in 2006



Chapter 5. International Comparison

International comparison is an important part of these researches, but it has “difficulty progressing”⁴³ due to various concepts, research approaches and a different protective scope and extent of copyright laws in different countries. It is gratifying that WIPO’s *Guide* has established a number of general guidelines which provide a foundation for international comparison, though they could not level out all the differences above. This research collects the previous research findings and approaches in foreign countries as many and complete as possible in order to provide a reference for this study. It also provides a comparatively correct assessment for the size of copyright industries in China.

5.1 Brief Overview of the Researches in Different Countries

As mentioned above, since the first research on the economic contribution of copyright industries in Canada and Sweden in the 1970s, more than 30 countries have done researches in this field. These studies have similar research direction, such as the size of copyright industries, employment, foreign trade calculated by the percentage of GDP, but they have different research approaches and have different ideas of many concrete problems.

5.1.1 *The Differences of Present Studies*

As mentioned in WIPO’s *Guide*, there are many differences in “research purpose and usage, selection of indexes, standard of application, research basis and so on”. The differences can be seen from the following aspects.

5.1.1.1 *Concept*

The concept used in WIPO’s *Guide* is “copyright industries” which is also used in the United States and Australia, while it is called “creative industries” in Britain and New Zealand, “cultural industries” in Germany and Spain, and “cultural content industries” in Finland.

The different concepts and terms lead to the different research scope and classification in various countries which influence the measure for economic contributions of copyright industries.

5.1.1.2 *Scope and Classification*

Copyright industries are classified into core copyright industries, interdependent copyright industries, partial copyright industries and non-dedicated supporting industries in WIPO’s *Guide*. In Singapore and Lithuania, the same classification is used. In the United States, the previous studies also classified copyright industries into four categories but in a different way and adjusted to the same classification as WIPO after 2004. The report of the EU (European Union) classifies copyright industries into three categories core copyright industries, copyright-dependent industries and copyright-related industries. Some countries classify copyright industries into two categories, such as core copyright industries and non-core copyright industries, in Canada for example. In Japan, copyright industries are defined directly by different industries, such as printing and publishing, computer software, broadcasting, transmission, advertising, music, film, legitimate theatre, games software, entertainment equipment, design, libraries and museums, and writers and artists, while the creative industries in Britain are also defined in this way (i.e. advertising, architecture, art and antiques market, crafts, design, fashion design, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, television and radio, etc.).

It should be noted that though there are large differences of classifications among various countries, the small specific industries included have common features which make it possible for the comparison of studies among different countries.

⁴³Refer to *The Economic Contribution of Copyright Industries Research Guide*, supra note, page 12.

5.1.1.3 *Measurement Methods*

The copyright industries are classified into four categories in WIPO's *Guide* for the important reason that they use different methods to measure economic contribution. The copyright factors in core copyright industries are determined as 100%, meaning that those contributions are counted as 100%, and those in the other three copyright industries are determined by investigation, analysis and calculation according to the actual situation in various countries.

The countries which do not follow the classification of WIPO of course do not use the measurement method in WIPO, but their copyright factors which follow the classification of WIPO are also different because of the influences of subjective factors such as researchers' academic background, the possession of information resources, etc. Taking interdependent copyright industries as an example, some countries determine the copyright factors as 100% such as the United States, Britain, Latvia, Hungary, Mexico, Jamaica, Bulgaria, Lebanon, Colombia, and Croatia, while some other countries fix different copyright factors according to the investigations on different industries, such as Singapore, the Philippines, Malaysia, Romania and Russia whose copyright factors float between 20% and 40%.

5.1.1.4 *Statistical Classification*

According to WIPO's *Guide*, national economic industries classification corresponding to copyright industries classification is the International Standard Industrial Classification (ISIC). Owing to the differences of statistical system among various countries, their statistical standard is different, such as in the United States and Canada with the North American Standard Industrial Classification (NAICS), in a report of the EU most EU countries go with the EU General Industrial Classification (NACE), in Singapore with Singapore Standard Industrial Classification (SSIC) and in Japan with Japan Standard Industrial Classification (JSIC).

There are differences in the national economic classification standards which reflect the unique nature of economic development in different countries but they can achieve the concrete classification scope of WIPO's *Guide* through minute adjustments in their research.

5.1.1.5 *Statistical Year*

Due to the various possessions of information resources, there are differences in statistical years in different studies which bring obstacle to international comparison. For example, the study of the EU selects the data of 2000 while some countries select the data of several years, such as the United States from 1977 to 1990 and since then adding annual data every year. In Singapore, the data of 1986, 1990, 1995, 2000 and 2001 are selected from 1986 to 2001 and its development of copyright industries is reflected through the comparison of these data.

5.1.2 *The Results of Current Studies*

For comparison, this study divides the current results into two categories, one is the results following WIPO's method and the results are provided by WIPO. The other is the results according to other methods, the results are from public reports. The table follows the principles that if there are the data from 2004 to 2006 select them and if there are no such data, use the data close to the years. Some countries did the research on economic contribution of copyright industries only once, and though the further year is not comparable, the table also contains the findings of these countries for an overall knowledge of various countries.

Table 18: The economic contribution of copyright-based industries

 (WIPO's method)⁴⁴

country	year	Contribution to GDP (%)					Contribution to employment (%)				
		total	core	interdependent	partial	non-dedicated	total	core	interdependent	partial	non-dedicated
Bulgaria	2005	2.81	1.57	0.62	0.09	0.52	4.30	2.29	0.73	0.27	1.0
Jamaica	2005	4.81	1.7	0.74	0.47	1.9	3.03	1.79	0.31	0.23	0.68
Lebanon	2005	4.75	2.53	0.71	0.62	0.89	4.49	2.11	0.73	0.70	0.95
Mexico	2003	4.77	1.55	1.69	0.85	0.68	11.01	3.41	3.65	2.53	1.41
Philippines	1999	4.82	3.50	0.96	0.04	0.29	11.10	8.81	1.4	0.2	0.6
Canada	2004	4.5	3.3				5.55	4.11			
Hungary	2002	6.66	3.96	1.24	0.45	1.00	7.1	4.15	1.25	0.61	1.07
Latvia**	2000	4	2.9	1.1	0.28	0.77	4.40	3.7	0.7	0.44	0.75
Singapore	2001	5.67	2.85	1.76	0.09	0.97	5.80	3.64	1.24	0.18	0.74
US	2004	11.09	6.48	2.13	0.40	2.08	8.53	4.07	2.17	0.26	2.03
	2005	11.12	6.56				8.49	4.03			
Australia	2007	10.30	7.30	2.0	0.40	0.70	8.0	4.97	1.81	0.57	0.65
Croatia	2004	4.27	2.99	0.88	0.32	0.07	4.64	3.22	0.93	0.41	0.08
Romania	2005	5.55	3.55	1.08	0.53	0.39	4.19	2.36	0.58	0.82	0.43
Colombia	2005	3.30	1.90	0.80	0.30	0.40	5.80	1.70	0.70	1.90	1.50
Russia	2004	6.06	2.39	0.76	0.27	2.64	7.30	4.29	0.75	0.56	1.69
Ukraine	2005	2.85	1.54	0.68	0.10	0.54	1.90	1.16	0.46	0.08	0.20
The Netherlands	2005	5.9	4.0	0.4	0.9	0.6	8.8	6.2	0.6	1.1	1.0

**only accounting the economic contribution of the core and interdependent copyright industries

Table 19: Value-Added by Copyright-Based Industries in Countries or Regions

Country or Region	Year	Core Copyright Industries		Copyright-Based Industries	
		Value-Added (in billions)	Share of national or regional GDP (%)	Value-Added (in billions)	Share of national or regional GDP
Chile	1997	–	–	–	2.0
UK	1990	17.11	3.6	–	–
	2000	109.20	7.1	–	8.4
Ireland	2000	2.16	2.1	2.59	2.5
France	2000	48.11	3.4	61.84	4.4
Belgium	2000	6.80	2.7	9.78	3.9
Luxembourg	2000	0.55	2.8	0.65	3.3
Denmark	2000	6.52	3.7	8.50	4.8
Finland	2000	4.17	3.2	8.19	6.3
Sweden	2000	10.76	4.4	14.37	5.9
Austria	2000	4.78	2.3	7.94	3.8
Germany	2000	70.98	3.5	102.91	5.1
Greece	2000	1.62	1.3	2.28	1.9
Italy	2000	38.72	3.3	52.35	4.5
Portugal	2000	2.18	1.9	2.51	3.1
Spain	2000	17.22	2.9	24.05	5.1
Hong Kong, China	2001	–	–	46.10	3.8
Jordan	2000	0.04	0.7	–	–
Egypt	2000/1	–	0.1	–	–
Morocco	1999	0.18	0.5	–	–
Tunisia	2000	–	0.6	–	–

⁴⁴The statistics are provided by WIPO.

The value-added in table 19 is calculated in US dollars in Morocco, in euros in Belgium, Denmark, Finland, France, Austria, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and Sweden, in pounds in Britain in 1990 and in euros in 2000, and in local currency in Hong Kong and Jordan.⁴⁵

5.2 The Research in Several Representative Countries

5.2.1 The US⁴⁶

In the United States, the first report classified copyright industries into four categories which were: core copyright industries, partial copyright industries, distribution industries and copyright-related industries, in 1990 and the following years until 2004. In 2004 and the subsequent years, the United States adopted the four categories of WIPO in order to be consistent with the international standard.

From the findings, the US is the most developed country on copyright industries now. In 2004, the US industry value-added of copyright industries is 1300.8 million USD, accounting for 11.09% of the US GDP, of which the core copyright industries value-added is 760.5 billion USD accounting for 6.48% of the US GDP. In 2005, the industry value-added of copyright industries is 1388.1 billion USD accounting for 11.12% of the US GDP, of which the core copyright industries value-added is 819.1 million USD accounting for 6.56% of American GDP. Also in 2005, 11.33 million jobs are provided in copyright industries, of which 5.38 million positions are in core copyright industries.

According to the study in the United States, annual growth rate of copyright industries is higher than that of the US GDP in recent decades although the industry classification of national economy has been changed and the classification of copyright industries is adjusted. With the three indexers of industry value-added, export trades and employment contribution, American copyright industries have become the key industry in developing economic growth. At the same time, the report also points out that the positive factors which are the legitimate distribution channels of new technique supported copyright products, a complete copyright legal system as well as strict and effective enforcement have contributed to the development of copyright industries in the United States.

5.2.2 The UK⁴⁷

The research system in the United Kingdom is different from that of WIPO and the United States. The concept in the report provided by the Creative Industry Division in the Department for Culture, Media and Sport of the UK is "creative industries" which means a potential industry of creating individual creativity, capacity and talent, wealth and employment through the development and transmission of intellectual property. These industries include advertising, architecture, art and antiques market, crafts, design, fashion design, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, television and radio, etc.

Compared with the "copyright industries" of WIPO, the UK's "creative industries" have the following features:

- (1) The scope of "creative industries" is wider than that of "copyright industries". According to the definition of "creative industries" in the UK, it covers the whole concept of intellectual property. The classification system of "creative industries" is also different from the "copyright industries" of WIPO. In the UK, the national economy is divided into creative industry economy, including culture industries, and other economies. Although UK's "creative industries" are in a broader scope, the national economy industry categories are definitely not less than those of "creative industries" due to different classification systems.

⁴⁵Chile data is from The Copyright-based Industries No.2 Report; data of UK, Ireland, France, Belgium, Luxembourg, Denmark, Finland, Sweden, Austria, Germany, Greece, Italy, Portugal and Spain are from The Contribution of Copyright and Related Rights to the European Economy (based on data from the year 2000); data of Hong Kong is from report of The University of Hong Kong; data of Jordan, Egypt, Morocco and Tunisia are from *Performance of Copyright Industries in Selected Arab Countries*.

⁴⁶Refer to Siwek and Furchgott-Roth, *Copyright Industries in the U.S. Economy*, supra note.

⁴⁷Staying ahead: the economic performance of the UK's creative industries, http://www.culture.gov.uk/reference_library/publications/3672.aspx/

- (2) The economic contribution indicators of UK's "creative industries" are basically the same as those of WIPO's *Guide*, both including industry added-value, employment and export value. The difference is that the economic data in partial copyright industries is counted as a certain percentage (copyright factors) due to the existence of copyright factors in the WIPO system, but there is no such concept in the creative industries system.
- (3) During the data processing and comparison, the UK's report has done a detailed analysis on the categories of creative industries and their advantages and disadvantages. This is also reflected in the same creative industries research done in Hong Kong. The characteristics of industry research are very clear and data research combines market analysis and countermeasures.

According to the UK's statistical results, the value-added of creative industries is accounting for 7.9% of GDP. From 1997 to 2000, the annual growth rate of creative industries in the UK is 9% and over the same period that of the UK's economy is 2.8%. In 2000, the export value of UK creative industries is 8.7 billion GBP, accounting for 3.3% of the total export value of goods and services. From 1997 to 2000, for the UK creative industries, the average annual growth rate of export value is 13% while for all British services it is 9% and for goods and services the average annual growth rate of comprehensive export value is 5%. In 2001 UK creative industries provide 1.95 million jobs which include 1.15 million jobs within the scope of creative industries and to be estimated as least 800,000 creative jobs outside creative industries. In the UK, creative industries provide jobs from 1.45 million in December 1994 to 1.95 million in December 2001 during which time the average annual growth rate is 5% and the national employment growth rate is 1.5%. According to the data of the Inter-Departmental Business Register (IDBR) in the UK, in 2001 the number of creative industry companies is about 135,000, of which about two-thirds of the companies focus on two areas: software and digital publishing (56000) and music and visual performing arts (33000). The number of creative industry companies accounts for 8% of IDBR-registered enterprises.

5.2.3 Canada⁴⁸

The researches in Canada do not directly adopt the four categories classification as WIPO copyright industries. In the Canadian report of 2004, copyright industries are classified into core copyright industries and non-core copyright industries, in which core copyright industries include film and video, radio and television, photography, visual and graphic arts, publishing and literature, advertising, theatre, music, software and database types, etc., and non-core copyright industries include interdependent copyright industries of WIPO's classification, partial copyright industries and non-dedicated supporting industries.

Canada adopts the North American Industrial Classification Standard (NAICS) as its industry classification standard, which differs from WIPO's where Canada has made its mark and notes. As for the data processing of non-core copyright industries, Canada does not adopt the research method of copyright factors but comparison and previous studies, to estimate the non-core value-added accounting for about 35% of total copyright-based industry value-added in 2002. In the choice of the reference year, the 2004 report in Canada has selected more than ten years of continuous annual data.

From the 2004 research report: in 2002 Canadian copyright industries account for 5.4% of the GDP meaning that contribution to the economy exceeds that of agriculture and fisheries. At the same time, the growth rate of copyright industries reaches 6.5% which is almost twice the growth rate of the Canadian economic growth of 3.3% over the same period. In 2002, the copyright industries in Canada provide 780,000 jobs. In the export trade, the largest export growth of Canadian copyright-based industry is in 1998, an increase of 23%, and then it falls gradually. However in 2002 there is still 4% growth. The core copyright industries and software and databases (as well as information services) have become the main driving force of economic growth in Canada.

From the study results, the size of Canadian copyright industries is smaller than that of the United States. For the three major indexes, the economic contribution and the growth rate of copyright industries are lower than that of the United States but with the similar growth trend as the United States. In the 12 years of continuous data comparison, Canada's copyright industries have basically had a relatively stable growth. The report in Canada selects particularly the data of Australia as a comparison. In total, the three economic

⁴⁸Wall Communications Inc. The Economic Contribution of Copyright-Based Industries in Canada: The 2004 Report, WIPO. National Studies on Assessing the Economic Contribution of the Copyright-Based Industries. (WIPO Publication No.624e 2006)

contribution indexes of copyright industries are a little higher than Australia's and lower than the United States'. They maintain the same growth rate of copyright industries as them.

