

TOTAL MARKET VALUE AND STRUCTURE OF FINNISH MUSIC EXPORTS IN 2004

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RESEARCH BACKGROUND

- Based on the research model developed by Kim Forss of Andante Consultants
 - The same research model was used in Sweden, Norway and Denmark; the figures are not comparable as, for example, the Swedish study includes data not factored into this study
- The development of the Finnish export industry and its increasing socio-economic importance calls for annual research
- The report provides industry with analytical data about the structure of exports and tools for development
 - Note!: Quantitative analysis does not measure overall impact
- Previous export research reports in Finland (in English):
 - *Behind The Music – Profiting from Sound: A Systems Approach to the Dynamics of the Nordic Music Industry (03/2003)*; Nordic Industrial Fund
 - *Total Market Value and Structure of Finnish Music Exports in 2001 (2002)*
 - *Total Market Value and Structure of Finnish Music Exports in 2002 and 2003 (2004)*

BODIES INVOLVED IN THE STUDY

- ❑ Commissioned by Music Export Finland
- ❑ Conducted by Media Clever Oy
- ❑ In collaboration with:
 - ❑ The Finnish National Group of IFPI
 - ❑ Finnish Composers' Copyright Society Teosto
 - ❑ The Finnish Music Publishers' Association
 - ❑ Nordic Copyright Bureau (NCB)
 - ❑ Copyright Society of Performing Artists and Phonogram Producers in Finland Gramex

SOURCES OF EXPORT INCOME

SALES OF GOODS

Record companies

Companies that
manufacture goods
for sale

SALES OF SERVICES

Management

Booking agencies

Marketing services

Legal services

Public sector

COPYRIGHT ROYALTIES

Finnish Composers'
Copyright Society
Teosto

The Finnish Music
Publishers' Association

Nordic Copyright
Bureau (NCB)

Copyright Society of
Performing Artists and
Phonogram Producers
in Finland Gramex

KEY CONCEPTS

- (a) "**artists**", including composers, lyric writers, arrangers and performing artists, mixers and sound technicians. Mixers, record producers and sound technicians have become a group comparable to artists as their productions are distinctive and recognizable.

- (b) "**producers**", whose mission is to get the artistic material to the public; this involves talent scouting, choosing the right music content, supervising and administering the recording process, marketing and sales. Producers include, for example, publishers and record companies.

KEY CONCEPTS (continues...)

(c) **”supporting bodies”** can be divided into the following categories:

- **recorded-media and equipment manufacturers:** companies that specialize in manufacturing compact discs, vinyl albums or cassettes and companies manufacturing equipment for them
- **management and marketing:** also including other professionals such as, stylists, cover artists, promoters, professional advertisers, photographers, designers and so on
- **legal services:** lawyers that assist in contract issues and provide help in disputes
- **the network:** companies and communities that have an interest in the industry, collect and distribute information on the industry, and coordinate various activities and functions of the industry. In Finland these are, for example, The Finnish National Group of IFPI, Finnish Composers' Copyright Society Teosto, Copyright Society of Performing Artists and Phonogram Producers in Finland Gramex and so on
- **public officials:** officials representing the public bodies that regulate the industry

COLLECTING THE DATA

- ❑ A Total of 99 question forms were sent out and 49 were returned
- ❑ 17 personal interviews
- ❑ The Finnish National Group of IFPI and the Finnish Music Publishers' Association collected data from their members
- ❑ Copyright royalty data was provided by the Nordic Copyright Bureau (NCB) and the Copyright Society of Performing Artists and Phonogram Producers in Finland Gramex
- ❑ Figures of the Finnish Composers' Copyright Society Teosto are from their annual report of 2004
- ❑ The research does NOT include:
 - ❑ export activities of sales divisions (wholesalers etc.)
 - ❑ e-commerce (ringtones etc.)
 - ❑ music education
 - ❑ music journalism
 - ❑ programme sales of radio and TV productions
 - ❑ manufacturing of musical instruments
 - ❑ copyright royalties of Finnish artists signed by foreign labels

CAN THE FIGURES BE TRUSTED?

- **Sales of goods** (2004 over 90 % validity):
 - Response rate for the members of the Finnish National Group of IFPI was 100 % in 2004
 - In 2004 market value of IFPI Finland members was approx. 90% of the total local market value (source: IFPI Finland)
 - The export share of IFPI Finland members in 2004 is presumed to be at least 85 % of the total (source: IFPI Finland)
 - The most relevant recording and publishing companies regarding exports outside of IFPI Finland answered the inquiries
- **Sales of services** (2004: approx. 90 % validity):
 - All important key artists / groups (pop / serious) known to export answered the inquiries
- **Copyright royalties** (2004: almost 100 % validity)

