

# The Economic Contribution of Copyright-Based Industries in Malawi



Creative Industries Series No. 7

# The Economic Contribution of Copyright-Based Industries in Malawi

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## List of Acronyms

AES	Annual Economic Surveys
ARIPO	African Regional Intellectual Property Organization
BPAM	Book Publishers Association of Malawi
COSOMA	Copyright Society of Malawi
FAMA	Film Association of Malawi
GDP	Gross Domestic Product
IMF	International Monetary Fund
IP	Intellectual Property
ISIC	International Standard Industrial Classification of All Economic Activities
JUMA	Journalists Union of Malawi
K	Kwacha
MACRA	Malawi Communications Regulatory Authority
MAM	Musicians Association of Malawi
MAWU	Malawi Writers Union
MRA	Malawi Revenue Authority
NA	National Accounts
NDSI	Non-Dedicated Support Industries
NPISH	Non-Profit Institution Serving Households
NSO	National Statistical Office
NTAM	National Theatre Association of Malawi
OECD	Organisation for Economic Co-operation and Development
PHOTAMA	Photographers Association of Malawi
SME	Small and Medium-Sized Enterprise
SNA	System of National Accounts
SUT	Supply and Use Tables
UN	United Nations
VA	Value Added
VAAM	Visual Artists Association of Malawi
VAT	Value Added Tax
WCT	WIPO Copyright Treaty
WIPO	World Intellectual Property Organization
WPPT	WIPO Performances and Phonograms Treaty



## Acknowledgements

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This study was requested by the Government of Malawi through the Copyright Society of Malawi (COSOMA), in light of the increasing importance of copyright goods and services to Malawi's economy. It is expected that the results of the study will provide robust data on the actual economic contribution of creative activities, which can serve as a basis for adjusting policies and strategies aimed at promoting growth and development in the country's copyright-based sectors.

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*Lizzie Chikoti*

## Executive Summary

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The importance of copyright-based industries has been recognised by a growing number of international studies conducted in recent times. Copyright is defined as the protection of 'the rights in literary and artistic works' and is an important aspect of intellectual property (IP), for it encompasses every form of production in the literary, scientific and artistic work regardless of the mode or form of expression.

There is a growing interest in the copyright-based industries today, due to the recognition that creativity is the very basis for the social, economic and cultural development of nations. Based on the World Intellectual Property Organization (WIPO) *Guide on Surveying the Economic Contribution of the Copyright-Based Industries* (2003) (hereinafter referred to as 'the WIPO Guide'), studies have been conducted to quantify the contribution of copyright-based industries in several European, American, Asian and African countries. In this report, studies have been reviewed that were conducted in Singapore, the United States of America, Canada, Latvia and Kenya on the basis of the recommendations contained in the WIPO Guide. The results provide convincing evidence of the substantive contribution of copyright-based activities to economic growth.

The Guide provides a methodology for measuring the contribution of copyright-based industries, in economic terms, to a country's development; it has been used as a methodological tool in over 35 country studies. The study undertaken in Malawi has proceeded based on this Guide, having been requested by the Government of Malawi through the Copyright Society of Malawi (COSOMA) in light of the increasing importance of copyright goods and services to Malawi's economy.

The economic indicators in this analysis have been obtained from the 2009 Annual Economic Survey (AES) and the National Accounts of Malawi for 2009. The AES provides total value-added, profitability and fixed capital formation in the 15 sectors of the large-scale and some medium-scale sectors. The AES, which formed the main source of data in this study, used the ISIC Rev 3.1 for its economic activities classification (until 2009) and the Malawi National Accounts was based on the same source. Since the main data used in this study were the official statistics from the National Statistical Office (NSO), the study used ISIC Rev 3.1 that has been aggregated slightly as per the nature of the Malawian industries.

The economic contribution of the copyright-based industries in Malawi is estimated using the following key summary indicators: gross output, gross domestic product (GDP), remuneration (employee incomes) and employment share in the economy. The selection of these indicators has primarily been determined by the availability and type of data that are used in the compilation of National Accounts figures for Malawi by the NSO.

The total copyright-based industries as defined by WIPO are estimated to have contributed to the Malawi economy in 2009 as follows:

- K30,478,125,760 of value added or 3.46% of GDP
- K65,181,173,630 of the gross output or 3.65% of total output
- K9,053,969,130 of the wages or 3.98% of the total employees' income
- Employed 26,704 persons or 3.35% of the total national work force (government and private sector)

The economic contribution of copyright-based industries in Malawi of 3.46% of the GDP is the eighth ranking contributor to GDP, surpassing sectors like transportation, construction, and mining and quarrying. In comparison to other countries that have conducted a similar analysis, Kenya's copyright-based industries contributed 5.3% of GDP in 2007, Mexico's contributed 4.77% in 2003 and Jamaica's contributed 4.8% in 2005.

The estimated contribution of the core copyright-based industries of 0.5% in Malawi is relatively low, because the AES does not capture a number of core copyright-based industries, including activities of professional organisations, motion pictures, other recreation activities, and libraries and archives.

For gross output, it is noted that the core copyright-based industries contributed K10,302,313,330.00, the interdependent industries contributed K47,381,051,380.00, the partial industries contributed

K1,904,199,530.00 and the non-dedicated support industries contributed K5,593,609,390.00. This implies that of the total contribution of copyright-based industries to gross output, 16% came from core copyright industries, 73% from interdependent copyright-based industries, 3% from the partial copyright-based industries and 8% from the non-dedicated support industries.

Labour productivity was highest in the non-dedicated support industries, followed by the interdependent copyright-based industries and the core copyright-based industries. The contribution of core copyright-based industries to gross output was K10,302,300,000 and their contribution to GDP was K4,417,200,000. When this is decomposed, the press and literature sector contributed 44% within this category, followed by music, theatrical productions and opera at 35% and the copyright collecting society at 1%. The core copyright-based industries employed 5,153 persons. When this is decomposed, the press and literature employed 1,339 persons, music, theatrical productions and opera employed 2,645 persons and the copyright collecting society employed 20 persons.

The interdependent copyright-based industries contributed K47,381,100,000 to gross output. When this is decomposed, computer and equipment activity contributed the highest output at 55%, followed by paper manufacturing at 41%, paper retail sales at 2% and musical instruments at 1%. The industries contributed K23,219,300,000 to GDP. If we consider the sub-industries, computer and equipment activity contributed the highest output (62%) followed by paper manufacturing (37%), paper retail sales and musical instruments, the last two contributing less than 1% each.

The interdependent copyright-based industries employed 19,366 persons. Among the activities in this category, computers and equipment employed 10,294 persons, paper manufacturing employed 8,800, paper retail sales employed 174 and musical instruments employed 98 persons. The partial copyright-based industries contributed K1,904,200,000 to gross output, with furniture contributing the highest gross output of 49%. Architecture, engineering and surveying contributed 29%, while apparel, textiles and footwear contributed 19%.

The results of this study indicate that copyright-based industries in Malawi in 2009 contributed significantly to the national economy. The contribution of 3.46% of the total value added, about 3.65% to the gross output and 3.35% to the total employment, shows that the sector is important to the Malawi economy. The contribution of the copyright-based industries to the national economy based on GDP was higher than that of the mining and quarrying, human health, education, construction and transport and storage sectors.

This is the first time this type of study has been done in Malawi. The major challenge of the study was the availability of relevant data in the National Accounts. Most of the creative industries in Malawi, as in most developing countries, are small-scale enterprises, usually not registered and in many cases with undetailed financial records. Therefore, there is a need for registration of these enterprises with government authorities, as this will ensure a strong trust and recognition from the government. The copyright-based industries need to learn the culture of keeping records for ease of monitoring and evaluation of their performance.

The use of aggregated data and estimations for the small enterprises may have resulted in the underestimation of the economic contribution of copyright-based industries to the economy of Malawi. Nonetheless, the study has shown that the copyright-based industries are important and there is a need for all stakeholders to take the necessary measures if their contribution is to be acknowledged by the government. The NSO, working with other stakeholders, should be encouraged to take extra effort to include the data collection of creative industries.

# 1. Background and Introduction

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## 1.1 Introduction

Copyright laws are important in enabling right holders to derive an economic benefit from the utilisation of their works. Copyright protection aims to optimise resource allocation efficiency, thereby enhancing the welfare and growth of a nation. The interaction between law and economics has often been of interest to scholars and the importance of copyright-based industries has been recognised by a growing number of international studies conducted in recent times.<sup>1</sup> The concepts of copyright and other related rights are defined in each country's legislation and these are mostly consistent with the provisions provided within the Berne Convention.<sup>2</sup> Copyright is defined as the protection of 'the rights in literary and artistic works' and is an important aspect of intellectual property (IP), for it encompasses every form of production in the literary, scientific and artistic work regardless of mode or form of expression.<sup>3</sup> The concept of copyright protection is only afforded to the expression of the idea and not the idea itself.

## 1.2 The Main Intellectual Property Laws of Malawi

Copyright and related rights are part of the IP system, created for the purpose of promoting creativity and protecting creators by granting those rights for a limited period. The other part is industrial property, which includes trademarks, patents, industrial designs, integrated circuits, utility models and geographical indications.

There are five main IP laws in Malawi, namely the Trademarks Act (Cap.49:01), the Patents Act (Cap.49:02), the Copyright Act (Cap.49:03), the Trade Description Act (Cap.49:04) and the Registered Designs Act (Cap.49:05). The Environment Management Act (Cap.48:04) and the Competition and Fair Trading Act (Cap.60:02) also contain elements of IP, but to a lesser degree. The Registrar General's Office is responsible for the administration of the three industrial property pieces of legislation (i.e. the Trademarks, Patents and Industrial Designs Acts), which were enacted in 1958 and have largely remained unchanged with the exception of a 1985 amendment to the Patents and Registered Designs Acts for purposes of incorporating the African Regional Intellectual Property Office (ARIPO) Harare Protocol on Patents and Industrial Designs. The Copyright Society of Malawi (COSOMA) is responsible for copyright issues in Malawi.

## 1.3 Copyright Law in Malawi

The history of copyright law in Malawi prior to the country becoming a British protectorate in 1891 is rather unclear; however, upon assuming the said status the British Copyright Law of 1911 became law in the then Nyasaland, and upon becoming independent in 1964 the country inherited the same Act. The present Copyright Act, which was enacted in 1989, contains a number of provisions which are an improvement on the old Act, including the establishment of COSOMA as a statutory corporation. The Copyright Act (1989) encompasses most of the legal principles which are enshrined in international treaties like the Berne Convention, to which Malawi has been a party since October 1991. The Act grants to the author exclusive rights in the following areas:

1. **Reproduction:** Under this right, no one except the copyright owner may make reproductions or copies of the work. Examples of unauthorised acts that are prohibited under this right include photocopying a book, copying computer software, using a cartoon character on a T-shirt and incorporating a portion of somebody's song into a new song.
2. **Distribution rights:** These allow a non-copyright holder to distribute works or productions to the public at a cost.

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<sup>1</sup> WIPO publication No. 893, *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*, 'the WIPO Guide'.

<sup>2</sup> The full title of which is the Berne Convention for the Protection of Literary and Artistic Works

<sup>3</sup> WIPO Guide pg. 13

3. Public performance: The right allows the copyright holder to control the public performance of certain copyrighted works. The scope of the performance right is limited to the following types of works:
  - literary works;
  - musical works;
  - dramatic works;
  - choreographic works;
  - pantomimes;
  - motion pictures; and
  - audio visual works.

Under the public performance right, a copyright holder is allowed to control when the work is performed 'publicly'. A performance is considered 'public' when the work is performed in a 'place open to the public or at a place where a substantial number of persons outside of a normal circle of a family and its social acquaintances are gathered.' A performance is also considered to be public if it is transmitted to multiple locations, such as through television and radio.

4. Adaptation/arrangement: This right allows the copyright owner to control the making of a work based upon one or more pre-existing works, such as a translation, musical arrangement, dramatisation, fictionalisation, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.

A derivative work usually involves a type of transformation, such as the making of a novel into a motion picture. In the computer industry, a second version of a software program is generally considered a derivative work based upon the earlier version.

Performers and producers of sound recordings are also accorded exclusive economic rights in their performances and in the sound recordings which include the right to authorise the broadcast or communication to the public of their unfixed performances, the fixation of unfixed performances, the reproduction of performances fixed in phonograms and the distribution of the copies. Broadcasting organisations are also accorded similar rights in their broadcasts.

The law also provides for limitations to the exclusive rights to allow for exploitation of the works without permission from the author and obligation to pay. Reliance on such a provision is acceptable in exceptional cases including: private use; use for purposes of news reporting; use for certain educational purposes; certain uses by libraries and archives. However, in all of these instances the overriding principle is that the legitimate interest of the author must not be prejudiced and that it should not conflict with the normal exploitation of the work.

### 1.3.1 *Enforcement Provision*

The acquisition of rights is of little economic value unless they can be effectively enforced. Under the Copyright Act, the copyright holder can enforce his copyright in a number of ways including administrative means, criminal and civil sanctions. Under criminal sanctions, the Act provides for prosecution with the ultimate aim of securing a conviction and a fine or imprisonment. The maximum fine one can get under the Act is K750,000 if the court applies the Conversion of Fines Act, which was enacted to mitigate against the erosion of fines provided under laws which are relatively old: all fines under the Copyright Act are to be multiplied by the factor 50. The Act also provides for imprisonment of up to one year. The court may also order that equipment involved in the infringing process be forfeited to the copyright owner.

Remedies available under civil action include compensatory damage and injunctions. The law also empowers customs officials to detain copyright recordings they suspect to be infringing.

### 1.3.2 *Collective Management of Copyright*

Copyright is a private property right and, where practical, its exercise and exploitation is left to the individual copyright holder. However, certain rights, including public performance, reproduction and broadcasting, are not amenable to individual exploitation by the right owners. In recognition of this fact, the current

copyright law provides for the establishment of the COSOMA, a multipurpose collecting society to administer collectively the rights of its members.

COSOMA's main function is promoting and protecting the interests of authors, composers, translators, publishers, performers, producers of sound recordings and broadcasters and, in particular, to collect and distribute royalties or other remuneration accruing to them from their rights. It draws its membership from individual authors and rights holder associations. COSOMA, as a collective management organisation, administers the public performance and broadcasting rights in the following:

**Broadcasting right:** This involves the licensing of broadcasting stations to enable the broadcasting of copyright works and related subject matter in their broadcast content.

**Public performance right:** This licenses users to perform publicly any copyright work under its control in exchange for some remuneration.

**Mechanical right:** This involves the licensing of users, in particular record companies, to enable them make recordings of copyright-protected works like music, which can be manufactured and distributed for retail sale to the public.

**Reprographic right:** This involves the licensing of users, including academic institutions, to make reproductions including the photocopying of copyright-protected literary and artistic works.

## 1.4 Review of the Copyright Act

Since the Copyright Act was enacted in 1989, new types of works, new markets and, new methods of dissemination have evolved. The review of the law has therefore been necessitated in part by the need to respond to the challenges which have been brought about by the advent of digital technology, including the dissemination of protected material over digital networks such as internet. In this regard, the review has been carried out in such a way as to ensure that the law is compliant with the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) both of which Malawi is yet to be party to. The benefits of acceding to the two treaties would include international protection of Malawi's own national right holders, promotion of electronic commerce and encouragement of investment.

## 1.5 Introduction to the Malawi Study

Industries based on copyright and related rights have a considerable impact on the national economy. National studies in a number of countries have revealed that these industries are major contributors in terms of their relative aggregate value added to a country's Gross Domestic Product (GDP) as well as in their contribution to employment and foreign trade. In 2003, WIPO published the *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*<sup>4</sup> (hereinafter referred to as 'the WIPO Guide'), to provide a methodology for measuring the contribution of copyright-based industries, in economic terms, to a country's development. The WIPO Guide has been used as a methodological tool in over 35 country studies.<sup>5</sup> This study undertaken in Malawi has proceeded based on this Guide.

This study was requested by the Government of Malawi through the COSOMA, in light of the increasing importance of copyright goods and services to Malawi's economy. It is expected that the results of the study will provide robust data on the actual economic contribution of creative activities, which can serve as a basis for adjusting policies and strategies aimed at promoting growth and development in the country's copyright-based sectors.

<sup>4</sup> WIPO publication No. 893

<sup>5</sup> During the writing of this study (2013) the Guide has been used in more than 35 countries.