5.2.4 *Singapore*⁴⁹

Since November 2003, Singapore has begun the economic contribution research of copyright industries and it is the first country carrying out this project in Asia.

Singapore selects the statistical data from 1986 to 2001 and reflects deeply its development of copyright industries by comparison of these data. Through the comparative study of Singapore's export value of copyright industries from 1986 to 2001, it has increased from 7.1785 billion US dollars to 30.5147 billion US dollars with an annual average growth rate of 10.1%. The industry value-added of copyright industries increases from 2.4258 billion US dollars in 1986 to 8.7299 billion US dollars in 2001 with an average annual growth rate of 8.9% and Singapore's average annual growth rate of GDP is 7.6% over the same period. In 1986 copyright industries provide jobs for 55421 people and in 2001 for 118617 people, with an average annual increase of 5.2% which is higher than the national employment growth rate of 3.5% over the same period. According to the statistical data of Singapore in 2001, the export value of its copyright industries is 30.5 billion US dollars and the industry value-added is 8.7 billion US dollars accounting for 5.7% of the year's GDP. They also provide jobs for 118600 people accounting for 5.7% of employment in 2001. In addition to the yearly comparison of data and growth rate for the main data above, in the report, Singapore has also provided the corresponding annual data for the small categories under each one in accordance with WIPO's study guide on the classification of copyright industries.

From the research characteristics, the research report of Singapore in 2004 selects a relatively long time span from 1986 to 2001 which is divided further into 1986 to 1990, 1990 to 1995, 1995 to 2000 and 2000 to 2001. In the choice of main reference countries, Singapore chooses the United States as a reference state and in the choice of the countries for data comparison, Singapore selects Austria, Belgium, France, Italy, Sweden, Britain and the EU as reference states.

5.2.5 *European Union*⁵⁰

The EU classifies copyright industries into three categories core: copyright industries, interdependent copyright industries and copyright-related industries. The core copyright industries are industries of creation, production, distribution of works and other copyright objects in which all the activities are used to measure the economic contribution of copyright. Interdependent copyright industries are also called copyright hardware industries which are the equivalent to the "interdependent copyright industries" of WIPO's *Guide*. Copyright-related industries are industries which partially depends on the object protected by copyright.

The EU believes that in the copyright-related industries, copyright content cannot be separated from other parts or its proportion cannot be accurately determined. So the report in the EU only deals with the economic data of core copyright industries and copyright-dependent industries and the copyright-related industries are out of the statistical scope. The EU classifies core copyright industries into publishing and literature, music, theatre products, opera, film and video, photography, visual and graphics arts, radio and television, software and databases, advertising, etc. and it classifies copyright-dependent industries into television, radio, VCR, CD recorders and other equipment, broadcasting, TV commercials and music equipment as well as wholesale and retail, computers and related equipment, musical instruments, photographic camera equipment and other categories.

As for industry classification, the EU adopts several kinds of classification systems, the most important of which is NACE and other classifications such as The European Economic Commission for product classification (CPA2002) and PRODCOM classification. Most of the EU countries adopt the NACE statistical classification but due to the big differences in statistical systems, researchers use directly the original data from the national statistical offices and process the data in accordance with a common framework.

⁴⁹LEO Kah Mun, CHOW Kit Boey, LEE Kee Beng, ONG Chin Huat, LOY Wee Loon: The Economic Contribution of Copyright-Based Industries in Singapore: The 2004 Report, WIPO. National Studies on Assessing the Economic Contribution of the Copyright -Based Industries. (WIPO Publication No.624e 2006)

⁵⁰The Contribution of Copyright and Related Rights to the European Economy

In the 2003 economic contribution report of the EU on copyright and the related rights, it lists the related data of 15 EU countries and those of the United States, Canada and Japan. These 15 countries are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and Britain. The data of these countries will not be stated here one by one.

5.3 Comparison of Research Results between China and Other Countries

Among the four countries of which the value-added by copyright industries in 2004 has been calculated in accordance with WIPO's formulation, the share of value-added by total copyright industries in national GDP in the United States (11.1%) and Russia (6.1%) is higher than that of China during the same period, while in Canada (4.5%) and in Croatia (4.3%) it is lower. However, the share of value-added by core copyright industries in GDP for the four countries is higher than that of China.

Among the nine countries of which the value-added by copyright industries in 2005 or 2007 has been calculated, the shares of value-added by total copyright industries in national GDP in the United States (11.1%) and Australia (10.3%, 2007) are higher than that of China in 2006, while those of the Netherlands (5.9%), Romania (5.6%), Jamaica (4.8%), Lebanon (4.8%), Columbia (3.3%), Ukraine (2.9%) and Bulgaria (2.8%) are lower than that of China. However, the shares of value-added by core copyright industries in GDP of Australia (7.3%), the United States (6.6%), Finland (4.0%) and Romania (3.6%) are higher than that of China in 2006. Those of Lebanon (2.5%), Columbia (1.9%), Jamaica (1.7%), Bulgaria (1.6%) and Ukraine (1.5%) are lower than China.

It is reasonable to believe that by measuring the value-added, the economic contribution of Chinese total copyright industries is at the front rank among the countries that have conducted such studies. Nonetheless the economic contribution of the core copyright industries is still at a relatively middle level, lower than the average level of the developed countries.

Diagram 30: Comparisons between Chinese Copyright-Based Industry and Other Countries' in 2004

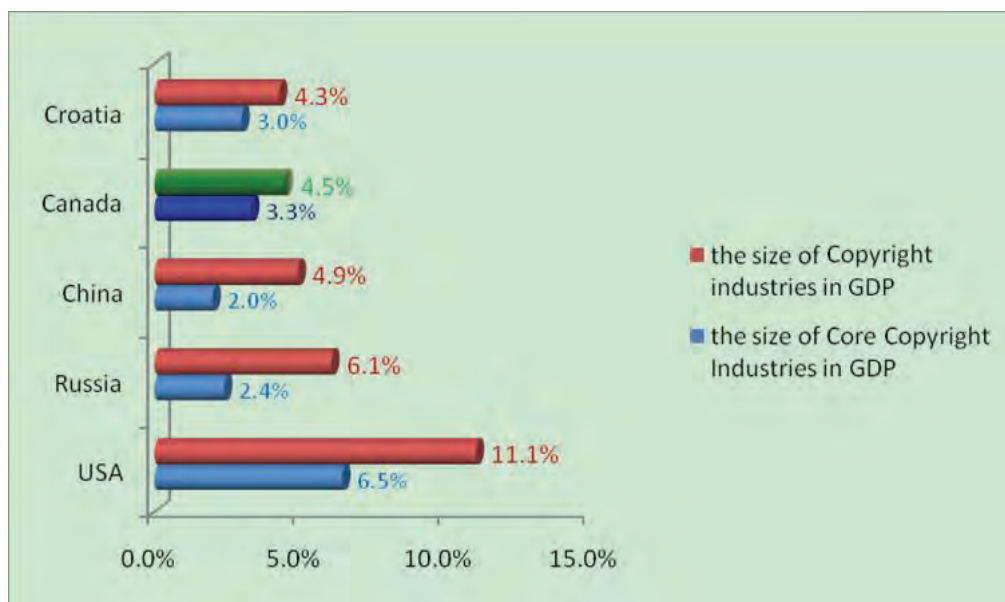
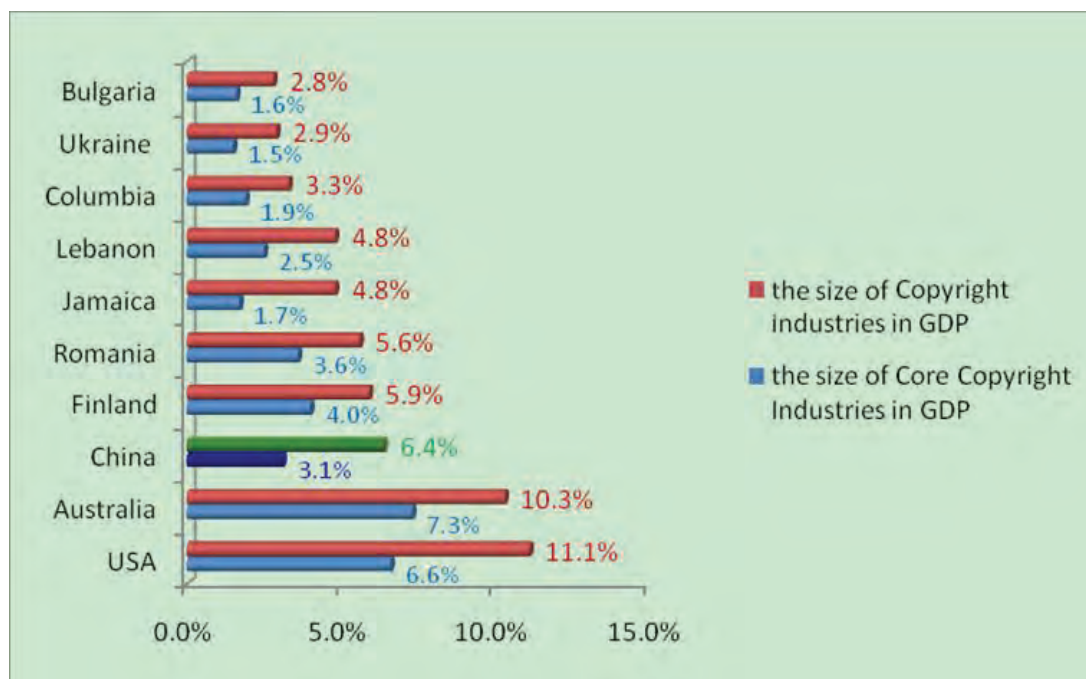


Diagram 31: Comparisons between Chinese Copyright Industries and Other Countries' in 2006



Chapter 6. Conclusions

This is the first research into the economic contribution of Chinese copyright-based industries. Because of the lack of statistical data, this research analyses just the data of Chinese copyright industries in 2004 and 2006 quantitatively. The research is based on the quantitative and qualitative analysis of some provinces and areas in China. Being pressed by time, cost and experience, this report is not enough in width and depth. The results of this research are not qualitative descriptions. It just reflects the current status, not the trend. Based on this research and the researches done in other countries, we conclude as follows:

6.1 An Overview of the Development of Chinese Copyright-Based Industries

6.1.1 *In terms of the proportion, Chinese copyright-based industries have taken shape and copyright has already shown remarkable influence on the national economy.*

In 2004, the value-added by Chinese copyright-based industries was 788.4 billion RMB, accounting for 4.9% of GDP. The number of employment was 6.16 million, accounting for 5.6% of the total national employed population. The export reached 92.2 billion USD, accounting for 15.5% of the total national export.

In 2006, the value-added of Chinese copyright-based industries was 1319.7 billion RMB, accounting for 6.4% of GDP. The number of employment was 7.63 million, accounting for 6.5% of the total national employed population. The export reached 149.3 billion USD, accounting for 15.4% of the total national export.

As to the proportion of industry value-added to national GDP, only 3 of the 21 sectors in the national economy enjoy a higher proportion than the copyright-based industry in 2006: manufacturing (33.6%), wholesale and retail (7.3%) and agriculture (6.6%). The proportions of the other 18 sectors to GDP are all lower than that of the copyright-based industry. Compared with the core copyright industry, 10 sectors enjoyed higher proportion, including manufacturing, wholesale and retail, agriculture, transport, storage and posting (5.9%), mining (5.7%), construction industry (5.6%), real estate (4.6%), financial (4.0%), power, gas and water supply (3.8%), public and social administration (3.6%), livestock (3.1%); the proportions of the other 10 sectors, such as education, accommodation and catering, are lower than that of the core copyright industry.

6.1.2 *In terms of the growth rate, the annual growth rate of value-added of copyright-based industries is higher than that of GDP, copyright-based industries are crucial to economic growth.*

Due to the lack of detailed statistics, this study has only conducted quantitative analysis on the economic contribution of copyright industries in 2004 and 2006. Therefore, the results cannot reflect the annual growth rate of the economic contribution of Chinese copyright-based industries accurately. However, all studies done by China and other countries have proved that copyright industries are playing an important role in economic growth.

According to statistical data, Chinese software, printing, computer and home video equipment industries have developed dramatically during the years 2004 and 2006. The average annual growth rate of copyright industries value-added of the United States from 2003 to 2005 is 8.65%, the average annual growth rate of GDP is 3.87%. The average annual growth rate of copyright industries value-added of Canada from 1991 to 2002 is 6.46%, the average annual growth rate of GDP is 3.27%. The average annual growth rate of copyright industries value-added of Singapore from 1986 to 2001 is 8.9%, the average annual growth rate of GDP is 7.6%.

These countries' annual growth rate of copyright-based industry is much higher than that of the GDP which shows that the copyright industries, especially the creative activities, new technology and software services are one of the most active area in economic activities.

6.1.3 *Compared with other countries, the contribution of Chinese total copyright-based industries to the national economy is relatively high but the core copyright industries should make more progress.*

Based on the framework of WIPO, 12 countries have been surveyed for the increase in the value-added of copyright-based industry in the same year or adjacent years. The calculation result shows that three of them enjoy higher proportions of overall copyright-based industry value-added in national GDP than China does. They are the US (11.1% in both 2004 and 2005 which is higher than that of China in both 2004 and 2006), Australia (10.3% in 2007 which is higher than that of China in 2006) and Russia (6.1% in 2004 which is higher than that of China in 2004). Other countries, Canada (4.5% in 2004), the Netherlands (5.9% in 2005) and the other developed countries have lower proportions than China. However, seven countries hold a higher proportion of core copyright industry value-added than China does in the corresponding period. And five countries were lower than of China.

The results indicate that, by standard of the industry value-added, the economic contribution of China's overall copyright-based industry has been ranking at the top of the countries investigated. However, China's core copyright industry's economic contribution remains at the medium level which is lower than that of the developed countries.

At the same time the copyright factor is low in some of the copyright-based industries such as garment, textile and shoes, crafts, furniture, household ware, pottery and porcelain, glass industries, etc. That means that these industries generate low economic contribution due to the copyright. The survey shows that most of these industries are labour-intensive enterprises which help a lot in increasing employment but many of them just make copies or imitate each other with low creative consciousness. What's more, many enterprises are still high energy consuming and high pollution "manufacturers" with low added value. Both their awareness and ability to increase product value-added by way of creation are to be promoted.

6.2 **Developing the Environment for Chinese Copyright-Based industries**

6.2.1 *China has established a relatively complete copyright protection system which lays foundation for the development of the copyright-based industry.*

With the copyright law as the core, relative regulations and international conventions as the complement, China has developed a modern copyright protection system after 30 years of continuous hard work, which is suitable to both Chinese situations and international rules. At the same time, the executing of China copyright law and the service system has been increasing, and the social copyright awareness is also developing. As commented by *People's Daily* when the China Copyright Law was revised in 2001: It is developing from a law that is strange to people to one that attracts intensive social concern; from a law that was with planned economy features to one that is both suitable to the development of social markets and technology, and linked up with the international conventions. The set up and developing of the copyright protection system ensure the creation and transmission of literature, artistic and scientific works, laying legal foundation for the development of copyright-based industry.

6.2.2 *Governments of various levels take positive measures to promote the development of copyright-based industry, still more guidance and supports are needed.*

In June of 2008, the Chinese government has issued the *Outline of the National Intellectual Property Strategy* which proposed to "Assist the development of copyright-related industries such as the press and publication, radio, film, television, literature and the arts, cultural entertainment, advertising design, arts and crafts, computer software and information networks. We need to support the creation of works with clear national features and characteristics of the times. We need to assist in the creation of excellent cultural works that have difficulties in market competition." After that, local governments have also issued a series of copyright outlines and policies. However, the survey has found that local governments still have no integrated policies which can comprehensively use all means, such as finance and investment, to promote the development of the copyright-based industry. They also lack the enthusiasm for promoting creativity. As a result, more guidance and supports are needed for the copyright-based industry.

