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ITEM 7

STATISTICS ON THE MUSIC SECTOR

MEETING OF THE WORKING GROUP ON CULTURE STATISTICS

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BECH BUILDING - ROOM QUETELET

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Purpose of the document

This paper focuses on one particular domain of the cultural sector – music sector. The interest in statistics on this specific sector is growing and the DG-EAC collaborates with the different actors (mainly the professional associations) to deepen the knowledge of it.

In this document, firstly, data on music sector available at Eurostat are presented and their limitations reported.

Secondly, a short section is devoted to the reflexion how and what to measure regarding music, based on the outputs from the workshop organised by DG-EAC in March 2016

The WG members are asked to:

- take note about the growing interest in statistics on music sector in Europe;
- take note of the data on the music sector available at Eurostat, and challenges met;
- comment and provide suggestions how to improve statistics on the music sector, in particular as concerns:
 - o indicators needed;
 - o possible future revision of the NACE classification for a better coverage and distinction of the music sector;
- exchange on national experience, if any, in statistics on the music sector.

1. Available data at Eurostat on the music sector

The advantage of Eurostat database is to offer to the users reliable and harmonised statistics. Below is an inventory of data collections including information on the music sector. All these surveys and datasets were not intended for cultural statistics purpose and presented data are only some pieces of information on the sector.

1.1. Employment

Eurostat data on employment come from the EU-LFS survey and may be analysed according to two statistical classifications: NACE (sector of economic activity) and ISCO (occupations).

Data on employment in the field of music are not publicly available in Eurobase (due to the high level of disaggregation needed); data presented below are the results of a specific extraction.

As concerns economic sector of activity, only the code 59.2 of the NACE Rev.2 - 'Sound recording and music publishing activities' - is totally relevant for the music sector. However, it is far from encapsulating the whole music industry (see section 2.1 below for details).

As concerns occupations, ISCO-08 code 2652 - 'Musicians, singers and composers' and code 7312 'Musical instruments makers and tuners' are entirely relevant for music.

However, those data are available with some limitations:

- at national level: even if sufficiently detailed ISCO digit-level is available, there are many reliability flags (due to small samples at that level of detail);
- at EU level, the reliability issue is generally solved. However, as delivery of data at 3-digits for NACE and 4-digits for ISCO is optional, not all countries are covered: for the reference year 2014, 17 countries provided data at both 4 digits for ISCO and 3 digits for NACE (20 countries provided 4 digits for ISCO).

Annex provides an overview of data extracted from the EU-LFS database (reference year 2014).

In addition, EU-LFS data can be broken down by some breakdown variables such as gender, age, educational attainment, full-time/part-time status, temporary/permanent contract, status (employee/self-employed), etc. But such a disaggregation would further increase the reliability issue mentioned above.

1.2. Business statistics

Enterprise data on NACE Rev.2 sector 59.2 ('Sound recording and music publishing activities') are available in Eurobase, in the Structural Business Statistics (SBS) domain. Again, this NACE sector is only a part of the music industry.

A short overview of data on this sector is provided in Annex, including three indicators:

- number of enterprises,
- value added at factor cost,
- turnover.

1.3. International trade in cultural goods

COMEXT provides data on international trade in musical instruments at 6-digit level. Further (more detailed) split at 8-digit is possible. Obviously, at national level the figures are low.

In addition, the trade data are available for recorded CDs, which are coded at 8-digit of Combined Nomenclature (code 8523 49 39). It should be noticed that this category covers mainly music but can also include other sound recordings such as audio-books, etc. Finally, concerts recordings (videos) are likely to be recorded on DVD's (Digital Versatil Discs) or even Blu-Ray's. The DVD's (code 8523 49 51) dedicated for music are however not distinguishable from movies and games for video games consoles.

The list of identified goods and available import/export data at EU level are provided in Annex.

1.4. International trade in cultural services

The source of this data in Eurostat is the database "Balance of payments" based on the international standards of the IMF Balance of Payments and International Investment Position Manual (BPM6).