## 1.6 Objectives

The key objectives of the study are to:

- Quantify the economic contribution of copyright and related rights-based industries in the country, by estimating their contribution to GDP, share of national employment and revenue generated from foreign trade;
- Analyse and elaborate on selected copyright and related rights-based industries of importance to Malawi, their national market structure, value chain, demand and supply patterns, labour market, policy framework, support from public and civil sector including the role of collective management organisations and other copyright-related organisations, financing mechanisms, implications of the digital environment, among others;
- Identify the comparative advantages of the copyright-based industries with regard to other industry sectors and with regard to major trade partners; and
- Propose policy, strategy and institutional interventions for encouraging the growth and development of copyright-based industries in the country.

## 1.7 Methodology

The **first** step included the identification of the copyright and related rights-based industries in Malawi, using as reference Annex 1 of the WIPO Guide.

Dummy tables were drafted according to the categories in the Guide.

Availability of data was assessed. The NSO compiles the National Accounts for Malawi and also conducts Annual Economic Survey (AES). These have been used as the main source of data for the copyright-based industries.

Tables have been compiled using available statistical data by industry classes, based on ISIC Rev 3.1.

In addressing specific areas or filling some gaps, interviews have been conducted with some individuals and organisations.

The **second** step was measurement and calculation of the contribution of the copyright and related rights-based industries studied to GDP, national output, employment and foreign trade, using a selected approach provided in the WIPO Guide. The Guide gives four categories of copyright-based industries:

**Core copyright-based industries:** These are industries which are wholly engaged in creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter.

**Interdependent copyright-based industries:** These are industries that are engaged in production, manufacture and sale of equipment whose function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter.

**Partial copyright-based industries:** These are industries in which a portion of the activities is related to works and other protected subject matter and may involve creation, production and manufacturing, performance, broadcast, communication and exhibition or distribution and sales.

**Non-dedicated support industries (NDSI):** These industries are those 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.

## 1.8 Economic Indicators Used in the Analysis

The economic indicators in this analysis have been obtained from the 2009 AES and National Accounts of Malawi 2009. The rationale of the AES is to give a quantitative description of the activities of mainly large-scale enterprises in all sectors of the Malawian economy, with respect to their production, employment

characteristics, profitability, acquisition and issue of both real and financial claims in different sectors of the economy.

The AES provides total value-added, profitability and fixed capital formation in the 15 sectors of the large-scale and some medium-scale sectors.

The economic indicators are:

**Gross output:** Total value of sales by producing enterprises (their turnover) in an accounting period, before subtracting the value of intermediate goods used up in production.

**Value-added:** This refers to gross income generated from domestic production in an industry or sector (or in total for all industries or sectors), and is derived and defined as output less intermediate consumption. In this study, the production approach has been used to measure the relative size of the copyright-based industries.

**Employment:** Since the main source of data for this study is the AES, the employment numbers used are also from the AES.

**Remuneration:** This is an amount of money paid to someone for the work that that person has done.

**Labour productivity:** Productivity is commonly defined as a ratio of volume measure of output to a measure of input use. Among other productivity measures, such as multi-factor productivity or capital productivity, labour productivity is particularly important in the economic and statistical analysis of a country. Labour productivity is a revealing indicator of economic indicators as it offers a dynamic measure of economic growth, competitiveness and living standards within an economy.

**Foreign trade (i.e share of imports and exports):** The trade statistics are obtained from the NSO which compiles, processes and publishes trade data from the MRA customs records.

## 1.9 Period Covered

The period under study is 2009, as the latest economic data available are for the year 2009 and these data have undergone thorough cleaning.

## 1.10 Survey of Copyright-Based Industries not in the National Accounting of Malawi

After studying the available data from the NSO, the survey team decided to hold meetings with leaders of various associations: the Music Association of Malawi (MAM); the Book Publishers Association of Malawi (BPAM); the Writers Association of Malawi; the Photographers Association of Malawi (PHOTAMA); the Film Makers Association of Malawi; BUMAS representing ICT; and Art Galleries, in order to solicit their views on the performance of the copyright-based industries in Malawi.

COSOMA was also visited to get statistics on mechanical right royalties (sampled questionnaires appended in Annex 1). This information was difficult to use, because it does not show the value of production of the various players, rather it only gives the number of public broadcasts and public appearances.

In an effort to complement the data from the AES, the Survey Team tried to collect data on Value Added Tax from the MRA, the body responsible for collection of taxes and customs duties for the government. The team presented its requirements, especially in line with improving the compilation of National Accounts in Malawi. It was emphasised that tax records are an important source of data required for measuring the economic performance of the country. During the discussions, it was learnt that the tax information records are not yet computerised and secondly, such information is classified by company name and taxpayer number but not by ISIC. Furthermore, the MRA's Act forbids them to release information by company name. The Senior MRA officials advised the Survey Team to officially request the information from the Commissioner General for his consideration. The response from the Commissioner General was that it would not be possible to release that type of information, even without the company names. During the visit, it was also learnt that the MRA is in the process of computerising its tax record-keeping system and the Survey Team emphasised the importance of classifying the information by ISIC in order to facilitate its use in monitoring the economic performance of the country.



## 2. Economic Contribution of the Copyright-Based Industries to the Economy

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### 2.1 Introduction

The creative sector today is well established and is a vital component that contributes substantially to economic, social and cultural development. Research has provided solid evidence of the growing importance worldwide of the creative industries, which are deeply rooted in copyright protection. While contributing to cultural diversity and the enhancement of social values, these industries are at the same time generating wealth, creating jobs and promoting trade. However, it is still the case that in many countries the true value and potential of the creative sector are often underestimated and insufficiently analysed. The WIPO Guide summarises initial efforts made to assess the economic contribution of the copyright-based industries to national economies and offers step-by-step guidelines on how the copyright-based industries can be measured. While the intention of the WIPO Guide was to produce a harmonised approach to economic surveys in this field, it goes further in providing governments, research institutions and civil society in general with a practical tool for independently evaluating the contribution of their copyright sector.

### 2.2 Results of Other Country Studies

There is a growing interest in the copyright-based industry today, due to the recognition that creativity is the very basis for social, economic and cultural development of nations. Based on the WIPO Guide (2003), studies have been conducted to quantify the contribution of copyright-based industries in several European, American Asian and African countries. In this section, we review studies conducted in Singapore, the United States of America, Canada, Latvia and Kenya that were carried out on the basis of the recommendations contained in the WIPO Guide. The results provide convincing evidence of the substantive contribution of copyright-based activities to economic growth.

In Singapore, the IP Academy of Singapore (IPA) and the Intellectual Property Office of Singapore (IPOS) conducted a pilot study applying WIPO's framework for estimating the economic contribution of copyright-based industries in Singapore in terms of output, value added, employment and foreign trade. The study found that a stronger growth than the economy's average annual rate of 7.6% was noted in the copyright-based industries, giving an average of 8.9% per annum in real value added from 1986 to 2001.

In the US, copyright-based industries continue to be one of the country's largest and fastest-growing economic assets. Since 1990, the International Intellectual Property Alliance (IIPA) has commissioned Economists Incorporated to conduct studies measuring the economic impact and trade role of these copyright industries in the US economy. The US was one of the first countries in the world to undertake such an economic analysis in 1977.

- In 2002, the US 'core' copyright industries accounted for an estimated 6% of the US gross domestic product (\$626.6 billion).
- In 2002, the US 'total' copyright industries accounted for an estimated 11% of the US gross domestic product (\$1.25 trillion).
- The 'core' copyright industries employed 4% of US workers in 2002 (5.48 million workers).

Over the years, these studies have continually demonstrated that the creation of knowledge-intensive intellectual property-based goods and services is critical to the continued economic growth of the US.

In Latvia, the study was undertaken in cooperation with the Ministry of Culture of the Republic of Latvia and the Central Statistical Bureau of Latvia, with support from WIPO, the Finnish Ministry of Education and Culture and the Dutch Copyright Federation.

The study revealed that core and interdependent copyright-based industries contributed 4% of GDP and 4.4% of employment to the Latvian economy in the year 2000. Print media, advertising, and software and

databases made the most important economic contributions. Another finding of the study is that copyright-based industries in Latvia make a larger contribution to GDP than those in Austria, Belgium, Greece, Ireland, Luxembourg, Portugal, and Spain. The contribution of the core and interdependent copyright-based industries exceeds those of many other industries in the Latvian economy.

In the Kenyan study, the findings were intended to inform policy formulation processes towards an improved policy framework for the operation of the creative sector in the country. In accordance with the WIPO Guide, the study categorised the copyright and related rights-based industries into core, interdependent, partial, and non-dedicated support industries. The results show that the total value added of copyright-based industries in 2007 amounted to about KShs 85.21 billion, which represented 5.32% of Kenya's GDP.

The core copyright-based industries outperformed all the other three categories of copyright-based industries in all the main economic contributions considered in this study: GDP, gross output, employment and employee incomes. The interdependent copyright-based industries did better than the partial copyright-based and non-dedicated support industries in their contribution to GDP and gross output. The partial copyright-based industries exceeded the interdependent copyright-based and non-dedicated support industries in their contribution to employment and employee incomes.

According to the *National Studies on Assessing the Economic Contribution of the Copyright-Based Industries – Creative Industries series No.2*, the study carried out in Mexico found that, in 2003, value added for the total of the Mexican copyright-based industries was 4.77% of GDP, which was slightly above the construction sector (4%). The study also showed a change in the inner structure of the copyright-based industries, with an increase in the contribution of core copyright-based industries and a reduction in the contribution of interdependent copyright-based industries.

In Jamaica, the estimates reveal that in 2005 the copyright sector contributed about 4.8% of GDP. In Croatia, the research was done in cooperation with the State Intellectual Property Office (SIPO) and the Central Bureau of Statistics (CBS), with the technical support of WIPO. In this study, the chosen indicators were evaluated for two years, namely 2002 and 2004. In 2004, the copyright-based industries in Croatia generated 4.3% of the GDP of the economy of Croatia.

### 3. Methodology and Data Sources

#### 3.1 International Standard Industrial Classification (ISIC) in Malawi

The Annual Economic Survey (AES), which formed the main source of data in this study, used the UN ISIC Rev 3.1 for its economic activities classification (until 2009) and the Malawi National Accounts were based on the same (NSO, 2011). Since the main data used in this study were the official statistics from the National Statistical Office, the study used ISIC Rev 3.1, which may be aggregated slightly depending on the nature of the Malawian industries.

**Table 3.1: Malawi's industry coding compared to WIPO classification of copyright-based industries, based on ISIC Rev. 3.1 code**

Malawi's Coding		WIPO classification based on ISIC Rev. 3.1 code	
I. Core copyright industries	Code	I. Core copyright industries	Code
Magazines/periodicals	2212	Publishing of Newspapers, journals and periodicals	2212
Book publishing	2211	Publishing of books, brochures and other publications	2211
Pre-press, printing, and post-press of books, magazines, newspapers, advertising materials	2221	Other Publishing	2219
		Printing	2221
		Services activities related to printing	2222
		Library and archives activities	9231
		News agency activities	9220
Wholesale and retail of press and literature (book stores, newsstands, etc)	5139	Wholesale of other household goods	5139
		Other retail sale in specialised stores	5239
		Software publishing	7221
		Other software consultancy and supply	7229
		Database activities and online distribution	7240
		Data processing	7230
		Wholesale of computers, computer peripheral equipment and software	5151
Composers, lyricists, arrangers, choreographers...	9214	Writers, directors, actors	9214
Wholesale and retail of recorded music (sale and rental)	5233	Wholesale and retail of recorded music (sale and rental)	5233
National radio and television broadcasting companies	9213	National radio and television broadcasting companies	9213
Other radio and television broadcasters	9213	Other radio and television broadcasters	9213
Art galleries and other wholesale and retail	9414		
Advertising services (agencies, buying services)	7430	Advertising	7430
		Activities of professional organisations	9112
<i>The activities below are not included in the AES though they are part of core copyright-based industries</i>		Radio and TV activities	9213
Library and archives activities		Other business activities	7499
Motion picture and video prod. and distribution			
Activities of professional organisations		Dramatic arts and music and other arts activities	9214
Other recreational services		Other entertainment activities	9219
		Other recreational services	9249
		Publishing of music	2213

**Table 3.1: Malawi's industry coding compared to WIPO classification of copyright-based industries, based on ISIC Rev. 3.1 code (continued)**

Malawi's Coding		WIPO classification based on ISIC Rev. 3.1 code	
		Reproduction of recorded media	2230
		Retail sale on household appliances, articles and equipment	5233
		Renting of personal and household goods	7130
		Wholesale of other household goods (incl. wholesale of recorded video tapes)	5139
		Motion picture and video prod. and distribution	9211
		Motion picture projection	9212
		Photographic activities	7494
		Other business activities n.e.c.	7499
<b>II. Interdependent copyright</b>		<b>II. Interdependent copyright</b>	
Computers and equipment	4741	Renting of office machinery and equipment (including computers)	7123
Computers and equipment	4651		
Computers and equipment	5151	Wholesale of computers, computer peripheral equipment and software	5151
Musical instruments	5233	Retail sale of household appliances, articles and equipment	5233
Paper manufacturing	2101	Manufacture of pulp, paper and paperboard	2101
Paper retail sales	5239	Wholesale of other intermediate products, waste and scrap	5149
		Other retail sale in specialised stores	5239
		Manufacture of TV and radio receivers, sound or video recording or reproducing apparatus, and associated goods	3230
		Manufacture of office, accounting and computing machinery	3000
		Wholesale of computers, computer peripheral equipment and software	5151
		Renting of office machinery and equipment (including computers)	7123
		Wholesale of other machinery, equipment and supplies	5159
		Manufacture of photographic and optical equipment	3320
		Other retail sale in specialised stores	5239
		Renting of other machinery	7129
		Retail sale of household appliances, articles and equipment	5233
<b>III. Partial copyright</b>		<b>III. Partial copyright</b>	
Apparel, textiles and footwear	1721	Manufacture of made-up textile articles	1721
Apparel, textiles and footwear	1810	Manufacture of wearing apparel	1810
Apparel, textiles and footwear	1920	Manufacturing of footwear	1920
Apparel, textiles and footwear	5131	Wholesale of textile, clothing and footwear	5131
Furniture	3610	Manufacture of furniture	3610
		Renting of personal and household goods n.e.c.	7130
Household goods, china and glass	2610	Manufacture of glass and glass products	2610
Household goods, china and glass	1730	Manufacture of knitted and crocheted fabrics and articles	173
Household goods, china and glass	2899	Manufacture of other fabricated metal products n.e.c.	2899
		Manufacture of jewellery and related articles	3691
		Wholesale of other household goods	5139
		Other retail sale in specialised stores	5239

**Table 3.1: Malawi's industry coding compared to WIPO classification of copyright-based industries, based on ISIC Rev. 3.1 code (continued)**

Malawi's Coding		WIPO classification based on ISIC Rev. 3.1 code	
		Manufacture of wearing apparel	1810
		Manufacture of made up textiles articles	1721
		Manufacture of footwear	1920
		Wholesale of textiles, clothing and footwear	5131
		Retail sale of textiles, clothing, footwear and leather goods	5232
		Library and archives services	9231
		Museum activities and preservation of historical sites and buildings	9232
Architecture, engineering survey	7421	Architectural and engineering activities and related technical consultancy	7421
<b>IV. Non-dedicated copyright</b>		<b>IV. Non-dedicated copyright</b>	
		Wholesale of machinery, equipment and supplies	515
General wholesale and retailing	5190	Other wholesale	519
General trade except of motor vehicles	5219	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	52
Other retail	5231	Other retail trade of new goods in specialised stores	
		Land transport; transport via pipelines	60
General transportation		Transport via railways	601
Other road transport	6022	Other land transport	602
Road transport	6023	Water transport	61
Air transport	6210	Air transport	62
		Supporting and auxiliary transport activities	630
Cargo handling	6301	Cargo handling	6301
		Storage and warehousing	6302
		Other supporting transport activities	6303
		Activities of travel agencies and tour operators; tourist assistance activities n.e.c.	6304
		Activities of other transport agencies	6309
		Post and courier activities	641
National post activities	6411	National post activities	6411
Courier activities other than national post activities	6412	Courier activities other than national post activities	6412
Telephony and Internet	6420	Telecommunication	6420
		Database activities and on-line distribution of electronic content	7240

### 3.2 The Copyright Factor

The WIPO Guide recommends the use of a copyright factor to identify the contributions of non-core copyright-based industries. A copyright factor is a percentage indicating the proportion of copyright activities in a given industry. It is an expression of the extent of dependence of the product of the given industry on copyright.

