



INTERNATIONAL MUSIC MARKETS

how + why
things work
differently

key market
stats

copyright
around
the world

how copyright
law might
differ

collective
licensing
around the
world

how revenue
streams
compare

streaming
platforms
around the
world

going global
by thinking
local

**#01: the music business is global,
but things often work differently
from market to market**

THE GLOBAL MUSIC MARKET

The music business is a global industry serving a global market.

There are global opportunities for artists and their business partners, and the shift to digital has extended these opportunities.

However, plenty of things work differently from market to market, country to country.

HOW EACH MUSIC MARKET CAN DIFFER



Copyright regimes

Copyright licensing + contract conventions

Live music regulations + restrictions

Consumption + cultural trends

#02: we can track which countries and regions generate the most money for music rights via the IFPI and CISAC reports

MONITORING THE MUSIC RIGHTS MARKET



MONITORING THE MUSIC RIGHTS MARKET



MONITORING THE MUSIC RIGHTS MARKET

Published each spring

**GLOBAL
MUSIC
REPORT**

ifpi

Reports record industry revenues
from across the world

Published each autumn



**GLOBAL
COLLECTIONS
REPORT**

Reports global society collections
– so excludes some sync and digital

BIGGEST RECORDED MUSIC MARKETS

USA	#01	France	#06
Japan	#02	South Korea	#07
UK	#03	Canada	#08
Germany	#04	Brazil	#09
China	#05	Mexico	#10

BIGGEST RECORDED MUSIC MARKETS

1.	USA	\$11,256.7m	11.	Australia	\$533.4m
2.	Japan	\$2,534.0m	12.	Italy	\$499.6m
3.	UK	\$1,998.4m	13.	Netherlands	\$469.4m
4.	Germany	\$1,695.5m	14.	Spain	\$389.2m
5.	China	\$1,622.8m	15.	India	\$363.7m
6.	France	\$1,256.2m	16.	Sweden	\$302.0m
7.	South Korea	\$753.8m	17.	Switzerland	\$241.9m
8.	Canada	\$660.3m	18.	Poland	\$240.4m
9.	Brazil	\$646.6m	19.	Belgium	\$180.3m
10.	Mexico	\$548.6m	20.	Denmark	\$172.3m

BIGGEST SONG RIGHT SOCIETY COLLECTION MARKETS

USA	#01	Italy	#06
France	#02	Canada	#07
UK	#03	Australasia	#08
Germany	#04	Spain	#09
Japan	#05	Netherlands	#10

BIGGEST SONG RIGHT SOCIETY COLLECTION MARKETS

1.	USA	€3140m
2.	France	€1503m
3.	UK	€1178m
4.	Germany	€1019m
5.	Japan	€885m
6.	Italy	€576m
7.	Canada	€368m
8.	Australasia	€366m
9.	Spain	€299m
10.	Netherlands	€285m

Song rights and collective licensing tend to be stronger in more developed and European markets.

With Anglo-American repertoire:

- mechanical right collections may not be included in these stats.
- not all streaming income flows through the collecting societies – which impacts on these stats.

RECORDED MUSIC REGIONAL MARKET GROWTH

US + Canada	+2.1%
Europe	+8.3%
Asia	+1.3%
Latin America	+22.5%
Australasia	+6.4%
Middle East + North Africa	+22.8%
Sub-Saharan Africa	+22.6%

**#03: copyright systems around
the world are joined up**

INTRODUCING COPYRIGHT

Copyright is ultimately about providing creators with certain controls over that which they create.

Either as a point of principle.

And/or to encourage and enable creativity by allowing creators and their business partners to exploit these controls for profit.

INTRODUCING COPYRIGHT

Every country has its own body of copyright law, which will set out the rules of what kind of work has what kinds of protection.

Rules, principles and terminology vary.

The English and French systems are quite different – both have been influential on the development of copyright around the world.

COPYRIGHT AROUND THE WORLD



DIRECT PROTECTION UNDER UK LAW IF...

A work is created by a British person

A work is published by a British company

A work is published in the UK first

COPYRIGHT AROUND THE WORLD



BUT COPYRIGHT SYSTEMS ARE JOINED UP...