It is not possible to statistically isolate and assess the value of the international trade in services related to music as the only BPM6 chapters/codes which include the music dimension (but cannot isolate it) are:

- SK1 Audio-visual services. This code includes:
 - production of motion pictures (on film, videotape, or disk or transmitted electronically), radio and television programmes (live or on tape) and musical recordings;
 - recording of live performances;
 - amounts receivable or payable for rentals of audio-visual and related products;
 - charges for access to encrypted television channels (such as those offering cable and satellite services)
Of which: audio-visual originals:
 - purchases and sales of ownership rights for entertainment such as radio and television broadcast originals, sound recordings, motion pictures, videotapes, television and radio programme originals, etc., over which legal or de facto ownership can be established by copyright.
- SK12 Services: Artistic related services. This code includes:
 - services provided by performing artists (actors, musicians, dancers, etc.), authors, composers and sculptors;
 - services provided by independent models as well as set, costume and lighting designers;
 - presentation and promotion services for performing arts and other live entertainment events (namely, live performances such as concerts and plays)

1.5. Cultural participation – AES and EU-SILC

In data coming from the AES (Adult Education Survey) or EU-SILC (EU Survey on Income and Living Conditions), no music activities/events can be distinguished in the variable on attendance to live performances as it includes theatre, music or dance spectacles altogether.

1.6. Cultural participation – use of ICT

The Community survey on ICT usage in households and by individuals provides some information about the activities/purchases related to music that people do through the internet.

However, in general, it is not possible to isolate the music dimension from others (such as films or games). The only exception can be found in the special module 2014 regarding the use of cloud services for 'saving and storing music through such internet services'. 'Listening to web radio' is also relevant for music, but includes other programmes (news etc.).

Annex provides data available regarding the use of cloud services for saving and storing music.

1.7. Private expenditure

In the data coming from the HBS (Household Budget Survey) and according to the classification COICOP, information on household expenditure can be extracted regarding musical instruments, equipment for the reception, recording and reproduction of sound and recording media.

'Equipment for the reception, recording and reproduction of sound' covers such goods as radio sets, CD-players and recorders, stereo systems and accessories like earphones or microphones etc.

'Recording media' encompasses both recorded and unrecorded media (tapes, cassettes, video cassettes, CDs, DVDs) for picture and sound. Some modifications have been proposed in the ongoing COICOP revision to make a distinction between recorded and unrecorded media. Unfortunately, because of the limitations of COICOP classification, it is impossible to distinguish only musical content in the category 'sound and picture'.

Finally, the category 'Cultural services' include cinemas, theatres and concerts together (no distinction of music events is possible).

In summary, the music dimension is included in the following COICOP codes:

- CP09111 Equipment for the reception, recording and reproduction of sound. This code includes:
 - radio sets, car radios, radio clocks, two-way radios, amateur radio receivers and transmitters,
 - gramophones, tape players and recorders, cassette players and recorders, CD-players, personal stereos, stereo systems and their constituent units (turntables, tuners, amplifiers, speakers, etc.), microphones and earphones.
- CP0914 Recording media. This code includes:
 - records and compact discs,
 - pre-recorded tapes, cassettes, video cassettes, diskettes and CD-ROMs for tape recorders, cassette recorders, video recorders and personal computers,
 - unrecorded tapes, cassettes, video cassettes, diskettes and CD-ROMs for tape recorders, cassette recorders, video recorders and personal computers,
 - unexposed films, cartridges and discs for photographic and cinematographic use.)
- CP09221 Musical instruments. This code includes:
 - Musical instruments of all sizes including electronic musical instruments, such as pianos, organs, violins, guitars, drums, trumpets, clarinets, flutes, recorders, harmonicas, etc.

Annex provides HBS data regarding the household expenditure on some music-related goods and services.

