

## Half-Year Report 2017

### **Up by 2.9 percent: Germany's music market continues to grow; audio streaming significantly expands market share**

Berlin, 19 July 2017 – The German music industry grew noticeably once again in the first six months of the year. In fact, revenue from the sale of CDs, records, downloads and the use of streaming services increased by a total of 2.9 percent in comparison to the same period in 2016. These figures were announced today by Germany's Federal Music Industry Association (BVMI). The industry generated a total turnover of roughly €740 million in the first half of 2017, which is €20 million more than in the first six months last year. Click [here](#) to see a chart illustrating the music industry's latest sales-share figures.

The current numbers show that CDs remained the strongest format with a market share of 44.7 percent. They were followed by audio streaming, which was able to further expand its share and become the industry's second strongest segment: record companies generated 34.7 percent of sales by means of revenue from premium subscriptions and ad-financed access to music via providers such as Spotify, Deezer, Apple Music, Amazon Unlimited or Napster. This growth marks a 10.3 percent increase compared to the first half of 2016 (24.4%). Downloads achieved a sales share of 11 percent, while Vinyl continued to grow – this year to a market share of 5 percent. Overall, the upward trend in audio streaming garnered the digital music sector (i.e. revenue from streaming, downloads, etc.) an increase of 21.8 percent compared to the first half of 2016. These figures show that market distribution has changed its profile once again: 52.5 percent of sales are still being made with physical recordings, while 47.5 percent now come from digital music sales.

BVMI Managing Director Dr. Florian Drücke: "In the first half of 2017, we now also in Germany saw the gradual emergence of a balance between physical and digital business alongside a good overall growth of 2.9 percent. The industry's strategy of being active on all possible distribution channels is being well-received by music fans; they consume music based on their own individual preferences by choosing from on a wide range of possibilities from vinyl to the cloud. This is great news."

With this in mind, however, Drücke also sent out an appeal addressed to political leaders, also in the run-up to Germany's federal election in September: "Even amid the current enthusiasm, it is imperative that we work to secure the refinancing of industry investments, especially considering the fact that the digital realm is set to become even more important in the future. Here in Germany, but also across Europe, there is still a long way to go in this area. With a view to a strong music industry and a dynamically growing creative economy,

we need to protect investments and strengthen rights owners by generating a robust legal framework in the digital sphere. This includes, for example, finally closing the value gap between platforms such as YouTube and audio streaming services and thus let creatives and their partners more appropriately participate in the revenues generated with their products. This is where the federal government would be well advised to support the current momentum at the European level to clarify the various issues involved. Also, there should be more clarity in matters of liability. Indeed, current jurisprudence and legislation deviate from one another in this realm: while the federal government, on the one hand, moves towards free Wi-Fi, even repealing the so-called *Störerhaftung* (Breach of Duty of Care), on the other hand, the courts have decided in favor of right holders in several liability cases, for example a decision on file sharing made by Germany's Federal Court of Justice (BGH) or a decision on The Pirate Bay made by the European Court of Justice (ECJ). These decisions send out confusing signals to users – ones that lead to uncertainty rather than encouraging trust in the digital realm.”

**Further information:**

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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](http://www.musikindustrie.de), [www.echopop.de](http://www.echopop.de), [www.echoklassik.de](http://www.echoklassik.de), [www.echojazz.de](http://www.echojazz.de), [www.playfair.org](http://www.playfair.org)