According to the WIPO Guide, the copyright factor may take a value between 0 and 1 depending on the industry. Thus, industries that only produce copyright products and works and other protected subject matter have a copyright factor of 1, while those having nothing to do with copyright have a factor of zero. In partial and non-dedicated copyright-based industries, a large share of their goods and services is not related to copyright at all.

Looking at methodologies used by other countries, this study of Malawi has used copyright factors for the partial copyright industry, obtained from the NSO Integrated Household Survey (IHS II) for apparel, textiles

and footwear and furniture, while for the household goods and architectural sectors the factors have been obtained from the Hungary study. We have used the Hungary study because it is evident that several similar studies obtained their multipliers from the study, including the Kenyan study. For the non-dedicated industries, the same formula that has been used in the Kenyan study has been applied, which is:

$$\text{NSDI Copyright Factor} = \left[ \frac{\text{Value added for Core, Interdependent and Partial Industries}}{\text{Non - distribution GDP}} \right]$$

Where non-distribution in the equation = GDP minus (value added of general transportation *plus* general wholesale and retail *plus* telephony and internet) *plus* value added of distribution industries in the core, interdependent and partial subsectors.

**Table 3.2: Copyright factors used in Malawi in 2009**

Copyright Industries	Copyright factors (%) Malawi	
1. Core copyright industries	100	
2. Interdependent copyright industries	100	
3. Partial copyright industries		
Apparel, textiles and footwear	4.3	Integrated Household Survey 2 – NSO 2005
Furniture	3.8	Integrated Household Survey 2 – NSO 2005
Household goods, china and glass	5	Hungary
Architecture, engineering, survey	10	Hungary
SME- Manufacturing	4.1	Average of apparel and furniture
4. Non-Dedicated support industries	3.15	

The copyright factors have been applied on the economic data extracted from the AES of 2009 and other sources, as given in Annex 2. The calculations of copyright factors are given in Annex 3.

### 3.3 Calculation of Indicators of Economic Contribution

The indicators used in this analysis for the economic contribution of Malawian copyright-based industries to the national economy are: turnover (gross output), value added (VA), number of persons employed, employees' remuneration and foreign trade. The value added is obtained when labour costs (including social security contributions and taxes) are added to the operating margin and the income from the sale of fixed assets is deducted from this sum. The GDP share of Gross Value Added (GVA) is calculated to reveal the economic contribution of the copyright-based industries to the domestic economy.

GDP can be measured using three approaches: the output or production approach, the expenditure approach, and the income approach. The production approach views GDP as the sum of VA of all industries, i.e., the difference between output and intermediate consumption. In the expenditure approach, GDP is viewed as the sum of all expenditure categories, including government and household consumption, fixed capital formation, changes in inventories, and exports minus imports. The income approach considers GDP to be the sum of the income due to households (compensation of employees, that is, wages and salaries, bonuses and benefits) and corporations (profits or gross operating surpluses) and taxes on production and on imports (indirect taxes)

The National Accounts (NA) statistics are designed to provide consistent and comprehensive statistics of the overall national economy. The NA give both a summarised description of the economy as a whole and a detailed description of transactions between different parts of the Malawi economy, and between Malawi and the rest of the world.

The coverage and concepts of the National Accounts are defined by international guidelines of the System of National Accounts (SNA 1993), published by the UN, the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), the World Bank, and the Commission of the European Communities in 1993. The NSO has been responsible for the compilation and analysis of the National Accounts for Malawi since 1964.

### 3.4 GDP and Production

#### 3.4.1 Output

Output refers to goods and services produced in the accounting period and is not the same as sales of goods and services (because of changes in stocks). It covers the value of goods and services from domestic production activities, i.e. from market production, production for own final use, and non-market production in general government and in non-profit institutions serving households (NPISHs). Output is published in basic prices, that is, subsidies on products are included, but not value added tax (VAT) or other taxes on products. In general government and other non-market production, output is estimated by adding up the production costs, i.e. as the sum of compensation of employees, net taxes on production, consumption of fixed capital and intermediate consumption.

#### 3.4.2 Value Added

Value added is the gross income generated from domestic production in an industry or sector (or in total for all industries/sectors), and is derived and defined as output less intermediate consumption. Value added is published in basic prices, i.e. subsidies on products are included, whereas VAT and other taxes on products are not.

In general government and other non-market activities, value added is compiled as the sum of the compensation of employees, net taxes on production (taxes on production less subsidies on production) and consumption of fixed capital.

### 3.5 Sources of Data and Production Cycle

The NSO compiles the National Accounts on an annual basis. The annual accounts are compiled at a detailed level and comprise about 100 industries and 340 products. The compilation of the National Accounts is based on many statistical sources: AES for large-scale enterprises; accounting statistics for government; external trade statistics; the Integrated Household Survey; agriculture crop estimation survey and livestock census; agriculture marketing surveys, etc. The process of compilation starts with independent supply and use estimates of all goods and services. Finally, supply and use for each of these is balanced by using supplementary information and quality assessments of the various statistical sources.

### 3.6 Contribution of Malawi's Small and Medium-Sized Copyright-Based Enterprises to GDP

The National Accounts for Malawi make some estimation for the contributions of small and medium-scale enterprises to GDP. The Supply and Use Tables (SUT) make estimations on the small/medium scale enterprises by activity, but not by product. In most cases, these activities are aggregated and this makes it difficult to isolate those that are in the creative industries (NSO, 2012). Some assumptions therefore had to be made to estimate the contribution of this SME sector.

**Table 3.3: Calculation of value added contributed by SMEs in the 2009 SUT**

Sector	%contribution to GDP	Value added from SMEs	Interdependent	Partial	Non-dedicated
Manufacturing	3.9	34,380,926	8,595,231	8,595,231	-
Wholesale and retail	6.0	52,893,732	13,223,433		26,446,866
Information and communication	0.5	4,407,811			4,407,811
Transport	1.5	13,223,433			13,223,433
<b>GDP for Malawi</b>		<b>881,562,200</b>			

The manufacturing sector contributed 3.9% to GDP, wholesale and retail contributed 6.0%, information and communication contributed 0.5%, and transport contributed 1.5%. The SUT shows that about 50% of the contribution of manufacturing activities was in the copyright-based industries. According to the WIPO Guide, the manufacturing activities are classified as interdependent or partial; so the assumption is that 50% of the value added from the SMEs in Malawi in 2009 was not copyright and the other half was copyright and has been split between interdependent and partial copyright-based industries.

The following assumptions were made to arrive at the contribution of the copyright SMEs:

- 0% of the value added in the SME manufacturing sector was contributed by the interdependent and partial industries and the share was 25% each. The other 50% was from non-copyright industries.
- 25% of the wholesale and retail SME value added was contributed by the interdependent copyright industries, while 50% was contributed by the non-dedicated support industries.
- From the SUT, the proportion of the contribution of the wholesale and retail sector was 25 % for those activities assumed to be in the interdependent sector and 50 % for those in the non-dedicated support industries.
- For the information and communication sector and the transport sector, the whole 100 % was attributable to the SME copyright industries.

The assumption of 100% contribution by SMEs is from the classification guide, which classifies almost all the activities in these industries to be in the non-dedicated sector of the copyright industries: this study assumes the same. The numbers included in the final figures have been reduced by the copyright factors.

**Table 3.4: Calculation of output contributed by SMEs in the 2009 SUT**

Sector	% contribution to output	Output from SMEs	Interdependent	Partial	Non-dedicated
Manufacturing	4.4	78,595,519	19,648,880	19,648,880	
Wholesale and retail	4.9	87,526,828	21,881,707		43,763,414
Information and communication	0.3	5,358,785			5,358,785
Transport	1.1	19,648,880			19,648,880
<b>Total output from Malawi</b>		<b>1,786,261,800</b>			

The assumptions made for output are similar to those made for value added. The 2009 SUT does not provide for contribution of the two remaining variables, remuneration and employment; their contribution has been assumed to be similar to the output contributions and the assumptions made are the same as those for value added.

**Table 3.5: Calculation of remuneration contributed by SMEs in the 2009 SUT**

Sector	% contribution to remuneration	Remuneration from SMEs	Interdependent	Partial	Non-dedicated
Manufacturing	4.4	10,009,927	2,502,482	2,502,482	
Wholesale and retail	4.9	11,147,418	2,786,855		5,573,709
Information and communication	0.3	682,495			682,495
Transport	1.1	2,502,482			2,502,482
<b>Total economy</b>		<b>227,498,336</b>			



**Table 3.6: Calculation of employment contributed by SMEs in the 2009 SUT**

Sector	% contribution to employment	Employment from SMEs	Interdependent	Partial	Non-dedicated
Manufacturing	4.4	35,098	8,774	8,774	
Wholesale and retail	4.9	39,086	9,772		19,543
Information and communication	0.3	2,393			2,393
Transport	1.1	8,774			8,774
<b>Total economy</b>		<b>797,680</b>			

### 3.7 Data Sources and Estimation Procedure

#### 3.7.1 *The Annual Economic Survey*

AES activity and product output, intermediate consumption, compensation of employees and capital formation of fixed capital data were extracted from the 2009 AES reports. The rationale of the Survey is to give a quantitative description of the activities of mainly large-scale enterprises in all sectors of the Malawian economy, with respect to their production, employment characteristics, profitability, acquisition and issue of both real and financial claims in different sectors of the economy. The aim of the survey is to come up with total value added, profitability and formation of fixed assets in the 15 sectors of the large-scale and some medium-scale sectors. The main criterion used to include an enterprise is employment level within the sector; in some sectors, all enterprises have been included if the sector has too few enterprises.

Although the AES mainly covers large-scale enterprises, due to the current importance of medium- and small-scale enterprises the Survey has begun to progressively incorporate these companies in order to monitor the substantive growth of the entire economy. The AES covers private, statutory bodies and public (government) sectors engaged in the production and sale of goods and services on the market at prices normally designed to cover the cost of production.

#### 3.7.2 *Estimation*

The overall methodological approach consisted of three principal components:

1. Derivation of specific data for the various copyright and related rights-based industries, mainly from the Malawi NSO.
2. Measuring the total economic impact of copyright and related rights-based industries: the total impact comprised the direct, indirect and induced impacts. These impacts were for output, value-added, incomes, employment and foreign trade. The impacts were measured as follows:
  - (i) The direct impact as represented by the operating revenue of copyright and related rights-based activities;
  - (ii) The indirect impact arises from additional revenue generated from other sectors providing goods and services to copyright and related rights-based sectors; and
  - (iii) The induced impact, limited to the group of non-dedicated support industries.
4. Employment data were compiled for estimation of the AES 2009 while trade data were from the foreign trade statistics compiled by the NSO from custom clearing returns obtained from the MRA.

## 4. Analysis and Results

### 4.1 Contribution of Copyright-Based Industries to Malawi's Economy

The economic contribution of the copyright-based industries in Malawi is estimated using the following key summary indicators: gross output, gross domestic product (GDP), remuneration (employee incomes) and employment share in the economy. The selection of these indicators has primarily been determined by the availability and types of data that are used in the compilation of national accounts figures for Malawi by the NSO.

The total copyright-based industries as defined by WIPO are estimated to have contributed to the Malawi economy in 2009 as follows:

- K30,478,125,760 of value-added or 3.46% of GDP
- K65,181,173,630 of the gross output or 3.65% of total output
- K9,053,969,130 of the wage bill or 3.98% of the total employees income
- Employed 26,704 persons or 3.35 of the total national workforce (government and private sector).

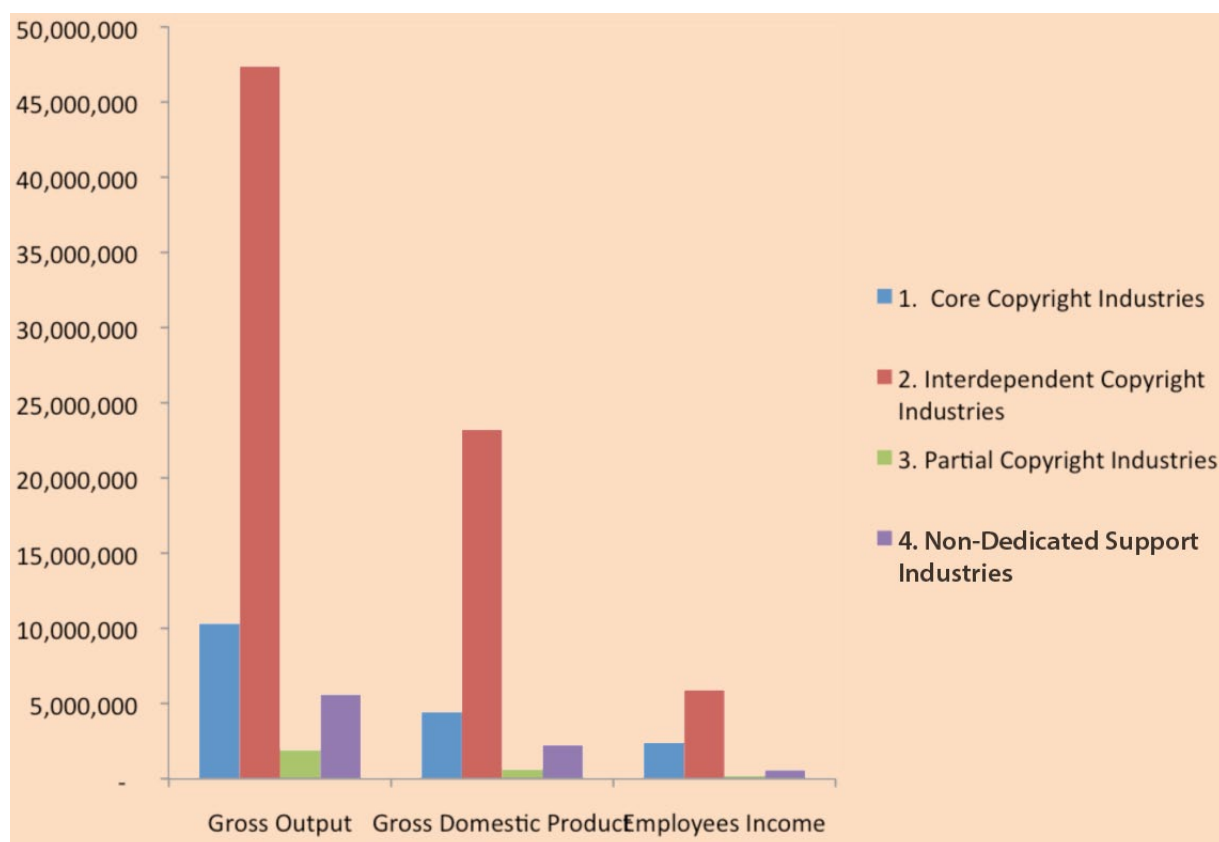
The economic contribution of copyright-based industries in Malawi was 3.46% of GDP. For comparison, among other countries that have conducted a similar analysis, Kenya's copyright-based industries contributed 5.3% of GDP in 2007; in Mexico, the contribution was about 4.77% of GDP in 2003; in Jamaica in 2005, the contribution of copyright-based industries was about 4.8% of GDP. In all these cases, the economic contribution of copyright-based industries to the national economy as measured by GDP was higher than that for Malawi. This may partly be attributed to the problems in the availability of data, as most of the copyright-based industries in Malawi are small-scale and there were challenges in obtaining information for this study.