2. What and how to measure?

This section shortly presents the work done for the report published in 2009 by 'UK music' (an umbrella music trade body) and the conclusions of the DG-EAC workshop on the music sector held this year. The 'UK music' input notably addressed the need for a NACE revision, while the DG-EAC workshop dealt with general issues related to data collection for the music sector.

2.1. A need for revising the NACE classification

From the first section above, it is obvious that getting music specific data is highly dependent on the statistical classifications (i.e. NACE for employment and business statistics, COICOP for private consumption, etc.) and the way they isolate music-related categories.

The NACE shortcomings in terms of music statistics were examined, on the basis of some previous work done by UK music¹. In the UK, whilst employment data for NACE code 59.20 showed

¹ Improving SIC codes for the Music industry, UK Music, 2009.

employment levels of around 13 000² in 2014, industry estimates suggest that the music industry in the UK has a core workforce of around 100 000.

As a matter of fact, 'UK music' pointed out that music industry related activities may be located in many places in the NACE classification:

- 18.20. Reproduction of recorded media (including **music**, but also motion pictures and software);
- 32.2 Manufacture of **musical instruments**;³
- 47.59. Retail sale of furniture, lighting equipment and other household articles in specialised stores (including **musical instruments**);
- 47.63. Retail sale of **music** and video recordings in specialised stores;
- 59.20. **Sound recording and music publishing** activities (including recording of books on tape);
- 90.01. Performing arts (including **live music**, but also live theatrical presentations, circuses, lecturers, etc.)
- 90.03. Artistic creation (including **composers**, but also sculptors, painters, independent journalists, etc.)

To that list may be added the following two music-related activities:

- Videos based on musical content (video clips, live music video recording) classified under 59.1 'Motion picture, video and television programme activities';
- New ICT derived media and music on-line services such as Spotify®, possibly classified under 73.12 (this allocation should be clarified as national practices may differ)

As a result, 'UK Music' is proposing a new 3-digit code (e.g. labelled 90.2.) 'Music and music-related activities' with the following sub-codes:

- 90.21. Creation of musical compositions and sound recordings (currently in 90.03);
- 90.22. Activities related to live music performance (currently in 90.01);
- 90.23. Commoditisation of recorded and printed music (currently 59.20).

They however recognise that all musicians will not be caught yet, such as the 2000 musicians in the UK defence field and the 2500 in the technical and vocational secondary education.

- Two main issues should be underlined in the context of this proposal of the NACE revision:
- The next NACE revision is not yet planned. But the proposals for improvements may be already discussed. Nevertheless:
 - The revision of 'cultural codes' should be thought in the whole context of the cultural sector: a similar NACE amendment would be envisaged also for other domains such as film, theatre, etc., with sub-codes adapted to the specificities of every domain.

² DCMS, Creative Industries Economic Estimates, January 2014

³ A broader definition of the music industry might also consider the inclusion of 26.40. Manufacture of record players, microphones, amplifiers, loudspeakers, etc., as well as 33.19. Restoring historic musical instruments (e.g. organs) and 95.29. Piano tuning.

2.2. Indicators on music sector and how to provide them

On the recent workshop organised by the DG-EAC in March 2016, some national experiences were shared by: 'UK music', NOMEX in the Nordic countries (Music export Denmark, Music Finland, Iceland Music export, Music Norway, and Export Music Sweden), Germany and - at the European level - the European Jazz network.

What to measure?

Regarding information/statistics to be collected, participants of the workshop pointed out that the most important issues to be measured are 'consumption' - what music is listened where - and where the money goes. Diversity of repertoire and jobs and growth were also important issues to be addressed.

Most participants of the DG-EAC workshop agreed to elaborate the music sector needs for data. The list below was deemed as a good starting point:

- the composition of the music sector (SMEs etc.);
- sales and income;
- employment;
- gross value added;
- consumer behavior;
- circulation of the European repertoire;
- cultural diversity.

