

Half-Year Report 2016

Streaming Remains Dynamic: German Music Market Grows by 3.6 Percent

Berlin, 19th July 2016 – New figures show that Germany's recorded music market enjoyed further growth in the first half of 2016. Total revenue from the sales of CDs, vinyl, downloads and the use of streaming services increased in value by a total of 3.6 percent over the same period in 2015. And, once again, audio streaming played the key role in generating these positive results: revenue from premium subscriptions and ad-financed access to services such as Spotify, Apple Music, Deezer, Napster, etc. increased by 88 percent. With a market share totalling 24.4 percent, streaming turnover is now considerably above the figures for downloaded media, which represent a share of 14 percent of total sales.

The second shooting star is vinyl: a sensational increase of 46.2 percent over the same period in 2015 now gives vinyl a 4.3 percent share of the entire market (1st half of 2015: 3.1 percent). The CD, which forms the backbone of the German music market, remains the leader among music media with a 52.3 percent share of sales; however, it declined by 9.6 percent in the first half of 2016. The overall figures show a music market made up of 60.4 percent physical and 39.6 percent digital sales.

Professor **Dieter Gorny**, Chairman of Germany's Federal Music Industry Association (BVMI): "Current statistics indicate that the process of digitisation is occurring even faster than we previously thought. And this increasing shift of music towards the digital realm makes it more important than ever that we fully elucidate the framework conditions under which creatives and their partners work so that we can adapt these conditions to tangible reality as quickly as possible. A few weeks ago, more than 1,100 musicians and bands signed and sent an open letter to the EU Commission, thus showing that artists – who form the nucleus and backbone of our entire industry – have serious concerns about their future. Without wanting to sound too dramatic, the fact is that if we don't adjust our current situation, it might have profound consequences on the art of making music on a professional level."

BVMI Managing Director Dr. **Florian Drücke**: "Although the sheer pace of digitisation may be causing some of us a bit of distress, we still consider the latest figures to be heartening in two ways; first of all, the German market continues its growth, thus enlarging everyone's share of the pie and, secondly, the increases we're seeing in the realm of audio streaming – almost a doubling of sale percentages in comparison to the first half of 2015 (12.8%) – make it clear that our industry is successfully adapting to the realities of the digital world. It also

proves that we've developed offerings that a large number of consumers have long since accepted. – However, the only way we can carry this transformation process further is if we ensure that our content is sufficiently protected against copyright infringement – both online and offline – and also that all participants are able to benefit fairly from the proceeds. Indeed, this isn't about the future any longer, but about the digital present.”

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

About the German Music Industry Association (Bundesverband Musikindustrie or BVMI):

The German Music Industry Association (BVMI) represents roughly 250 music industry labels and companies who themselves comprise more than 80 percent of the German music market. As the industry's advocacy group, the BVMI works to promote the interests and concerns of the music industry among German and European policymaking bodies. It also serves the public as the central contact partner for all issues relating to the music industry. In addition to the compilation and publication of market statistics, the BVMI portfolio also includes many other industry related services. Since 1975, the BVMI has handed out its GOLD and PLATIN awards to the most successful artists in Germany. It launched its DIAMOND Awards in 2014 and has also commissioned the compilation of the Official German Charts since 1977. In 2013, the BVMI started its PLAYFAIR initiative, which provides consumers with guidance with regard to online music consumption. In the cultural realm, the BVMI works under the label of the Deutsche Phono-Akademie; each year, outstanding artists are awarded the ECHO German Music Awards, the ECHO Klassik Awards and the ECHO Jazz Awards.

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