In addition, it should be noted that the AES does not capture a number of core copyright-based industries, including other relevant business activities, activities of professional organisations, motion pictures, other recreation activities, and libraries and archives. For this reason, the estimated contribution of the copyright-based industries is relatively low because of the low recorded contribution of the core copyright-based industries, which is 0.5%

**Table 4.1: Economic contribution of copyright-based industries in Malawi in 2009**

Copyright- based industries	Gross Output		Gross Domestic Product		Employees Income		No. of Employees	
	K'000	%	K'000	%	K'000	%	No.	%
1. Core copyright-based industries	10,302,313.33	0.58	4,417,170.24	0.50	2,389,133.78	1.05	5,153	0.65
2. Interdependent copyright-based industries	47,381,051.38	2.65	23,219,306.11	2.63	5,897,922.81	2.59	19,366	2.43
3. Partial copyright-based industries	1,904,199.53	0.11	611,014.64	0.07	200,000.83	0.09	851	0.11
4. Non-Dedicated support industries	5,593,609.39	0.31	2,230,634.77	0.25	566,911.70	0.25	1,333	0.17
<b>Total copyright-based industries</b>	<b>65,181,173.63</b>	<b>3.65</b>	<b>30,478,125.76</b>	<b>3.46</b>	<b>9,053,969.13</b>	<b>3.98</b>	<b>26,704</b>	<b>3.35</b>
<b>TOTAL FOR THE ECONOMY</b>	<b>1,786,261,800</b>	<b>100.00</b>	<b>881,562,200</b>	<b>100.00</b>	<b>227,498,336</b>	<b>100.00</b>	<b>797,680</b>	<b>100.00</b>

**Figure 4.1: Economic contribution of copyright-based industries in Malawi in 2009**



## 4.2 Economic Contribution of Copyright-Based Industries Compared with Other Sectors in the Malawi Economy in 2009

The contribution of the copyright-based industries to the national economy, based on GDP and compared with a selected number of main sectors in Malawi is shown in Table 4.2 and Figure 4.2. The economy of Malawi is largely agro-based, with the agriculture, forestry and fishing sector contributing about 33% of GDP in 2009 followed by manufacturing contributing 10.8%. With a contribution of 3.46% in 2009 the copyright-based industries was the eighth highest ranking contributor to GDP surpassing sectors such as transportation, construction and mining and quarrying.

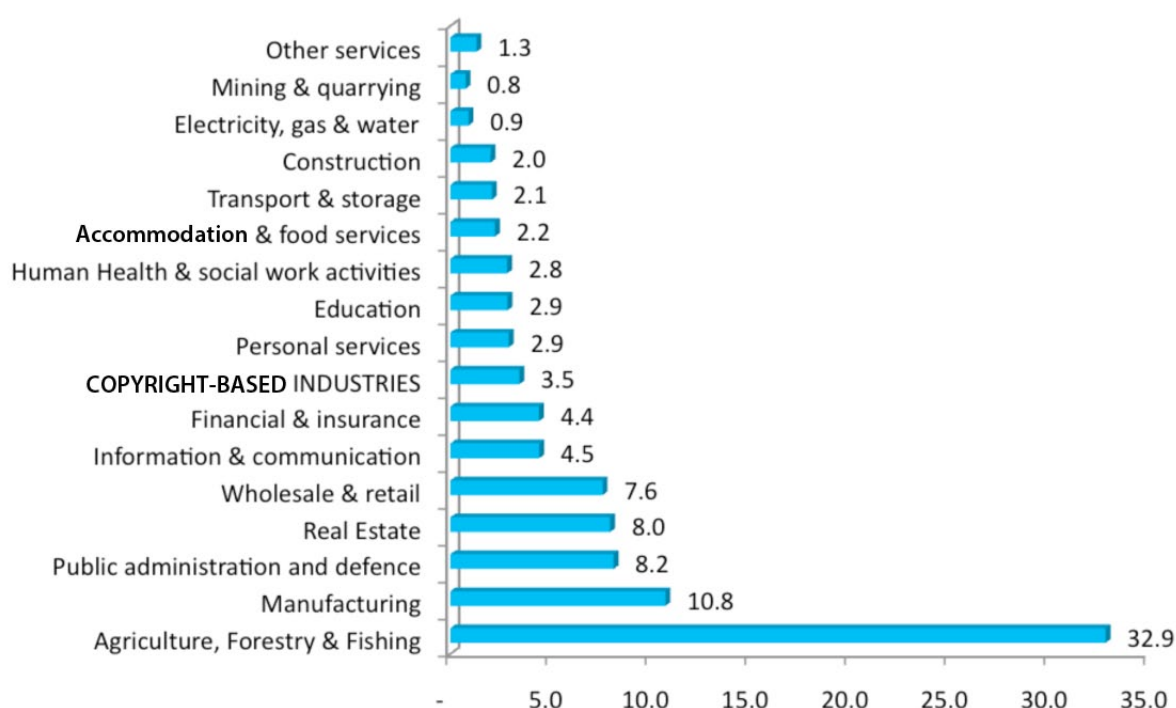
**Table 4.2: Percentage share of GDP by sector in Malawi in 2009**

Sector	2009
Agriculture, forestry and fishing	32.90
Manufacturing	10.8
Public administration and defence	8.19
Real estate activities	8.01
Wholesale and retail trade	7.63
Information and communication	4.46
Financial and insurance activities	4.44
<b>COPYRIGHT-BASED INDUSTRIES</b>	<b>3.46</b>
Personal services	2.93
Education	2.86
Human health and social work activities	2.85
Accommodation and food service activities	2.24

**Table 4.2: Percentage share of GDP by sector in Malawi in 2009 (continued)**

Transportation and storage	2.08
Construction	2.02
Electricity, gas and water supply	0.91
Mining and quarrying	0.76
Other services	1.31
Taxes less Subsidies on products	5.66
<b>GDP in constant 2009 prices</b>	<b>100.00</b>

**Figure 4.2: Percentage share of GDP by sector in Malawi in 2009**

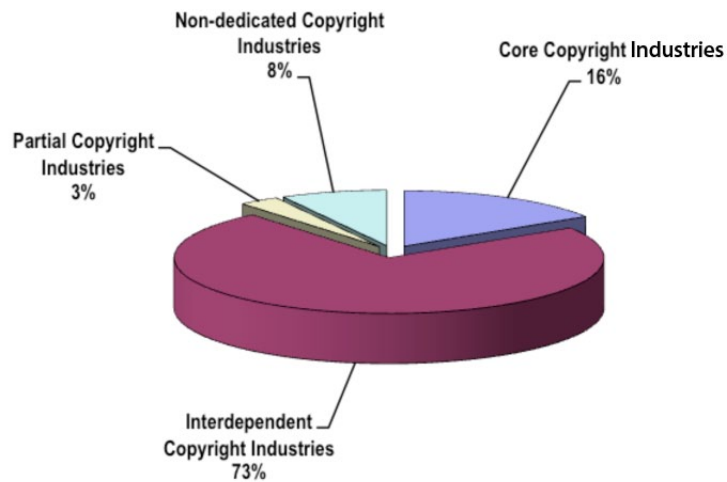


### 4.3 Economic Indicators in Analysing Economic Contribution of Copyright-Based Industries

Chapter 1 discussed the economic indicators that are analysed in this study to show the economic contribution and performance of copyright-based industries in Malawi. These indicators are gross output, gross domestic product measured by value added, employees' remuneration, number of employees and labour productivity.

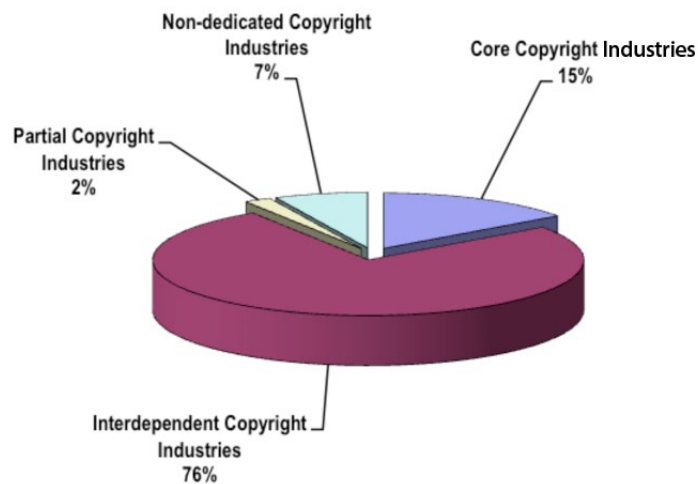
For gross output, it is noted that the core copyright-based industries contributed K10,302,313,330.00, the interdependent copyright-based industries contributed K47,381,051,380.00, the partial industries contributed K1,904,199,530.00 and the non-dedicated support industries contributed K5,593,609,390.00. This implies that of the total contribution of copyright-based industries to gross output, 16% came from core copyright industries, 73% came from interdependent copyright industries, 3% came from the partial copyright industries and 8% came from the non-dedicated support industries (Figures 4.1 and 4.3).

**Figure 4.3: Economic contribution of copyright-based industries to gross output in 2009**



For GDP, it is observed that the core copyright-based industries contributed K4,417,170,240.00, the interdependent copyright-based industries contributed K23,219,306,110.00, the partial copyright-based industries contributed K611,014,640.00 and the non-dedicated support industries contributed K2,230,634,770.00. This implies that among the total contribution of copyright-based industries, 15% came from core copyright-based industries, 76% came from interdependent copyright industries, 2% came from the partial copyright industries and 7% came from the non-dedicated support industries (Figure 4.4).

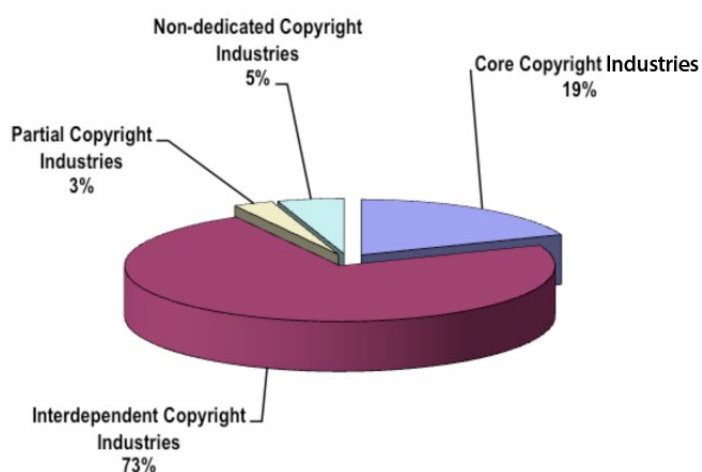
**Figure 4.4: Economic contribution of copyright-based industries to GDP in 2009**



For employees' income, it is observed that the core copyright-based industries paid out K2,389,133,780.00, the interdependent copyright-based industries paid K5,897,922,810.00, the partial industries paid K200,000,830.00 and the non-dedicated support industries paid out K566,911,700.00. This implies that among the total wage bill of copyright-based industries, 26% came from core copyright-based industries, 65% came from interdependent copyright-based industries, 2% came from the partial copyright industries and 6% came from the non-dedicated support industries (Figure 4.5).

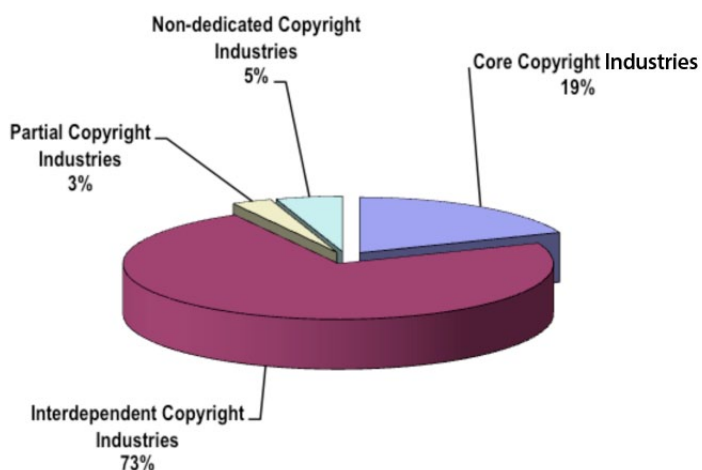


**Figure 4.5: Employees' income share of copyright-based industries in Malawi in 2009**



For the number of employees, it is observed that the core copyright-based industries employed 5,153 persons, the interdependent copyright-based industries employed 19,366 persons, the partial copyright-based industries employed 851 persons and the non-dedicated support industries employed 1,333 persons. This implies that among the total persons employed in copyright-based industries, 19% were employed in core copyright industries, 73% were employed in interdependent copyright industries, 3% were employed in partial copyright industries and 5% were employed in the non-dedicated support industries (Figure 4.6)

**Figure 4.6: Share of employees in copyright-based industries in Malawi in 2009**



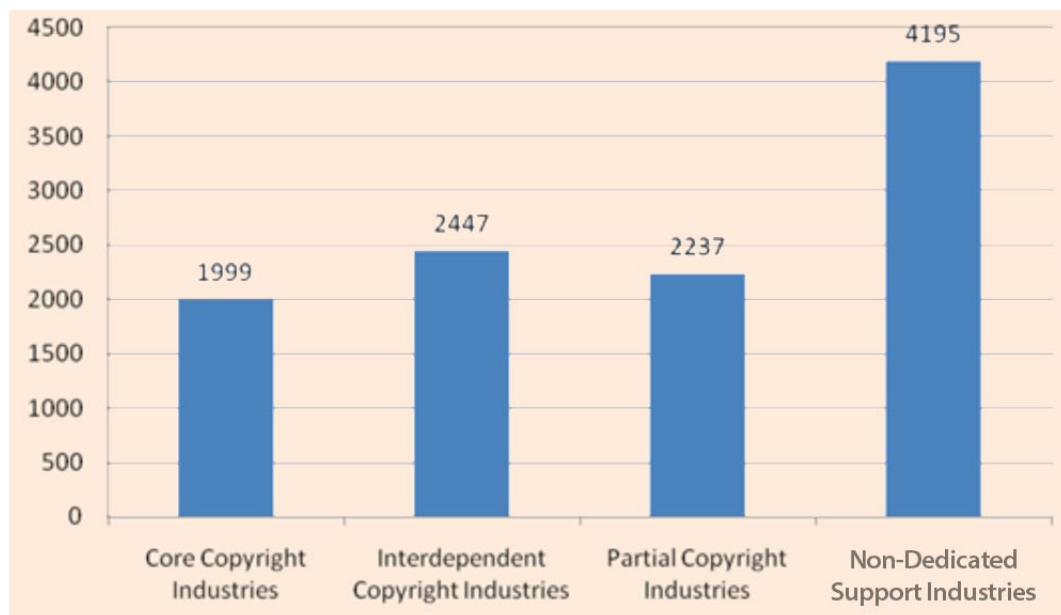
#### 4.4 Labour Productivity

As discussed in Chapter 1, labour productivity of copyright-based industries, defined as total output per worker, was calculated for each of the four categories. The results show a higher labour productivity for the non-dedicated support industries, followed by the interdependent copyright industries and then the core copyright industries. The labour productivity of core copyright-based industries was at K1,999,000 per worker per year compared with the labour productivity of non-dedicated support industries, which was at K4,155,000 per worker in 2009.

**Table 4.3: Labour productivity of copyright-based industries in Malawi in 2009**

Copyright Industries	Output/Employee (K'000)
1. Core copyright-based industries	1,999
2. Interdependent copyright-based industries	2,447
3. Partial copyright-based industries	2,237
4. Non-Dedicated support industries	4,195
<b>Total copyright-based industries</b>	<b>2,441</b>
<b>TOTAL FOR THE ECONOMY</b>	<b>2,239</b>

**Figure 4.7: Labour productivity of copyright-based industries in Malawi in 2009**



#### 4.5 Economic Contribution of Decomposed Core Copyright-Based Industries in Malawi in 2009

This section discusses the contribution of core copyright-based industries decomposed into various activities (see Annex 4). As given in Table 4.4 and shown in Figure 4.8 below, the core copyright-based industries in Malawi have been classified, as provided for in the WIPO Guide, into:

- press and literature
- music, theatrical productions and opera
- motion picture and video
- radio and television
- photography
- software and databases
- visual and graphic arts
- advertising services
- copyright collecting society

The core copyright-based industries contributed K10,302,313,330 to gross output. When this is decomposed, it is observed that the press and literature contributed the highest output, amounting to K5,472,370,000 or 53% within this category. Music, theatrical productions and opera contributed K2,568,953,000 or 25%, while the lowest contribution came from the copyright collecting society at K67,148,000 or less than 1%.

