



Learn

Events

Insight

Marketing

News

More ▾

Subscribe

Sign in

Analysis

CISAC report reveals growth in global music collections

Tags: [Africa CISAC Collecting Societies India interviews Market data Spain](#)



CISAC, the global collecting-societies body, has [published its annual 'Global Collections Report'](#) setting out the 2018 collections of its 239 members in more than 120 countries.

As ever, it's a useful counterpart to [the IFPI's annual Global Music Report](#): while that publication focuses on recorded-music royalties, the music section of CISAC's report quantifies collections for songwriters and publishers.

(CISAC's report also covers collections for audiovisual content, drama, literature and visual arts, but for the purposes of this article, we'll be focusing on its music data, which accounts for 88% of CISAC members' total collections.)

Related posts



Gaana financials include growth in subscription revenue



Universal Music India's VRYL project launches

The headline figures: music collections grew by 1.8% in 2018 to €8.49bn, and over the last five years have grown by 26.8%. Within that, performing-rights music collections grew by 2.7% to €6.79bn in 2018, while mechanical-rights collections grew by 5.7% to €1.4bn.

The collections are also split by type of use. TV & Radio music collections declined by 3.1% to €3.29bn while Live & Background collections grew by 0.8% to €2.57bn. Digital is the third biggest category though: PROs' digital revenues were up 29.6% year-on-year to €1.62bn.

Digital now accounts for 19.1% of CISAC members' musical collections, up from 15% in 2017. In the report, CISAC picks out five 'digital music champions' – markets where digital takes a particularly high share of collections. Those are Mexico (where digital's share is 48.9%), Sweden (42.8%), Australia (36.6%), South Korea (34.8%) and Canada (30.9%).

CISAC's director general, Gadi Oron, talked to Music Ally ahead of the report's publication, addressing some of its key themes in terms of music, as well as other challenges that the organisation is tackling – from copyright legislation to expelled societies.

On the first of those, the report includes a section on the European Copyright Directive, which was adopted in April and is now being implemented by the EU's member states.

'Intezaar' vide



Most Wanted: Music report – Scott Cohen, diversity, Africa and more

“It’s very encouraging to see that the digital income is going up at such a pace, including those territories like Mexico, Sweden and South Korea where digital is now the biggest source of income,” said Oron. “I think that will spread to other markets, and digital will gradually become more important. That’s why it’s so important for us to get the legislation in place to make the most of that.”

Oron stressed that CISAC is not focused purely on the ‘transfer of value’ debate around the royalties being generated by platforms like YouTube. He’s encouraged by the work being done by member societies to improve their own processes, including some of the music industry’s infamous data-gap issues, to “make sure money is paid quickly, and paid to the right people”.

Something else highlighted in the report are the music-licensing deals struck by Facebook with collecting societies around the world in 2018, welcomed as opening “the door to a new revenue channel for creators worldwide, monetising a previously-unlicensed platform”. Oron related this back to the legislative environment.

“The fact that you have the rules changing, and Europe clarifying that these types of services are just like music services of the Spotify and Deezer type, gives a boost to better deals with the [UGC] services,” he said. “That’s most certainly one of the reasons we

are reporting 30% year-on-year growth from digital."

Oron accepts that the EU adoption of the new copyright directive is not the end of that story. "Now that we have the principle established at a European level, the challenge is to make sure it is passed in a meaningful way by member states," he said. "The battle or the challenge now moves to the domestic territories of the individual states."

He also expressed the hope that the final form of the European directive will have a knock-on effect for other parts of the world.

"The fastest-developing market when it comes to digital is actually Asia. Countries like India and China have huge potential. It's only natural that these countries look at these issues," he said, pointing to the report's findings that China's collections per capita are just €0.03, while India's are a mere €0.01 – compared to a global average of €1.51, with Europe's being €6.01 and North America's €5.98.

(These are figures for all collections, not just music, but remember that music accounts for 88% of the total.)

"Imagine what would happen if we get China, with its huge population, just to the world's average," said Oron, who suggested governments in those countries may be more



willing to help ensure digital services pay their dues to societies than they have been for broadcasters.

“We did a very quick analysis. If we get China and India to the world average of collections per capita, we’re talking €2bn in each of these territories. This is a long way ahead: it will not happen overnight or even in a few years,” he stressed.

