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# Value Growth and the Music Industry

## The Untold Story of Digital Success



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# I. Consistent Revenue Growth for the Record Industry



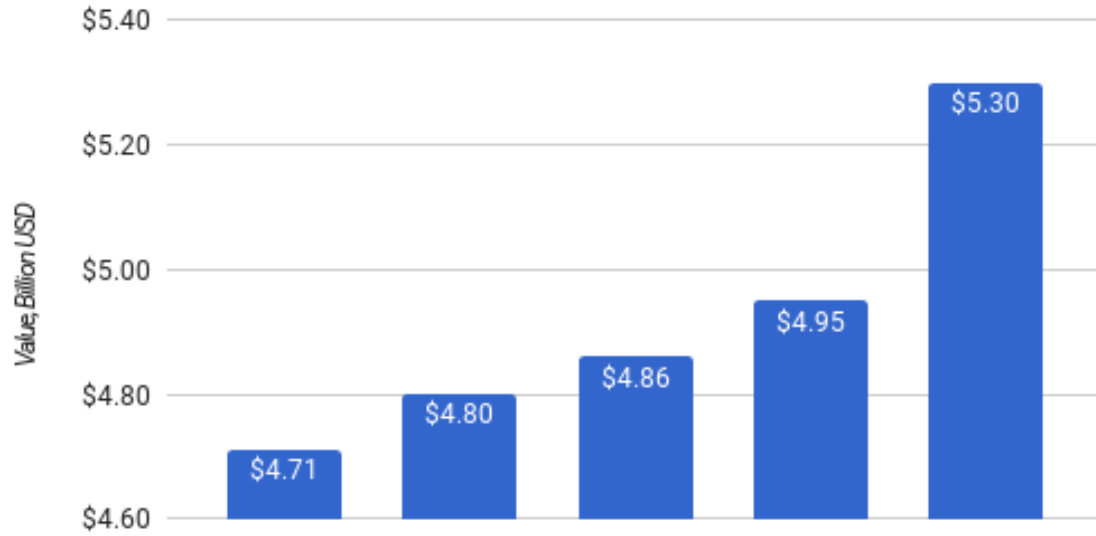
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- 2016: RIAA's wholesales revenues increased by **9.3%**.
- First half of 2017:
  - RIAA's wholesales revenues increased by **14.6%** to **\$2.7 billion**.
  - Retail revenues from streaming platforms grew from **48%** to **\$2.5 billion**, including revenues from ad-supported streaming platforms which grew **37%** over the same period.

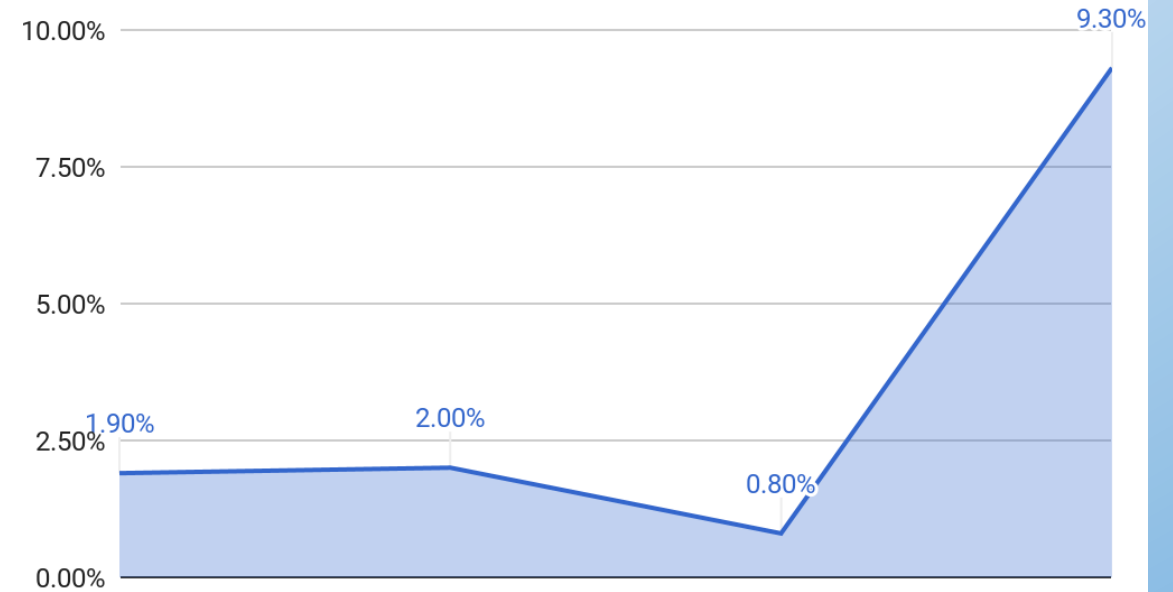


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**Recorded Music, Wholesale Value, Billion USD - 2012 - 2016**