The core copyright-based industries contributed K4,417,170,000 to GDP. When this is decomposed, it is observed that the press and literature contributed the highest value added, amounting to K1,935,624,000 or

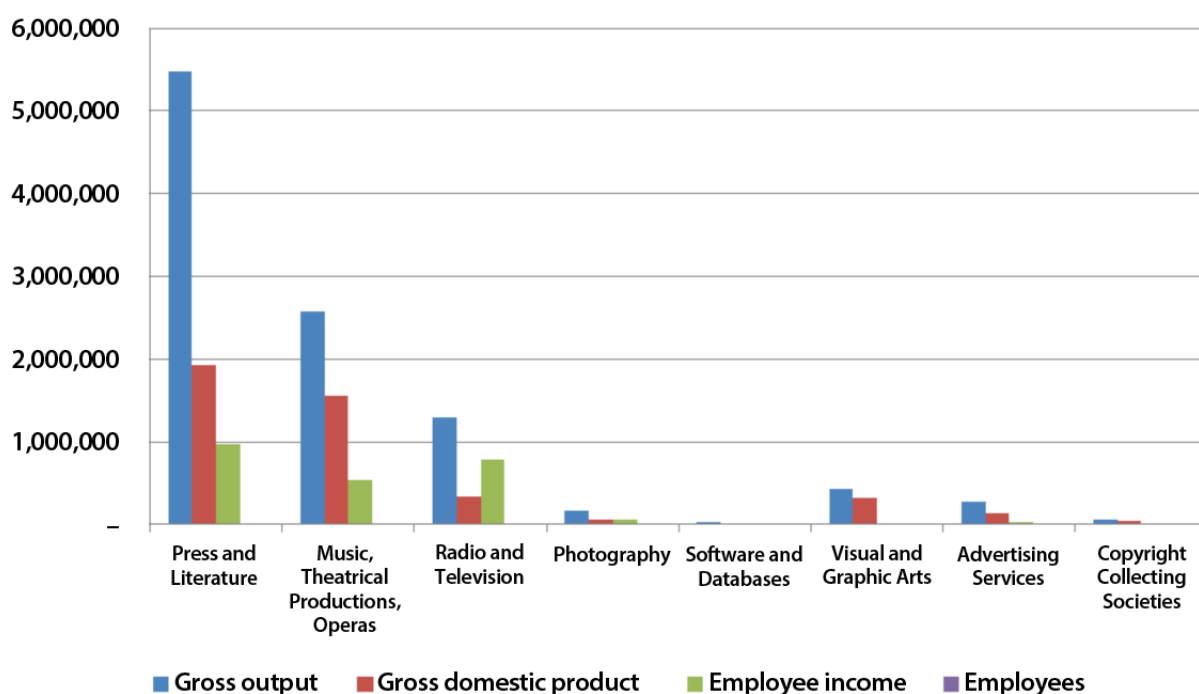
44% within this category. Music, theatrical productions and opera contributed K 1,555,869,000 or 35% in the core copyright-based industries, while the lowest contribution came from the copyright collecting society at K50,303,000 or about 1%.

The core copyright-based industries employed 5,153 persons. When this is decomposed, it is observed that the press and literature employed 1,339 persons, music, theatrical productions and opera employed 2,645 persons and the copyright collecting society employed 20 persons.

**Table 4.4: Decomposed Core copyright-based industries' contribution to Malawi's economy in 2009**

	Gross Output		Gross Domestic Product		Employees Income		No. of Employees	
	K'000	%	K'000	%	K'000	%	No.	%
<b>Core copyright industries</b>	<b>10,302,313</b>	<b>100.00</b>	<b>4,417,170</b>	<b>100.00</b>	<b>,389,134</b>	<b>100.00</b>	<b>5,153</b>	<b>100.00</b>
Press and literature	5,472,370	53.12	1,935,624	43.82	972,874	40.72	1,339	25.98
Music, theatrical productions, operas	2,568,953	24.94	1,555,869	35.22	536,002	22.43	2,645	51.33
Radio and television	1,302,760	12.65	331,087	7.50	781,460	32.71	1,038	20.14
Photography	170,231	1.65	61,610	1.39	53,450	2.24	50	0.97
Software and databases	22,409	0.22	18,447	0.42	3,016	0.13	4	0.08
Visual and graphic arts	427,802	4.15	329,042	7.45	3,518	0.15	50	0.97
Advertising services	270,639	2.63	135,189	3.06	30,776	1.29	7	0.14
Copyright collecting societies	67,148	0.65	50,303	1.14	8,037	0.34	20	0.39

**Figure 4.8: Decomposed Core copyright-based industries' contribution to Malawi's economy in 2009**





#### 4.6 Economic Contribution of Decomposed Interdependent Copyright-Based Industries in Malawi in 2009

As given in Table 4.5 and shown in Figure 4.9 below, the interdependent copyright-based industries in Malawi have been classified into:

- computers and equipment
- musical instruments
- paper retail sales
- paper manufacturing

The interdependent copyright-based industries contributed K47,381,051,000 to gross output. When this is decomposed, it is observed that computer and equipment activity contributed the highest output, amounting to K26,235,280,000 or 55%, followed by paper manufacturing that contributed K19,654,419,000 or 41%. Paper retail sales contributed K890,477,000 or 2%, while musical instruments contributed K600,876,000 or about 1%.

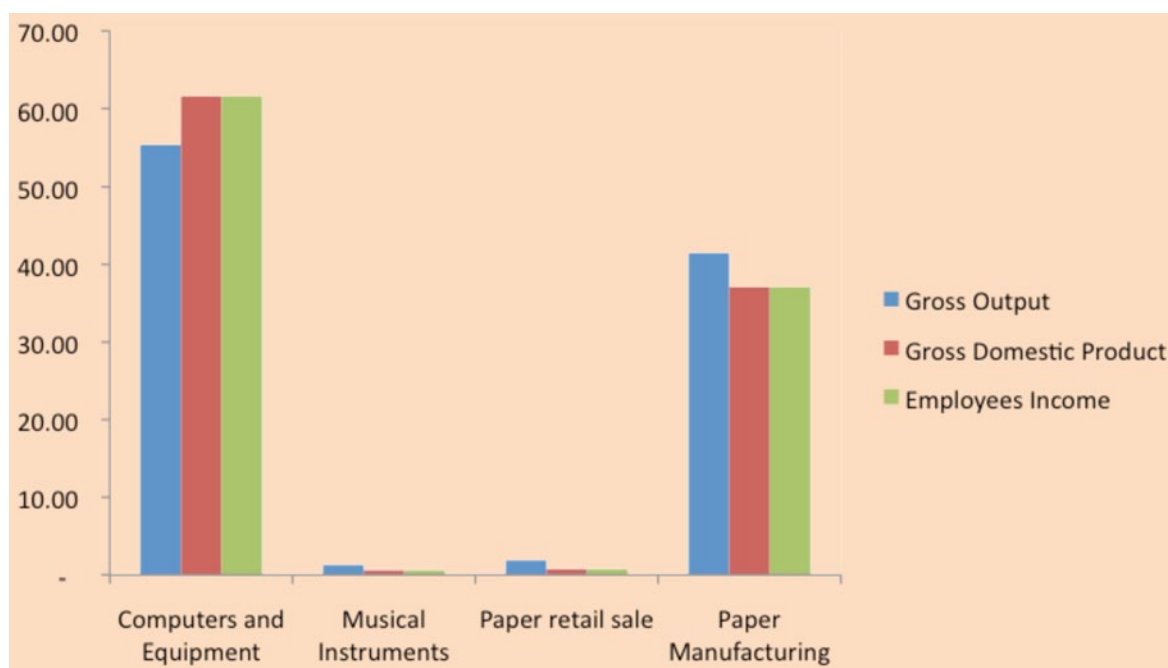
The interdependent copyright-based industries contributed K23,219,306,000 to GDP. When this is decomposed, it is observed that the computers and equipment sector contributed the highest output, amounting to K14,306,849,000 or 62%, followed by paper manufacturing which contributed K8,600,231,000 or 37% in this category. Paper retail sales contributed K175,045,000 and musical instruments contributed K137,180,000, each making a contribution of less than 1%.

The interdependent copyright-based industries employed 19,366 persons. When this is decomposed, it is shown that the computer and equipment activity employed 10,294 persons, paper manufacturing employed 8,800, paper retail sales employed 174 and musical instruments employed 98 persons.

**Table 4.5: Decomposed interdependent copyright-based industries' contribution to Malawi's economy in 2009**

	Gross Output		Gross Domestic Product		Employees Income		No. of Employees	
	K'000	%	K'000	%	K'000	%		%
<b>Interdependent copyright industries</b>	<b>47,381,051,</b>	<b>100.00</b>	<b>23,219,306,</b>	<b>100.00</b>	<b>5,897,923,</b>	<b>100.00</b>	<b>19,366,</b>	<b>100.00</b>
Computers and equipment	26,235,280,	55.37	14,306,849,	61.62	3,258,814,	55.25	10,294,	53.15
Musical instruments	600,876,	1.27	137,180,	0.59	45,841,	0.78	98,	0.51
Paper retail sale	890,477,	1.88	175,045,	0.75	82,899,	1.41	174,	0.90
Paper manufacturing	19,654,419,	41.48	8,600,231,	37.04	2,510,369,	42.56	8,800,	45.44

**Figure 4.9: Decomposed interdependent copyright-based industries' contribution to Malawi's economy in 2009**



#### 4.7 Economic Contribution of Decomposed Partial Copyright-Based Industries in Malawi in 2009

As shown in Table 4.5 and Figure 4.10, the partial copyright-based industries in Malawi are classified into:

- apparel, textiles and footwear
- furniture
- household goods, china and glass
- architecture, engineering and survey

The reduced numbers using the copyright factors are given in Annex 5. The partial copyright-based industries contributed K1,904,199,530 to gross output. When this is disaggregated, it is observed that furniture contributed the highest gross output, amounting to K931,968,190 or 49%. Architecture, engineering and survey contributed K546,020,050 or 29%, while apparel, textiles and footwear contributed K363,588,920 or about 19%.

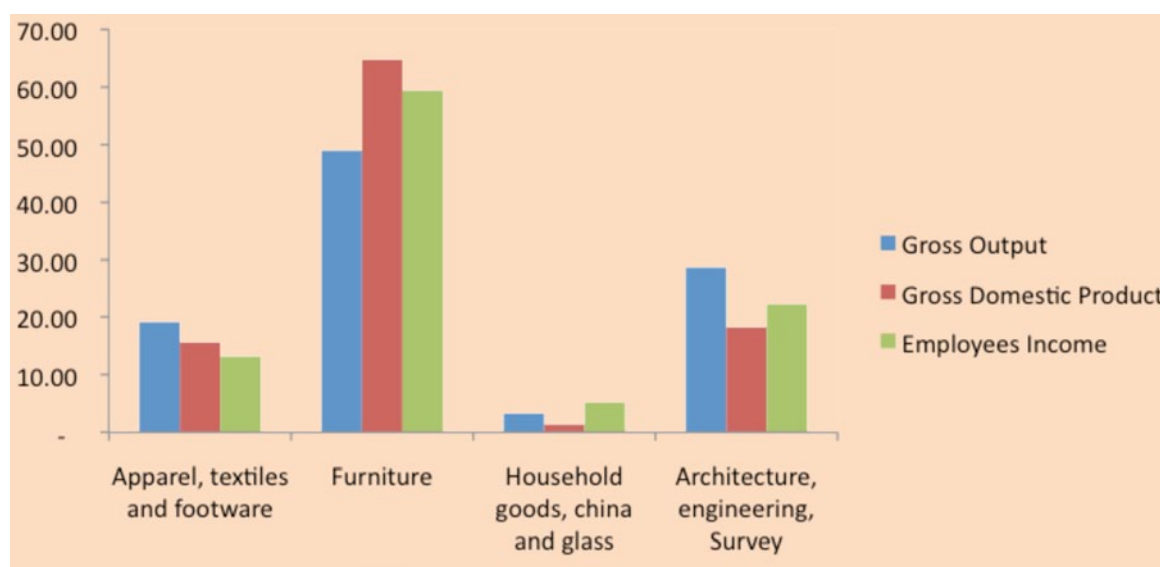
The partial copyright-based industries contributed K611,014,640 to GDP. When this is decomposed, it is observed that furniture contributed the highest output, amounting to K395,902,070 or 65%, followed by architecture, engineering and survey which contributed K111,163,250 or 18%, while apparel, textiles and footwear contributed K95,643,300 or about 16%.

The partial copyright-based industries employed 851 persons. Taking each component separately; furniture employed 464 persons, apparel, textiles and footwear employed 272 persons, while architecture, engineering and survey employed 68 persons.

**Table 4.6: Decomposed partial copyright-based industries' contribution to Malawi's economy in 2009**

	Gross Output		Gross Domestic Product		Employees Income		No. of Employees	
	K'000	%	K'000	%	K'000	%		%
<b>Partial copyright industries</b>	<b>1,904,199.53,</b>	<b>100.00</b>	<b>611,014.64,</b>	<b>100.00</b>	<b>200,000.83,</b>	<b>100.00</b>	<b>851</b>	<b>100.00</b>
Apparel, textiles and footwear	363,588.92,	19.09	95,643.30,	15.65	26,357.87,	13.18	272	31.92
Furniture	931,968.19,	48.94	395,902.07,	64.79	118,741.83,	59.37	464	54.55
Household goods, china and glass	62,622.37,	3.29	8,306.02,	1.36	10,428.41,	5.21	47	5.55
Architecture, engineering and survey	546,020.05,	28.67	111,163.25,	18.19	44,472.72,	22.24	68	7.98

**Figure 4.10: Decomposed partial copyright-based industries' contribution to Malawi's economy in 2009**



#### 4.8 Economic Contribution of Decomposed Non-Dedicated Support Industries in Malawi in 2009

As given in Table 4.6 and shown in Figure 4.10 below, the non-dedicated support industries in Malawi have been classified into:

- general wholesale and retailing
- general transportation
- telephony and Internet

The sum of the GDP for core, interdependent and partial copyright-based industries is K28,247,491,000, while the non-distribution GDP is K896,062,434,000. Using the copyright formula, the NDSI factor is given by:

$$\begin{aligned}
 \text{NDSI Copyright Factor} &= \left( \frac{\text{Value Added for Core, Interdependent and Partial Industries}}{\text{Non - Distribution GDP}} \right) \\
 &= \frac{K\ 28,247,491,000}{K\ 880,720,026,000 + 15,342,408,000} = 0.0315 = 3.15\%
 \end{aligned}$$

The reduced numbers using the copyright factor are given in Annex 4. The non-dedicated support industries contributed K5,593,609,000 to gross output. General wholesale and retailing contributed the highest gross output, amounting to K3,105,140,000 or 56%. Telephony and Internet activity contributed K1,256,471,000 or about 22% and general transport contributed K1,231,998,000 or 22%.

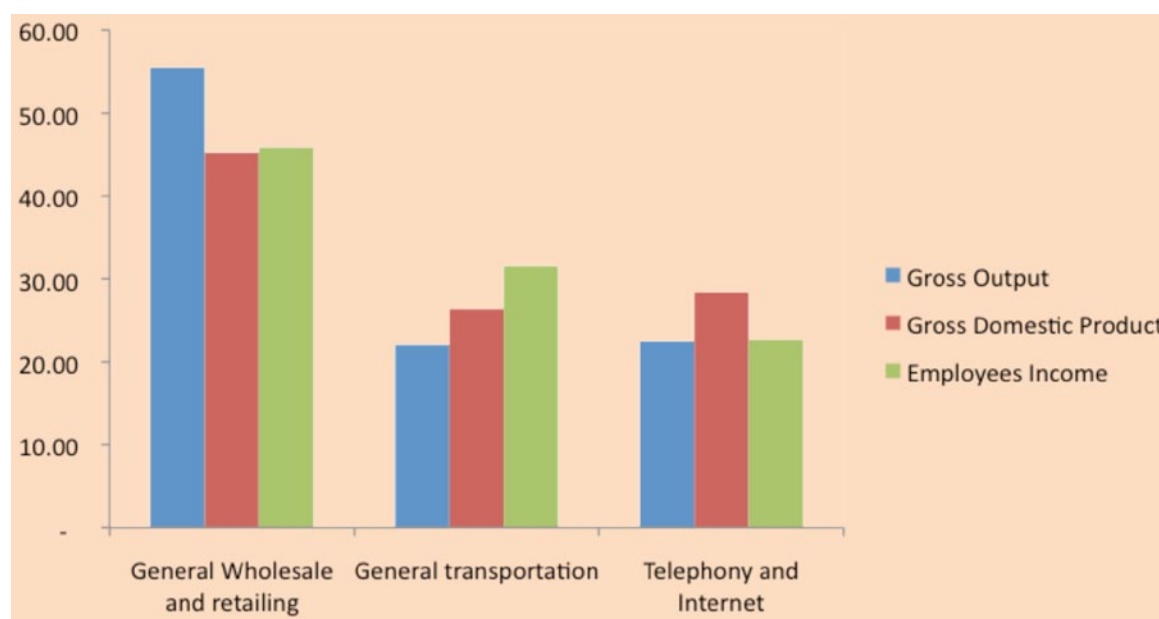
The non-dedicated support industries contributed K2,230,635,000 to GDP. When this is disaggregated, it is observed that general wholesale and retailing contributed the highest gross domestic output, amounting to K1,008,702,000 or 45%. Telephony and Internet contributed K633,155,000 or about 28% and general transport contributed K588,778,000 or 26%.