MARKET VALUE OF FINNISH MUSIC EXPORTS IN 2004

21.692.963 €

DISTRIBUTION OF EXPORT INCOME BY SOURCE

SALES OF GOODS

9.428.276 €

SALES OF SERVICES

5.997.567 €

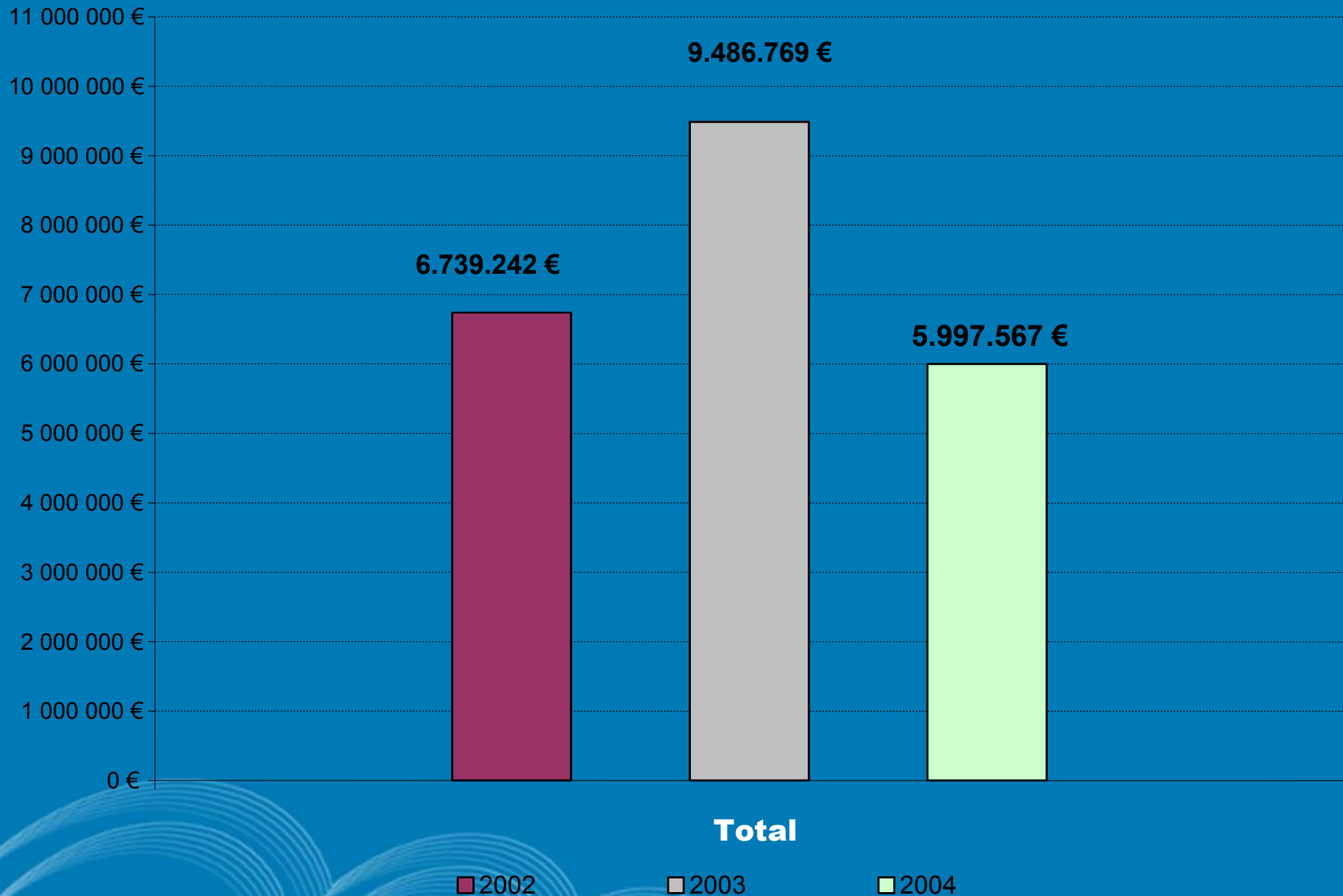
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6.267.120 €

