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Report on Germany's music industry presented in Hamburg

Music industry shown to be a key economic factor

Hamburg – Last year, the various sub-sectors of Germany's music industry generated revenues totaling €11 billion. With a total of 127,000 salaried employees and self-employed individuals currently active in the industry, these sub-sectors surpass the employment numbers of every other media sector. In 2014, the music industry's gross value added (GVA) was roughly €3.9 billion, which is even higher than that of the film, radio and book and magazine publishing industries. In other words, there is no longer any doubt of the significant extent to which the music industry contributes to income generation within the cultural and creative industries. Among the seven sub-sectors of the music industry, the highest gross value added was created in the areas of "music events" (27%) and "music recordings" (22%) followed by "music instruments" (19%), "creatives" (15%), "music instruction" (10%), "music publishing" (5%) and "music collecting societies" (2%).

These numbers reflect the findings contained in a new report titled "The Music Industry in Germany" and presented today at Hamburg's City Hall in advance of the Musikdialog ("Music Dialogue"), an annual roundtable gathering of music industry stakeholders. For the first time ever, this report makes available concrete and comprehensive figures drawn from the entire music industry and its most important sub-sectors. The study contained in the report was carried out by the Institute for Communication Studies at Friedrich-Schiller-Universität Jena (IfKWJ) under the direction of Prof. Dr. Wolfgang Seufert. The study was co-commissioned by Germany's most important music industry associations and funded by the Federal State of Hamburg and the Federal Ministry for Economics and Energy.

Olaf Scholz, Mayor of Hamburg: "Whether live, as physical recording or in digital form – music plays an enormous economic role. Here in Hamburg, we've known this for some time, seeing as our city continues to profit considerably from music, and especially from sub-sectors such as music tourism. This report will enable the industry to gain the acknowledgement it deserves in Germany as a key sector in the creative economy."

Brigitte Zypries, Parliamentary State Secretary in the Federal Ministry of Economics and Energy: "The report shows very clearly that the music industry is a major economic player in Germany. At the same time, the industry also plays a pioneering role in our current era of digital transformation. The music industry was one of the first creative sectors to be hit by the digital revolution, and today we can see
that it has responded successfully to the challenge – with solid solutions that have allowed it to act far beyond the borders of its own industry."

The most important goal of the study was to close existing information gaps in the data contained at the Federal Office of Statistics with regard to the economic situation of self-employed workers and companies active in the German music industry. A second goal was to use this information to complement existing studies and thus provide an accurate reflection of the realities of today's music industry in Germany. A third aim was to calculate the contribution made by the music industry to the creation of income and employment in absolute terms, but also in comparison to other media sectors; the study marked the first time this was undertaken for the entire music industry. A broad online survey was carried out and data collected with regard to the following factors: a company's spectrum of activities, their total income, their individual income types, their total costs and their individual types of costs in the previous year. When asking about the number of employees at a company, the survey differentiated with regard to the specific type of employment, i.e. self-employed or a salaried employee. Roughly 1,300 companies representing a total turnover of €6 billion took part in the survey, which lasted between mid-March and the end of June 2015.

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