

Music Industry 2020 with 71.5 Percent Digital Share:

Lockdown increases online music use and highlights the compelling need for resilient frameworks in the digital space

Berlin, March 4, 2021 – Despite the pandemic-related measures, sales in the music industry in Germany grew last year. Revenues from recorded music sales and proceeds from the streaming business amounted to EUR 1.79 billion^[1], up 9 percent on 2019, with 71.5 percent, or a good three-quarters of sales, coming from online music use. Audio streaming increased by 24.6 percent on the already high level of the previous year (55.5 percent market share in 2019) and thus comes to a share of 63.4 percent of the total market. In contrast, the CD also suffered significantly from the closed stores (-18%), but remains clearly the second-strongest format in the German recorded market with a 21.6 percent share of sales. Following far behind – back in third place for the first time – is vinyl, with an overall market share of 5.5 percent; after another significant increase of 24.7 percent, vinyl is thus able to support the physical market. After a drop of 24.8 percent, downloads now only occupy 4th place (4.2 %).

Significant momentum in streaming drove overall digital business growth of 20.3 percent in 2020, while sales of physical recorded music slipped significantly by 11.7 percent, mitigated by the success of the vinyl record.

Dr. **Florian Drücke**, Chairman & CEO of BVMI: "What was already apparent in the summer has been confirmed: The good digital positioning of our member companies over the past few years means that our industry is currently coming through the crisis well in terms of total sales - even more so, due to the pandemic-related restrictions on public life, fans have nolens volens increasingly supplied themselves with music in the digital space, which has given us an overall growth of 9 percent. Without a doubt, that's very good news for now. However, it should not obscure two things: Firstly, as we all know, artists and our sister industries, above all the live business, have been dramatically affected by the lockdowns, and the long-term consequences of the concert cancellations within our closely interlinked industry world are not yet foreseeable."

Drücke continues: "On the other hand, the increasing digital share of currently 71.5 percent also necessarily means a significantly increasing urgency with regard to resilient framework conditions in the network. Equally important for us is a better understanding of the digital playing field that does not ignore the economic realities of our industry! The German implementation of the Copyright Directive must not be allowed to damage the delicate licensing architecture for music companies and artists – because the European compromise wants the opposite: creators and their partners should better participate in the revenues of user upload platforms like YouTube. Video streaming is one of the most popular online usage channels, but does not even contribute 4 percent to the total revenue in Germany! Particularly in the fast-paced and highly competitive environment, legislators must not forget this. Ultimately, the same question arises in shaping the legal framework in Germany as in combating the consequences of the pandemic, namely: What is the value of the cultural and creative industries in our country?"

^[1] Sales measured at retail prices incl. VAT



About Bundesverband Musikindustrie e. V.:

The German Music Industry Association (BVMI) represents the interests of around 200 record producers and music companies, which account for more than 80 percent of the German music market. The association advocates the concerns of the music industry in German and European politics and serves as a central point of contact for the public regarding the music industry. In addition to determining and publishing market statistics, BVMI's portfolio includes industry-related services. Since 1975, it has awarded the most successful artists in Germany with GOLD and PLATIN, since 2014 also with DIAMOND, and since 1977 the Official German Charts have been compiled on behalf of BVMI. The PLAYFAIR initiative was launched in 2013 to guide consumers in their use of music on the Internet.

Further information: www.musikindustrie.de