

Music consumption 2018 - Sales trends

- **Streams, CDs, Downloads, Vinyl, DVDs – whole range of formats still in demand in Germany**
- **Nevertheless: Vital to hold online platforms accountable and create a level playing field for everyone in the digital sphere - appeal from the industry ahead of the trialogue on 21 January**

Berlin, 18 January 2019 - Dynamic growth in streaming and a high popularity of physical formats among fans relative to other countries continues to provide market stability in Germany. As announced today by BVMI, the number of audio streams in 2018 grew year on year by just over 40 per cent to a total of 79.5 billion, a new all time record high. While the number of CDs sold, 48.2 million, represented a 23 per cent drop compared to 2017, the compact disc is now in its 36th year following its launch and is still the second most important market segment in Germany, as shown by fans purchase choices. In third place were downloads, with a total of 49 million purchases, of which 7.5 million were albums and 41.5 million individual tracks. Last year, a total of 3 million vinyl records were sold, a slight drop of 7 per cent, however this niche product clearly still attracts loyal fans and therefore plays a role for many artists when planning which formats to release. The physical music video format (DVD/Blu-ray) also made it into the top 5 most sold music formats, with 2.6 million units purchased. - This preliminary sales trend calculation uses the number of units purchased and streamed in 2018. It is expected that the overall market developments on the basis of revenues will be reported by BVMI in early March 2019.

Dr. **Florian Drücke**, CEO of the BVMI: "Looking at the sales in the past year, we see a continued strong growth in the area of streaming. A particularly pleasing development is the trend in premium accounts which make up 86 per cent of the audio streams. Despite the well-known downward trends, the industry has ensured a strong market in physical products remains; it is well-known that aside from Japan, nowhere in the world are as many CDs sold as here in Germany. Downloads and vinyl also continued to form an important part of the format portfolio of labels and of fans in 2018.

"The new streaming records set every year clearly demonstrate how massively the way music is consumed today is changing", added Drücke. "Many younger fans can be found almost exclusively online. This change underlines how the earnings of artists and their partners will, in the short to medium term, have to be generated to a large extent from digital uses. Digital licence revenues have become the lifeblood of the industry. For this transition, the industry needs support from politicians in the form of regulations which are fit for the modern age. This leads directly to the topic of the value gap and the reform of EU copyright law, the likely final, decisive trialogue negotiations for which begin on Monday. On behalf of the industry, I call once more for all involved to think about the market conditions outlined and to take the appropriate legislative steps

accordingly. Strengthen rightholders, hold online platforms accountable and thus create a level playing field in the digital environment. The required update will stimulate investment in cultural diversity.