Berne Convention for song rights

Rome Convention for recording rights

+ WIPO treaties + WTO rules + EU directives

**#04: specific rules still vary
from country to country
– you can only enforce your
rights subject to local rules**

COPYRIGHT AROUND THE WORLD

COPYRIGHT DIFFERS AROUND THE WORLD eg

The copyright controls provided

How long protection lasts for

How collective licensing is regulated

VARIATIONS IN LAW: WHICH CONTROLS?

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

PERFORMANCE

COMMUNICATION

VARIATIONS IN LAW: WHICH CONTROLS?

REPRODUCTION

DISTRIBUTION

RENTAL

ADAPTATION

DIGITAL PERFORMANCE CONTROL

in US recordings only have 'digital performing rights'

VARIATIONS IN LAW: COPYRIGHT TERMS

Copyright terms vary from country to country – so something can be in copyright in one country and out of copyright in another.

SONG RIGHTS

Life
+50 years

Life
+70 years

Life
+100 years

RECORDING RIGHTS

50 years
after release

70 years
after release

95 years
after release

#05: every country has its own collective licensing system – but these are also joined up around the world

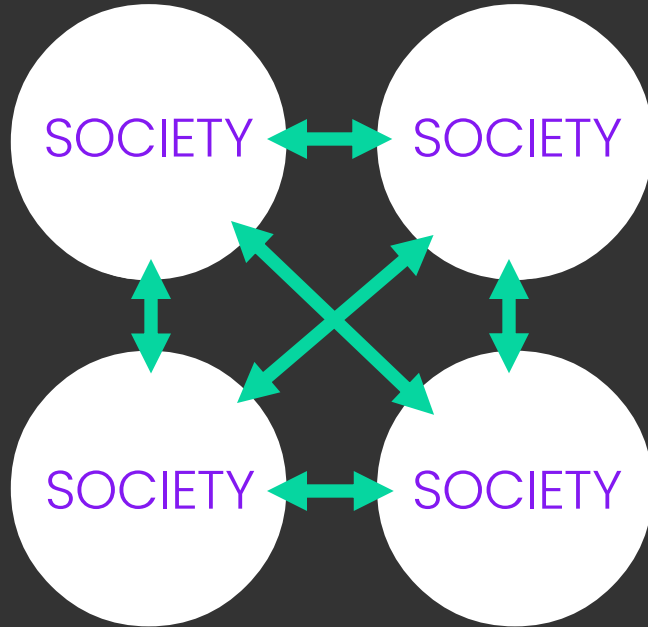
COLLECTIVE LICENSING AROUND THE WORLD

Every country has its own collective licensing system set up by the local music industry, and regulated by local copyright laws – but also local competition laws.

As with copyright law at large, collective licensing varies around the world, but the local collective licensing systems are joined up.

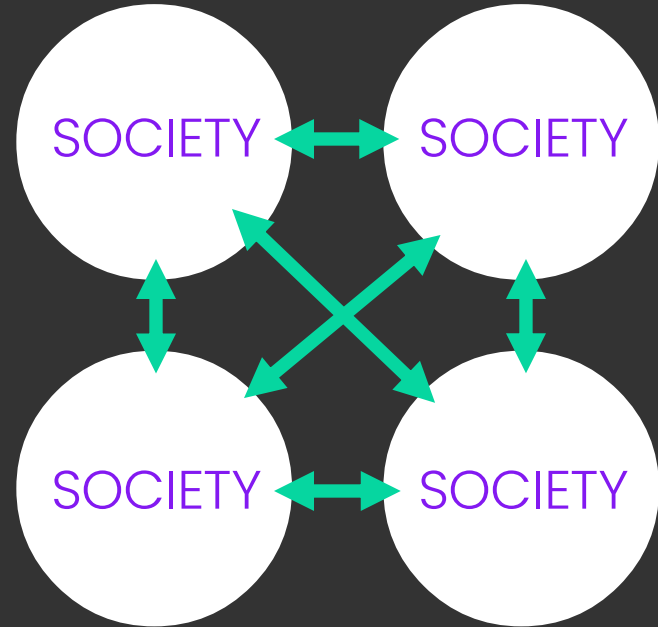
RECIPROCAL AGREEMENTS

RECORDING RIGHTS



Performer + Label Societies

SONG RIGHTS



Songwriter + Publisher Societies

COLLECTIVE LICENSING AROUND THE WORLD

As a result of the reciprocal agreements, rights and royalties move around the world between all the different collecting societies.