6.2.3 *Partial copyright industry staff has low consciousness of copyright and there are serious pirate situations which have affected the development of the copyright-based industry.*

Survey shows that the creators and transmitters in core copyright industry are highly aware of the copyright protection while partial copyright industry staff has low consciousness of copyright. When asked relative questions, many of them cannot tell what is copyright and have no idea that the products they are producing are related to copyright. Also those people are not aware of the protection of copyright and show little concern over pirates. These phenomena have choked the creativity of enterprises and affected the development of the copyright-based industry.

6.3 Suggestions for Promoting the Development of Chinese Copyright-Based Industries

How to quickly and better develop the copyright-based industry is a significant issue. We cannot get perfect and practical conclusions only from this research. Still we can generalise several suggestions as follows:

6.3.1 *Improve Statistical System; Establish Professional Classification of Copyright-Based Industries*

The major difficulty of this research is the industry classification and insufficient data resource. Chinese GDP has been using the method of three-digit level classifications. The first level is the three industries; the second and third levels are based on the sectors and divisions adopted in the national economy. This kind of classification cannot meet the needs of copyright research. Only in 2004, the economic census year, GDP has used the method of four-digit level classifications which enables the scientific research of copyright-based industries. However, the economic census is held every five years and this does not meet the statistic requirement for research of copyright-based industries.

For the same reason, the State Statistical Bureau co-operated with relative departments in 2006 and set up the *Culture and Relative Industry Classification*, a derivative classification of *Industrial classification for national economic activities* to improve the cultural industry's statistical work and regulate the range and scope of cultural and relative industries.

Though there are some overlaps between copyright-based industries and cultural industries, differences do exist. It is still important to do statistical research into copyright-based industries as has been illustrated in the former part of this research. Consequently, it is necessary to establish a derivative classification of copyright-based industries in *Industrial classification for national economic activities* to define, regulate our country's copyright-based industries and lay foundations for its statistical research.

6.3.2 *Strengthen Propaganda and Education; Heighten Staff's Awareness of Copyright*

In the research of industry factors in partial copyright industries, it was established that most employees are not clear about the protection target, range and methods of copyright. These enterprises cannot well protect their own rights and at the same time, they may easily violate the rights of others. We can say that the protection of copyright has not been a mayor concern in the partial copyright industries, especially in the medium or small sized enterprises. Consequently the consciousness and knowledge of copyright is still to be improved.

After 30 years of continuous hard work, China has developed a modern copyright protection system which is suitable for both Chinese situations and international rules. However, we still have not formed a copyright culture to respect knowledge, advocate creativity and abide by the law. The copyright protection system is not yet familiar to the common people to use it to protect their own rights and to respect others'. All sectors of the society still have to endeavour to foster common people's legal awareness and disseminate the copyright knowledge.

6.3.3 Formulate Copyright Policies; Promote the Coordinated Development of Regional Economy

Research shows that, with broad terrain and glorious history, different regions in China have unique copyright features. Some regions have made use of copyright to promote the development of local economy such as home textiles industry in Nantong and ceramics industry in Dehua of the Fujian province. However, most regions have not established local copyright policies and the positive functions of copyright-based industry on promoting the economy with local characteristics, the restructuring and optimisation of industry structures have not been sufficiently exerted yet. It is suggested that local government, based on their own features and advantages, indooors the copyright supporting policies to promote coordinated development of regional economy.

Appendix 1 The Specific Classification of Copyright-based Industries in China

Table 20: The Specific Classification of Core Copyright Industries Corresponding to the National Economy Industry Classification

Main groups	Subgroups	UN product classification code	Chinese industry classification four-digit code industry and its brief introduction
Work of art	Writer	9214	9010 – Artistic creation and performance
	Translator	7499	7494 – Office services (including translation)
	Newspaper publication	2212	8822 – Publication of newspapers
	News agency, etc.	9220	8810 – Press
	Magazine/Journals publication	2212	8823 – Publication of periodicals
	Book publication	2211	8821 – Publication of books
	Digital publication		Including online journal, digital books, games publication, news publication website, cell phone publication, etc.
	Greeting card and map, directory and other printed papers	2219	8829 – Other publications
	Sample before, in and after printing of books, magazines, newspapers and advertisements	2221	2311 – Printing of books, newspaper and periodicals 2312 – Printing of notebooks 2319 – Printing of packaging and upholstery
		2222	2320 – Binding and other services of printing
	Wholesale and retail of newspaper and literary works (Bookstore and newsstand)	5139	6343 – Wholesale of books 6344 – Wholesale of newspapers and periodicals
5239		6543 – Retail of books 6544 – Retail of newspapers and periodicals	
Library	9231	9031 – Library	

Table 20: The Specific Classification of Core Copyright Industries Corresponding to the National Economy Industry Classification (continued)

Music, opera, folk arts, dance and acrobatics	Melody writer, song writer, adapter, dancing guider, director, actors and other personnel	9214 9219 9249	9010 – Artistic creation and performance 9070 – Mass cultural activities 9080 – Economic agent for culture and arts 9210 – Indoor recreation activities 9290 – Other entertainment activities
	Production and manufacture of music and sound recording product	2230	8824 – Publication of audio and video products 8825 – Publication of electronic publications 8940 – Production of audio and video products 2330 – Reproduction of recorded media
	Wholesale and retail of music and sound recording product (sale and rent)	5139 5233 7130	6345 – Wholesale of recorded music and videos 6545 – Retail of recorded music, videos and electronic publications 7321 – Leasing of books and audio and video products
	Representation of art and writing	9214	9010 – Artistic creation and performance
	Acting and relevant agency (booking and ticket office)	9214	9020 – Artistic performance sites
	Film and video tape	Play writer, director and actor	9214
Making and publishing of film and video tape		9211	8931 – Motion picture and video production and distribution
Film projection		9212	8932 – Motion picture exhibition
Rent and sale of video tape, including program ordering		7130 9211	7321 – Leasing of books and audio and video products
Relevant services		2230	2330 – Reproduction of recorded media
Radio and television	Production and broadcast of radio and television	9213	8910 – Radio 8920 – Television
	Transferring of cable television	6420	6031 – Transmission service of cable casting and cable television
	Transferring of satellite television	6420	6040 – Transmission service of satellite television
	Relevant services	9213	6032 – Transmission service of broadcasting and television
Photography	Photography	7494	8220 – Photography and enlarging-print services

Table 20: The Specific Classification of Core Copyright Industries Corresponding to the National Economy Industry Classification (continued)

Software and data base	Planning, programming and designing	7221 7229	621 – Software industries
	Wholesale and retail of pre-installed software (commercial program, educational program, etc.)	5151	6375 – Wholesale of computers and computer peripheral equipment 6572 – Retail of computers and computer peripheral equipment
	Treatment and publication of database	7240 7230	6020 – Internet information services 6190 – Other computer services 6019 – Other services of telegraphy 6120 – Data processing
Artistic and architectural design, graph and model work	Artistic and architectural design	9214	9010 – Artistic creation and performance 3133 – Processing of construction stone 6346 – Wholesale of jewellery, crafts and collections 6547 – Retail of crafts and collections 7672 – Engineering survey and design G – Architecture (including design of architectural work)
	Graph and model work		7640 – Mapping services 7672 – Engineering survey 7673 – Planning management 7690 – Other professional technical services (the above types including graph and model work for project design drawing, product design drawing, maps, schematic diagrams, etc.)
Advertising service	Advertising agency, purchasing services (not including advertising publication fee)	7430	7440 – Advertising
Copyright collective management and services	Copyright collective management and services	9112	

Table 21: The Specific Classification of Core Copyright Industries Corresponding to Customs Analysis Classification (Four-Digit Code)

Main groups	Code	Description
News and literary work	4820	Paper or paper made register book, account book, notebook, ordering book, receipt book, letter book, word pad, diary book and similar things, exercise book, blotter book, loose cover(loose-leaf and non loose-leaf), file folder, dossier, multiple business form paper, book with carbon paper in leaf and other office supplies; paper or paper made sample sheet, album and book cover. The 8-digit code of this category is: 48209000 paper or other stationary made of cardboard; book cover
	4901	Books, brochure, leaflet and similar printed paper, whether single sheet or not
	4902	Newspapers, magazines and journals, whether having pictures or advertising materials or not
	4903	Children picture books, drawing and painting books
	4905	Various printed maps, hydrographic chart and similar marks, including atlas, wall map, contour map, globe and sphere
	4909	Postcard with pictures printed on; card with personal greeting, congratulation, printed message, whether with picture, envelop and trimming or not
	4910	Various printed calendar, including calendar core
	4911	Other press work, including printed pictures and photos
Music and opera work	4904	Original and printed copy of music book, whether binding, with picture printed or not
Film and video tape	3706	Exposed and washed filmstrip, whether added or only with sound channel
	8523	Disk, tape, solid state non-volatile store, "smart card" and other media used for recording sound and other information, no matter whether it has been recorded or not, including master splice and master tape used for copying, but not including the product in Chapter 37 (photographic and cinematographic goods)
Photography	3705	Exposed and washed photographic hard and soft film, except the filmstrip with sound channel
Software and data base	9803	Computer software (only used for exit, not including software integrated with product curing and integration)
Visual and drawing art	4906	Not including manual script of designing papers for architecture, engineering, industry, commerce, topography or similar use. The duplicate of the above mentioned works by way of photo sensitive paper or carbon paper shall also be excluded. Paste-up and similar decorate panels
	9701	Oil painting, pastel and other hand-painting but excepts drawings with a hand-painted and hand-painted decoration of the products or items 4906 (hand-painted architectural, engineering, industrial, commercial, topographical or similar usage of the original design drawings; manuscripts; using sensitive photographic paper copy or transcription of the above items with the carbon paper copy); collage and similar decorative plate
	9702	Original copy of engraving, art prints, lithograph
	9703	Sculpture original copy made of various materials

Table 22: The Specific Classification of Interdependent Copyright Industries Corresponding to National Economy Industry Classification

Main groups	UN product classification code	Chinese industry classification four-digit code industry and its brief introduction		
TV sets, radio, VCRs, CD players, DVD players, cassette players, electronic game equipment, and other similar equipment	3230	4031 – Manufacture of radio and television programs and transmitting equipment 4032 – Manufacturing of broadcasting and TV receiving equipments and instruments 4039 – Manufacturing of applied TV equipments and other broadcasting and TV equipments 4071 – Manufacturing of home video equipments 4072 – Manufacturing of home video equipments		
	5139	4013 – Manufacture of communication terminal device 2452 – Manufacture of games and indoor games equipment		
	5233	6349 – Wholesale of other cultural goods		
	7130	6374 – Wholesale of home appliance 6376 – Wholesale of communication, broadcasting and television equipments 6571 – Retail of home electronic equipment 8313 – Repair of home appliance		
	Computer and equipment	3000	4041 – Manufacturing of whole machine of computer 4042 – Manufacturing of computer network equipment 4043 – Manufacturing of computer peripheral equipment 6375 – Wholesale of computer, software and computer peripheral equipment	
		5151	6572 – Retail of computer, software and computer peripheral equipment	
		7123	7314 – Leasing of computer and communication equipments 6110 – Computer system services 6130 – Repair of computers	
		Musical instruments	3692	2431 – Manufacturing of Chinese musical instruments 2432 – Manufacturing of western musical instruments 2433 – Manufacturing of electronic musical instruments 2439 – Manufacturing of other musical instruments and accessories
			5139	6349 – Wholesale of other cultural articles
			5233	6549 – Retail of other cultural articles
	7329 – Leasing of other cultural and daily-use products			

Table 22: The Specific Classification of Interdependent Copyright Industries Corresponding to National Economy Industry Classification (continued)

Photography	3320	4151 – Manufacturing of film machinery 4152 – Manufacturing of epidiascope and projecting equipments 4153 – Manufacturing of camera and related apparatus
	5139	2665 – Manufacturing of information chemical productions
	5239	6349 – Wholesale of other cultural articles 6379 – Wholesale of other machinery equipments and electronic products
	7129	6548 – Retail of photographic apparatus 7329 – Leasing of other cultural and daily-use products 8319 – Repair of other daily-use products
	3000	4154 – Manufacturing of copying and offsetting equipments
	5159	8312 – Repair of office equipments 3642 – Manufacturing of printing equipments 6379 – Wholesale of other machinery equipments and electronic products 6579 – Retail of other electronic productions
Blank recording material	2429	2665 – Manufacturing of information chemical productions
	5152	6374 – Wholesale of home appliance
	5233	
Paper	2101	2221 – Manufacturing of machine-made paper and paperboard 2222 – Manufacturing of hand-made paper 2223 – Manufacturing of processed paper 2239 – Manufacturing of other paper 6391 – Recovery and wholesale of regeneration material
	5149	6341 – Wholesale of stationery
	5239	6541 – Retail of stationery

Table 23: The Specific Classification of Interdependent Copyright Industries Corresponding to Customs Analysis Classification

Main groups	Code	Description
Television, radio, video camera, CD player, DVD player, cassette player, video game device and similar devices	8519	Sound recording or replaying equipment
	8520	Cassette recorder and other sound recording equipment, whether with sound replaying device or not
	8521	Video signal recording or replaying equipment, whether equipped with high frequency regulator or not
	8525	Radio broadcast, television transmitting device, whether equipped with receiving device or sound recording or not, replaying device; television video camera, digital camera and video camcorder
	8527	Radio broadcast receiving device, whether assembled in the same cabinet with sound recording or not, replaying device or clock
	8528	Television receiving device, whether equipped with radio or not, sound and picture recording or replaying device; video monitor and projector
	8529	Used specifically or mainly items 8528 and equipment or device parts listed in item 8528

Table 23: The Specific Classification of Interdependent Copyright Industries Corresponding to Customs Analysis Classification (continued)

Computer and relevant devices	8471	<p>Automatic data processing equipment and their components; other items unlisted, magnetic or optical readers, machines transferring the data in code form to the data recording media and machines processing these data</p> <p>The 8-digit codes of this category are:</p> <p>84711000 analog or mix auto-processor 84713000 weight≤10kg portable digital automatic processor 84714110 super, large, mid-sized digital automatic processor 84714120 mini digital automatic processors 84714140 other micro digital automatic processors 84714190 unlisted digital automatic processing units 84714910 systematic supercomputer, large computer and mid-sized computer 84714920 systematic minicomputer 84714940 systematic microcomputer 84714991 systematic distributed industrial processing control units 84715010 processing parts of supercomputer, large computer and mid-sized computer 84715020 processing parts of minicomputer 84715040 processing parts of microcomputer 84715090 other digital processing units 84716011 LCD 84716012 CRT 84716019 other displays 84716031 stylus printer 84716032 laser printer 84716033 ink printer 84716039 other printers 84716040 supercomputer, large computer, mid-sized computer and micro-computer 84716050 scanner 84716060 digitizer 84716071 keyboard 84716072 mouse 84716090 other input or output parts 84717010 hard disk drive 84717020 floppy disk 84717030 optical driver 84717090 other storage parts 84718010 HUB 84718020 Router 84718090 unlisted automatic processing units and parts 84719000 other magnetic or optic reader and processor</p>
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Table 23: The Specific Classification of Interdependent Copyright Industries Corresponding to Customs Analysis Classification (continued)