The non-dedicated support industries employed 1,333 persons. Out of this, general wholesale and retailing employed 763 persons, general transport employed 437 persons and telephony and Internet employed 133 persons.

**Table 4.7: Decomposed non-dedicated support industries' contribution to Malawi's economy in 2009**

	Gross Output		Gross Domestic Product		Employees Income		No. of Employees	
	K'000	%	K'000	%	K'000	%		%
<b>Non-Dedicated support industries</b>	<b>5,593,609</b>	<b>100.00</b>	<b>2,230,635</b>	<b>100.00</b>	<b>566,912</b>	<b>100.00</b>	<b>1,333</b>	<b>100.00</b>
General wholesale and retailing	3,105,140	55.51	1,008,702	45.22	259,854	45.84	763	57.26
General transportation	1,231,998	22.03	588,778	26.40	178,736	31.53	437	32.74
Telephony and Internet	1,256,471	22.46	633,155	28.38	128,322	22.64	133	10.01

**Figure 4.11: Decomposed non-dedicated support industries' contribution to Malawi's economy in 2009**



#### 4.9 Foreign Trade in Copyright-Based Goods and Services in Malawi in 2009

The study looked at the exports and imports of creative industries in Malawi in 2009. Initially, trade data from the NSO for 2009 were extracted for imports and exports of commodities using the classification of products as provided by WIPO into the core, interdependent, partial and non-dedicated support copyright industries.

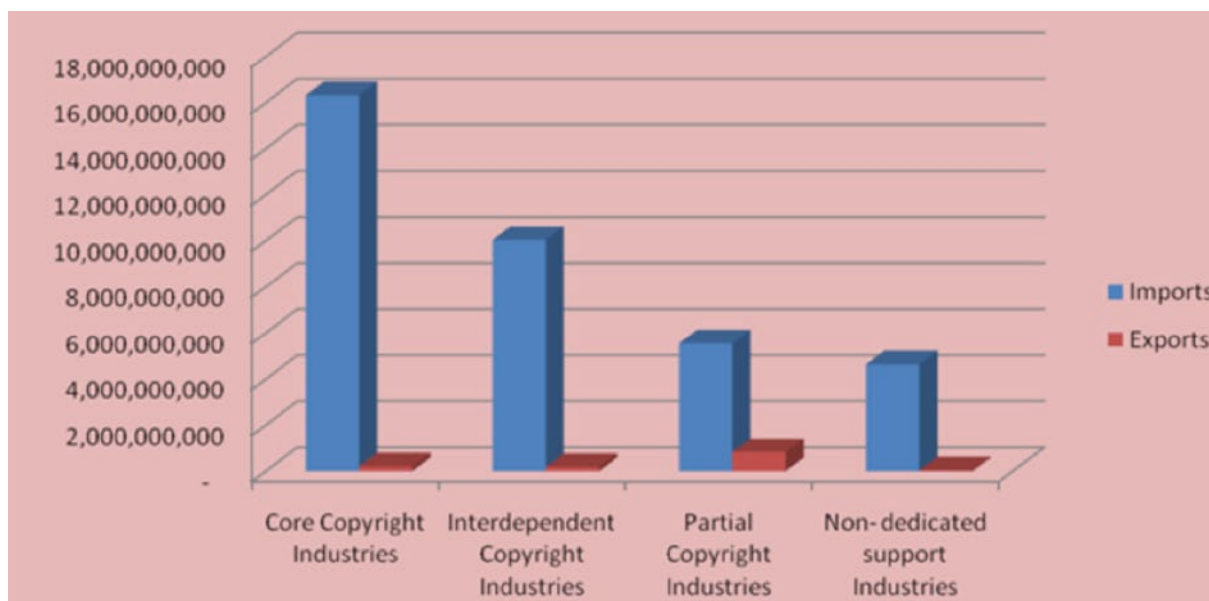
The results of this analysis are presented in Table 4.7. The table presents data on imports and exports of copyright-based goods and services and the trade balance in Malawi in 2009. The copyright-based industries, including the core, interdependent, partial copyright and non-dedicated support copyright goods and services, recorded a negative trade balance. It is evident that Malawi imported more creative industries products than it exported in 2009. The data show that the total products imported in 2009 were valued at K36,550,675,814 compared with its exports valued at K1,249,885,389, giving a negative trade balance of K35,300,790,425. The creative industries imports were 12.3% of the total imports, while the creative industries exports were 0.75% of the total exports.

**Table 4.8: Foreign trade of copyright-based industries in Malawi in 2009**

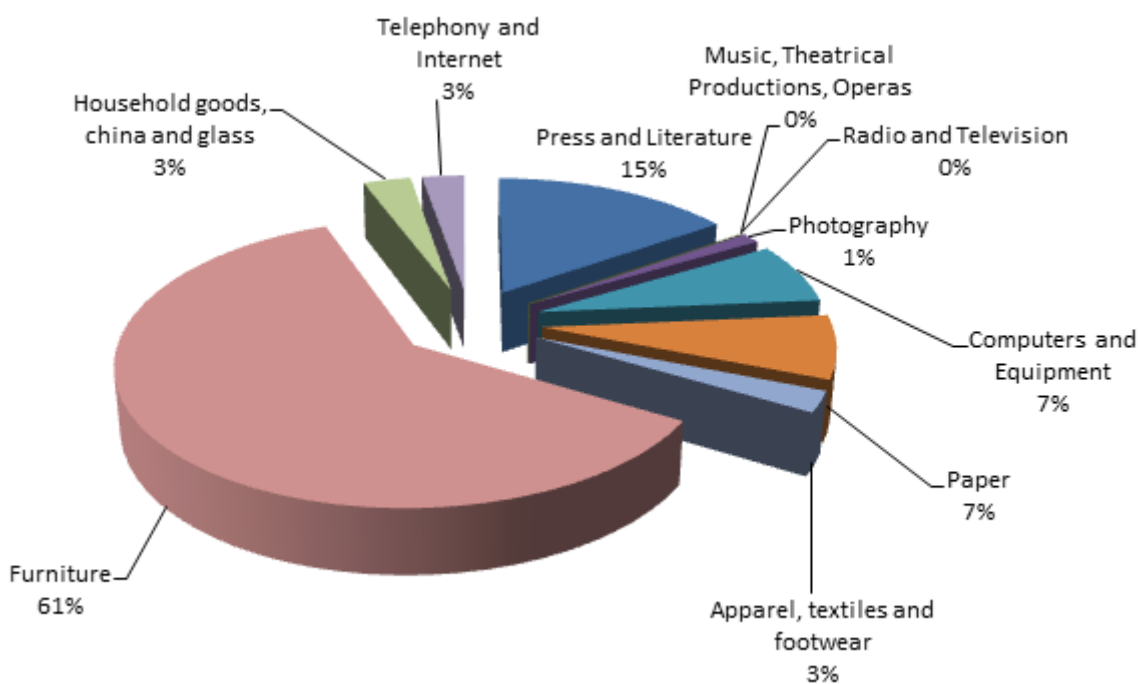
	Imports		Exports		Trade Balance
	K	%	K	%	
<b>Core copyright industries</b>					
Press and literature	14,652,359,674	40.09	191,959,198	15.36	-14,460,400,476
Music, theatrical productions, operas	395,201,774	1.08		–	-395,201,774
Radio and television	1,253,958,454	3.43		–	-1,253,958,454
Photography	21,212,345	0.06	15,073,182	1.21	-6,139,163
<b>Total core</b>	<b>16,322,732,247</b>	<b>44.66</b>	<b>207,032,380</b>	<b>16.56</b>	<b>-16,115,699,866</b>
<b>Interdependent copyright industries</b>					
Computers and equipment	2,662,296,654	7.28	87,732,819	7.02	-2,574,563,836
Paper	7,372,792,068	20.17	91,990,536	7.36	-7,280,801,533
Total interdependent	10,035,088,723	27.46	179,723,354	14.38	-9,855,365,368
<b>Partial copyright industries</b>					
Apparel, textiles and footwear	3,708,713,534	10.15	30,445,800.30	2.44	-3,678,267,733
Furniture	1,709,138,159	4.68	760,380,823.98	60.84	-948,757,335
Household goods, china and glass	134,272,575	0.37	38,176,917.61	3.05	-96,095,657
<b>Total partial</b>	<b>5,552,124,267</b>	<b>15.19</b>	<b>829,003,542</b>	<b>66.33</b>	<b>-4,723,120,725</b>
<b>Non-dedicated support industries</b>					
Telephony and Internet	4,640,730,577	12.70	34,126,112	2.73	-4,606,604,465
<b>Total non-dedicated</b>	<b>4,640,730,577</b>	<b>12.70</b>	<b>34,126,112</b>	<b>2.73</b>	<b>-4,606,604,465</b>
<b>Total copyright-based</b>	<b>36,550,675,814</b>	<b>100.00</b>	<b>1,249,885,389</b>	<b>100.00</b>	<b>-35,300,790,425</b>
<b>Total Malawi</b>	<b>298,169,609,916</b>		<b>167,687,743,591</b>		<b>130,481,866,325</b>

When the imports and exports are examined using the WIPO classification, it is noted that about 44.7% of the total imports were from core copyright-based industries, 27.5% were from interdependent copyright-based industries, 15.2% were from partial copyright industries and 12.7% were from non-dedicated support industries. In the case of exports, the majority of copyright-based industries products that were exported were from partial copyright industries, 66.3%, while core copyright-based industries contributed only 16.7% of the exports and interdependent copyright-based industries contributed 14.4% in 2009. It is worth noting that furniture exports were about 61% of the total copyright-based industries exports, while press and literature contributed 15%.

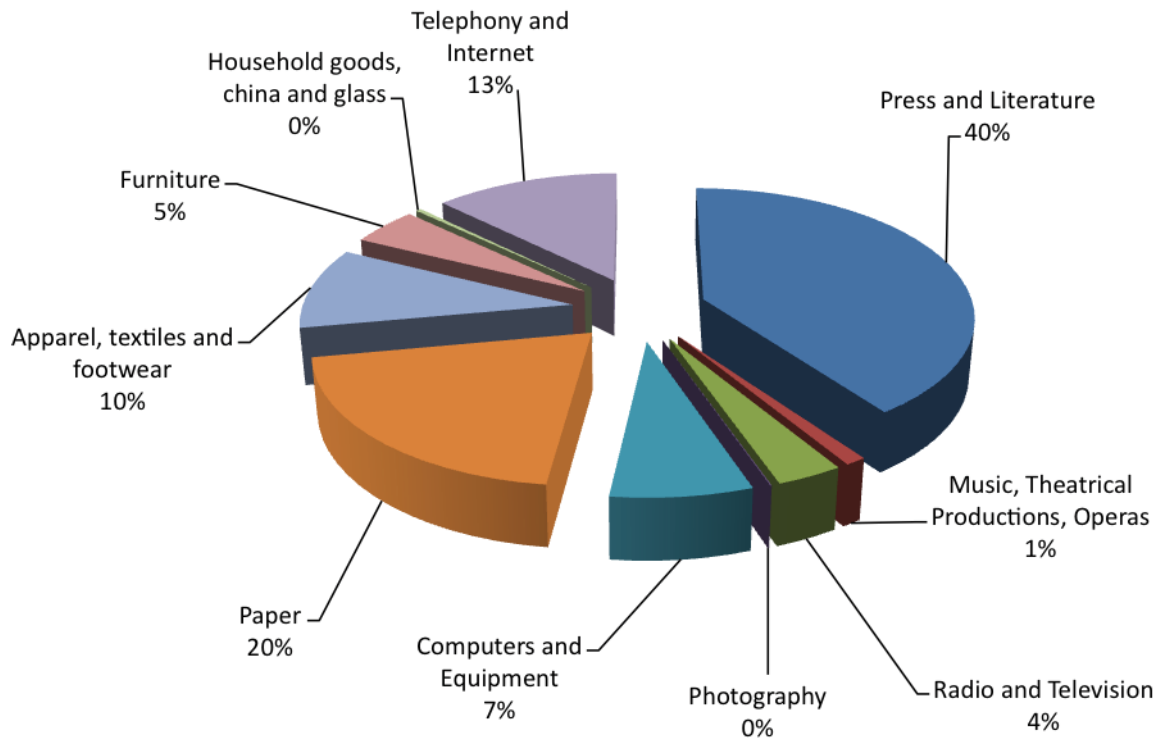
**Figure 4.12: Foreign trade of copyright-based industries in Malawi in 2009**



**Figure 4.13: Exports of copyright-based industries in Malawi in 2009**



**Figure 4.14: Imports of copyright-based industries in Malawi in 2009**



## 5. Development of Some Core Copyright-Based Industries in Malawi

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### 5.1 Introduction

This chapter gives a brief picture of the development of some core copyright-based industries in Malawi. As can be appreciated, the said industries are impacted by economic, regulatory and historical factors: the chapter therefore reviews the prevailing situation in order to provide the context within which to interpret the results. The information presented originates from interviews that were conducted with some key right holder associations representing the press, literature, music, photography, drama, film, software and databases, as well as with COSOMA, the only collecting society operating in the country.

### 5.2 Policy and Regulatory Framework

The main policy framework for supporting the development of copyright industries has remained in draft form since 2005. Both the Classification Bill for regulation of content and the reviewed Copyright Bill, having been completed in 1998 and 2009 respectively, are yet to be enacted. The provision in the Arts and Craft Act (Cap.49:07), establishing the Arts and Craft Advisory Council, is yet to be operationalized by constituting the ten-member council. Its absence has meant that associations in the arts and craft sector are denied the access to government subsidies that is possible for their counterparts in the sports sector who operate under the National Sports Council. The absence of a cultural policy has meant that the copyright-based industries are not mainstreamed in the economic activities of the country, thus being denied their legitimate share of funding from the national budget.

Other ancillary policies that would affect the development of the copyright-based industries, but are absent, include a book development policy and a national language policy. A book policy is necessary for the development of authorship, as it would encourage Malawian authors to write books, both fiction and textbooks. It is therefore not surprising that, in the absence of such a framework, the list of prescribed textbooks for the education curricula in Malawi is heavily dominated by foreign authors, especially at secondary and tertiary levels. There is a draft on book policy that has been in existence since 2003 which is awaiting approval by Cabinet.

### 5.3 Funding for the Cultural Sector from Government

The development of the core copyright-based industries is closely linked to the amount of investment in the sector, either from public resources or through private financing. Despite increased recognition by government of the cultural and creative industries as a promising sector for economic growth and poverty reduction, there had not been a marked increase in funding in the year studied. In fact, funding to the ministry responsible for culture had at best stagnated and at worst been reduced. There was a substantial increase of funding to the Culture Ministry in 2009/10, almost two-fold from the previous year, which is attributed to lobbying by the said Ministry.

With the exception of Norway, there are few donors interested in funding the cultural sector with substantial amounts and in a predictable way. Countries that have provided limited funds on an *ad hoc* basis include Spain, France, Japan and Germany.



**Table 5.1: National budget for culture in K (2007/08 to 2011/12)**

Cultural services	2007/08	2008/09	2009/10	2010/11	2011/12
Arts and craft	3,018,727	3,610,726	9,098,915	8,580,202	9,502,504
Museum of Malawi	1,298,035	1,614,580	12,738,481	12,012,282	3,389,557
Cultural services (HQ)	3,173,079	9,679,999	22,370,779	28,352,576	19,069,748
Antiquities Services	6,269,402	7,942,220	13,648,373	12,870,303	13,651,754
National Archives of Malawi	3,018,727	3,610,726	9,098,915	8,580,202	9,502,504
Censorship Board of Malawi	8,741,092	10,455,296	14,740,243	13,899,927	14,100,000

Source: Department of Culture

### 5.3.1 Arts and Craft Education in Malawi

Creative arts, comprising painting, weaving, drawing and designing, are offered as a subject at primary school level, but performing arts, made up of music, drama and dance are missing at this stage. At secondary school level, the two subjects are offered as optional subjects although, due to resource constraints, performing and creative arts are hardly ever offered in most of the secondary schools.

At tertiary level it is only Chancellor College of the University of Malawi which offers degree courses in the performing and creative arts at undergraduate level. However, until 2012 students pursuing a Bachelor of Education degree course were not encouraged to specialise in music, drama and fine arts owing to the fact that such subjects are almost never taught in secondary schools. Those who actually end up specialising in the creative arts find themselves in jobs not related to their specialisation. In order to address the problem, in the 2012 academic year the Department of Fine and Performing Arts introduced courses which link the creative arts to business, including courses like Music and Business and Advanced Music Business.

