

BVMI Half-Year Report 2020:

German Music industry grew in the first half of 2020 /// Almost three-quarters of turnover from digital business – an urgent argument for the correct implementation of the Copyright Directive in Germany

Berlin, August 20, 2020 – The music industry in Germany has grown despite the difficult situation caused by the pandemic, as the German Music Industry Association (BVMI) announced today: In the first six months of the current year, the industry generated a total of 783.7 million euros* from audio streams as well as from the sale of CDs, downloads and vinyl. This is 4.8 percent more than in the same period last year (H1 2019: 748.1 million euros sales after the full year 2019). This positive result is due to the continued dynamic growth in audio streaming, which went up by 20.7 percent at a high level and was able to further expand its position as the format with the highest sales. Video streaming grew even more significantly at 31.3 percent, but still has a very small market share of 3.3 percent. CD (-22.9 %) suffered heavily from the crisis-related measures, which also affected over-the-counter retail, with a decline rate more than double that of the same period last year, while vinyl saw growth (+4.6 %). Downloads continued to decline significantly (-22.5 %).

Overall, the digital business grew by 16.4% in the first six months of this year to a 74.2% share of total sales (full year 2019: 64.4%). Accordingly, physical business (-18.6 %) accounted for 25.8 % of revenues. Audio streaming has the largest share of industry revenues with 65.7 percent, followed by CDs with 20.0 percent, downloads with 5.1 percent and vinyl LPs with a 4.5 percent share of revenues.

Dr. **Florian Drücke**, BVMI Chairman & CEO: "The fact that the industry as a whole proved resilient in the corona crisis in the first half of 2020 is good news and a result of the successful digital strategy of the member companies in recent years. However: With a digital share of almost 75 percent, the literal implementation of the Copyright Directive in German law is now the top priority, because this is where the framework is set for the digital growth in the future. - The so-called discussion draft, which the BMJV recently presented, sends the really worrying and therefore unacceptable signal to the industry that a special German path is to be taken here, which neither reflects the directive as it was originally intended nor the interests of the rights holders.

Drücke continues: "It is, however, absolutely essential to place these positive figures in the overall music industry context, because the slight growth in our part of the industry must not distract from the extent of the crisis for the live sector - with the devastating effects for artists and all those who participate in the creation of value here. This can at best be slightly cushioned by the slight increase on the music sales side, but it is far from being compensated for. This is one of the reasons why we support the demands for state aid measures in a spirit of solidarity".

* Revenues valued at retail basis including VAT



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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 200 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, www.playfair.org