Musical instruments	9201	Piano, including automatic pianos; harpsichords and other keyboard stringed instruments
	9202	Other stringed instruments (for example, guitar, violin, harp)
	9203	Keyboard organ; reed organ, and similar keyboard instruments with free metal reeds
	9204	Accordions and similar instruments: harmonica
	9205	Other aerophones
	9206	Percussion instruments (for example, drums, xylophone, cymbals, cymbals, castanets, horn gourd)
	9207	Musical instrument with its sound generated or expanded by electricity (for example, electric organ, electric guitar, electric accordion)
	9208	Music box, organ in amusement park, hand organ, mechanical songbirds, musical saw and other musical instruments unlisted in other items of this chapter; a variety of media induced audio device, whistle, mouth blown horn acoustic signaling device
	9209	Musical instrument parts (for example, mechanical devices of music box), accessories (for example, cards, disk and tape volumes used for mechanical musical instruments); metronome, tuning fork and various tuning pipe
Camera and movie photographic equipment	3701	Unexposed photographic light-sensitive hard film and flat soft film, made from any material except paper, cardboard and textile; a light-sensitive flat soft film of unexposed polaroid film, whether sub-packaged or not
	3702	Unexposed photographic light-sensitive film in rolls, made from any material except paper, cardboard and textiles; unexposed polaroid film in rolls
	3703	Unexposed photographic light-sensitive paper, cardboard and textiles
	3704	Have been exposed but unwashed photographic hard and soft film, paper, cardboard and textiles
	3707	Photographic chemical agents (not including glazing paint, glue, adhesives and similar agents); photographic non-blended products, rationed or retail packing, rationed or retail packing available for immediate use:
	9006	Camera (except movie camera); photographic flash devices and flash bulbs, but except discharge lamp of items 8539
	9007	Movie camera, projector, whether with sound recording or replaying device or not
	9008	Video projector, but except the one used for movie; pictures(except movie picture) enlarger and microfilm machine
	9010	Camera (including film) suction device and equipment unlisted in other items of this chapter; negative display; screens and other projection screen
	9011	Compound optical microscopes, including those for microphotography, micro film and micro-projection
Photocopiers	3707	Photographic chemical agents (not including glazing paint, glue, adhesives and similar agents); photographic non-blended products, rationed or retail packing, rationed or retail packing available for immediate use:
	8442	Machines, apparatus and equipment used for making plates (except machine tools from items 84.56 to 84.65); printing edition (sheet), roller and other printing components; made for printing (for example, planning, embossed, or polished) board (sheet), roller and slab
	8443	Machines using the printing edition (sheet), roller and other printing component of item 84.42; other printers, copiers and fax machines, whether or not combined; parts and accessories of the machines above
	8469	Typewriter, except printer of item 84.43, word processor
	8472	Other office machines (for example, gelatin duplicator, copy graph, address machine, automatic pay machines, coin sorter, counting and packing machines, pencil sharpener, puncher or stapler)
	9009	photosensitive copying equipment with optical system or contact type and heat-sensitive copying equipment,

Table 23: The Specific Classification of Interdependent Copyright Industries Corresponding to Customs Analysis Classification (continued)

Blank recording media	8523	Unrecorded media made for audio dubbing (recording) but except product of Chapter 37
Papers	4801	Newsprints in rolls or sheets
	4802	Writing, printing or similar purposes without the coating of paper and paperboard, not perforated punched paperboard cardboard, rectangular (including square) in rolls or sheets, any size, but except paper of items 4801 or 4803; hand-made paper and paperboard vegetable parchment, greaseproof paper, tracing paper, translucent paper and other high-gloss transparent or translucent paper in rolls or sheets
	4806	The 8-digit code of this category: 48063000 tracing paper
	4810	Paper and paperboard in rectangular (including square) of any size, single-sided or double-sided coated kaolin or other inorganic substances (whether or not with adhesive), but without paint coating, whether or not stained, finished or printed The 8-digit code of this category: 48101300 writing or printing paper in volume and paperboard, machinery fibre≤10% 48101400 writing paper, machinery fibre≤10% 48101900 other writing or printing paper, machinery fibre≤10% 48102200 inorganic writing and printing light paper, machinery fibre>10% 48102900 other inorganic writing and printing paper, machinery fibre>10%
	4811	Paper, paperboard, cellulose wadding and cellulose fiber web papers coated, dipping, covered, dyed, finished, or printed in rectangular (including square) of any size, but except goods of item 48.03,48.09 or 48.10 The 8-digit code of this category: 48115110 double resin-coated paper, 150g/m ²
	4817	Envelopes, letter card, plain postcards and communication card made from paper and paperboard; boxes, bags, and clip made of paper or paperboard, containing all kinds of paper stationery
	5901	The 8-digit code of this category: 59011010 cotton or linen fabrics plated with gum or starch used for book covers 59011020 chemical fibre plated with gum or starch used for book covers 59011090 other fibre plated with gum or starch used for book covers 59019010 canvas for painting 59019091 starching textiles made of cotton or hemp used for canvas or interlinings of hats 59019092 starching textiles made of chemical fibre used for canvas or interlinings of hats 59019099 starching textiles made of other fibre used for canvas or interlinings of hats

Table 24: The Classification of Partial Copyright Industries Corresponding to the National Industries Classification Standards

Major groups	UN industrial classification code	4-digit code industries in China's industrial classification and brief introduction	
Apparel, textiles and footwear	1810	1711 – Spinning and weaving of cotton and chemical fibers	
	1721	1712 – Printing and dyeing of cotton and chemical fibers	
	1920	1722 – Spinning and weaving of wool	
	5131	1723 – Printing, dyeing and refining of wool	
	5232	1730	1730 – Spinning and weaving of ramee, flax and other hemps
		1742	1742 – Processing of silk waste and silk
		1743	1743 – Printing, dyeing and refining of silk
		1751	1751 – Manufacturing of cotton and chemical fiber products
		1752	1752 – Manufacturing of woolen products
		1753	1753 – Manufacturing of jute, ambarly and greengage textile
		1754	1754 – Manufacturing of silk products
		1757	1757 – Manufacturing of nonwoven fabrics
		1761	1761 – Manufacturing of knitted & crocheted products of cotton & chemical fibers
		1762	1762 – Manufacturing of knitted & crocheted products of wool
		1763	1763 – Manufacturing of knitted & crocheted products of silk
		1769	1769 – Manufacturing of other knitted & crocheted products
		1810	1810 – Manufacturing of clothes
		1820	1820 – Manufacturing of textile fabric shoes
		1830	1830 – Manufacturing of hats
		1921	1921 – Manufacturing of leather shoes
		1922	1922 – Manufacturing of leather clothes
		1924	1924 – Manufacturing of leather gloves and leather accessories
		1931	1931 – Tanning and processing of fur
		1932	1932 – Processing of fur clothes
		1942	1942 – Processing of feather (down) products
		2960	2960 – Manufacturing of rubber boots
		3081	3081 – Manufacturing of plastic shoes
		6331	6331 – Wholesale of textile, hosiery and material
		6332	6332 – Wholesale of apparel
		6333	6333 – Wholesale of footwear and hats
		6531	6531 – Retail of textile fabric and hosiery
		6532	6532 – Retail of apparel
	6533	6533 – Retail of shoes and hats	

Table 24: The Classification of Partial Copyright Industries Corresponding to the National Industries Classification Standards (continued)

Jewellery and coins	3691	4218 – Manufacturing of jewellery and related articles
	5139	3491 – Manufacturing of mint and laboratory articles made by noble metal
	5239	6346 – Wholesale of jewellery, crafts and collections 6547 – Retail of crafts and collections 6546 – Retail of jewellery
Other crafts	9199	4211 – Manufacturing of sculpture craft works
	5239	4212 – Manufacturing of metal craft works 4213 – Manufacturing of lacquer works 4214 – Manufacturing of flower painting craft works 4215 – Manufacturing of woven craft works made of natural plant fiber 4216 – Manufacturing of drawn work and embroidery craft works 4218 – Manufacturing of jewellery and related articles 4219 – Manufacturing of other crafts 4221 – Manufacturing of mirrors and other similar productions 4229 – Manufacturing of other daily-use articles 6346 – Wholesale of jewellery, crafts and collections 6547 – Retail of crafts and collections
	3610	2110 – Manufacturing of wooden furniture
	5139	2120 – Manufacturing of bamboo and cane furniture
	7130	2130 – Manufacturing of metal furniture 2140 – Manufacturing of plastic furniture 2190 – Manufacturing of other furniture 6339 – Wholesale of other household goods 6582 – Retail of furniture

Table 24: The Classification of Partial Copyright Industries Corresponding to the National Industries Classification Standards (continued)

Family articles, ceramics and glass	2610	203 – Manufacturing of woodwork
	173	3082 – Manufacturing of daily-use plastic goods
	2029	3141 – Manufacturing of flat glass
	2899	3142 – Manufacturing of technical glass
		3143 – Manufacturing of optical glass
		3144 – Manufacturing of glass instruments
	5139	3145 – Manufacturing of daily-use glass products and glass containers
	5233	3146 – Manufacturing of heat-preserving glass receptacles
		3147 – Manufacturing of glass fiber and its products
		3148 – Manufacturing of glass-fiber-intensified plastic products
		3149 – Manufacturing of other glass products
		3151 – Manufacturing of sanitation ceramics
		3152 – Manufacturing of special ceramics
		3153 – Manufacturing of daily-used ceramics
		3159 – Manufacturing of ceramics for gardening, lay-out and others
		3132 – Manufacturing of construction ceramics
		3472 – Manufacturing of enamel sanitary ware
3479 – Manufacturing of enamel commodity and other enamel products		
348 – Manufacturing of daily-use products made of stainless steel and other metal		
3972 – Manufacturing of lighting equipments		
6334 – Wholesale of kitchen and washroom appliance and various household supplies		
6339 – Wholesale of other household goods		
6539 – Retail of other household goods		
Wallpaper and carpet	1722	4217 – Manufacturing of carpets and tapestries
	21	2239 – Manufacturing of other paper
	5239	6339 – Wholesale of other household goods
		6346 – Wholesale of jewellery, crafts and collections
Toys and game facilities	3694	2440 – Manufacturing of toys
	5139	2451 – Manufacturing of equipments for open amusement park
	5239	2452 – Manufacturing of game articles and indoor-game apparatus
		6349 – Wholesale of other cultural articles
		6549 – Retail of other cultural articles
Construction, project and investigation	7421	7421 – Construction business
Interior decoration and design	7499	4900 – Building decoration
Museums	9232	9050 – Museum
		9060 – Martyrs' cemetery and memorial museum

Note: Among the four-digit industrial categories of partial copyright industries, some subgroups are not quite related to copyright such as the subgroups in apparel, textiles, glass and ceramics. However, due to the limitation of statistics (some statistics cannot be divided precisely) and for the comparison with other countries, this study does not exclude these subgroups but we have taken full consideration of this when measuring the copyright factors, for example the copyright factor of apparel is only 0.4% and only 0.3% for glass and ceramics.

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs

General industrial groups	Code	Brief introduction
clothing, textile, shoes and hats	3926	other plastic products and products made of other materials listed in 3901 to 3914: clothes and adornments made of leather with the 8-digit code group which is 39262000 in this classification
	4203	clothes and adornments made of leather or processed leather
	4205	other products made of leather or processed leather
	4303	clothing, accessories and other products made of furriery
	4304	products made of man-made furriery
	5111	machine-woven fabrics made of carding wool or other carding fur
	5112	machine-woven fabrics made of combing wool or other combing fur
	5113	machine-woven fabrics made of bristle or horse hair
	5208	machine-woven cotton fabrics, 85% cotton content or above by weight, less than 200 grams per square meter
	5209	machine-woven cotton fabrics, 85% cotton content or above by weight, more than 200 grams per square meter
	5210	machine-woven cotton fabrics, mixed with chemical fabrics, less than 85% cotton content by weight, less than 200 grams per square meter
	5211	machine-woven cotton fabrics, mixed with chemical fabrics, less than 85% cotton content by weight, more than 200 grams per square meter
	5212	other machine-woven fabrics
	5309	machine-woven linen fabrics
	5310	machine-woven fabrics using jute or other textile bast fiber listed in item 5303
	5311	machine-woven fabrics using other natural textile fiber; machine-woven fabrics using paper yarn
	5407	machine-woven filament-yarn fabrics with synthetic fiber, that is machine-woven fabrics using materials listed in item 5404
	5408	machine-woven filament-yarn fabrics with man-made fiber, including machine-woven fabrics using materials listed in item 5405
	5512	machine-woven fabrics with short synthetic fiber, 85% synthetic fiber content or above by weight
	5513	machine-woven fabrics with short synthetic fiber, less than 85% synthetic fiber content by weight, mixed with cotton, less than 170 grams per square meter
	5514	machine-woven fabrics with short synthetic fiber, less than 85% synthetic fiber content by weight, mixed with cotton, more than 170 grams per square meter
	5515	other machine-woven fabrics using short synthetic fiber
	5516	machine-woven fabrics using short man-made fiber
	5602	felting, no matter whether it is macerated, spread, enveloped, laminated or not
	5603	non-woven fabrics, no matter whether it is macerated, spread, enveloped, laminated or not
	5801	napped machine-woven fabrics and machine-woven chenille fabrics, excluding the fabrics listed in items 5802 and 5806
	5802	towel woven and related terry woven fabrics, excluding narrow fabrics listed in item 5806; tufted fabrics, excluding products listed in item 5703
	5803	leno, excluding narrow fabrics listed in item 5806

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

clothing, textile, shoes and hats (continued)	5804	tulle grenadine and other mesh fabrics, excluding machine-woven fabrics, knitted fabrics and crochet fabrics; coiling, strip or patterned lace, excluding the fabrics listed in items 6002 to 6006
	5805	Gobelin, Frend, Bovet and other hand-woven decorative carpet of the related pattern as well as hand-embroidered appliqué decorative carpet (e. g. small stitches and cross-stitch), no matter whether it is ready-made or not
	5806	narrow machine-woven fabrics, excluding the products listed in item 5807; glued narrow fabrics with warp yarn but without weft yarn (strings to bundle piece goods)
	5906	textile processed with rubber, excluding products listed in item 5902
	5907	textile macerated, spread or enveloped with other materials; ready-painted canvas used as stage and photographic settings or in other similar places
	6001	knitted or crocheted napped fabrics, including long pile fabrics and terry fabrics
	6002	knitted or crocheted fabrics, less than 30 centimeters in width, 5% or above in elastomeric yarn or rubber thread in weight, excluding products listed in item 6001
	6003	knitted or crocheted fabrics, less than 30 centimeters in width, below 5% in elastomeric yarn or rubber thread in weight, excluding products listed in items 6001 and 6002
	6004	knitted or crocheted fabrics, more than 30 centimeters in width, 5% or above in elastomeric yarn or rubber thread in weight, excluding products listed in item 6001
	6005	warp knitting (including the ones knitted by lace knitting machine), excluding products listed in items 6001 to 6004
	6006	other knitted or crocheted fabrics
	6101	knitted or crocheted men's overcoat, car coat, cloak, cape, jacket with hood (including skiing jacket), windcheater, anorak, and other related products, excluding products listed in Item 6103
	6102	knitted or crocheted women's overcoat, car coat, cloak, cape, jacket with hood (including skiing jacket), windcheater, anorak, and other related products, excluding products listed in item 6104
	6103	knitted or crocheted men's Western style suit, leisure suit, overcoat, trousers, bib and brace overalls, breeches and pants (excluding bathing trunks)
	6104	knitted or crocheted women's Western style suit, leisure suit, overcoat, one-piece dress, skirt, pant skirt, trousers, bib and brace overalls, breeches and pants (excluding swimming suit)
	6105	knitted or crocheted shirt
	6106	knitted or crocheted blouse
	6107	knitted or crocheted men's brief, short pants, nightgown, sleepwear, bathrobe, wrappage and other related products
	6108	knitted or crocheted women's full slip, underskirt, short pants, panties, nightdress, sleepwear, bathrobe, wrappage and other related products
	6109	knitted or crocheted T-shirt, undershirt and other vests
	6110	knitted or crocheted pullover, cardigan, waistcoat and other related products
6111	knitted or crocheted infant's wear and other accessories	
6112	knitted or crocheted sportswear, ski suit and swimsuit	
6113	clothing made of knitted or crocheted fabrics listed in items 5903, 5906 and 5907	
6114	other knitted or crocheted clothing	
6115	knitted or crocheted panty-hose, tights, hose, socks and other hosiery, including gradually-pressing stockings (e.g. stockings which can treat varicosity) and non-separate-sole shoes	
6116	knitted or crocheted gloves, mittens, no matter whether they cover all the fingers or not	

