

NEWSLETTER APRIL 2016

IFPI LATIN AMERICA

JAMAICA: Workshop for Indies on monetization of music content in the digital environment

With the participation of the Minister of Culture of the Jamaican Government, the Honorable Olivia Grange, President and members of the Board of the Jamaican Music Society (JAMMS), and Mr. Alfonso Perez-Soto, Senior Vice President Business Development Emerging Markets & LatAm for Warner Music, a full-day event was hosted in Kingston on March 11th. The aim was to promote the exchange of information and views on the very important topic of the monetization of music in today's digital environment. The event had an attendance of more than 85 independent producers and local artists, representatives of the wide range of rhythms and music styles originated in Jamaica, such as reggae, dance hall, ska, and rocksteady, among many others.

IFPI LATIN AMERICA was one of the proud sponsors of the workshop that also served as a great opportunity to publicly congratulate JAMMS on its successful campaign to amend the copyright law that was passed on June 2015.

With this event IFPI ratifies its commitment with the independent producers in all countries around the region.

COSTA RICA: Supreme Court ratifies producers' broadcasting right

On March 10th, by a unanimous decision, the Supreme Court of Costa Rica, ratified the second instance ruling in favor of FONOTICA (producers' MLC) in the damages action brought 7 years ago against two important commercial radio stations in the capital city San Jose.

The decision not only awarded damages to the plaintiff but also ratified the necessity for the broadcaster to get a performance right license from the producer and to pay the corresponding rates. It is expected that this decision will bring a positive impact to the long battle for producers' rights in Costa Rica.



MIAMI: Caribbean music licensing companies' workshop

On February 4th and 5th, representatives of Music Licensing Companies (MLCs) from Barbados, Jamaica, Trinidad and Tobago, Panama, and the collective organization ECCO (representing 10 Eastern Caribbean nations including St. Lucia, St. Vincent and The Grenadines, Antigua, and Dominica) gathered in Miami to discuss plans and projects to improve the protection of artists' and



producers' performance rights around the Caribbean basin and in particular studying better ways of cooperation among MLCs and with local governments.

Representatives from IFPI Secretariat (London) and AIE (the Spanish performers' MLC) were among the speakers at the event.

One of the most important topics discussed during the two-day event was best practices recommended to neighboring rights societies for the distribution of rights. MLCs agree that distribution of rights on a fair and non-discriminatory way, based on real use, is a major priority for any collective management organization.

This workshop was sponsored by IFPI Latin America & Caribbean and the Ibero-Latin American Federation of Music Performers and their Collecting Societies (FILAIE).

Music licensing companies (MLCs) in charge of collecting public performance rights in Latin America and the Caribbean on behalf of artists and record companies worldwide have seen a 3 per cent increase in their local currency revenues in 2015, to USD 217 million

Due to depreciation of local currencies compared to the US dollar, revenues in current dollars show a 20 per cent reduction versus 2014. This regional behavior is due to lower revenues in Brazil, since in 2014 there were retroactive payments that had accrued for years. Leaving out the effect of retroactive payments in Brazil and in Mexico, the region showed a 19 per cent growth in 2015.



Revenues from broadcasters amount to 49 per cent of the total, showing a 10 per cent reduction. Revenues from commercial venues grew by 20 per cent and accounts for 51 per cent of total revenues.

According to data published by ECLAC (www.eclac.org) in its report of December 17th, 2015, the region shows a -0.4 per cent contraction of its gross domestic product (GDP) in 2015, a rate lower than the figure achieved by the region in 2014 when growth reached 1.1 per cent.

28,000 newly licensed commercial venues in 2015

In 2015, the number of commercial venues in the region acquiring a recorded music license from the collective management societies representing artists and phonogram producers rose to 625,000. During the last year, societies licensed 28,000 venues more than in 2014, which means a 5 per cent increase in the number of businesses compensating artists and producers for the use of their



music recordings in discos, bars, restaurants, cafes, gyms, hotels, stores, shopping malls, and supermarkets, among other premises open to the public. On average, each venue pays a rate of USD 173. Brazil (347,670), Colombia (139,745) and Argentina (60,716) are the countries with the largest number of licensed commercial venues.

Global music revenues increase 3.2 per cent as digital revenues overtake physical for the first time



In 2015, recorded music revenues totaled USD 15.0 billion, up 3.2 per cent on 2014 and resulted in the first significant growth seen since 1995. Physical format revenues declined, albeit at a slower rate than in previous years, falling by 4.5 per cent. The 10.2 per cent increase in digital revenues to USD 6.7 billion was driven by a sharp 45.2 per cent rise in revenue from streaming revenues. Performance rights—revenue generated by the use of recorded music by broadcasters and public venues—for

producers and performers grew by 4.4 per cent, to USD 2.1 billion in 2015. Performance rights remain one of the most consistent growing revenue sources. The revenue stream now accounts for 14 per cent of the industry's overall global revenue. The growth reflects the substantial contribution music makes towards third party businesses such as radio, TV, and the hospitality sector. Synchronization revenue—revenue from the use of music in advertising, film, games and television programs—rose 6.6 percent. **Latin America** was, for the fifth consecutive year, the region with the highest level of growth in recorded music revenues (+11.8 per cent). Digital revenues rose 44.5 per cent, more than four times the global average. Streaming revenue increased by 80.4 per cent. The regions two largest markets are Brazil (-1.8 per cent) and Argentina (+34.8 per cent).