This is a good idea in principle – although it also creates a number of challenges.

So a key question to ask is:
should I rely on the reciprocal agreements?

GLOBAL OPTIONS

JOIN EVERY SOCIETY – GRANT NATIONAL RIGHTS

Have direct connection.
Get paid quicker.
Fewer commissions.

More admin.
Must fulfil local society
membership criteria.

GRANT ONE SOCIETY GLOBAL RIGHTS

Less admin.
One stop shop.

Less control.
Later payment.
More commissions.

GLOBAL OPTIONS

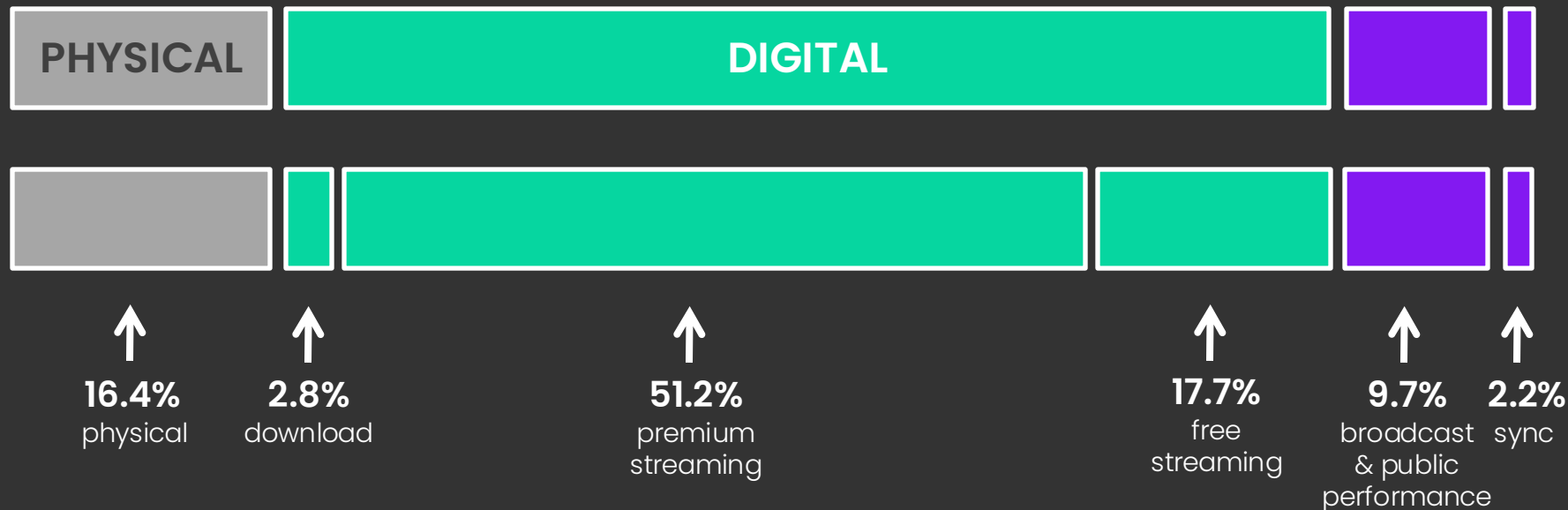
You could directly join societies in key markets – then let your local society cover the rest.

Or ally with a company in each market that is already a member of the local society.

Or ally with a single company that is already a member of all the societies around the world.

#06: streaming dominates globally – but the importance of other revenue streams differs from market to market

GLOBAL RECORDED MUSIC REVENUES



RECORDED MUSIC TRENDS: THE SHIFT TO STREAMS



THE SHIFT TO STREAMING HAS BEEN GLOBAL

But some markets made the shift quicker

Of the big traditional markets, US in particular

And in Europe, the Nordic markets

RECORDED MUSIC TRENDS: PHYSICAL PRODUCT SALES



PHYSICAL STILL STRONG IN SOME MARKETS

Most notably in Japan

But also South Korea, Germany, UK + others

Physical sales also growing in the US

RECORDED MUSIC TRENDS: PERFORMANCE/BROADCAST REVENUES



PERFORMANCE/BROADCAST INCOME VARIES

Depends on national law + licensing systems

Generally strongest in Europe

Europe accounts for 50%+ of these revenues

RECORDED MUSIC TRENDS: EMERGING MARKETS



STREAMING DOMINATES EMERGING MARKETS

Physical sales were often traditionally low

Download era was often piracy dominated

Performance + sync income is often low

RECORDED MUSIC REVENUES

In a small number of markets physical products still bring in more than 20% of total revenues...

