

## 2018 Year-End Figures for the German Music Industry:

- **Streaming and CDs by far the dominant music formats in 2018**
- **Overall industry revenues just below previous year's level**
- **German music industry continues stable course through digital transformation phase**

Berlin, 7 March 2019 – The total turnover of Germany's music industry in 2018 amounted to just under the level achieved in 2017. As Germany's Federal Music Industry Association (BVMI) announced today, the industry took in a total of €1.582 billion<sup>[1]</sup> in music sales via streaming services, CDs, downloads and vinyl. That sum is only 0.4 percent lower than in 2017, thus confirming that the market has remained stable. On the one hand, this stability is due to audio streaming, which continued to soar (+33.5%) and now accounts for a market share of 46.4 percent; on the other hand, in spite of a decline of roughly 20 percent, CDs remain the strong second-place driver of sales with a market share of 36.4 percent. These two leaders are followed at a considerable distance by downloads, which contributed 7.8 percent of sales, and vinyl LPs which – after rising steadily for many years – fell 5.2 percent over the previous year to a market share of 4.4 percent at the end of 2018. In other words, the music business in 2018 continued its large-scale shift towards the digital realm, with 56.7 percent of sales generated by audio and video streams and downloads, and physical market sales accounting for the remaining 43.3 percent.

BVMI Chairman & CEO **Dr. Florian Drücke**: "After its previous four years of growth, industry turnover has now had its second year at a steady plateau level. This is not unhappy news. In fact, the German music industry continues to hold the course as it moves through a major transformation phase. This stability is remarkable considering that we experienced a 20 percent decline in sales of CDs, a media format that still contributes significantly to industry earnings and is therefore tremendously important for the industry's overall balance sheet. We owe the stable market to the ongoing substantial growth in audio streaming, which experienced a 33.5-percent increase from an already very high level, thereby demonstrating its widespread acceptance among fans. This is a very good sign for the coming years, as it indicates users' increasing willingness to pay. The lion's share of audio streaming revenue is indeed generated by premium subscriptions".

Drücke continued: "A message to all of those who still think that user upload platforms should not be required to pay higher licensing fees: Recent studies show that fans spend about as

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<sup>[1]</sup> Sales measured at retail prices incl. VAT

much time listening to on-demand music from audio streaming as from video streaming services. And yet, this behavior is in no way reflected by actual sales figures. In fact, while audio streaming is poised to generate a full 50 percent of industry revenues, music streamed through on-demand video services returns only 2.4 percent of revenues back to creatives and their partners. This reality is often forgotten in the current debate on copyright reform”.

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**About the Bundesverband Musikindustrie e. V. (German Music Industry Association):**

*The Bundesverband Musikindustrie (German Music Industry Association, BVMI) represents the interests of roughly 250 music industry labels and companies who themselves comprise more than 80 percent of the German music market. As the music industry's advocacy group, the BVMI works to promote and uphold the 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.*

*For more information, please visit: [www.musikindustrie.de](http://www.musikindustrie.de), [www.playfair.org](http://www.playfair.org)*