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16% of the creative sector facing permanent closure: Report

MSMEs and the freelance workforce who cater to large companies have been worst hit, says the report launched on Tuesday, adding that 22 per cent of the sector, is forecast to lose more than three-fourths of the annual income.

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New Delhi: A new report on the impact of COVID-19 on the **creative sector** has found that 16 per cent of the creative sector is facing permanent closure now. **MSMEs** and the **freelance workforce** who cater to large companies have been worst hit, says the report launched on Tuesday, adding that 22 per cent of the sector, is forecast to lose more than three-fourths of the annual income.

British Council, Federation of India Chambers of Commerce and **Industry (FICCI)**

and the [Art X Company](#) partnered to record the impact of the global Covid-19 pandemic on the creative economy in India through 'The Taking the Temperature Report'. Its second edition of the report; which provides a comparison of the situation in India since the outbreak of Covid-19, the consequent national [lockdown](#) (March-June) and the period following relaxation of the lockdown (July-October).

The report also found that 58 per cent of the creative industries workforce are women, deepening gender inequality of opportunity as a result of the short-term impact of the pandemic.

Solidarity between artists and audiences is to continue to create and connect remains, however, the depth of the short-term impact of Covid-19 on the creative economy globally and in India cannot be underestimated and looks extremely bleak, says the report.

About 90 per cent of the creative sector fears the long-term impact of social distancing on the creative economy. Assessing how long before green shoots can be seen, the report says that 60 per cent of the sector believes it will take 9 months to over a year for early signs of recovery for the creative economy.

Signalling that during the pandemic, the creative industries continue to face a very uncertain future, the report shows that the creative economy is contracting, organisations are closing permanently to avoid bankruptcy, and creative businesses are contending with increasingly difficult choices to cut staff and overheads to ensure they remain resilient.

It also finds that: individual professionals and artisans are facing short-term hand-to-mouth existence, sectors are adapting to digital and live business models, some of the workforce is leaving the creative economy and changing careers.

"Given the length of the COVID-19 pandemic globally, the indicators above confirm that the creative economy will most likely be very different in the aftermath in India and its trading nations. While some sectors are adapting with agility, others risk being decimated.

"For some, the agile move to digital platforms presents new opportunities for market development and profile. However, for others, the impact in change from face-to-face audience interaction to digital platforms offers only limited scope for new income generation. The full impact of the digital revolution precipitated by COVID-19 on the means of creative production, market distribution and audience consumption are not yet fully understood across the creative economy. Nevertheless, despite adapting to hybrid live and digital models, some sectors in the creative industries will remain reliant on face-to-face audience interaction to generate income in the long term," says the report.

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