COUNTRY	PHYSICAL	STREAM	DOWNLOAD / OTHER DIGITAL	BROADCAST/ PERFORMANCE	SYNC	MARKET
Japan	53.6%	37.7%	3.7%	3.9%	1.1%	2nd
South Korea	36.2%	58.9%	2.1%	2.4%	0.4%	7th
Baltics	23.6%	46.5%	0.3%	29.6%	–	47th

RECORDED MUSIC REVENUES

In some of the bigger European markets
physical product revenue share is in the teens percent...

COUNTRY	PHYSICAL	STREAM	DOWNLOAD / OTHER DIGITAL	BROADCAST/ PERFORMANCE	SYNC	MARKET
UK	15.8%	65%	1.6%	14.8%	2.8%	3rd
Germany	13.9%	67.9%	2.1%	15.3%	0.7%	4th
Poland	17.3%	71.2%	0.3%	10.4%	0.8%	18th

RECORDED MUSIC REVENUES

In many mature markets streaming dominates – with physical around or under 10%...

COUNTRY	PHYSICAL	STREAM	DOWNLOAD / OTHER DIGITAL	BROADCAST/ PERFORMANCE	SYNC	MARKET
US	11.7%	73.8%	4.6%	6.3%	3.7%	1st
Norway	4.6%	77%	0.5%	16.9%	1.1%	22nd
Spain	8.8%	73.6%	0.7%	15.7%	1.2%	14th

RECORDED MUSIC REVENUES

In many developing markets, streaming is very much the dominant revenue stream...

COUNTRY	PHYSICAL	STREAM	DOWNLOAD / OTHER DIGITAL	BROADCAST/ PERFORMANCE	SYNC	MARKET
Brazil	0.6%	87.6%	0.1%	11.1%	0.6%	9th
China	8.1%	86.3%	2.7%	2.7%	0.2%	5th
India	0.4%	85.4%	1.2%	8.8%	4.1%	15th

RECORDED MUSIC TRENDS: IMPACT OF SUBSCRIBER TYPE



PREMIUM: FREEMIUM RATIO IS IMPORTANT

Streaming is a revenue share business

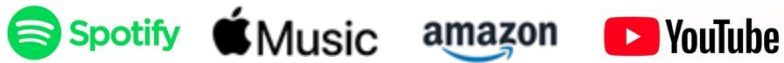
Ad sales generate less than subscriptions

More premium subscribers = more revenue

**#07: a small number of
streaming services
dominate globally – but in
some markets there are also
important regional services**

KEY STREAMING SERVICES AROUND THE WORLD

THE GLOBAL SERVICES



big players in terms of premium subscribers



smaller players in terms of premium subscribers

FRANCE

THE REGIONAL SERVICES



US



CHINA



INDIA



S KOREA



ASIA



ME+AFRICA

**#08: on one level it is easier to
“go global” in the digital era
– however local market
knowledge can still be key**



GOING GLOBAL IS EASIER TODAY...

Digital distribution is usually global

Same services dominate in most markets

Key social media are (more or less) global



BUT MANY KEY INFLUENCERS STILL LOCAL...

Music radio + other media

Live sector

Streaming service editorial



LOGISTICAL CHALLENGES REMAIN WITH...

Live activity – visas, taxes, restrictions etc

Physical releases – including direct-to-fan

Merchandise – including direct-to-fan



AND EVEN WITH SOCIAL MEDIA...

Consumption trends may differ

Advertising trends may differ

What about local languages?



THEREFORE IN PRIORITY MARKETS...

Local expertise can still be key

How can you access that expertise?

Especially if you are on tight budgets?

GLOBAL PARTNERS



Partner with providers with global reach?

Partner with local business partners?

Hire services of local agents + agencies?

Utilise an artist's other partners?

A QUICK RECAP

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from market to market**

#02: we can track which countries and regions generate the most money for music rights via the IFPI and CISAC reports

**#03: copyright systems around
the world are joined up**

**#04: specific rules still vary
from country to country
– you can only enforce your
rights subject to local rules**

#05: every country has its own collective licensing system – but these are also joined up around the world

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