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

clothing, textile, shoes and hats	6117	other ready-made knitted or crocheted accessories; other knitted or crocheted parts on clothing or accessories
	6201	men's overcoat, car coat, cloak, cape, jacket with hood (including skiing jacket), windcheater, anorak, and other related products, excluding products listed in item 6203
	6202	women's overcoat, car coat, cloak, cape, jacket with hood (including skiing jacket), windcheater, anorak, and other related products, excluding products listed in item 6204
	6203	men's Western style suit, leisure suit, overcoat, trousers, bib and brace overalls, breeches and pants (excluding bathing trunks)
	6204	women's Western style suit, leisure suit, overcoat, one-piece dress, skirt, pant skirt, trousers, bib and brace overalls, breeches and pants (excluding swimming suit)
	6205	shirt
	6206	blouse
	6207	men's vest, underwear, briefs, short pants, nightgown, sleepwear, bathrobe, wrappage and other related products
	6208	women's vest, underwear, full slip, underskirt, short pants, panties, nightdress, sleepwear, bathrobe, wrappage and other related products
	6209	infant's wear and clothing accessories
	6210	clothing made of textile listed in items 5602, 5603, 5903, 5906 or 5907
	6211	sportswear, ski suit and swimsuit; other clothing
	6212	brassiere, belly band, foundation garment, gallsuses, stocking suspender, garter and other related products and accessories, no matter whether they are knitted or crocheted
	6213	handkerchief
	6214	shawl, babushka, scarf, veil, yashmak and products or similar kind
	6215	necktie and bow tie
	6216	gloves and mittens, no matter whether they cover all the fingers or not
	6217	other clothing accessories; parts of the clothing or clothing accessories, excluding products listed in item 6212
	6301	blanket and travelling rug
	6302	fabric products used on bed, on dinner table, in the bathroom and kitchen
	6303	window curtain (including drapes) and veiling; drape and bedspread
	6304	other fabric products for decoration, excluding products listed in item 9404
	6307	other ready-made products, including clothing cutting drawing
	6308	retail-packaging set of products containing machine-woven fabrics and yarns, with or without accessories, used for making rugs, decoration carpet, embroidered tablecloth, napkins and other fabric products
	6401	water-proofed shoes and boots whose outsoles and vamps are made of rubber or plastics, and the vamp is not fixed onto the outsole by stitching, riveting, nailing, tucking or other similar methods
	6402	other shoes and boots whose outsoles and vamps are made of rubber or plastics
	6403	shoes and boots whose vamps are made of leather while outsoles are made of rubber, plastics, leather or processed leather
	6404	shoes and boots whose vamps are made of fabrics while outsoles are made of rubber, plastics, leather or processed leather
	6405	other shoes and boots
	6501	hat felt, hat body and hood made of felting, which are not wedged into shape and which hat brim is not attached to; round hat plate made of felting and felting rolls which are used for hat-making (including the cut felting roll)

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

clothing, textile, shoes and hats	6502	knitted hat felt or hat felt spliced with strips of any material, which is not wedged into shape and which the hat brim, lining and decorations are not attached to
	6503	felted hats whose hat body, hood and round hat plate are listed in item 6501, no matter whether they have lining or decorations
	6504	knitted hats or hats spliced with strips of any material, with or without lining or decorations
	6505	knitted or crocheted hats and hats made of batches of embroidery, felting or other textile (excluding strips), with or without lining or decorations; hairnet made of any material, with or without lining or decorations
	6506	other hats, with or without decorations
	6812	processed asbestos fiber; mixture whose basal component is asbestos or asbestos and magnesium carbonate; above-mentioned mixture and its products e.g. yarn, machine-woven fabrics, clothing, hats, shoes and boots, gasket, no matter they are reinforced or not, excluding products listed in items 6811 and 6813
jewellery and coins	7113	jewellery and accessories made of noble metal or plated with noble metal
	7116	products made of natural or cultured pearl, gem and semiprecious gem (natural, synthetic or reforged)
	7117	artificial jewellery
	7118	coins
other handicrafts	3926	other plastic products and other products made of materials listed in items 3901 and 3914
	4420	inlaid wood (including fine inlaid wood); wooden or paper box or casket for storing jewellery or cutting tools and other similar products; wooden statuette and other decorations; wooden furniture not included in chapter 94.
	5810	embroidery of bolt or piece
	4601	plait and other related products made of interlacing materials, no matter they are sewed into wide straps or not; plait and other related materials made by parallel-connecting or interlacing, no matter whether they are ready-made or not (e. g. mats, matting and curtain)
	4602	basketry and other interlacing products made of interlacing materials or materials listed in item 4601; loofah products
	7114	gold or silver appliance and parts made of precious metal or filed with precious metal
	8306	non-electric bell, gong and other related products made of base metal; statue and other related products made of base metal; photo frame, picture frame and other related frame made of base metal; mirror made of base metal The 8-digit code of this category are: 83062100 sculptures plated with precious metal and other ornaments 83062910 cloisonné sculptures and other ornaments 83062990 unlisted sculptures made of cheap metal and other ornaments
	9601	processed animal teeth, bone, turtle shell, horn, buck horn, coral and other materials for sculpting and products made of them (including molding products)

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

furniture	9401	seats (including chair bed, but excluding products listed in item 9402) and the accessories The 8-digit code of this category are: 94014010 convertible chair made of leather or recycled leather 94014090 other convertible chairs, except for those used in courtyard or in camp 94015000 seats made of cane, wicker, bamboo or similar material 94016110 seats made of wood frame with soft pad and leather or recycled leather surface 94016190 other wood- frame seats with soft pad 94016900 other wood-frame seats 94017110 seats made of metal frame with soft pad and leather or recycled leather surface 94017190 other metal- frame seats with soft pad 94017900 other metal-frame seats 94018010 other seats made of stone 94018090 other seats 94019090 other parts of seats
	9403	other furniture and accessories The 8-digit code of this category are: 94032000 other metal furniture 94033000 wood furniture for office 94034000 wood furniture for kitchen 94035010 rosewood furniture for bedroom 94035091 lacquer wood furniture for bedroom 94035099 other wood furniture for bedroom 94036010 other rosewood furniture 94036091 other lacquer wood furniture 94036099 unlisted famous wood furniture 94037000 plastic furniture 94038010 furniture made of cane, wicker, bamboo or similar material 94038091 stone furniture 94038099 furniture made of unlisted material
family articles, ceramics and glass	3922	plastic bathtub, shower tray, washing tank, washstand, bidet, bedpan, toilet seat and lid, water closet and other related sanitary ware
	3924	tableware, kitchen ware, other family articles and sanitary ware which are made of plastics
	3925	plastic products for building which are not listed in other items
	3926	other plastic products and products made of other materials listed in items 3901 and 3914
	4202	suitcase, valise, handbag, box file, briefcase, schoolbag, glasses box, binoculars box, cases for musical instruments, holster and other containers of this kind; traveling bag, insulated bag for storing food and drinks, cosmetic bag, canvas bag, gripsack, shopping bag, purse, wallet, map case, cigarette case, cigarette bag, satchel, sports bag, bottle case, jewel case, puff box, tableware case and other containers of this kind, which are made of leather, processed leather, plastic sheet, textile materials, vulcanized paper or cardboard (some of them use a little other materials e.g. the bag or case is covered with a sheet of paper)
	4414	wooden picture frame, photo frame, optical frame and other related products
	4415	wooden packing case, wooden box, crate, bucket and other related containers; wooden cable drum; wood pallet, box pallet and other wood board for transportation; wooden tray cage
	4416	wooden bucket, barrel, basin, and other related bucket, as well as accessories, including clapboard
4417	wooden tools, tool support, tool grip, broom, brush and its grip; wooden last of shoes and boots	

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

family articles, ceramics and glass (continued)	4418	wooden products for building, including wood veneer of cellular structure, jointed floor board, wooden tile and shingle
	4419	wooden tableware and kitchenware
	6904	ceramic bricks for building, paving brick, bricking for supporting and stuffing and other related products
	6905	roof tile, chimney hood, cowl, chimney lining, building decoration and other ceramic products for building
	6906	ceramic thimble, pipe, chute and pipe accessories
	6907	ceramic face bricks without glazing, including stove tile and wall tile; mosaic and other related products without glazing, with or without backing
	6908	glazed ceramic face bricks, including stove tile and wall tile; glazed mosaic and other related products, with or without backing
	6910	ceramic washing tank, basin stand, bathtub, bidet, flush toilet, water closet, urinal and other related fixed sanitary ware
	6911	ceramics used as tableware, kitchenware and other daily family use
	6912	pottery used as tableware, kitchenware and other daily family use
	6913	plastics and other ceramic products for decoration
	6914	other ceramic products
	7003	founded or rolled glass sheet, section material and profiled bar, without any other processing method, no matter they have absorbing, reflecting and non-reflecting coating or not
	7004	pulled or blown glass sheet, without any other processing method, no matter they have absorbing, reflecting and non-reflecting coating or not
	7005	float glass sheet and surface-ground-or-polished glass sheet, without any other processing method, no matter they have absorbing, reflecting and non-reflecting coating or not
	7006	glass listed in items 7003, 7004 or 7005, which have been processed by bending, edging, carving, drilling, painting enamel or other methods but without passé partout or assembling with any other materials
	7008	products made of multi-layer heat-insulated and sound-insulated glass
	7009	glass mirror (including rear view mirror) with or without passé partout
	7010	glass jar, bottle, urn, ampoule and other containers used for storing and transporting goods; glass preserving kettle; glass stopper, lid and other seals
	7011	unsealed glass shell (including glass bulb, and glass tube) used for making lamp bulb, cathode ray tubes and other related products, without any accessories
7013	glassware, used on dinner table, in kitchen, bathroom, office, interior decoration and other related ways (excluding products listed in items 710 and 7018)	
7014	signal glassware with optical processing and cellophane optical element (excluding products listed in item 7015)	
7015	watch or clock glass and glass used in all spectacles, which are in the shape of camber, curve, concave or other shapes but without any optical process	
7016	pressed or molded glass blocks, bricks, plates, tiles and other products for surfacing in buildings, with or without wire inside; glass mosaic and other small glass products for decoration, with or without backing	
7017	glassware used in labs, sanitation and having a prescription filled, with or without scale	
7018	beading, artificial pearl, artificial gem, artificial semiprecious gem, other related products and their mimic products, excluding artificial jewellery; glass eye, excluding artificial eyes for medical use; lamp-blown glass statue and other glass decorations, excluding artificial jewellery; small beading with a diameter of less than 1 millimeter	

Table 25: The Classification of Partial Copyright Industries Corresponding to the Classification Standards by the Customs (continued)

family articles, ceramics and glass (continued)	7612	aluminium barrel, jar, tin, bucket and other related containers for storing materiel, including flexible tube container and rigid tube container (excluding the ones for storing compressed gas or liquefied gas), less than 300 litres in capacity, with or without lining or heat insulation, but no mechanical or thermal installation attached. The 8-digit code of this category is: 76129010 aluminium pop-top
	8113	81130000 metal ceramic and its products, including fragmentary waste
	8215	scoop, fork, ladle, colander, pastry crimper, fish knife, butter knife and similar kitchenware
	8306	non-electric bell, gong and other analogues of base metal; statuettes and other ornaments of base metal; photo and picture frame of base metal and other similar frames; mirror of base metal. The 8-digit code of this category is: 83063000 photo and picture frame of base metal and other similar frames; mirror
	8310	Signboard, nameplate, address plate and other similar signs with numbers and letters which are made of base metal, excluding products listed in item 9405
	9405	lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included The 8-digit code of this category are: 94051000 chandeliers and other electric ceiling or wall lighting fittings 94052000 electric table, desk, bedside or floor-standing lamps 94053000 Christmas tree light sets
	9606	buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks
	9617	vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inner The 8-digit code of this category is: 96170010 vacuum flasks
wallpaper and carpet	5701	woven loop-pile carpet and other woven loop-pile ground-covering products made of textile, no matter whether it is ready-made or not
	5702	machine-made carpet and other machine-made ground-covering products made of textile, without tuft or flocking, no matter whether it is ready-made or not, including KELEM, SCHUMACKS, KARAMANIE and other related hand-made carpet
	5703	tufted carpet and other tufted ground-covering products made of textile, no matter whether it is ready-made or not
	5704	felting carpet and other felting ground-covering products made of textile, without tuft or flocking, no matter whether it is ready-made or not
	5705	other carpet and other ground-covering products made of textile, no matter whether it is ready-made or not
	4814	wallpaper and other related products; transparent window paper
	4815	ground-covering products whose bottom part is made of paper or cardboard, no matter whether it is cut into particular patterns or not
toys and game facilities	9503	tricycle, scooter, pedaling car and other wheeled toys; toy cars; dolls; other toys; scale-down model and other models for amusement, no matter whether it is movable or not
	9504	game facilities used in places of entertainment, including pinball machine, billiards table, tables used for entertainment and automatic bowling alley
	9505	entertainment facilities used in festivals and other occasions, including magic show props and other play facilities
	9508	amusement park facilities such as merry-go-round, swing and shooting target; touring troupe

Table 26: The Classification of Non-Dedicated Support Industries Corresponding to the National Industries Classification Standards

Main groups	UN industries classification code	Four-digit industries according to the national industries classification standards and their brief introductions
general wholesale and retail industries	51	63 whole
	52	65 retail
general transporting industry	60	
	61	51 railway transportation
	62	52 road transportation
	630	53 urban public transportation
		54 water transportation
		55 air transportation
		57 transport support activities
	58 storage	
	59 state post	
	641	
telephony and Internet industries	6420	601 telecommunication
	7240	602 Internet information service

Annex: Studies of Partial Copyright Industries

As mentioned above, in order to get the factors of some partial copyright industry, this research is based on the literature survey and the sample survey (field survey and questionnaire).

According to the classification in WIPO's *Guide*, the partial copyright category can be divided into ten industries, including garments, textiles and shoes; jewellery and coins; craft works; furniture; household goods, porcelains and glass; wallpaper and carpets; toys and games; architecture, projects and measures; house designs and museums. In these categories, the relationships of the products and the copyright are quite different, no matter whether the products are of the same category or not. For example, porcelains come in different kinds; the art porcelain the household porcelain and the architecture porcelain are widely different in their relationships with copyright. It needs a whole research of every industry and sample survey and analysis of relevant enterprises to set the copyright factors properly.

At the beginning of the research, it did not consider the differences of industries, using the same questionnaire (See Attachment 1). According to the results, Chinese professionals in the copyright-based industry had low copyright recognition and some of them had no clear understanding about the relationship of their work with copyright. They even had difficulties answering the questionnaire. So, then the questionnaire was amended, according to the characteristics of the ten categories (See Attachment 2). Some details of the research are as follows:

1. Chinese Garments, Textiles, Hats and Shoes

1.1 General Survey of Chinese Garments, Textiles, Hats and Shoes Industry

Garments, textiles, hats and shoes industry is one labour-intensive industry. It is also a fully developed one at present in China. Basically, this industry spreads all over the country. The coastal areas, especially the Yangtze River Delta Region, the Pearl River Delta Region and Fujian province are important areas for the industrial cluster, such as the textile industry of Nantong in Jiangsu, the suits production of Ningbo in Zhejiang, the garment production of Shishi in Fujian, the casuals of Jijiang in Fujian, the wedding dress and evening dress of Chaozhou in Fujian and the leather shoes industry of Wenzhou in Zhejiang.