As an example, the German "2015 Music Industry report" includes some ideas of detailed breakdowns allowing better analysis of data. For example, private expenditure on music is broken down by consumption purpose: "music reception" and "music performance". The former is further detailed into categories "visiting pop/rock concerts", "visiting classic concerts, operas musicals", "buying music records" and "music download/ streaming". The latter distinguishes expenditure on music instruments, music books and musical lessons.

How to measure?

From the DG-EAC workshop, it came out that trust was a key component when collecting data, especially with big companies, less prone to share data than small players.

From a practical point of view, due to the large spectrum of the music's world, surveys may be administrated through different modules. For example, in the UK, several themes were identified (Recorded music, Music publishing, Live music, Music representatives, Recording studios and producers, and finally Musicians, singers, composers), each one with its own data source, that is existing bodies or a dedicated survey (for example, Live music and music tourism are assessed through the 'Wish you were here' survey). This multifaceted data collection is then compiled to get statistics on music industry as a whole.

The identification of the sources and relevant bodies was of high importance to ensure reliability of the data collected. To that regard, the European Union has recently adopted a Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights in musical works for online uses⁴.

⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0026>

It regards copyright protected contents, including books, audio-visual productions and recorded music, and services linked thereto, requires the licensing of rights by different holders of copyright and related rights, such as authors, performers, producers and publishers. In the workshop held in Brussels in March 2016 it was evoked that collective management organisations could be able to provide harmonised data in the sector.

In general, the preference expressed by the participants at the DG-EAC workshop was clearly in favour of updating /improving Eurostat and national statistical data collection systems on music as it would enable consistency, reliability and sustainability of the data collected and help paint a more correct picture of the music sector. Their second choice goes to the set-up of a European observatory for the music sector, or failing this, an independent platform.

Annex: Eurostat data on music sector

Employment in the music field

Employment figures from EU-LFS, in thousands (2014)

(main paid job, head count)

	based on ISCO		based on ISCO+NACE
	ISCO 2652 (Musicians, singers and composers)	ISCO2652+ISCO 7312 (Musical instrument makers and tuners)	ISCO2652+ISCO7312+NACE59.2 (Sound recording and music publishing activities)
EU ⁽¹⁾	242.135	257.894	302.370
BE	3.502u	3.795u	:
BG	:	:	:
CZ	4.747u	5.414u	7.708
DK	:	:	:
DE	69.310	75.119	101.441
EE	:u	:u	1.181u
IE	2.218u	2.218u	:
EL	:	:	:
ES	:	:	:
FR	31.965u	35.77u	42.188
HR	1.362u	1.362u	1.362u
IT	:	:	:
CY	:	:	:
LV	:	:	:
LT	:u	:u	:u
LU	:u	:u	:u
HU	5.230	5.334	5.586
MT	:u	:u	:u
NL	19.236	20.272	21.277
AT	7.188	8.422	9.012
PL	13.816u	14.677u	16.468
PT	:	:	:
RO	:u	:u	:u
SI	0.747u	0.941u	:
SK	2.585u	2.985u	2.985u
FI	5.878	6.456	7.441
SE	11.937	12.417	14.851
UK	54.429	54.429	63.420
IS	:	:	:
NO	5.218u	5.818	6.346
CH	8.509	9.400	10.166
MK	0.543u	0.653u	0.653u
TR	:	:	:

: data not available (insufficient nb of digits for ISCO and/or NACE)

:u data not publishable due to low reliability (too small sample), however included in the EU aggregate

⁽¹⁾ based on available Member States

Enterprises in the music industry

Indicators on enterprises in the music sector NACE 59.2 (Sound recording and music publishing activities), 2013, SBS data