## 5.4 Press and Literature

Newspaper publishing in Malawi is dominated by two publishers: Blantyre Newspapers Limited and Nation Publications Ltd. The former has roots dating back to 1895, when it used to publish the *Central African Times* owned by the Tea Planters Association. Until 1993, it was the only company publishing a daily newspaper (the *Daily Times*) whose circulation as of March 2013 stood at 15,000 copies. Other editions published by the same company include *Malawi News* with a circulation of 18,000 copies, *Weekend Times*, whose circulation stands at 14,000, and the *Sunday Times*, which at 13,000 copies has the lowest circulation.

Nation Publications came on the scene on July 29, 1993. According to its distribution department, the company publishes the *Daily Nation*, with a circulation of 16,000 copies, the *Saturday Nation*, whose circulation stands at 35,000 and the *Sunday Nation* at 13,000. Apart from this, it also publishes a weekly paper (*Fuko*) in vernacular, which is distributed for free and has a circulation of 30,000.

The Government, through the Ministry of Information also runs a monthly publication in Chichewa called *Boma Lathu*, meant for free of charge distribution. The paper has been in circulation since independence in 1964.

Other privately owned newspapers sprung up in 1993 to take advantage of the freedom of expression associated with multiparty democracy. The notable ones numbered<sup>6</sup> six and have since folded up. From time to time, other papers appear, especially around government, parliamentary and presidential elections and mainly for political purposes.

Apart from the newspapers, there are magazine publications with limited circulation, usually not exceeding 3,000 copies per edition. In total, the country has in excess of 60 registered publications<sup>7</sup> although most of them are inactive.

<sup>6</sup> *The Monitor, The Enquirer, The Democrat, The Malawi Democrat, The Financial Observer, and The Champion*

<sup>7</sup> Registrar of Companies Register in the Registrar General's Department.

## 5.5 Book Publishing

The book publishing industry in Malawi is largely driven by the education sector, which in 2010 had 5,395 primary schools with a total enrolment of 4,034,220 students. In contrast, at secondary level there were only 1,041 schools with an enrolment of 2,033,528 students and with 53,031 teachers. There were eight teacher training colleges, with a student enrolment of 10,951 and 278 lecturers. The technical and vocational training sector had 15 colleges with a student enrolment of 2,288 and 214 lecturers. Finally, there were in total 11 universities in the country, both public and private, with 11,692 students and 694 professional lecturers and scientists.<sup>8</sup>

It is therefore not surprising that the Book Publishers Association of Malawi (BPAM), the umbrella body representing the interest of publishers, is dominated by textbook publishers who constitute 93 % of the total membership, which stands at 15. Formed in 1996, the association has as its main objective the encouragement of activities designed to promote the marketing of its members' products. It also aims at enhancing literacy in Malawi by promoting a reading culture. This is done through holding book fairs. It also undertakes ancillary activities including training of authors and editors

The major challenge that the members of the Association face, related to market share, is competition from state publishing, especially at primary level, which is carried out by a state publishing house called the Malawi Institute of Education, with the printing and distribution done by the Ministry of Education. Print runs in excess of 600,000 units are common for titles for core subjects. For printing jobs, foreign printers are preferred over local ones, because they are perceived to be cheaper. This may in part explain the negative trade balance of K14,460,400,456 (34.7%) under press and literature. These books are distributed free of charge in the first eight years of primary education; private publishers are therefore left to scramble for the secondary and tertiary levels. Negotiations with government are at an advanced level to convince it to leave publishing of textbooks at primary level to the private sector.

The other challenge relates to the presence of book piracy and photocopying due to a shortage of books. The problem of photocopying is already being addressed by COSOMA through its reprographic licensing agreements with both public and private educational institutions. The process involves the negotiation of agreements with users of copyright-protected works who undertake photocopying and similar reproductions in the course of either their work or education and the collection of remuneration for eventual distribution to the right holders.

In response to the problem of book piracy, BPAM requested COSOMA to extend the application of the hologram to books published with authorisation from publishers. COSOMA already affixes adhesive holograms to all legitimate sound carriers, as is required by law. This helps both the public and law enforcement agents to identify counterfeits. Nationally there has been an attempt to deal with the problem of counterfeits, not only as it relates to book and music piracy but including other intellectual property products, by coming up with an anti-counterfeit policy. This is an initiative of the Ministry of Trade and Private Sector Development, but the draft which was ready in 2007 is yet to be adopted by the government.

The sector is also battling the problem of a poor reading culture which has been exacerbated by the penetration of television and other technologies including the Internet. The reading culture is even worse in the rural areas as a result of minimal access to electricity and the rate is only 7% according to the 2008 Malawi Population and Housing Census reports published by NSO.

The Publishers Association, in an attempt to improve the situation, has introduced a 'reading circles programme' which involves identification of schools with existing libraries and stocking the libraries with books from the Association members on the understanding that the schools will let the community have access to their libraries. According to the President of the Association, the programme has been piloted in four schools and it is yet to be rolled out.

Finally, the cumulative tax regime implemented by the state on locally produced books has the effect of making them more expensive than imported ones. This further stifles the growth of an already struggling industry.

<sup>8</sup> Education Statistics 2011, Department of Education Planning, Ministry of Education, Science and Technology, Education Management Information System

## 5.6 Music

The music sector is made up of a multiplicity of stakeholders including composers, choreographers, singers and promoters. The sector has witnessed stable growth in the past 20 years. Growth is closely associated with the presence of COSOMA which has had a modernising effect on the industry. Statistics in terms of venues and attendance to performances are hard to come by, because most of the enterprises plying their trade in this area are relatively small and record-keeping is not a priority. Live performances by music bands have, with the exception of two groups, largely been replaced by disco outfits, which in 2010 numbered 260.<sup>9</sup>

In terms of recorded music, the industry has for a long time been dominated by one player, the Afri-Music Company, which manufactures and distributes about 90% of the music. Between 2001 and 2011, COSOMA sold holograms totalling 14 million, representing 14 million units with a street value of K4, 200,000,000 at the current price of K300 per unit; 95% of these were locally recorded works. The market for foreign music is equally big, but there is an absence of licensed subpublishers to supply it with legitimate products.

Successful recording artists have been known to sell in excess of 230,000<sup>10</sup> units locally of a single album. This local success has not been replicated abroad, largely due to absence of professional record companies to negotiate publishing deals with foreign counterparts. The other reason advanced for absence of foreign trade in sound recordings is lack of originality of Malawian music. A project to digitise the musical recordings of traditional songs dating back to the 1950s held by the public broadcaster (Malawi Broadcasting Corporation) and make them available to the public is intended to address the problem of originality and also to facilitate the creation of tunes unique to Malawi and identified with it in the same way as reggae is with the Caribbean.

Championing the creation of a unique Malawian 'sound' is MAM, which is a grouping of players in the musical field with a registered membership of 1,600 in October 2010, a rise from 900 in 2002. Its objectives include: fighting piracy – in this regard it plays a complementary role to COSOMA; lobbying various stakeholders for the improvement of the welfare of musicians; and equipping its members with artistic skills through various skills training.

Challenges to the music sector in general include the following:

- General lack of investment due to failure by investors to comprehend the complicated business of music, leaving creators to double up as business people as well;
- Piracy, especially of foreign recorded works due to absence of foreign record companies or partnerships with local companies;
- Insufficient infrastructure, including performance venues, recording studios and training centres, to support the development of music.

## 5.7 Photography and Visual Arts

Both the photography and visual arts sectors are not well structured and most operators are largely informal, with the exception of three establishments. Effort is being made by PHOTAMA, an umbrella body for photographers, to formalise and organise the sector. The association's membership stands at 450,<sup>11</sup> of which are not a true reflection of the number of individuals plying their trade in this field since its footprint has so far been limited to the three major cities of Blantyre, Lilongwe and Mzuzu. The association has, however, embarked on a nationwide membership recruitment exercise to make it truly national and also to promote the value of photography as an art and an occupation. PHOTAMA hopes to achieve this through the establishment of photography clubs in schools, especially at secondary school level, courtesy of funding from COSOMA under the Cultural Support Scheme (CSS).

The visual arts sector, like the other arts sectors, lacks the basic support structure within which to flourish. For instance, there is no national art gallery in the country; with the exception of Ku Ngoni Arts which offers skills training and also functions as a sale outlet for locally produced art works, there are no arts training centres.

<sup>9</sup> COSOMA 2010 annual audited accounts

<sup>10</sup> COSOMA hologram tracker software which tracks unit sales and use.

<sup>11</sup> Photama 2011 membership register

Major outlets for visual art works number three and all of them are foreign-owned. The contribution to the economy of this sector of 1.2% in export earnings is largely attributed to La Carvena, La Galleria and Central Africana.

The visual arts sector has an association called the Visual Artists Association of Malawi (VAAM) with a membership of 150 individuals. A review of the membership registry of VAAM reveals that the group is largely made up of budding visual artists and is yet to attract established practitioners.

## 5.8 Motion Pictures and Theatre

Malawi has had no local film production company until recently. Productions of films, most of which were documentaries, was the preserve of the Film Unit under the Ministry of Information and Broadcasting. The Ministries of Agriculture and Health also had film production units for the dissemination of ministry-specific messages and for conducting awareness campaigns related to a specific sector.

The first wholly Malawian film production company, called First Dawn Arts, only came on the scene in 2010 with a production entitled *Seasons of Favour* which won a number of awards. Since then, individuals interested in the development of the local film industry have come together to form an association called the Film Association of Malawi.

Since 2010 there have been five film productions, with one benefitting from a grant under the CSS which is a grant facility to the arts established by the Royal Norwegian Embassy and managed by COSOMA. In the absence of a fund for production of local movies, the growth of the local film industry remains stunted.

The theatre sector is not very different from the other arts sectors in terms of levels of development. Theatre performances have largely been associated with the Association of Teaching English in Malawi (ATEM) which has used theatre as a vehicle for the promotion of spoken English in secondary schools.

At tertiary level, the Department of Fine and Performing Arts as part of their studies from time to time present productions, both in English and Chichewa, which are performed beyond the confines of the campus. Professional theatrical groups have a tendency to die in infancy due to low patronage; Kwathu Drama Group and Nanzikambe Performing Arts stand out as having survived the storm, the former from ticket fees whereas Nanzikambe Performing Arts has been a beneficiary of donor aid since 2004. It registered as a charity in 2008 and received a grant of K200 million from the Norwegian Embassy to implement an arts consolidation and communication programme for the period 2008-2011.

Overall, however, both the film and theatre sectors remain under-developed, unable to claim their rightful place as economic contributors due to insufficient infrastructure, absence of funding from government and lack of training facilities. The National Theatre Association of Malawi, an umbrella body for the sector, is itself in infancy but aims to effectively lobby the relevant stakeholders, including government, for subsidies. Its membership stands at 2,000.

## 5.9 Copyright Collecting Society

In Malawi, unlike in other countries such as Kenya, Zimbabwe and Zambia, there is only one statutory and multipurpose collecting society operating in the field of music and literary works. COSOMA has more than 4,000 individual members (an increase from 2,500 in 2007) and 10 right holder associations. Created in 1992, it received funding from the government up until 2007 and since then has survived on the 30% administrative fees it deducts from the collection of royalties for broadcasting, public performance, reproduction and photocopying of copyright-protected material. Its collections have risen to K 100,000,000 annually.

In the absence of a national cultural fund, COSOMA, at the request of the Royal Norwegian Embassy, manages a CSS which gives out grants to right holder associations for the various arts to carry out various programmes. Since its inception in 2004 it has made available to the associations in excess of K400,000,000 for the development of the arts.

COSOMA is more than a collecting society, as it also functions as a Copyright Office responsible for enforcement of the Copyright Law and in this regard it has instituted a number of measures to combat piracy

including the introduction of an adhesive hologram label affixed to all legitimate works. The implementation of the hologram has been relatively successful and other countries' collecting agencies, including those of Botswana and Zambia, have come for study visits to find out about it.

Apart from collective management, COSOMA also administers the CSS. The Scheme was established in 2004<sup>12</sup> with funding from the RNE (Phase I: 2004-2007 NOK 1.950 million). The aim of the CSS is to promote and strengthen the capacity of the member associations so that they can serve the interests of their members better. This has been done through distribution of grants to the member associations for various projects. During the first phase of the project, the main focus was to train the leadership in the right holder associations in project management and reorganising and strengthening the structures of the associations.

In the second phase (August 2008-July 2011 NOK5.2 M), COSOMA took some major steps in its funding strategy to the associations. The most important was the shift from decentralised project management, where each association handled its own funds, to setting up a Project Office with two project officers to share the administration of the seven associations between them. The Project Office is responsible, in liaison with the relevant association, for the development of proposals which are then screened and approved by a Grants Committee (with representatives from the Department of Culture, COSOMA secretariat and members). Funds are distributed fairly evenly to each association regardless of size of membership. The Project Office is responsible for accounting and financial reporting to COSOMA. This has eased the administrative burden for each association.

The CSS, now in its third phase (June 2012-May 2015), has widened the list of beneficiaries from seven to ten right holder associations. It further supports other players operating in the arts sector and in this regard it has supported arts festivals, funded the shooting of a local movie and supported the construction of an amphitheatre. It can be said that the CSS is to Malawi what the Cultural Fund is to Zimbabwe. In addition to Norwegian funding, COSOMA receives funds from HIVOS (Euro 60,000 2007-2010) for intensive capacity building of member arts associations, and the National AIDS Commission (NAC) (K44,000,000), which has aimed at increasing awareness and preventing transmission of HIV/AIDS in the creative community

### 5.10 Software and Database Development

The software industry is still very small and generally not well organised compared with other sectors. It employs between 400 and 500 individuals. The way the sector is structured makes it difficult to estimate the number of companies involved in software development. Major players in this sector are foreign-owned and at the other extreme are small family-run enterprises with a modest capital investment.

The government has woken up to the need for mainstreaming IT in all its activities, to the effect that it annually runs an ICT week through the Department of E-government, which falls under the Office of the President and Cabinet. The Department is also championing the enactment of the first E-legislation in the country, which is a framework for dealing with Internet issues as they relate to various sectors including education, health, commerce and the environment.

Challenges to the sector include the following:

- The sector is not well-organised compared with other sectors in general. The regulatory framework does not regulate the performance. MACRA is only interested in finances and therefore the market is a free-for-all and this brings in distortions of pricing and lowering of standards.
- The government has not done enough to promote local players and therefore most of the business goes to international actors.

<sup>12</sup> Africa Heritage – Research and Consultancy, Zomba report: Review of the Norwegian Support to Culture in Malawi 5.7.11

## 5.11 Radio and Television

The country had one public broadcaster from independence in 1964 until 1994, when multi-party democracy was introduced. To date the number of licensed broadcasters stands at fifty including eight for TV.

The increased number of stations has had a positive effect on creativity, especially as it relates to music, drama and films. There is satisfaction delivered from having one's song played or indeed one's movie broadcasted. In part, the increase in the songs registered by COSOMA from 3,000 in 1997 to 30,000 in 2010 is attributed to growth in the radio and television sector. Their annual budgets range from K1,000,000 for community radio to K500,000,000 for the public broadcaster.

In terms of pay television, there is only one service provider operating in the country with a subscriber base of under 10,000.

For locally produced content, the broadcasting stations rely on in-house productions as opposed to using independent production houses. This explains the trade deficit of K1,253,958,454, since there are virtually no exports from this sector.

## 6. Conclusions and Recommendations

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The results of the study indicate that the copyright-based industries in Malawi contributed significantly to the national economy in 2009. The contribution by copyright-based industries of 3.46% of the total value added, about 3.65% to the gross output and 3.35% to the total employment, shows that the sector is important to the Malawi economy. The contribution of the copyright-based industries to the national economy on the basis of GDP was higher than that of the mining and quarrying, human health, education, construction and transport and storage sectors.

This was the first time this type of study has been carried out in Malawi. The terms of reference for the study were on the assumption that secondary data were readily available on the economic contribution of copyright-based industries; it was only when the study had started that it became apparent that data availability was going to be a major challenge. This almost derailed the whole study and caused major delays in finalising it. The study initially was based on 2007 economic data for Malawi as those were the latest data available at the commencement of the study. However, after analysis was complete and a draft report had been produced and commented upon, more recent economic data for 2008 and 2009 became available and the Survey Team agreed to redo the analysis based on the 2009 data. The data available from the National Accounts and the AES were already classified by the UN ISIC; however, the major problem was that the data related to large- and medium-scale companies only.