Chinese garments, textiles, hats and shoes industry has large scale and high output but low profit. The industrial cluster develops greatly in coastal areas, mainly pulling in the foreign trade. The change of export has significant influence on this industry. The labour-intensive feature, the cost and price are the greatest advantages of Chinese garments, textiles, hats and shoes industry at present. So in the low and middle end market, it has an obvious advantage but in the high end market, it lacks in high end products and designs.

Talking about the associations of this industry, the national associations are China National Garment Association, China Textile Industry Association, etc. and some are local associations.

1.2 The Relationship of Garments, Textiles, Hats and Shoes with Copyright

The pattern of garments and shoes, the layout of textiles and other designs are creative works being protected by the copyright laws. Most exporting garments of China are OEM as the order, without independent innovation. This is one important cause of lacking high end products. As regards with the design ability, China has great room to improve the design and innovation comparing with France, Italy, the UK and so on, which are strong in this field.

In view of the relationship of the industry and copyright, Chinese garments, textiles, hats and shoes have advantages in cost and price while disadvantages in design and innovation. This industry is high output, large scale, with great numbers of workers but low profit. The copyright factors are low due to lack in professional designers.

Based on the research results and considering the copyright factors of other countries, this research concludes that the copyright factor is 0.4% of Chinese garments, textiles, hats and shoes industry. What should be pointed out is that this value is relative to the value-added of all subcategories included in the category of garments, textiles and shoes. Seen from a specific object, the copyright contained in high value-added textiles is higher than 0.4%, while some basic textiles like cloth without dyeing or single-color cloth do not have copyright. Since there are no related categories of copyright industries in state statistics, 0.4% is only the mean of the copyright factors of the whole industry. It does not mean that the copyright factor of all subcategories is 0.4%. For the following copyright industries, the value of copyright factor refers to the mean of the general category but does not represent the value of the specific product.

Household textiles in various design and color⁵¹



⁵¹Source: <http://www.hometexnet.com/Images/ProductUpload>

Fashion dress designed by Chinese designer⁵²



⁵²Source: <http://www.cnga.org.cn/lxz3/View.asp?NewsID=19305>

2. Chinese Jewellery and Coin

2.1 General Survey of Chinese Jewellery and Coins Industry

2.1.1 *The Jewellery*

Since Chinese reforming and opening up, Chinese jewellery industry has made outstanding progresses. However, there is a big gap between China and the developed countries and areas. Only some major enterprises do well. Many small and middle sized enterprises are weak in technology, research and development, and their products are out of fashion and homogeneous with poor designs. So the small and middle sized just compete in the low end market. Besides, the exported jewellery of China is manufactured for other countries. Chinese factories get poor manufacturing pay while the foreign businessmen get more profit.

Chinese jewellery and coins industries gather in the developed coastal areas and several big cities. The development of the jewellery industry is related closely to the consumption level. For instance, near to the Hong Kong's and Macao's mature markets, in Pearl River Delta, the jewellery manufacturing is well developed and Shenzhen's amount of jewellery brands and recognition rank the top of national markets. In Shenzhen, in 2008, the registered jewellery corporations and enterprises are more than 2300 and the registered brands are more than 2200, over 700 enterprises are in jewellery studding business. About 120,000 people work in this industry in Shenzhen and the total manufacturing value is over ¥60 billion, taking up over 70% of the domestic jewellery market.

The Gems & Jewelry Trade Association of China is the national guild, with one committee specialised in design. Meanwhile, there are some local associations in the major jewellery producing areas.

2.1.2 *The Coins*

The "coins" means the metal coins with certain form, quality, weight and nominal price. Coins related to copyright mainly are gold and silver commemorative coins. It is an international practice to take the gold and silver coins as the legal currency of a country. The gold and silver coins of most of countries are issued by the central bank, ministry of finance or mintage organization following strict rules. Chinese gold and silver coins are minted by certain mints which are appointed by the People's Bank of China. They are distributed by China Gold Coin Incorporation, retailed by domestic or foreign dealers and franchised by the People's Bank of China.

Chinese precious metal commemorative coins are legal RMB of China, issued in limited amount with special themes. Authorised by the State Council, the People's Bank of China began to issue the precious metal commemorative coins. By 2004, China had issued precious metal coins in more than 270 programs, near 1500 kinds, among which, gold coins are over 3.4 million ounce and silver coins are over 26.0 million ounce. The precious metal commemorative coins have formed ten series, including the panda and animal & plant coins, the twelve animal signs coins, the great commemorative event coins, the outstanding people coins, the literature and art coins, the traditional culture coins, the religious culture coins, the Olympic and sport coins, the world heritage and scenic sites coins and other subject coin.⁵³

2.2 The Relationship of Jewellery and Coins with Copyright

Categorised by material, there are gold and silver jewellery, gems, pearls and artificial jewellery. The jewellery is classed by material usually. Based on the intention of the designers, we divide them into popular jewellery and art jewellery. The designs of the jewellery make them be works defined in the copyright laws and be protected. For the different kind of jewellery, the copyright factors are greatly different. For instance, the copyright factor of the artificial jewellery is higher than the gold and silver, gems and pearl ones. As the improvement of the consumption level and development of the jewellery market, the design draws more and more attention. When improving the added-value, the design is one important factor.

⁵³Source: www.chinagoldcoin.net. An interview with the speaker of China God Coin company.

Likewise, the design of commemorative coins is protected by the copyright laws. The precious metal coins were designed mainly by designers of mints and China Gold Coin Incorporation until 2000. After the Design and Sample Coin Committee founded in 2000, the design teams became stronger continuously, forming the fine competitions of social designers (art colleges and design companies), the engaged designers (art experts) and professional designers (mints).

Based on the research results, considering the copyright factors of other countries, this research concludes that the copyright factor of Chinese jewellery and coins industry is 8%. In the aspect of distribution rules, the more expensive a jewellery is the less copyright it contains. Take a jewellery made by a rare big diamond as an example, although it takes great value-added of fabrication design, its value is far less than the jewellery itself. Only in the general jewellery, the copyright of fabrication design is obvious.

Awarded "Flying Men" in the 2008 China International Design Competition⁵⁴



2008 Olympic coins⁵⁵



⁵⁴Source: <http://test.0755zb.cc/work3/20080624/page1.html>

⁵⁵Source: <http://www.china-coins.cn/productshopxp.asp?id=563>

3. Chinese Handicrafts

3.1 General Survey of Chinese Handicraft Industry

Chinese handicrafts are various in kinds and geographically different. Generally, handicrafts have regional characteristic all over the country. Most of them are made by hands with small industrial size. According to the industry statistics, the production values in descending order are: ¥89.706 billion of jewellery, ¥63.805 billion of folk craft works and other works, ¥54.784 billion of fagoting embroideries, ¥36.628 billion of crude botanic knit goods, ¥27.698 billion of carpets and tapestries, ¥26.163 billion of metal craft works, ¥22.433 billion of sculptures, ¥13.52 billion of flower paintings, ¥12.04 billion of potteries, ¥8.335 billion of lacquers and ¥5.41 billion of firecrackers.

In 2006, the export value of Chinese arts and crafts is ¥142 billion, 39.4% of the production value of this industry. The export value of Chinese folk and other craft works is ¥28.79 billion, and others respectively as follows: ¥26.71 billion of jewellery, ¥20.565 billion of fagoting embroideries, ¥19.905 billion of crude botanic knit goods, ¥9.453 billion of the metal craft works, ¥7.84 billion of potteries, ¥7.496 billion of carpets and tapestries, ¥6.63 billion of flower paintings, ¥6.485 billion of sculptures, ¥4.78 billion of lacquers and ¥3.35 billion of firecrackers.

According to the categories from WIPO, jewellery and carpets are individual categories and the firecrackers are not included.

As the regional difference, handicrafts in different categories have different characteristics. Take the embroidery as an example, embroideries of different regions are different in techniques and patterns. Some famous ones are Su embroidery, Shu embroidery, Yue embroidery, Xiang embroidery, etc. Most handicrafts are also featured in deep historical and cultural roots.

Daxi Bottle⁵⁶



3.2 The Relationship of Handicrafts and Copyright

Traditional handicrafts are not in the framework of the copyright laws directly. However, it does not mean that the handicrafts have no copyright issues. How to inherit and develop are problems all traditional handicrafts

⁵⁶Source: www.huanbohai.com.cn, by Liu Xishun

face. The creations during the craft work developing are works which should be protected by the copyright laws. Besides, in some scaled and industrialised craft works industries, the innovative shape and pattern are protected by the copyright laws.

Based on the research results and considering the copyright factors of other countries, this research concludes that the copyright factor of Chinese jewellery industry and coins industry is 40%. Similarly, the copyright contained in each specific handicraft of this general category is different. 40% is the mean of the whole other handicrafts.

4. Furniture Industry in China

4.1 A Brief Review of Chinese Furniture Industry

Furniture is most commonly categorised by its materials and purposes. With regards to the former criterion, there are wood, metal, textile fiber, plastic and other special materials, with wood being the conventional type; as for the latter, there are both domestic and office furniture.

Currently, furniture industry in China has gradually established industrial clusters in different parts of the country, such as Guangdong, Sichuan, Hebei, Beijing Northeast China, etc. In the meantime, these large-scale enterprises have found their individual strengths through development.

(1) Guangdong Province

As the common saying in the industry goes: "All the furniture manufacturers in China should look to Guangdong." Furniture industry first flourished in the Guangdong Province in the early 1980s. By processing the products of an overseas brand name OEM in its infancy, Guangdong's furniture industry gained rich experience that proved valuable later in creating their own brand names. Guangdong furniture mostly takes the European and American style, oriented towards the middle and high-end market, with the products mostly sold to large cities. Right now, there are three major furniture expositions in Guangdong: Shenzhen Furniture Expo organised by Shenzhen Furniture Association, Guangzhou Furniture Expo organised by Guangzhou Furniture Association, Dongguan Furniture Expo jointly organised by Dongguan Furniture Association and Hong Kong Furniture Association.

(2) Sichuan Province

Sichuan is a latecomer compared with Guangdong. From the very beginning, their products have been oriented towards the middle and low-end market, focusing on medium-sized cities. Hence they have been dubbed the "farmer's furniture" and always adopted the terminal marketing strategy. Such a market positioning makes Sichuan-made furniture immensely popular in medium-sized cities, bringing in enough capital for further development. In recent years, several comparatively stronger manufacturers in the Sichuan Province have begun to produce "fine furniture", that is of medium and high quality and is also pricier, gradually changing their market position and advancing into large cities.

(3) Hebei Province

Hebei furniture is featured by its adoption of various fashionable elements, learning from manufacturers around China and forming a style that satisfies the function demands and taste of the people in Hebei. Currently, Hebei furniture is in the leading position in North China, occupying the market in such regions as Northeast China, Inner Mongolia, Xinjiang, Gansu, Hebei, He'nan, etc. Two major furniture production bases in Xianghe and Bazhou have helped consolidating the leadership of the Hebei Province in China. Fiberglass furniture of Bazhou in particular enjoys great fame in China and also sells well in Southeast Asia.

(4) Beijing

Fiberboard furniture has been developing rapidly in Beijing these last few years. One reason is that northern consumers doubt whether furniture produced in the South is suitable to use in the dry climate of the North. Therefore, they are more inclined to choose domestic brands. Another reason is that compared with producers from other regions, a better understanding of domestic market demand and geographical proximity helps northern manufacturers cut transport cost and improve service efficiency and pertinence.

(5) Northeastern Provinces

Furniture industry in the northeastern provinces, supported by natural forest resources, has taken a significant market share with its solid wood products. Many furniture enterprises based in Dalian, Shenyang and Harbin have made considerable progress in recent years. Right now, Shenyang is home to over 1,200 furniture manufacturers and distributors with an annual production of 3.5 million pieces, one third of the total production of all the three northeastern provinces. It is now making its way toward being “the capital of solid wood furniture” in China.

The industrial association of Chinese furniture industry is China National Furniture Association. Guided by the China National Light Industry Council, it is a nationwide industrial association composed of voluntary members, including businesses, public institutions, social groups and individuals in the furniture industry and the manufacturing, management, scientific research and teaching of related industries.

4.2 Furniture and Copyright

A copyright-based industry perspective is mainly concerned with the design, shape and pattern of furniture. Noteworthy aspects include the partial design of traditional classical furniture such as carvings and colored paintings, as well as the shape of wooden furniture.

Wooden Furniture with Painting and Coating⁵⁷



⁵⁷Source: the website of China National Furniture Association, <http://www.cnfa.com.cn/cnfa2009/jjsj/index.html>

Creative Design of Bamboo-shaped Six-drawer Cabinet⁵⁸



"Golden Axe" Award-Winning Round-Backed Armchair⁵⁹



In China, professional design companies such as a furniture research institution in Shenzhen have been drawing increasing attention from furniture manufacturers. In Houjie Township of Dongguan City, a famous furniture manufacturing base in China, the number of professional furniture design institutions is on the rise. Many furniture manufacturers now have their own professional designers. Some others have signed contracts with famous industrial designers in the world, importing top designing ideas from the international stage for their own development. The designing capacity of furniture manufacturers, professional furniture

⁵⁸Source: *ibid.*

⁵⁹Source: *ibid.*

designing companies and overseas furniture designers is providing intellectual support for Chinese furniture industry.

According to this survey and by referring to that of other countries, the copyright factor of Chinese furniture industry is 5%.

5. Chinese Housewares and Appliances

5.1 Ceramics

5.1.1 Chinese Ceramic Industry

As the hometown of porcelain, China has always been known as “the country of porcelain”. The art of porcelain includes the shaping, ornamentation, material selection and techniques of making chinaware. It is both art and science. In terms of purposes, there are artistic ceramics, domestic chinaware, construction ceramics, hygienic ceramics and ceramics for special purposes. There are several famous ceramic-production areas in China.

(1) Jingde Township in the Jiangxi Province

Jingde Township is one of the major ceramic-production areas in China with a long history and international fame. It is acclaimed as the “porcelain town”. Jingde Township has a profound ceramic culture. With regards to shape, there are two major types of ceramics, being the round and the polished ones. Round ceramics refer to the round chinaware made by windlass, such as plates and bowls, while polished ceramics refer to those that have been carved into various shapes, such as jar, bottle, crock, kettle, pot, cup, etc. and made with various techniques. Besides round and polished chinaware, there is yet another peculiar shaping technique called porcelain carving. According to its different polishing methods, porcelain carvings can be divided into round carvings, relief, embossment, hollow carvings, etc. The products range from artistic work to toys and house ware, covering almost everything.

Jingde Township has four traditionally famous types of porcelain, including Blue and White Porcelain, Exquisite Blue and White Porcelain, Colored Porcelain and Monochrome Porcelain, they demonstrate the artistic power of Jingde porcelain in decoration.

(2) Foshan City in the Guangdong Province

Foshan ceramic industry also enjoys a long history. For thirty years since the introduction of reform and opening-up policy, construction and hygienic ceramic industry has developed rapidly in Foshan, forming a complete ceramic industry system that is in the leading position in China. Relevant surveys show that Foshan construction ceramic industry has an annual production capacity of over 10 trillion square metres, more than 50% of the country's total and about 25% of the world's total while the annual production of hygienic ceramics is over 13 million pieces, 16% of Chinese total and 5% of the world's total. Right now, Foshan is among the most important ceramic-production areas in the world.