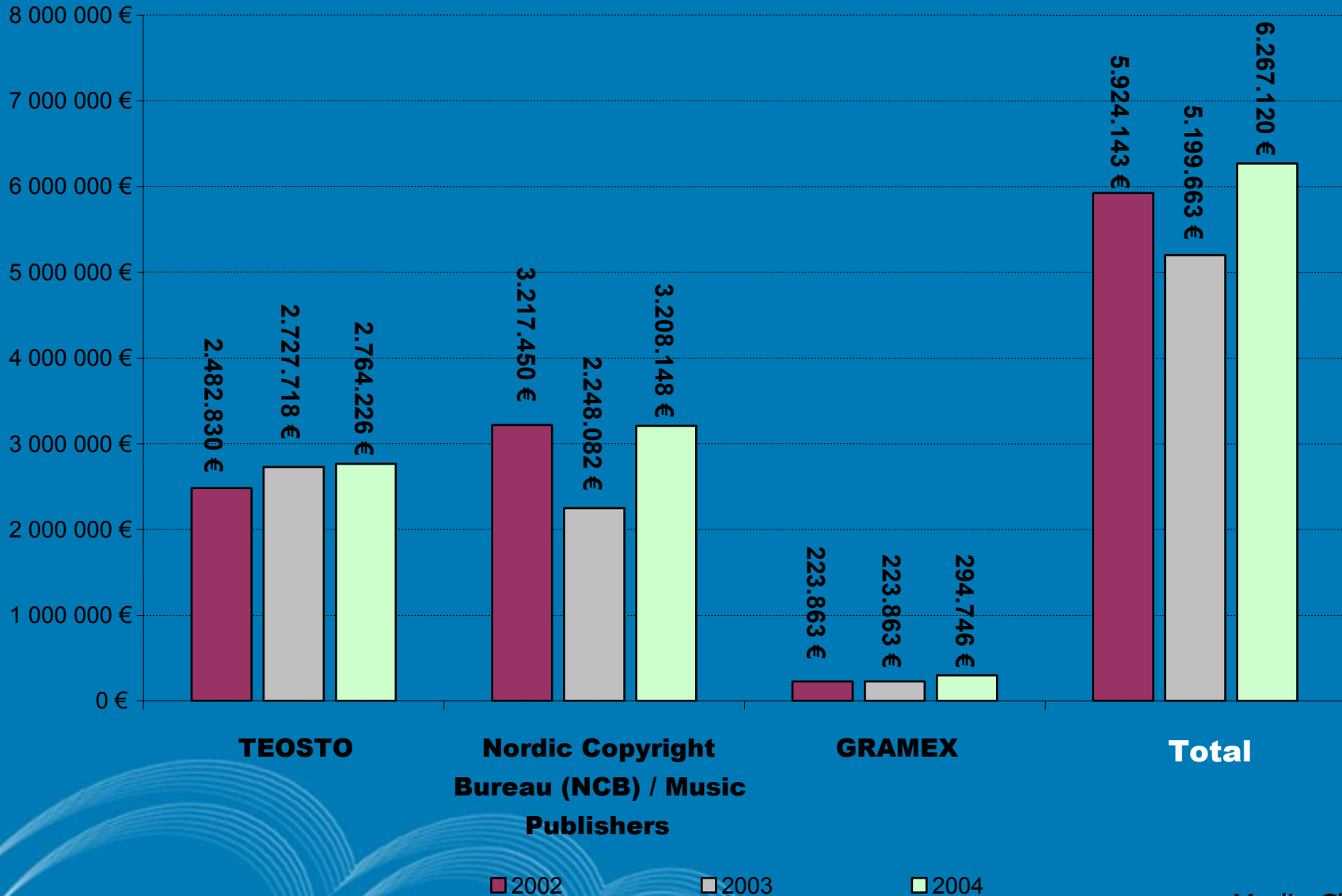
SALES OF GOODS



SALES OF SERVICES

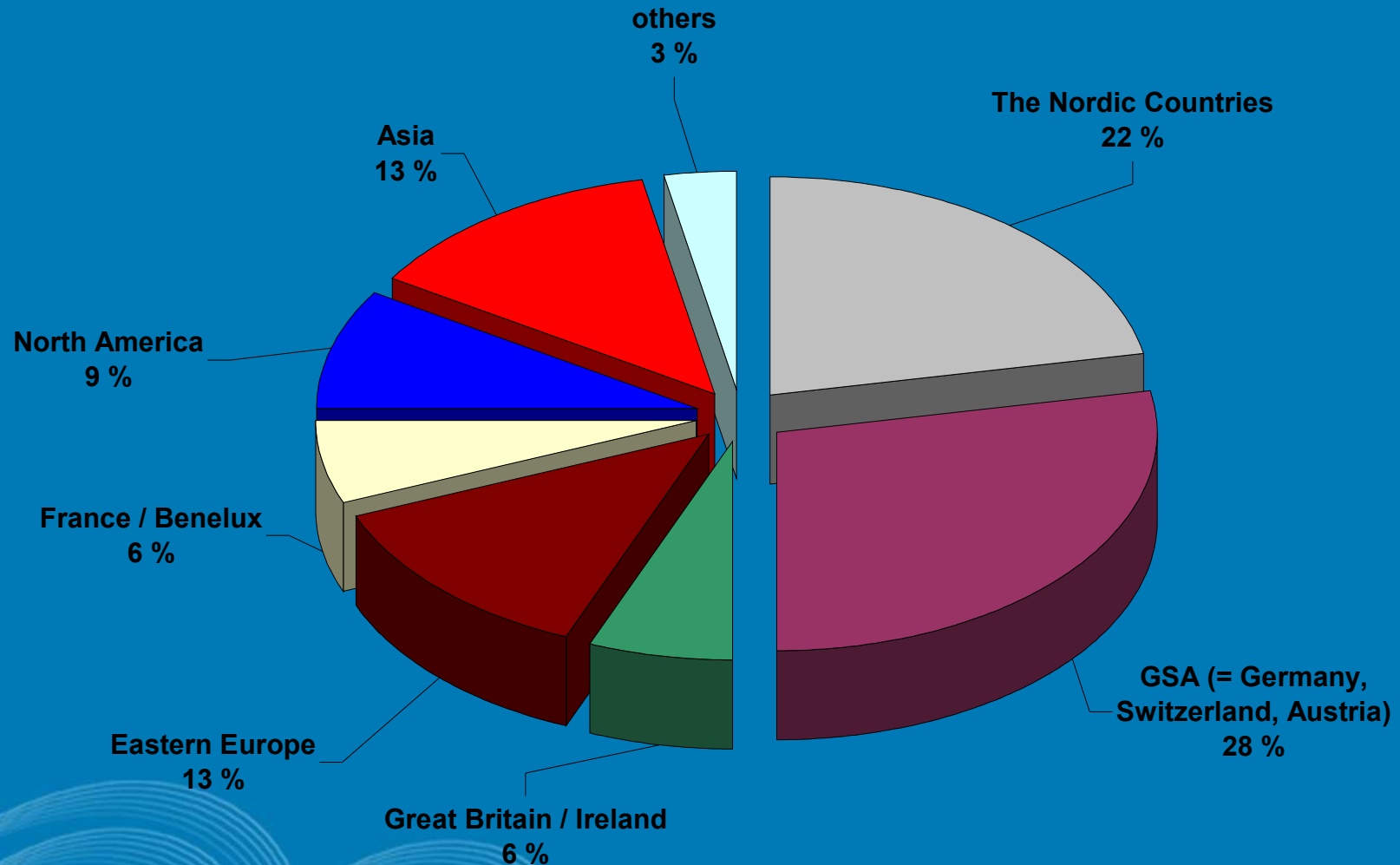