It is noteworthy that most of the creative industries in Malawi, as in most developing countries, are small-scale enterprises that are mostly not registered. For the few that are registered, their financial records are not detailed enough. During interviews conducted with some of the associations, information on their financial performance was scanty. The use of such aggregated data and estimations for the small enterprises may have resulted in the underestimation of the economic contribution of copyright-based industries to the economy of Malawi. Nonetheless, the study has shown that copyright-based industries are important and that there is a need for all stakeholders to take the necessary measures if their contribution is to be acknowledged by the government.

In Malawi currently, cultural policy to guide and regulate the operations and practices of this sector has not yet been finalised. This development has led to a situation where right owners do not fully realise the fruits of their work. There are presently complaints from right owners about being swindled by producers and distributors of their work. There are assertions that those who use work have not paid royalties for some time despite the intervention of COSOMA and even the courts. This may have resulted from lack of awareness on the part of those using other people's rights or from a total disregard of the present laws, which are not enforced.

One major problem that was mentioned by the various associations in the creative industries was piracy. Piracy of both local and international works has rendered most owners of rights unable to benefit fully from their works. There is a need for strong and punitive measures if the country's artisans are to benefit from their works. There is a great need for registration with government authorities, as this will ensure a strong trust and recognition from the government. The copyright-based industries need to learn the culture of keeping records for ease of monitoring and evaluation of their performance. The NSO, working with other stakeholders, should be encouraged to make extra efforts to include the data collection of creative industries.

During the study, the Survey Team faced another challenge with tax records for large and small enterprises that were not classified according to ISIC; the MRA should make every effort to computerise individual records by ISIC so that data can be provided easily, without revealing the identity of the taxpayer which is against the MRA's law.

WIPO need to consider the situations prevailing in developing countries as regards the availability of economic data. The planning of such studies in developing countries must emphasise the feasibility of data collection regarding copyright-based industries, rather than assuming that this type of information is readily available.

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## Annexes

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### Annex 1: Sample Questionnaires

*Questionnaire for the contribution of copyright-based and related industries in Malawi's national economy in 2005-2009*

#### BOOKS/NEWSPAPERS/MAGAZINES PUBLISHERS

##### A. Identification

Name of Establishment/Entrepreneur	Address	Place and Street

Type of Main Activity: \_\_\_\_\_

Type of Other Activity: \_\_\_\_\_

When was the business/activity/company established? \_\_\_\_\_

Are you a member of any association/music society? If yes, list them: \_\_\_\_\_

\_\_\_\_\_

What types of Books/Magazines do you publish? \_\_\_\_\_

Did you have access to any credit facility in 2009? \_\_\_\_\_

If yes; did you ever receive any credit? \_\_\_\_\_. Where did you receive it from? \_\_\_\_\_

\_\_\_\_\_

Where did you invest it within the business/company? \_\_\_\_\_

**Who are your clients as a publisher?**

Clients	Location

As a publisher is piracy a serious problem to you? If yes, how? \_\_\_\_\_

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Did you lose any earnings to piracy in 2009? \_\_\_\_\_

What are other problems/challenges that your business faced in 2009? Rank them. \_\_\_\_\_

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How did you try to solve the problem? \_\_\_\_\_

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In your opinion, how best do you think these problems can be solved? \_\_\_\_\_

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Who do you think should help solve these problems? \_\_\_\_\_

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Are there any opportunities you know of that are yet to be exploited in this industry? If yes, give examples.

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**Do you know of any publisher who is involved in a similar activity? If yes, fill in the table below**

Publisher	Location

Please answer all questions below. Some questions will not apply to your business. In this case, put 'N/A'. Where the answer to the question is nil, please put 'Nil' or '-'. Audit accounts are not required for this questionnaire. Do not delay completing the form because audited accounts are not available. If you are unable to give precise figures, please give the best estimates you can.

**Please report to the nearest thousand Malawi kwacha where there is a value to be provided.**

DESCRIPTION	2007	2008	2009
Total number of employees engaged			
Total remuneration (K'000)			
Total sales of Books published-local (K'000)			
Total sales of Books published-exported (K'000)			
Total sales of Magazines published-local (K'000)			
Total sales of Magazines published-exported (K'000)			
Value of stocks End of Year (K'000)			
Value of stocks Beginning of Year (K'000)			
Total cost of Books published (K'000)			
Total cost of Books on marketing (K'000)			
Total other costs of Books published (K'000)			
Total money paid as charges/fees on Books published (K'000)			
Total indirect taxes (K'000)			
Total value of assets/investment/capital (K'000)			
Total number of Books published			
Total percentage of sales of Books published the artists received			
Total sales on published Books-Wholesale unit price (K'000)			
Total sales on published Books -Retail unit price (K'000)			
Total amount of money that would have been earned if there was no piracy on published Books (K'000)			
How much did you receive as Royalties on published Books (K'000)			

Name of respondent : \_\_\_\_\_

Designation in business: \_\_\_\_\_

Contact Numbers of respondent: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Name of enumerator: \_\_\_\_\_

Date of interview: \_\_\_\_\_ / \_\_\_\_\_ /201 \_\_\_\_\_

*Questionnaire for the contribution of copyright-based and related industries in Malawi's national economy in 2005-2009*

**DRAMA/THEATRE  
DRAMA GROUPS /ACTORS**

***B. Identification***

<b>Name of Establishment/Entrepreneur</b>	<b>Address</b>	<b>Place and Street</b>

Type of Main Activity: \_\_\_\_\_

Type of Other Activity: \_\_\_\_\_

When did you start your profession? \_\_\_\_\_

Are you a member of any association/society? If yes, list them: \_\_\_\_\_

\_\_\_\_\_

What type of drama/actor? \_\_\_\_\_

Did you have access to any credit facility in 2009? \_\_\_\_\_

If yes; did you ever receive any credit? \_\_\_\_\_. Where did you receive from? \_\_\_\_\_

\_\_\_\_\_

Where did you invest it within the business/company? \_\_\_\_\_

**Who are your main clients as a dramatist/actor?**

Clients	Location

As a dramatist/actor is piracy a serious problem to you? If yes, how? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How did you try to solve the problem of piracy? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In your opinion, how best do you think the problem of piracy can be solved? \_\_\_\_\_  
\_\_\_\_\_

Who do you think should help solve the problem of piracy? \_\_\_\_\_  
\_\_\_\_\_

What are other problems/challenges that your business faced in 2009? Rank them. \_\_\_\_\_  
\_\_\_\_\_

How did you try to solve the problem? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In your opinion, how best do you think these problems can be solved? \_\_\_\_\_  
\_\_\_\_\_

Who do you think should help solve these problems? \_\_\_\_\_  
\_\_\_\_\_

Are there any opportunities you know of that are yet to be exploited in this industry? If yes, give examples.  
\_\_\_\_\_  
\_\_\_\_\_

**Do you know of any artist who is involved in a similar activity? If yes, fill in the table below.**

Dramatist/Actor	Location

**Indicate your Sex:** Tick

Male=1	
Female=2	

**Under which age group are you?** Tick

Under 20 years=1	
20 – 50 years=2	
51 years and over =3	

**What is your highest education?** Tick

None=1	
Primary School=2	
Secondary School=3	
University and above=4	

Please answer all questions below. Some questions will not apply to your business. In this case, put 'N/A'. Where the answer to the question is nil, please put 'Nil' or '-'. Audit accounts are not required for this questionnaire. Do not delay completing the form because audited accounts are not available. If you are unable to give precise figures, please give the best estimates you can.

Please report to the nearest thousand Malawi kwacha where there is a value to be provided.

DESCRIPTION	2007	2008	2009
Total number of employees engaged			
Total remuneration (K'000)			
Total revenue on drama/theatre-local (K'000)			
Total revenue on drama/theatre-exported (K'000)			
Total other revenue on drama/theatre (K'000)			
Total expenditure on drama/theatre (K'000)			
Total expenditure on drama/theatre on marketing (K'000)			
Total other costs on drama/theatre (K'000)			
Total money paid as charges/fees on drama/acting (K'000)			
Total indirect taxes (K'000)			
Total value of assets/investment/capital (K'000)			
Total number of plays produced			
Total number of copies produced			
How much did you receive as Royalties (K'000)			

Name of respondent: \_\_\_\_\_

Designation in business: \_\_\_\_\_

Contact Numbers of respondent: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Name of enumerator: \_\_\_\_\_

Date of interview: \_\_\_\_\_ / \_\_\_\_\_ /201 \_\_\_\_\_

## Annex 2: Economic Contribution of Copyright-Based industries Based on Annual Economic Survey 2009 before Applying Copyright Factors

		Output	Value-added	Remuneration	
		(K'000)	(K'000)	(K'000)	Employment
<b>1. Core copyright industries</b>		<b>10,302,313</b>	<b>4,417,170</b>	<b>2,389,134</b>	<b>5,153</b>
	Press and literature	5,472,370	1,935,624	972,874	1,339
	Music, theatrical productions, operas	2,568,953	1,555,869	536,002	2,645
	Radio and television	1,302,760	331,087	781,460	1,038
	Photography	170,231	61,610	53,450	50
	Software and databases	22,409	18,447	3,016	4
	Visual and graphic arts	427,802	329,042	3,518	50
	Advertising services	270,639	135,189	30,776	7
	Copyright collecting societies	67148.96	50303.324	8037.6	20
<b>2. Interdependent copyright industries</b>		<b>47,381,051</b>	<b>23,219,306</b>	<b>5,897,923</b>	<b>19,366</b>
	Computers and equipment	26,235,280	14,306,849	3,258,814	10,294
	Musical instruments	600,876	137,180	45,841	98
	Paper retail sale	890,477	175,045	82,899	174
	Paper manufacturing	19,654,419	8,600,231	2,510,369	8,800
<b>3. Partial copyright industries</b>		<b>38,142,455</b>	<b>13,241,920</b>	<b>4,193,490</b>	<b>19,467</b>
	Apparel, textiles and footwear	8,455,556	2,224,263	612,974	6,318
	Furniture	22,974,251	9,739,905	2,927,221	11,525
	Household goods, china and glass	1,252,447	166,120	208,568	944
	Architecture, engineering, Survey	5,460,200	1,111,633	444,727	679
<b>4. Non-Dedicated support Industries</b>		<b>177,574,901</b>	<b>70,813,802</b>	<b>17,997,197</b>	<b>42,332</b>
	General wholesale and retailing	98,575,885	32,022,295	8,249,323	24,237
	General transportation	3,911,042	18,691,362	5,674,159	13,859
	Telephony and Internet	39 887,974	20,100,145	4,073,715	4,236



**Annex 3: Copyright Factors that were Applied on Annex 2 Data and Derivation of the Copyright Factor for the Non-Dedicated Support Industries**

<b>Copyright factors</b>				
Apparel, textiles and footwear	4.3	Integrated Household Survey 2 – NSO 2005		
Furniture	3.8	Integrated Household Survey 2 – NSO 2005		
Household goods, china and glass	5	Hungary		
Architecture, engineering, survey	10	Hungary		
SME- Manufacturing	4.1	Average of Apparel and Furniture		
<b>Non-dedicated support industries</b>	<b>Value added for core, partial and interdependent/Non-distribution GDP</b>			
		Value-added core	4,417,170	28,247,491
		Value-added interdependent	23,219,306	
		Value-added partial	611,015	
		<b>Non-distribution GDP</b>		
		GDP	881,562,200	880,720,026
		Value added of general trans	172,240	842,174
		General wholesale and retail	175,626	
		Telephony & internet	494,309	
		Distribution industries in core	1,935,624	15,342,408
		Interdependent	13,398,478	
		Partial	8,306	
<b>Copyright factor for non-dedicated support industries</b>				<b>0.0315</b>

**Annex 4: Economic Contribution of Copyright-Based Industries Based on Annual Economic Survey 2009 after Applying Copyright Factors to Partial Copyright-Based Industries and Non-Dedicated Support Industries**

		Output	Value-added	Remuneration	
		(K'000)	(K'000)	(K'000)	Employment
<b>1. Core copyright industries</b>		<b>10,302,313</b>	<b>4,417,170</b>	<b>2,389,134</b>	<b>5,153</b>
	Press and literature	5,472,370	1,935,624	972,874	1,339
	Music, theatrical productions, operas	2,568,953	1,555,869	536,002	2,645
	Radio and television	1,302,760	331,087	781,460	1,038
	Photography	170,231	61,610	53,450	50
	Software and databases	22,409	18,447	3,016	4,
	Visual and graphic arts	427,802	329,042	3,518	50
	Advertising services	270,639	135,189	30,776	7
	Copyright collecting societies	67148.96	50303.32	8037.6	20
<b>2. Interdependent copyright industries</b>		<b>47,381,051</b>	<b>23,219,306</b>	<b>5,897,923</b>	<b>19,366</b>
	Computers and equipment	26 235,280	14,306,849	3,258,814	10,294
	Musical instruments	600,876	137,180	45,841	98
	Paper retail sale	890,477	175,045	,82,899	174
	Paper manufacturing	19,654,419	8,600,231	2,510,369	8,800
<b>3. Partial copyright industries</b>		<b>1,904,200</b>	<b>611,015</b>	<b>200,001</b>	<b>851,</b>
	Apparel, textiles and footwear	363,589	95,643	26,358	272
	Furniture	931,968	395,902	26,357	464
	Household goods, china and glass	62,622	8,306	10,428	47
	Architecture, engineering, survey	546,020	111,163	44,473	68
<b>4. Non-dedicated support industries</b>		<b>5,593,609</b>	<b>2,230,635</b>	<b>566,912</b>	<b>1,333</b>
	General wholesale and retailing	3,105,140	1,008,702	259,854	763
	General transportation	1,231,998	588,778	259,854	437
	Telephony and Internet	1,256,471	633,155	128,322	133
	Total copyright-based industries	65,181,174	30,478,126	9,053,969	26,704
	<b>TOTAL FOR THE ECONOMY</b>	<b>1,786,261,800</b>	<b>881,562,200</b>	<b>,27,498,336</b>	<b>797,680</b>
	<b>% contribution of CBI</b>	<b>3.65</b>	<b>3.46</b>	<b>3.98</b>	<b>3.35</b>

## Annex 5: Reduced Values of Partial Copyright-Based Industries and Non-Dedicated Support Industries

Contribution of decomposed partial copyright-based industries to gross domestic product in Malawi (K'000)		
Partial Copyright Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>13,241,920</b>	<b>611,015</b>
Apparel, textiles and footwear	2,224,263	95,643
Furniture	9,739,905	395,902
Household goods, china and glass	166,120	8,306
Architecture, engineering, Survey	1,111,633	111,163
Contribution of decomposed partial copyright-based industries to employees in Malawi (Number)		
Partial Copyright Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>291,661,655</b>	<b>851</b>
Apparel, textiles and footwear	6,318	272
Furniture	11,525	464
Household goods, china and glass	944	47
Architecture, engineering, survey	679	68
Contribution of decomposed partial copyright-based industries to employees income in Malawi (K'000)		
Partial Copyright Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>145,821,094</b>	<b>200,001</b>
Apparel, textiles and footwear	612,974	26,358
Furniture	2,927,221	118,742
Household goods, china and glass	208,568	10,428
Architecture, engineering, Survey	444,727	44,473
Contribution of decomposed non-dedicated support industries to gross domestic product in Malawi (K'000)		
Non-dedicated Support Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>70,813,802</b>	<b>2,230,635</b>
General wholesale and retailing	32,022,295	1,008,702
General transportation	18,691,362	588,778
Telephony and internet	20,100,145	633,155
Contribution of decomposed non-dedicated support industries to employees in Malawi (Number)		
Non-dedicated Support Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>42,332</b>	<b>1,333</b>
General wholesale and retailing	24,237	763
General transportation	13,859	437
Telephony and internet	4,236	133
Contribution of decomposed non-dedicated support industries to employees income in Malawi (K'000)		
Non-dedicated Support Industries	Value-added before applying copyright factor	Value-added before applying copyright factor
<b>Total</b>	<b>17,997,197</b>	<b>566,912</b>
General wholesale and retailing	8,249,323	259,854
General transportation	5,674,159	178,736
Telephony and Internet	4,073,715	128,322

For more information contact WIPO at [www.wipo.int](http://www.wipo.int)

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