(3) Dehua County in the Fujian Province

Dehua ceramic industry has been developing for a long period of time. Since the founding of the People's Republic of China, Dehua has established a production system with three major types of products, namely traditional porcelain carving, occidental porcelain craft work and porcelain for domestic use. A number of famous ceramic enterprises have also emerged. Dehua ceramic production value was 5.31 billion RMB in 2003 and export consignment value was 4.21 billion RMB. In March 2006, Dehua County was named as “the porcelain hometown in China” by the Agricultural Development Research Department of the Development

Research Center of the State Council. In 2003, it was given the title of “the hometown of ceramic folk art in China”.

(4) Yixing Ceramic

Yixing has also been known as “the capital of ceramic industry in China”. Among the over 7,500 types of ceramic products in Yixing, some fine types such as purple sand porcelain, celadon, Jun ceramics, painted pottery, fine ceramics, etc., enjoy world fame. In the areas of Dingshan and Shushan in Yixing where almost everybody is engaged in ceramic production and kilns can be seen everywhere, purple sand porcelain teapot is the most famous. Workers melt together purple clay, red clay and green clay to produce melon-shaped pot, tree-trunk shaped pot, and the ancient styled pot with a looped handle; then craftsmen engrave ancient poems, landscape, floral patterns or fish on the pots and seal them. After further baking, a piece of artistic work that combines engraving, Chinese calligraphy and painting in one pot is completed.

(5) Ceramics in the Shandong Province

Shandong ceramics, produced mainly in the Zibo and Linyi area has been gaining momentum in its development since the introduction of the policy of reform and opening-up. Currently, the output of ceramic tiles from there is among the top in the country.

5.1.2 Ceramics and Copyright

The copyright issue is mainly concerned with the shape and pattern of ceramic products, the latter being more important.

Ceramic Coffee Ware⁶⁰



⁶⁰Source: <http://www.ceramicexpo.cn/Product.aspx?Id=207> , www.huanbohainews.com.cn

Ceramic Tableware⁶¹



5.2 Lamps and Lanterns

5.2.1 Chinese Lamp Industry

Chinese lighting industry has been making rapid progress in the recent two decades and established a complete industrial system. Right now there are over 10,000 lighting product manufacturers in China. In 2005, China took 11.4 billion USD worth of market share from the total 100 billion USD, accounting for 11.4%. The 10,000 manufacturers in China had a total sales revenue of 140 billion RMB in 2005, with an export value of 8 billion USD. A study conducted by international research organisations predicts that the lighting market demand in 2013 shall reach 140 billion USD, 20% of which shall be light source and the rest 80% belongs to lamps and lanterns. The same ratio is also true in China as it is the largest producer of electric light source products in the world and one of the largest in terms of lamps and lanterns.

An analysis of the industry distribution and structure reveals that most of the manufacturers are concentrated in the Pearl River Delta and Yangtze River Delta.

⁶¹Source: photos taken by the project team during the studies in a porcelain manufacturing enterprise in Hebei.

5.2.2 *Lamps and Copyright*

The copyright issue is mainly concerned with the ornamentation of lamps and lanterns.

Exquisite Bed Lamp⁶²



5.3 **Glass**

Although China has topped the world for many years in a row in terms of glass output, most of the products are common float glass. The shape and patterns of glass involve copyright issue.

Empaistic Glass⁶³



⁶² Source: Jiatian Net http://www.zm-china.cn/news/2008/0922/article_1128.html.

⁶³ Source: Net of China Glass, http://www.glass.com.cn/glassbiz/bizmessage_913604.html.

Blown Artistic Glass for Wall Ornamentation⁶⁴



According to this survey and by referring to the copyright factor of other countries, the copyright factor of Chinese house wares, ceramics and glass products is 0.3%. What should be pointed out is that many products in this category do not have copyright. For example, in the category of glass, most plate glass and optical glass do not have copyright, but the artistic glass, decorative glass and other engraved glass or stained glass have. Since the statistics are for the whole glass industries, 0.3% is relative to the value-added of the whole industry.

6. Wallpaper and Carpet Industry in China

6.1 A Brief Review of Wallpaper and Carpet Industry in China

Wallpaper, used for interior decoration, is classified into various categories according to the materials used, the differences of which also cause them to be functionally different. For example, there are paper-made wall covering, textile wallpaper, PVC wallpaper, glass-fabric wallpaper, etc. The industry is mainly distributed in Shanghai, Guangdong, Zhejiang, etc. and its national industry association is China Building Decoration Association under the Ministry of Housing and Urban-Rural Development. There are local associations as well.

The carpet, a textile, has two main classifications. According to processing methods, there are hand-made carpets and woven carpets, while according to materials, there are pure wool carpets, chemical fabric carpets and plastic carpets. Hand-made carpets originate from handicrafts that have a long history. Places, like Xinjiang, Tibet, Beijing and Tianjin are well-known for their man-made carpets. Tibetan carpets, Khotan carpets from Xinjiang, Jingning carpets from Gansu and silk carpets from Zhenping, Henan, are typical representatives. In terms of the industry distribution, it is mainly located in North and East China, including Shandong, Jiangsu and Shanghai. The national industry associations are China Carpet Industry Association under the China Arts and Crafts Association, China Wool Textile Association, etc.

6.2 Wallpapers, Carpets and Copyright

As functional or decorative items for domestic life, the pattern and color are important components of wallpaper and carpets. However, as some traditional carpets or normal wallpapers only employ traditional patterns or images without any designs, they can hardly be regarded as “works”. On the other hand, many hand-made carpets are characterized by strong sense of creation by artists, so are some designed wallpapers and woven carpets. Therefore, they are entitled to the protection of the Copyright Laws as their layout,

⁶⁴Source: *ibid.*

patterns and colors constitute the whole work. From the perspective of the industry development, the wallpapers and carpets, owing to their decorative function, will be more competitive if they have their own copyrighted designs.

According to this survey and by referring to the copyright factor of other countries, the copyright factor of Chinese wallpapers and carpets is 2%. As mentioned above, in this industrial classification, some materials such as ones of carpet, wallpaper, etc. are without the component of copyright.

7. Toys and Game Facilities in China

7.1 Industry Overview of Chinese Toys and Game Facilities

Toys are among the major export products in China and therefore the whole toy industry is export-oriented. The Pearl River Delta is where the industry is concentrated apart from Zhejiang, Fujian, Jiangsu, etc. The toy industry is also a labour-intensive one. The game facilities mainly include recreation supplies for outdoor or indoor activities. The national industry association is China Toy Association under the China National Light Industry Council. There are local industry associations as well.

The development of the toy industry is subject to the export fluctuations, reflecting the great influence of economic situations on the industry. Apart from its advantages of low cost and price, the industry should continually upgrade the technology and improve its designs to meet diversified requirements.

7.2 Toys, Game Facilities and Copyright

There is a great variety of toys with different functions and technical contents. From the copyright perspective, designs are of great significance to all toys. Besides, toys are important derivative products of many cultural products. For example, characters from cartoon movies serve as materials for toy designs and these derivative toys from the copyrighted work should also be entitled to the copyright protection if they are given the license to be produced.

In terms of recreation supplies, as game facilities are usually integrated with recreational activities at theme parks, the design of the theme and related game facilities is full of the "creation" factor. The development of new game facilities also requires the design to be protected by the copyright.

According to this survey and by referring to the copyright factor of other countries, the copyright factor of Chinese toys and game facilities is 40%.

8. Architectures in China

According to documents issued by the World Intellectual Property Organization (WIPO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 1986, the architectural work includes two parts, namely, the architecture itself (one that must be original in appearance, decoration or design) and its design drawing and model.⁶⁵ The Chinese Copyright Law makes clear the protection of architectures while listing drawing and model among the works. Therefore, the architectural works, according to the current Copyright Law and its Implementation Regulation of China, is the "architecture itself" mentioned in WIPO and UNESCO documents, that is the original one in appearance, decoration or design. In other words, as the architectural work presents itself through its appearance, such as lines, decoration and colors, the copyright protection can only be employed for its appearance design.⁶⁶ As creativity is indispensable in architectural works, "match-box" buildings⁶⁷ for practical use or buildings of no aesthetic design can hardly be regarded as architectural works.⁶⁸

⁶⁵ Zheng Chengsi, 1997, *Copyright Law (Revised Version)*, China Renmin University Press, pp. 114-115.

⁶⁶ Chen Jinchuan, 2009, "Analysis of Copyright Cases in Beijing Supreme Court, 2008." *China Copyright* (2nd issue).

⁶⁷ Wang Qian, 2007, *Copyright Law*, Beijing University Press, p.57.

⁶⁸ Wang Qian, 2007, *Copyright Law*, Beijing University Press, p 57.

According to the classification and description in Chinese Copyright Law, pictures and models should be included in the core copyright sector. The architectural works belong to the partial copyright industry, as only their appearance designs are related with copyright.

According to this survey and by referring to the copyright factor of other countries, the copyright factor of Chinese architectures, engineering and investigation is 6%.

9. Interior Decoration in China

The interior decoration industry has emerged since Chinese reform and opening-up. The industry has embarked on an all-round development since the early 1990s as a great number of decoration companies have been set up as mushrooms. It has grown fast, driven by the strong demand and market force, however, there is still a long way to go before we achieve the international standard.

According to this survey and by referring to the copyright factor of other countries, the copyright factor of the interior decoration industry in China is 5%.

10. The Museum Sector in China

10.1 Industry Overview of the Museum Sector in China

In July 2001, the 19th General Conference of the International Council of Museums (ICOM) defined that “the museum is a public, non-profit and permanent institution for the society and its development. It collects, preserves, spreads and displays evidence of human beings and human environment for research, education and enjoyment.” Though scholars hold different opinions about the museum functions⁶⁹, the definition shows the widespread understanding of museums across the world, that is “museums are not oriented for profits” and the main function is “to collect, preserve and research into cultural heritage, and to provide opportunities for appreciation and education” as well as “for the benefits of society and its development”. Therefore, the museum sector belongs to public services and its contribution to society is cultural instead of economic.

Museums have a long history in China. There were imperial and aristocratic collection bodies in the ancient time although there was no such term as “museum” then. Modern museums, as independent cultural bodies, have emerged and developed since the beginning of the 20th century. The founding of the People’s Republic of China turned a new chapter for museums in Beijing. Since the reform and opening-up, Chinese museums have gained great momentum. It is estimated that the number of museums reached over 2,200, among which 1,504 are under the cultural heritage institutions. There is a great variety of museums in China and almost each industry has one to display their development and achievements.⁷⁰

The Chinese museums have three major functions as follows⁷¹: collection for collecting, preserving and managing collections; research for appraising, dating collections and identifying their historic, artistic and scientific importance; and education for holding exhibitions to promote the collections, organizing seminars and editing and publishing books as well as periodicals.

Before 1988, Chinese museums were categorised into specialised museums, memorial museums and comprehensive museums, according to this, the National Bureau of Statistics collected statistics and issued development report respectively. Now the department in charge of museums and experts believe that it is

⁶⁹For example, some scholars summarize “3 E-functions” of museums, namely, education, entertain and enrich while others support “3 I-functions” of investigation, instruction and inspirator.

⁷⁰Fei, Anling. *General Description of Works*. Analysis on the Copyright Law of People’s Republic of China, Pg. 159. China Radio International Press. 1st edition, Feb 1991.

⁷¹In 1956, the First National Museum Conference was held in Beijing. A series of the fundamental issues were discussed for the development of museums, making clear the basic functions and tasks of the socialist museums. Museums were positioned as “scientific research institutes”, “cultural and educational institutes” and “collection institutes of cultural heritage”, which were the well-known “3 Characteristics” of the museum, similar to the “3 Functions” formulated by the world museum sector. Reference

suitable to classify Chinese museums into historical, artistic, scientific, technical and comprehensive categories, based on Chinese situations and the international practice.

10.2 Museums and Copyright

As mentioned above, museums are institutions for cultural promotion and social undertakings. However, economic means and management have been introduced to the whole or part of the museum operation with regard to the development of domestic and overseas museums. In July 2001, the 19th General Conference of ICOM held in Barcelona, Spain, chose “Steering Reform: Museums facing Economic and Social Challenges” as its theme. The future path of development for world museums is to search for new ideas, try new models and approaches to meet economic and social challenges. Now museums are playing an important economic role through the cultural industry, tourism and artistic market, etc.⁷² as copyright becomes increasingly important for those industries.

The relationship between museums and copyright is reflected in the following aspects: exhibits in the period of copyright protection such as photographic works, artistic works and movies, etc.; the museum itself and digital images/videos related to the exhibits; the museum collection list and its exhibition design; printings published by the museum and unique cultural commodities developed by the museum.

In order to have a deep understanding of industry situations, the project has conducted field research in the Capital Museum, the Palace Museum, Beijing World Art Museum and the Poly Art Museum. Among them, the Capital Museum and the Palace Museum are government-affiliated institutions solely funded by the state while Beijing World Art Museum receives the balance allocation from the government and the Poly Art Museum is funded solely by the enterprise. All of them are representatives of the industry.

The above-mentioned museums are different in their nature and scale and have their own advantages in copyright-related activities. However, generally speaking, the copyright has brought a small economic contribution to the industry, this is in response to the survey outcome.

According to this survey and by referring to the copyright factor of other countries, the copyright factor of the museum sector in China is 0.5%.

11. A Regional Survey of Chinese Copyright-Based industry

China, with a vast territory, displays both uneven regional economic growth and rich cultural diversity. Chinese copyright-based industry therefore takes on fairly distinctive regional characteristics. To study the copyright-based industry in different provinces plays a significant role in finding out the development law of the copyright-based industry and unveiling the industrial layout of the copyright sector. Apart from that, it cannot only make an important supplement to state-level macro-research in this field but also better reflect the regional diversity in the development of the copyright-based industry. So in this study, a preliminary investigation on copyright-based industry in some provinces will be carried out. However, due to limited time, inadequate funding and insufficient staff, this study marks just a beginning in this area.

⁷²Lv Jimin, “Analysis on the Integration of the Chinese Museum with the World”. *Beijing Museum*. The author is the research staff with the Palace Museum and Chief of Museum Experts Group of the State Administration of Cultural Heritage.

Questionnaire used in the pro-phase study

Survey on Economic Contribution of Chinese Copyright-Based Industries

Questionnaire

1. This survey constitutes an essential part of the "Research Project on Economic Contribution by Chinese Copyright-Based Industry" jointly conducted by the State Copyright Bureau and the World Intellectual Property Organization. It aims to find out the current scale, basic situation of Chinese copyright-based industry as well as its contribution to national economies.
2. Please have the questions in the first three pages answered by the staff in your company and with relevant knowledge; the "Survey on the Copyright Knowledge of the Workers in the Copyright-based industry" on page 4, attached in a single page, can be photocopied and filled in by anyone of your company.
3. We shall properly store the information provided, and keep it confidential based on relevant laws and regulations of the state.
4. Once you have any problem while filling in the questionnaire, please do not hesitate to contact us:
contact person: (omitted)
telephone: (omitted)
email address: (omitted)
mailing address: (omitted)
zip code: (omitted)

Thanks for your cooperation!

Serial No. of the Questionnaire: B— —

Designed by: Project Team for Copyright-based Industry Research, State Copyright Bureau

Completed by: _____ Title: _____

Telephone: _____ Fax: _____ E-mail: _____

Completion time: _____

Part 1: Basic information of the corporation

Corporation Name: _____ Legal Person: _____

Registration Type (consistent with business license): _____

Business Type: Corporation's headquarters (headquarters, head store, head institute)

Corporation's subsidiaries (sub-divisions, sub-plants, sub-stores, sub-institutes)

Registration Time: _____ Registration Amount: _____

Main business or major products: _____

Annual output value: _____

Total fixed assets: _____ Number of employees: _____

Company location: _____

Tel: _____ Fax: _____ Zip Code: _____

Part 2: Evaluation of copyright activities

(Please answer the following questions. As to those with choices provided, please choose the one that best matches the current situation of your company and put a tick (✓) before your choice.)