**Recorded Music, Growth rate, wholesale value - 2013-2016**



*Source: RIAA 2013, 2014, 2015, 2016*



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## II. Strong and Steady Growth for Collecting Societies



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- 2015: Global Collecting Societies' revenues reached **€8.6 billion** (a **26%** increase over the decade)
- 2015: the European market's revenues reached **€5 billion** (a **12%** increase over the decade)
- 2016: GEMA collected **€1 billion** (a **15%** increase from 2015)
- 2016: SACEM collected **€1.37 billion** (a **3.9%** increase from 2015)

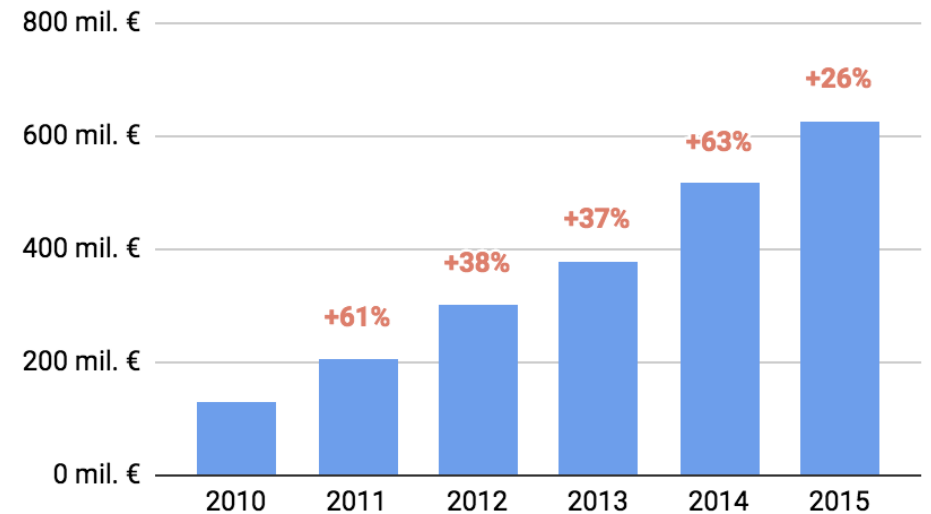


## Digital music is driving growth.

Between 2010 and 2015:

- Digital performance rights' revenues have increased by over **500%**.
- **46%** of the growth in collecting societies' income came from digital.

Digital revenue and growth of digital performing rights revenue, 2010-2015



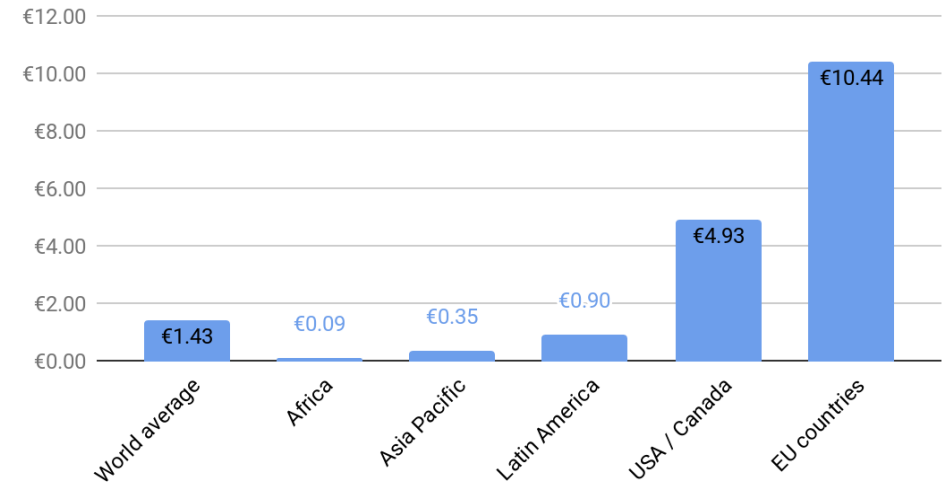
*Bars indicate total digital revenue, in €mil;  
Percentage figures in red indicate the year on  
year growth of digital performing rights  
revenues*



