

Report on music industry payments + annual review of the music market 2023

+132 %: Payments to artists more than doubled between 2010 and 2022 //

+6.3 %: Market for recorded music will continue to grow in 2023

Berlin, March 6, 2024 – Payments by the music industry to artists have more than doubled in twelve years, increasing by 132 %, according to a study published today by the German Music Industry Association (BVMI). While artists received around 21 % of the companies' revenues in 2010, in 2022 around 43 % of revenues were passed on to them through direct payments such as advances and royalties. These and other figures can be found in the report "Die deutsche Musikindustrie: Investitionen und Zahlungen an ihre Künstler:innen (*The German Music Industry – Investment and Payments to their Artists*)" conducted by the research institute Oxford Economics on behalf of the BVMI, based on the figures of the big music companies and the BVMI. The aim was to investigate the extent to which German music labels have reinvested their income, which has increased again in recent years due to music streaming, in the marketing of new music and the development of new talent and passed it on to their artists in the form of payments.

Together with the report, the BVMI also published the music industry's 2023 revenue balance sheet, which was once again clearly positive with revenue growth of 6.3 %. The digital business grew by 7.9 %, while the physical market, i.e. vinyl and CDs, hardly changed compared to the previous year (+0.1 %).

Dr. **Florian Drücke**, Chairman & CEO of BVMI: "Industry revenue grew significantly again in 2023, and the relevance of audio streaming remains high. The positive market development ultimately benefits everyone involved, as the figures published today on investments and payments by the music industry show. The artists under contract with the companies are benefiting from the positive development even more than the labels themselves: Payments to artists have risen by 132 % since 2010, while the labels' income has increased by 17 % in the same period. The special entrepreneurial risk for the music companies is particularly evident when looking at the advances, which are paid regardless of success. Another important finding is that the companies invest a third of their income each year in the development and marketing of new talent and new music. - With this study, we are helping to ensure that the perspective of our members and thus the entrepreneurial dimension is included in the debate on fair distribution and changing payment models, also in order to further objectify the basis for the current dialogue on this topic."

Drücke continues: "The fact is that the streaming business has been helping the industry to achieve significant growth again in recent years, from which both labels and artists are benefiting. Precisely because we are now in the middle of the next evolutionary stage in the context of the increasing use of AI, it is crucial that we work together as an industry to ensure that human creativity remains the core and benchmark of our work in the future. This can only succeed if all industry players, creatives and their partners on the corporate side, pull together."

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