“But even if we bring them only to the average in Asia, which is €0.4 per capita, in each of those territories you’re looking at more than half a billion Euros. And a big chunk of that is distributed internationally. Let’s say 20% is international and 80% is local: we’re still talking about around €100m [for international creators], which can be a game-changer for the whole industry.”

There are a lot of positives in CISAC’s report, but it steers clear of the question of collecting societies that have been expelled from the organisation: most recently Spanish society SGAE in May 2019, but before that Greek society AEPI in 2017, and Indian society IPRS in 2016 – the latter a temporary expulsion, with the society readmitted in January 2019.

The reasons varied, but Oron was happy to discuss CISAC’s policy when societies are deemed to be breaking its rules. His key point: that expulsion is not the end of the story. IPRS being a prime example.

“We almost rebuilt the society from scratch. They were expelled from CISAC, but we worked with them and effectively restructured the society, and today it’s one of the fastest-growing societies in the world,” he said. “India is a very good case study in how much we can achieve, if we put pressure on the society to change and improve.”

There is a clear message to SGAE, which has faced corruption allegations including its infamous ‘The Wheel’ system ([details here](#)).

“We are taking the same approach in Spain, where the existing operations didn’t meet international standards. We had to expel them, but we continue to try to help them improve. Spain should be one of the biggest markets in the world: it’s a huge market! But we need to see changes in the society,” said Oron.

“We are not the police of collective management. Issuing sanctions is not the goal. The goal is to force the society to change. We expelled IPRS in India, but the following day we said ‘We are there for you’. We worked with them to change the structure of the board, and to help them start licensing. It’s now a huge success story: you can’t ignore a market with 1.3 billion people by just issuing the sanction and waiting for them to improve themselves.”

“It is the same situation for Spain. ‘Enough is enough: you have to improve. We are ready

for you, ready to help you through that, but we need a willing partner'. They make the right noises, but there is still a long way to go. Spain is too big to just ignore, so we try to fix it. I'm sure down the line, in a couple of years, we will be happy with the fact that we took a strong and firm approach. But there is a lot of work to do."

Oron said that CISAC is also keen to take a constructive approach when new collecting societies emerge – one of the latest examples being [AllTrack](#) in the US, which launched in August – which may have different structures and/or approaches to the traditional societies in CISAC's membership.

The organisation has refined its rules to build a relationship with new societies that enables them to participate in CISAC's international technology network. "Everyone will know what [rights] they manage, and they will know what other societies manage," explained Oron.

"The reality is that you have more and more entities entering into the collecting scene, and many are different from the traditional non-profits. I personally believe we have to realise the market is changing."

He added that within individual countries, competition between multiple societies can be a spur for improvement, but that in some parts of the world, too many PROs can lead to confusion. "If the users [from broadcasters to

digital servcies] say 'we don't know who to pay, so we pay no one!' the first people to lose are the rightsholders," warned Oron.

This exact point was [made at the NY:LON Connect conference in January](#) by Aibee Abidoye, general manager at Chocolate City Group, during a panel about trends in Africa. She was talking about competing societies in Nigeria: "The radio station says I'm not going to pay because I don't know who to pay! So you have artists who are played heavily on radio, and they're not getting the actual funds remitted to them," she said.

Oron talked about Africa too in his interview with Music Ally, with an even-handed view of the continent's opportunities and challenges for collections.

"There is huge potential but the region definitely does not [currently] deliver. A lot needs to be done there. We are much more busy in Africa: there are 30 countries where we have societies operating," he said.

"The big challenge is that many of the users don't pay. Less than half of the radio broadcasters have a licence. Sometimes the [collecting] society is too weak to negotiate with these huge media entities, and we need government to help. Other markets need the laws to be in place, and others need more training and knowhow."

“Africa is not a region where there is a one-size-fits-all solution, but there is huge potential. Those countries are so culturally rich, and the music industry in many of them is so vibrant. There’s no reason why the next big hit should not come from a country like Angola. It’s just a case of a lot of work to be done there to help the local industry.”

Stuart Dredge

Read More: [Analysis Data News](#)

Leave a Reply

(All fields required)

Name

Email

URL

Comment...

Submit Comment

Contact

Music Ally Ltd., Holborn
Studios,
49-50 Eagle Wharf Rd,
London, N1 7ED,
United Kingdom



+44 (0) 207 250 3637



mail@musically.com



@musicallyfb



@MusicAlly



Music Ally

We use our own and third party cookies. If you continue browsing we consider you accept the use of cookies.

[Got it](#)