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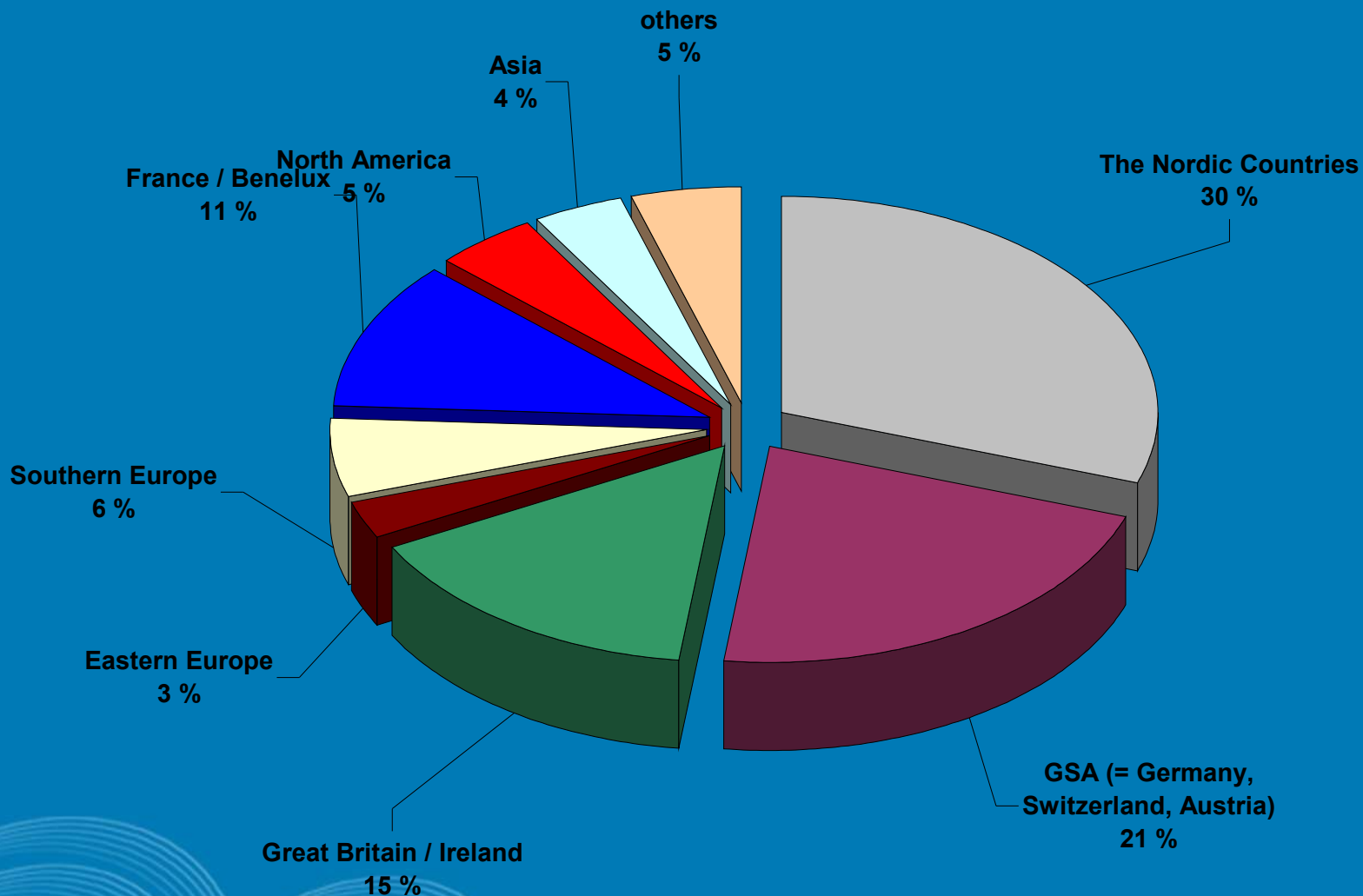
EXPORT MARKETS