1. Copyright activities

In the products and services offered by your company, which copyright activities (including designing, purchasing, drawing and making of the following inventive items) are involved?
(multiple choices allowed)

- Pattern Design Style
 Art modeling Music Others (please specify) _____

2. Income from copyright activities

Your company's annual operating income from those copyright activities listed in question No.1:

In 2004, it is _____ accounting for _____% of the total income.

In 2005, it is _____ accounting for _____% of the total income.

In 2006, it is _____ accounting for _____% of the total income.

In 2007, it is _____ accounting for _____% of the total income.

3. Expenditure for copyright activities

Your company's annual expenditure for those copyright activities listed in question No.1:

In 2004, it is _____ accounting for _____% of the total expenditure.

In 2005, it is _____ accounting for _____% of the total expenditure.

In 2006, it is _____ accounting for _____% of the totalIn 2007, it is _____ accounting for _____% of the total expenditure.

4. Staff involved in copyright activities

In your company, the number of those fulltime staff specializing in those copyright activities listed in question No.1:

In 2004, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2005, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2006, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2007, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In your company, the number of those part-time employees exclusively engaging in those copyright activities listed in question No.1:

In 2004, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2005, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2006, it is _____ their wages and expenses accounting for _____% of that of all the employees.

In 2007, it is _____ their wages and expenses accounting for _____% of that of all the employees.

5. On dealing with copyright violations

(1) Have the products and services provided by your company ever been copied, imitated or illegally reproduced?

- yes no

(2) If yes, (if no, please skip to next question)

Losses are:

- Minor enough to be ignored Serious, with economic losses amounting to _____%

Please imagine what measures you will take:

- just let it go negotiate
- turn to relevant authorities for help sue

If you are going to turn to relevant authorities for help, which of the following will you choose?

- Copyright Bureau Bureau of Cultural Affairs
- Bureau of Press and Publication Intellectual Property Office
- Public Security Bureau Administration for Industry and Commerce
- other (please specify) _____

(3) If your company hasn't met such problems yet, Please imagine what measures you will take:

- just let it go negotiate
- turn to relevant authorities for help sue

If you are going to turn to relevant authorities for help, which of the following will you choose?

- no idea Administration for Industry and Commerce
- Bureau of Press and Publication Intellectual Property Office
- Public Security Bureau Bureau of Cultural Affairs
- Copyright Bureau other (please specify) _____

(4) Does your company have specialized staff and organizations to cope with such problems?

- yes no

(5) If yes, the number of the staff is _____, and the names of the organizations are _____.

6. Evaluation of copyright performance

How much influence, do you think, those copyright activities listed in the question No.1 have exerted on your company's performance?

- no influence minor enough to be ignored
- some influence, taking up __% of the company's performance

Additional explanations: _____

"Survey on the Copyright Knowledge of the Workers in the Copyright-Based Industry"

1. Do you know what is copyright?
 yes no
2. Where did you learn the concept of copyright (authorship)? (multiple choices allowed)
 newspaper books and periodicals TV
 radio internet other (please specify) _____
3. Have you ever bought or used any pirated products?
 yes no

(If you have bought pirated products, please answer question No.4, 5 and 6; if no, please skip to question No.7)

4. Which of the following pirated products have you bought: (multiple choices allowed)
- books audiovisual products software other _____
5. What are the main factors that motivate you to buy pirated products: (multiple choices allowed)
- low price rich variety of pirated ones
- convenient to buy no legal ones available
- unable to discern pirated ones other (please specify) _____
6. Do you often encounter the following problems when using pirated products? (multiple choices allowed)
- written works full of mistakes and poor-quality printing and binding
- CD products unusable
- audiovisual products with fuzzy picture and unclear sounds and frequent unexpected suspensions while playing the disks
- software with viruses, causing crash
- pirated products of high quality, causing no problems
7. Do you think the problem of copyright infringement and piracy in China is severe?
- not severe severe very severe
8. Whom do you think the crackdown on copyright infringement and piracy will be beneficial to?
- beneficial to authors (obligees), but not to readers (consumers)
- beneficial to both authors (obligees) and readers (consumers)
- not beneficial to both authors (obligees) and readers (consumers)
- unclear

Please fill in your personal information and we will keep it in strict confidentiality.

Gender: male female

Age: years old (Please fill in Arabic numbers)

Academic qualification:

- junior high school and below senior high school and secondary technical school
- junior college university graduate
- bidegree graduate, master or doctor

Job:

- worker corporate leader or management personnel
- research and development personnel private business owner or individual worker

Current monthly income (including stable or temporary income):

- below 500 RMB 500–900 RMB 1000–1499 RMB
- 1500–1999 RMB 2000–3999 RMB above 4000 RMB

Questionnaire used in the latest study (the example of museums)

A Letter to the Museum to be surveyed

Museum:

In order to find out the contribution made by the copyright industry to national economies, the State Copyright Bureau and the World Intellectual Property Organization now are jointly conducting "Research Project on Economic Contribution by Chinese Copyright Industry".

According to the regulations of Chinese Copyright Law, works of Chinese citizens, legal persons or other organizations, whether published or not, shall enjoy copyright. For the purpose of this Law, the term "works" includes works of literature, art, natural science, social science, engineering technology and the like which are created in the following forms: written works; oral works; musical, dramatic, quyi and choreographic works; Works of fine art and photographic works; cinematographic, television and video-graphic works; drawings of engineering designs and product designs, and descriptions thereof; maps, sketches and other graphic works; computer software; other works as provided for in law and administrative rules and regulations. The copyright industry covers all or some activities pertaining to the above-mentioned works or other industries regarding the objects protected by copyright. These activities consist of creation, producing, performing, broadcasting, spreading, exhibiting, distributing and selling.

The museum industry is an important component of the copyright industry. The copyright activities of a museum generally encompass the following aspects: some exhibits of the museum and still within the protection period, such as photographic works, art works, film productions, etc. digital pictures and images of the museum itself or relevant to the exhibits; antique catalog of the museum's collections and the design of the exhibition; related publications published by the museum; cultural commodities developed by the museum itself and displaying its unique characteristics. The present survey aims to find out the proportion of the income and expenditure from carrying out the aforementioned activities in the total income and expenditure of your museum, and the copyright knowledge of the workers engaging in these copyright activities as well. Please fill out the questionnaire truthfully.

Thanks for your cooperation!

Project Team for Chinese Copyright-based Industry Research

Questionnaire on the Museum Industry

Please have this questionnaire filled out by workers in your museum and with relevant knowledge. We shall properly store your information and keep it in strict confidentiality according to the state laws and regulations concerned. You can contact us at: (omitted). Thanks for your great help!

Serial No. of the Questionnaire: B— —

Designed by: Project Team for Copyright Industry Research, the State Copyright Bureau

Completed by: _____ Title: _____

Telephone: _____ Fax: _____ E-mail: _____

Completion time: _____

Part 1: Basic information of the corporation

Company Name: _____ Legal Person: _____

Company Location: _____

Major exhibits of the museum: _____ Registration Type: _____

Business Type: enterprise public institution social organization

other organization

Registration Time: ____ Annual output value: ____

Number of employees ____

Part 2: Evaluation of copyright activities

1. The influence of copyright on the company's operation is
(Please choose one from the following) significant medium very little
2. Income and expenditure generated from copyright activities
The ratio of the annual income and expenditure generated from the museum's copyright activities in its annual total income and annual total expenditure:
In 2004, annual income takes up ___% of the total; annual expenditure ___% of the total.
In 2006, annual income takes up ___% of the total; annual expenditure ___% of the total.
In 2008, annual income takes up ___% of the total; annual expenditure ___% of the total.
3. Workers engaging in copyright activities
In your company, the number of those engaging in copyright-related activities is ____.
4. Evaluation of copyright performance
The proportion of the performance brought by the copyright activities listed in question No.1 in the company's total performance:
In 2004, it is ___%; in 2006, ___%; in 2008, ___%.

Regional Survey Report on Copyright-Based Industry

Survey Report of Hebei Province (excerpt)

From July 21st to August 6th 2008, the project team went to Hebei Province to investigate copyright industries there. During this period, the project team, through arranging meetings and informal discussions, distributing questionnaires and carrying out city visits as well as interviews, has studied more than 10 copyright industries in nine cities, covering inside painting, new year painting, stone carving, acrobatics, paper cutting, ceramics, glass, furniture, flower paper (ceramic), textile, printing and dyeing, animation, etc.

The investigation of copyright industries in the Hebei Province reveals the basic situation of these industries there.

1. Folk Art Industry

Hebei's folk art has a long history. It has rich content, displaying distinctive local characteristics and profound cultural traditions as well. These splendid folk arts reflect valuable humanistic spirit and some of them, large in size, have even developed their own sectors which play a significant role in promoting local economic development. The project team made a thorough study of, in particular, Hengshui Inside Painting, Wuqiang New Year Painting, Wuqiao Acrobatics, Quyang Stone Carving and Wei County Paper-cut.

Inside painting art refers to the delicate pictures, with wonderful brushwork and brilliant colors, which are backhand-drawn with a tailor-made thin deformable pen inside blank pots made of glass, crystal, amber and other materials. It can be described as "a limited space, a boundless world". It is unique to China as a traditional art form. Inside painting art distinguishes four major schools: Beijing, Hebei, Shandong and Guangdong. The inside painting of Guangdong School originates from Hengshui. The inside painting art in Hengshui, with its uniqueness, was approved by the State Council as the first-batch of national intangible cultural heritage. At present, the inside painting art of Hebei school, among the four schools, has become the most influential one with the highest-level skill, the most comprehensive varieties, the largest scale and the fastest development. Hengshui City has built the Exhibition Hall of Hometown of Inside Painting Art of China and established the "Inside Painting Association of Hebei School" with more than 40, 000 people employed there. It has developed into an inside painting art industry with an annual output value reaching almost 1 billion RMB.

Wuqiao County in Cangzhou City is a world-famous place for acrobatics. After a long historical succession, it has become the only regional cultural phenomenon in China or even all over the world. This county consists of 473 administrative villages, each of which has its own acrobatic actors. The number of professional acrobatic villages, each of which has more than 50 households of acrobatic actors, has amounted to 110. Acrobatic show industry is flourishing. In the whole county, now, there are more than 100 troupes of various kinds, 76 of which have more than 40 actors, tens of thousands of people are employed and the annual income from all the shows is reaching more than 50 million RMB. The "China Wuqiao International Acrobatics Art Festival" named after the famous birth place of Wuqiao has been held nine times. It has become one of the three greatest arenas in the acrobatics field of the world, on the same level as the "Tomorrow and Future" International Acrobatics Festival and Monte Carlo International Circus Festival. It is even called the "Grand Oriental Acrobatics Playing Arena". The increasingly popular acrobatic art has driven the development of related industries, brought along the employment of more than 10 thousand people and generated annual income valued at hundreds of millions yuan in a both direct and indirect way.

The renowned Quyang Carving can date back to more than 2000 years ago. In 1995, the State Council named Quyang "Hometown of Chinese Carving"; in 2006, "Quyang Stone Carving" was authorised as the first-batch of national intangible cultural heritage. In the past few years, Quyang Carving has made great progress and become the symbol and pillar industry of Quyang. Their sculptures are mainly stone carvings, which have expanded to cover jade carving, wood carving, root carving, tooth carving, clay carving, breeze carving, stainless steel carving and others. The number of towns with characteristic carvings has increased from one to nine; people employed in this industry increased from several thousand to 50 thousand; carving enterprises reached as many as more than 2300. Now the annual output value generated by this industry has amounted to 1 billion RMB and its carving products have been exported to more than 80 countries and regions.

Paper-cut of Wei County, Zhangjiakou city, is the only halftone paper-cut art, which gives priority to concave carving and secondary thought to convex carving and well-known for its meticulous cutting and brilliant colors. Today, in this county, there are 280 thousand people from more than 90 villages and 16 towns engaging in the paper-cutting work. There are professional paper-cutting villages: close to 30, professional households: more than 1100, private paper-cutting factories: over 100, various types and different classes of art craftsmen: exceeding 50 and annual production of paper-cuts reaching 3 million sets. More than 2600 types of paper cuts have been sold to over 40 countries and regions, bringing about sales avenue valued at more than 30 million RMB.

2. Porcelain, Glass, Textile and Other Traditional Industries

Porcelain, glass and textile belong to partial copyright industry. The project team has made a comprehensive investigation of Tangshan porcelain, Qinghuangdao glass, Shijiazhuang textile and Handan color paper industries, which have a long history and comparatively large scale.

Tangshan has been enjoying the reputation of "Northern Porcelain Capital" for a long time. There was once a time, approximately from 1980s to 1990s, when Tangshan porcelain developed at a surprising speed. During that period, the age-long porcelain industry there managed to lead Chinese porcelain market and its porcelain products were distributed all over the country, constantly in short supply. In recent years, the porcelain industry of Tangshan has developed slowly and generated less operation income than before. There are many reasons, but among them, the fatal one is that it has no brands of its own and its designing skills are poor. The average exchange cost for Chinese single-piece porcelain product has hovered around 020 to 025 dollar for many years. The exporting of Tangshan porcelain has maintained only a slight amount of profit for consecutive years. Tangshan porcelain products have been exported to other countries of the world but a great number of them have to be stuck another brand on for sales. The designing skills of Tangshan porcelain also lags far behind the world. Tangshan now only has two state-level master ceramists.

Qinghuangdao City is the birth place of Chinese glass industry. It currently is Chinese largest glass production base. It occupies the advanced position in glass industry in production scale, product diversity and technology. China Yaohua Glass Group (formerly named Qinhuangdao Yaohua Glass Factory), established in 1922, is reputed as "Cradle of China Glass Industry". At present, its float glass production and glass export volume rank as first in the industry. This group is not mainly oriented towards producing art and decorative glass. Compared with the professional production of glass like building or automobile glass which demand high-end technology, the technological threshold is not high for art and decorative glass production. Nowadays, many small-scale processing factories are independently manufacturing art and decorative glass after buying all the raw materials needed. Yaohua, the century-old plant, is also confronted with problem regarding transforming from institution to enterprise and how to stimulate vitality and seek innovative development.

The textile industry of Shijiazhuang is relatively well-developed. Shijiazhuang Changshan Textile Co. Ltd. is the pioneer of Chinese textile industry. It is one of the top 50 enterprises in this industry and meanwhile a state-holding large-scale backbone enterprise. Its products are exported to over 60 countries and regions of the world; especially its cotton fabric products enjoy great fame in the market both at home and abroad.

The result of the survey indicates that these industries, most of which are labour-intensive, play an important role in easing employment pressure, enabling lay-off workers to be employed again and taking up rural surplus labour force in addition to making contribution to the GDP. At the same time, these industries are closely related to copyright innovation, hence the need for such age-old folk arts as inside painting, new year painting, stone carving, acrobatics and paper cuts to be renewed continuously to meet people's incessantly changing aesthetic needs, and so that they can maintain lasting vitality and hold a broad market. Since the production technique of ceramic, glass, home textile and other industries need no advanced technology any more, only those with unique modeling, beautiful designs and meticulous workmanship can stand the fierce competition of the market. Unfortunately, except a small number of large enterprises, many medium- and small-sized companies have not much awareness of the need to make innovations. Instead they are copying and imitating each other's products, or even irresponsibly producing inferior goods to deceive consumers. This problem still widely exists. What's more, the majority of enterprises are still positioned as "process factories" with high consumption, high pollution and low added value.

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