

Germany's music market grows by 3 % in 2016 and, for the first time ever, streaming is second strongest sales segment after CDs

Berlin, 2nd March 2017 – Growth in Germany's music industry has once again surpassed initial projections: with an increase of a total of three percent, the final numbers have turned out to be 0.6 percentage points higher than estimates at the beginning of the year. Total sales of CDs, vinyl records, downloads and audio streaming amounted to €1.593 billion last year.¹ CDs remained by far the largest generator of sales with a market share of 53.8 percent. For the first time ever, audio streaming services came in second place with 24.1 percent. The continued strong growth in streaming (+ 72.7%) was enough to force downloads into third place (12.2%).

Demand for vinyl also grew at a faster pace than in the previous year: a rise of 40.1 percent garnered vinyl a 4.4 percent share of turnover and pushed it past music DVDs and Blu-ray videos to the fourth spot in the standings. In 2016 overall, sales totalling 62.1 percent were generated by physical formats and 37.9 percent by digital recordings.

Professor **Dieter Gorny**, Chairman of Germany's Federal Music Industry Association (BVMI): "Four years of growth in a row show that the digital transformation of the German music market continues its positive run. The transformation is also proving sustainable thanks to the right business models and an integrated strategy that encompasses the entire panorama of physical and digital distribution formats. The fact that large-scale tech corporations are placing increasing confidence in the curated approach offered by audio streaming underlines the pioneering role played by the music industry within the digital economy today. In order to maintain the strong market momentum caused by streaming, we must finally succeed in closing the so-called value gap to the benefit of the creative economy as a whole".

BVMI Managing Director Dr. **Florian Drücke**: "The tremendous growth of streaming is clearly demonstrated by the number of streamed songs in our comparison week at the end of each year: for example, in 2012, it was 99 million, while in 2016, that number rose to 906 million, nearly a ten-fold increase. This dynamic has caused an exciting market realignment where streaming is now the second-largest sales format after CDs. In other words, 2016 marked the achievement of a key milestone. With this development in mind, we will continue to follow very closely the deliberations on copyright law reform taking place at the European level. Now more than ever, we must focus on equipping the superbly innovative realm of digital business with functioning law enforcement mechanisms that create legal certainty for all".

¹ Sales measured at retail prices incl. VAT

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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