- Goods and Services in 2004

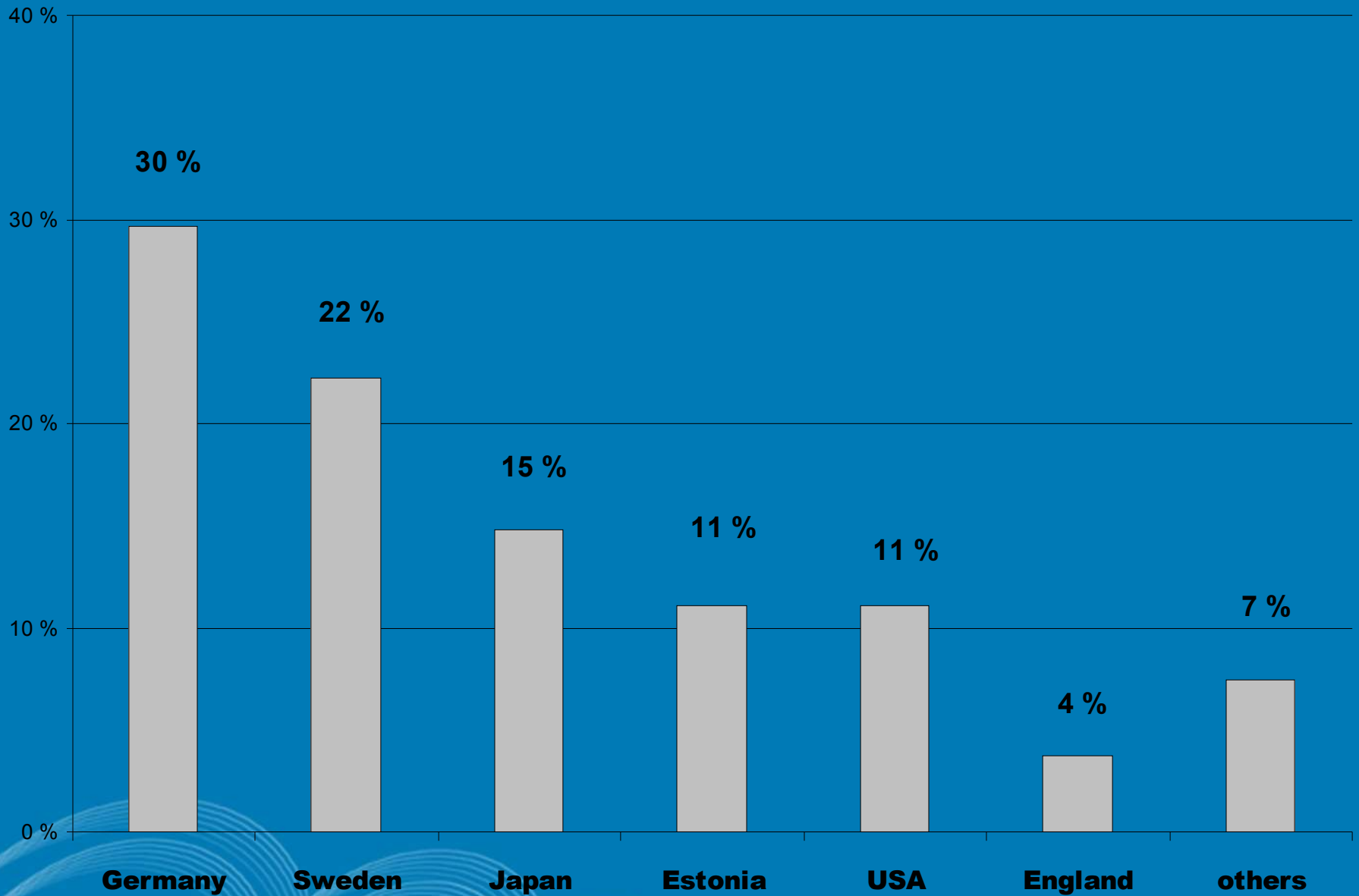


EXPORT MARKETS

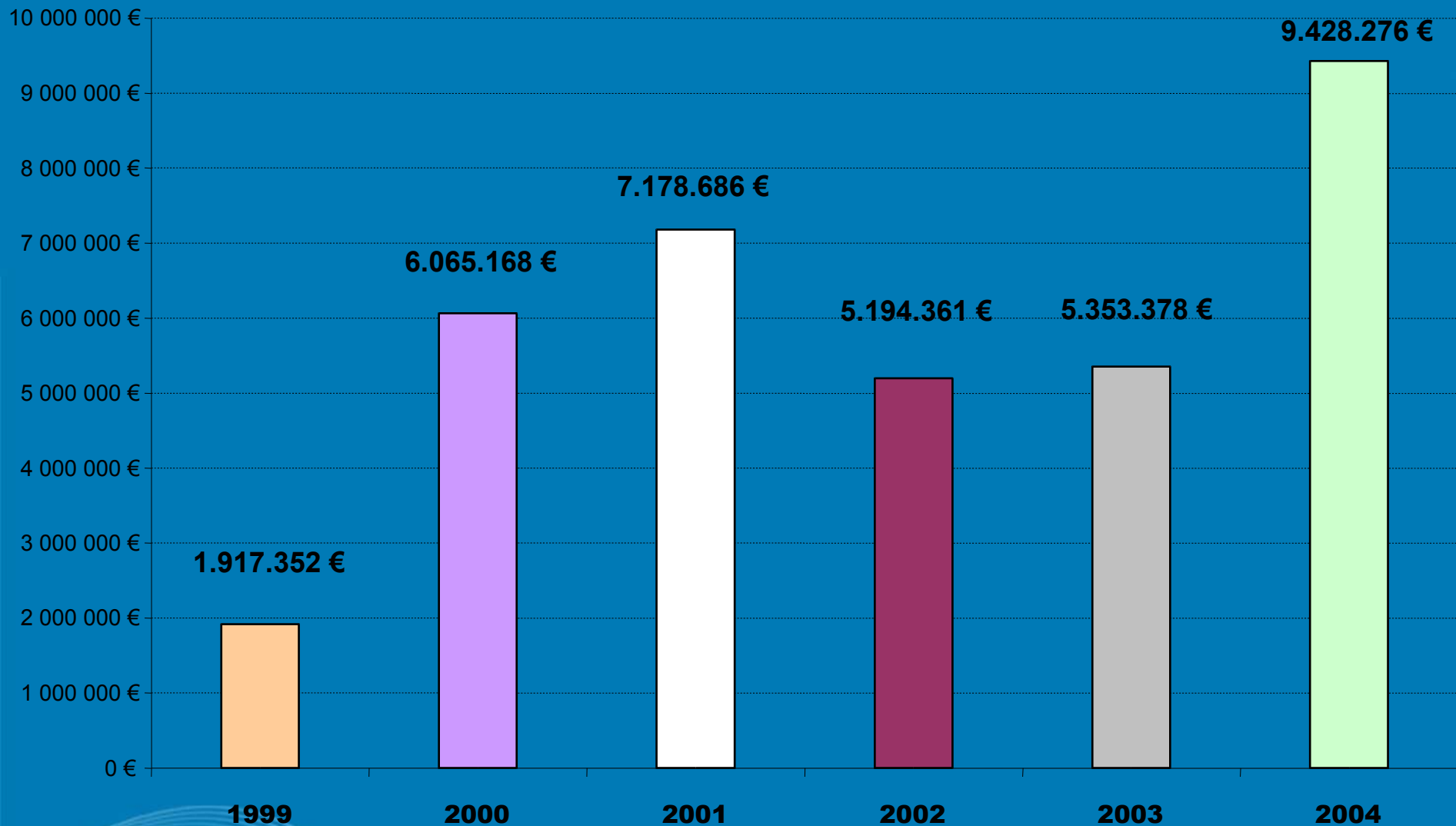
- Copyright Royalties in 2004



THE MOST IMPORTANT COUNTRIES FOR EXPORTS 2004