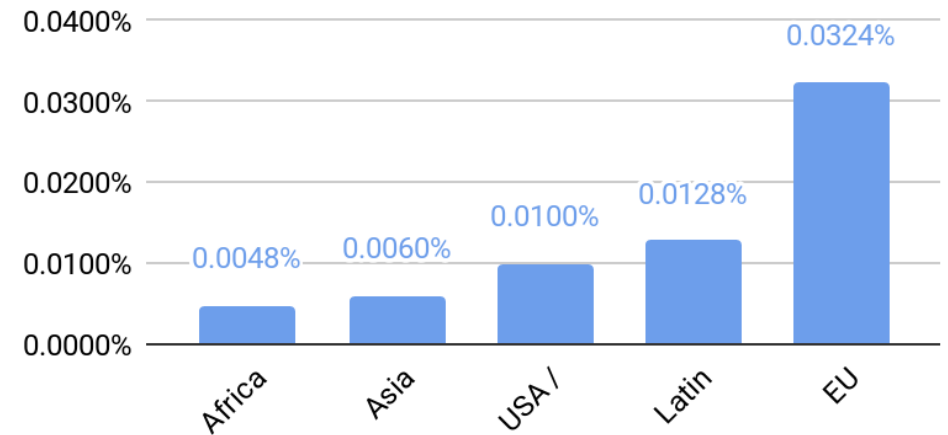
Europeans are the highest contributors to collecting societies' revenues:

- Over **58%** of 2015 revenues are collected in EU
- EU citizens pay the most per capita (over **10€**) and over **three times** as much as North America in GDP.

**Average collecting society collections per head (2015, Euro)**



**Collecting society collections as share of GDP, 2015**

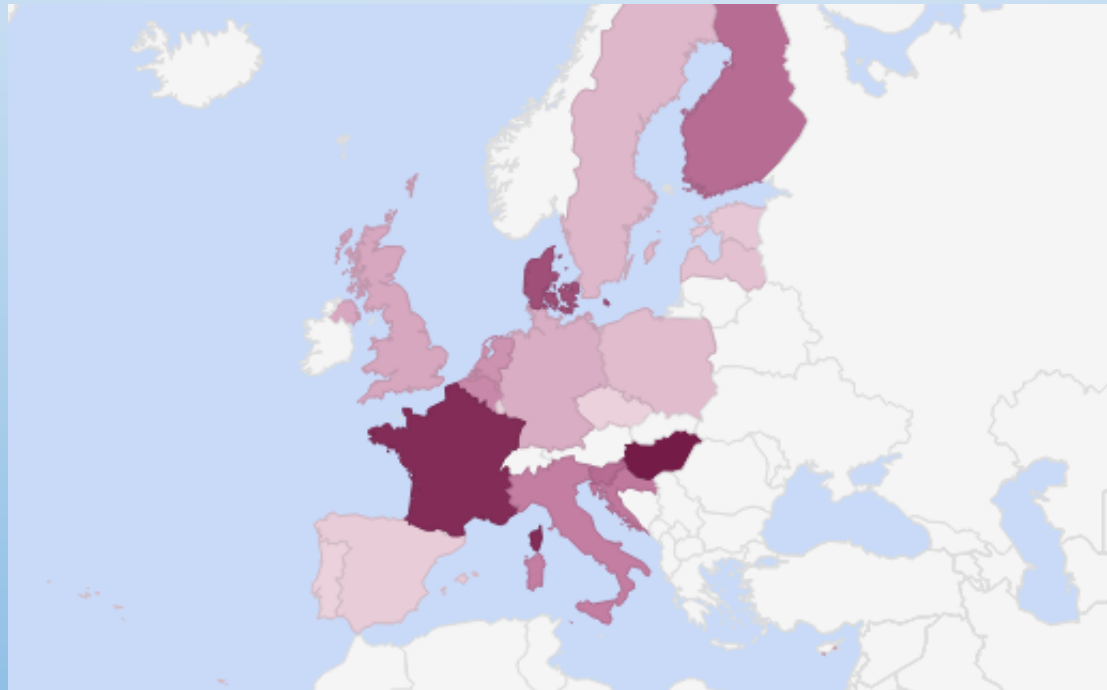






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Strong disparities exist within the EU:



*Collections as a ratio of GDP*



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Any Questions?