

Plus 4.6 percent – German Music Market 2015 better than Initial Predictions

Berlin, 3 March 2016 – It's music to our ears: Germany's music industry brought 2015 to a close with even better figures than initially predicted. With a clear increase of 4.6 percent and a total sales volume of roughly €1.55 billion, Germany was able to consolidate its position as the third largest music market in the world – right behind the USA and Japan, and just in front of Great Britain. In the field of streaming, in particular, the numbers rose significantly again compared to the January forecast: in fact, turnover was up by a total of 106 percent, which means that audio streaming generated 14.4 percent of total turnover. Downloads are still slightly above that mark at a 15.6 percent share of sales. This means that digital music sales make up 30.8 percent, i.e. roughly one third of the entire market. However, in 2015, the leading currency on the music market was still the CD: in spite of a decline of 4.2 percent, CDs alone still made up 60.8 percent of income from music sales. Although the final figures show that vinyl didn't grow quite as much as predicted, it still enjoyed an increase of 30.7 percent and now makes up 3.2 percent of total sales (2014: 2.6 percent). The bottom line shows that the share of physical music sales (CDs, vinyl, DVD/Blu-ray) is around 68.6 percent, thus making up roughly two thirds of turnover.

Professor **Dieter Gorny**, Chairman of Germany's Federal Music Industry Association (BVMI): "These figures show that the music industry is living up to the digital challenge, and we're seeing growth in streaming services acting as a driver of sales. The German music market draws its current strength, however, primarily from its healthy balance of formats, i.e. rather than cancelling each other out, physical and digital sales complement one another. A further reason for the positive results is the growing demand for German-language music and music produced in Germany. In the 1990s, German productions had a share of barely more than 20 percent: in 2015, eight of the top 10 albums in the official German charts were German-language recordings. We've been observing this upward trend for a couple of years now, but this is a new record. These sales reflect the growing popularity of the national repertoire."

Today, German productions make up roughly 69 percent of the top 100 on Germany's official album charts. Five years ago, that number was at 49 percent; ten years ago, it wasn't even 40 percent. National artists are popular across all musical genres, first and foremost in Hip-Hop, which increased its share of sales considerably in 2015 from 3.6 to 8.6 percent. German *Schlager* music, *Deutsch Pop* and *Volksmusik* remained pretty much stable. Dance music, on the other hand, clearly increased its share from 4 to 6.7 percent: here also, German artists have their share. In fact, the genres of Hip-Hop and Dance contributed to the rapid growth of streamed songs; these two genres are popular primarily among younger listeners, who form the significant share of streaming users.

BVMI Managing Director Dr. **Florian Drücke**: "In 2015, the number of songs German fans streamed within one sample week was 617 million; this is almost double the number in the previous year. In other words, what happened in 2015 was everything we'd hoped for."

Streaming continues to grow at such a dynamic pace that the locations of sales have grown overall once again. Indeed, €1.55 billion in sales is almost at the level seen in 2009. And now, because music in the digital realm is more successful than ever, our priority is to create an effective framework for the digital licensing business. On the one hand, this means that creative professionals and their partners must participate in value creation and be able to exercise their rights; on the other hand, caution is necessary as soon as lawmakers seek to intervene in the regulatory measures of a functioning system. In the context of the current discussion surrounding copyright contract law, we highly recommend trading carefully in this area."

For more information:

Sigrid Herrenbrück, Head of Press and Public Relations

Email: herrenbrueck@musikindustrie.de

Tel.: +49 (0)30 - 59 00 38 -44

For more information: www.musikindustrie.de, www.echopop.de, www.echoklassik.de,
www.echojazz.de, www.playfair.org

Bundesverband Musikindustrie e. V.