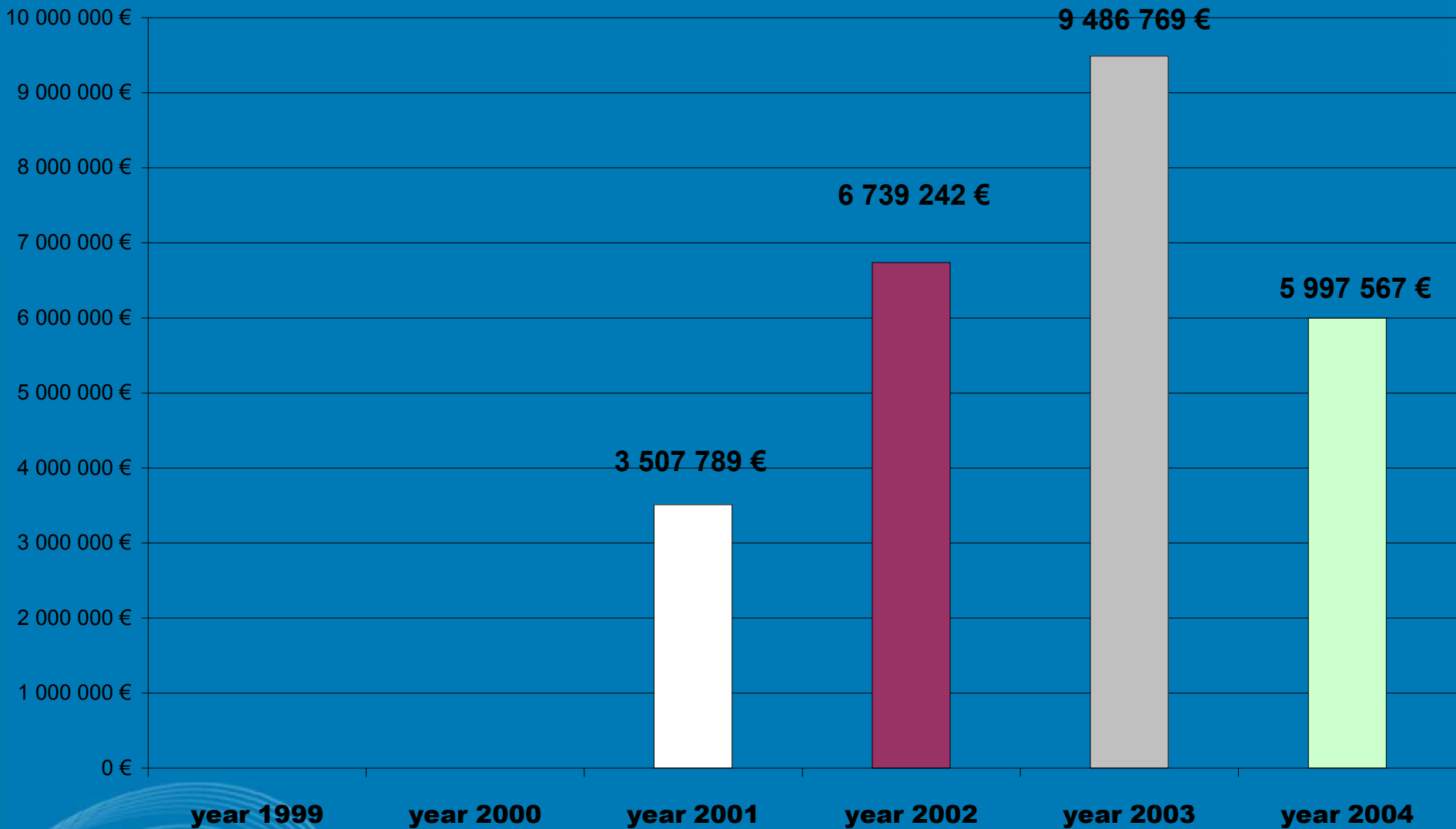


DEVELOPMENT IN SALES OF GOODS 1999-2004

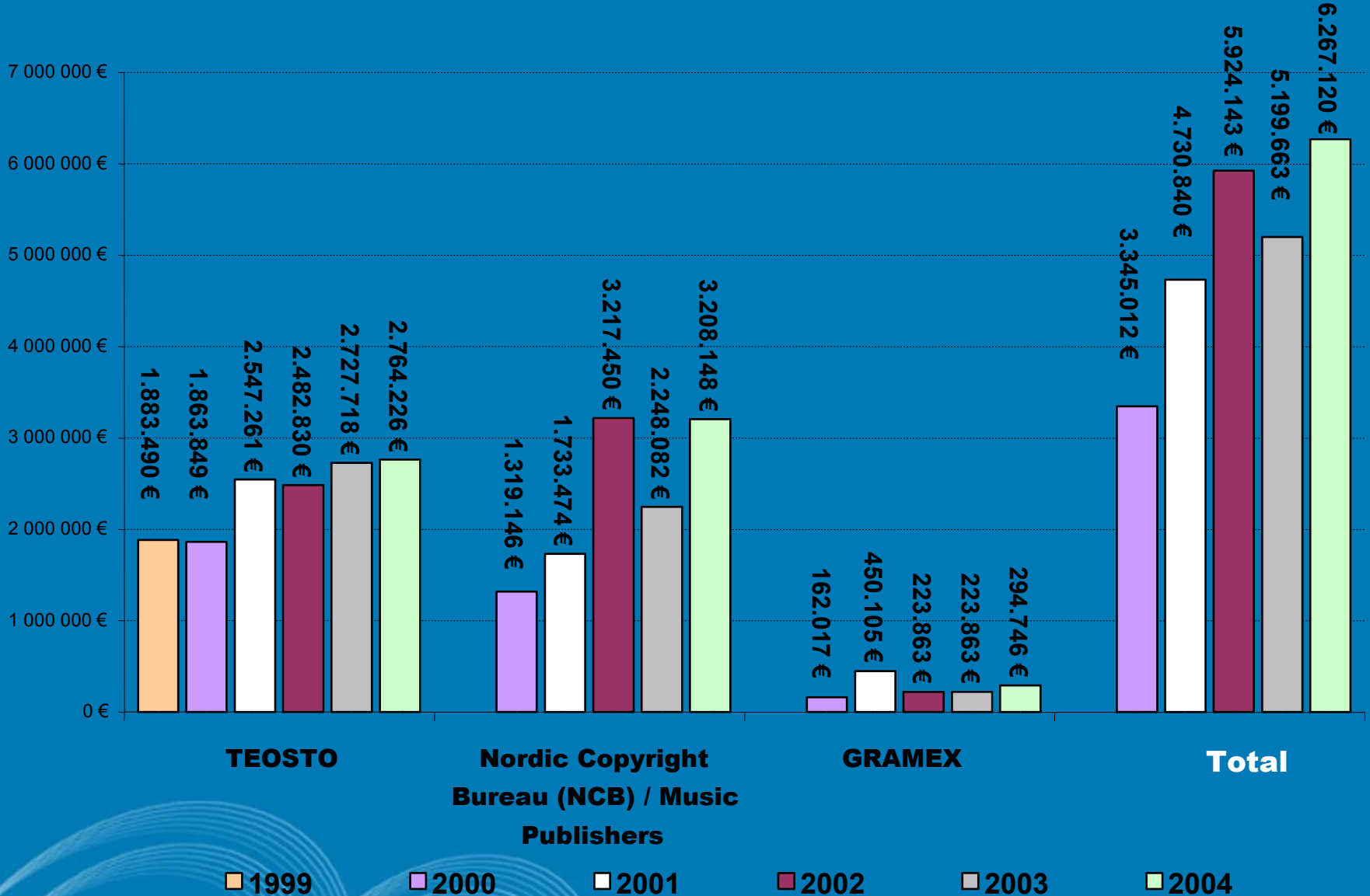


Gross income from exporting goods

DEVELOPMENT IN SALES OF SERVICES 2001-2004

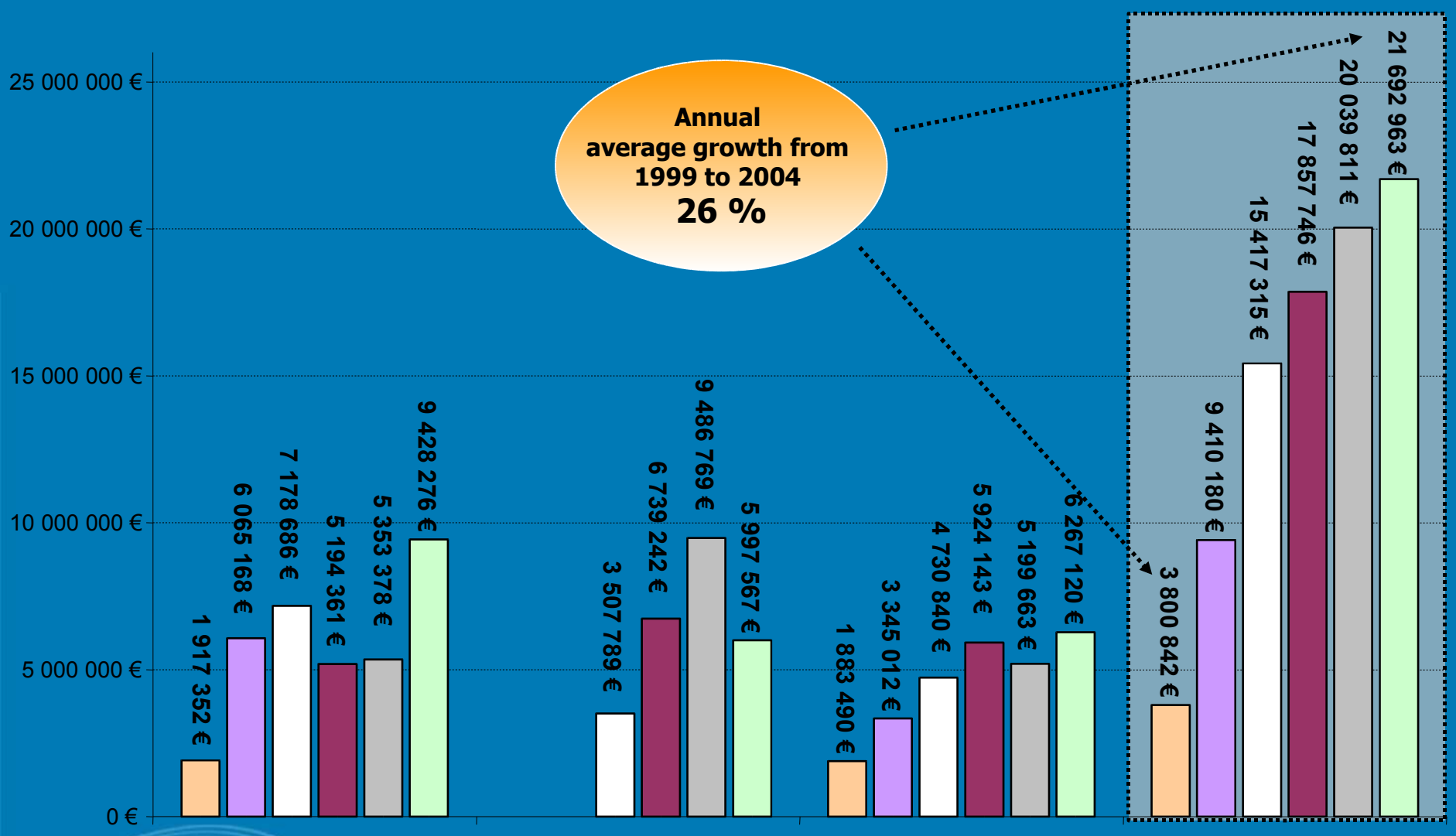


DEVELOPMENT IN COPYRIGHT ROYALTIES 1999-2004



DEVELOPMENT IN TOTAL MARKET VALUE 1999-2004

Annual average growth from 1999 to 2004 26 %



■ Gross income € in 1999
 ■ Gross income € in 2000
 ■ Gross income € in 2001
 ■ Gross income € in 2002
 ■ Gross income € in 2003
 ■ Gross income € in 2004