	Number of cultural enterprises			Turnover or gross premiums written (million eur)			Value added at factor cost (million eur)		
	Total services	NACE 59.2	% of total services	Total services	NACE 59.2	% of total services	Total services	NACE 59.2	% of total services
EU28	10645700	25000 e	0.2	5693388	8001.5	0.14	2558729	3911.9	0.15
BE	297220	529	0.2	187103.8	101.4	0.05	75616.8	37.9	0.05
BG	121793	141	0.1	16255.3	11.6	0.07	6160.5	6.1	0.10
CZ	383028	1558	0.4	70898.9	60.7	0.09	24272.1	17.6	0.07
DK	116701	543	0.5	129223.6	108.2	0.08	51203.6	36.5	0.07
DE	1150137	1796	0.2	1085248	2339.5	0.22	537093.8	1587.7	0.30
EE	31390	91	0.3	11127.4	5.1	0.05	3759.7	1.7	0.05
IE	:	: u	:	116289.3	: c	:	:	:	:
EL	297405	230	0.1	43332.1	10.6	0.02	17730.9	4.4	0.02
ES	1097797	390	0.0	370840.5	201.3	0.05	170056.2	60.2	0.04
FR	1422707	5320	0.4	909534.6	1395.9	0.15	397842.8	460.5	0.12
HR	65326	113	0.2	15501.9	17	0.11	7306.6	4.4	0.06
IT	1613687	1121	0.1	546121.4	359.4	0.07	228129.1	99.3	0.04
CY	17452	18	0.1	7538.5	0.7	0.01	3465.6	0.5	0.01
LV	49520	67	0.1	11522.7	3.8	0.03	3885.7	0.7	0.02
LT	53401	37	0.1	13965.6	2.8	0.02	4459.1	0.7	0.02
LU	18480	23	0.1	25178.4	2	0.01	9876	1.2	0.01
HU	255176	387	0.2	48915.7	30.1	0.06	16292.6	6.5	0.04
MT	10157	: u	:	4867.4	: u	:	1984.5	: u	:
NL	565335	2310	0.4	305946.3	259.2	0.08	135252.1	86.3	0.06
AT	177711	681	0.4	145462.5	108.8	0.07	65725.6	39.9	0.06
PL	568298	781	0.1	127837.3	132	0.10	45276.8	37.4	0.08
PT	393890	381	0.1	60187.3	25.5	0.04	24240.4	12.4	0.05
RO	163872	277	0.2	37525.2	22.8	0.06	14846.7	5.2	0.04
SI	61713	118	0.2	14985.1	13.7	0.09	5454.7	1.9	0.03
SK	129576	212	0.2	26720.3	6.6	0.02	10889.7	2.3	0.02
FI	117392	619	0.5	76335.1	106.3	0.14	32861.8	38.4	0.12
SE	378990	4190	1.1	221993.6	563.5	0.25	89731	158.3	0.18
UK	1011550	2776	0.3	1062855	2028.5	0.19	539523.9	1176.9	0.22
NO	155550	622	0.4	152353.8	147.1	0.10	69862.7	34.5	0.05
CH	64443 d	108 d	0.2	217184.1	77.2	0.04	102583	41.1	0.04
MK	18357 p	26 p	0.1	:	0.4 p	:	:	0.2 p	:
TR	:	:	:	:	:	:	:	:	:
BA	:	:	:	:	:	:	:	:	:

International trade in music-related goods

International trade in musical goods, in thousands of euros, EU import/export from/to the rest of the world, 2007-2014

EXPORTS	2007	2008	2009	2010	2011	2012	2013	2014
CDs	223 467	194 108	151 823	142 833	134 570	125 211	109 290	95 356
Total musical instruments:	347 288	337 576	278 954	325 014	358 199	389 823	385 526	387 078
Accordions and musical instruments without keyboards	22 605	25 276	17 736	19 691	22 495	24 907	26 051	26 378
Brass wind instruments (i.e. clarinettes, trumpets)	29 716	30 659	33 317	33 039	35 296	42 382	39 834	42 123
Guitars and similar string instruments	30 518	28 926	22 638	26 521	27 919	31 145	29 067	28 102
Harpsichords and other keyboard stringed instruments	5 616	4 668	4 233	4 080	4 212	4 559	3 934	4 616
Keyboards instruments other than accordions	28 781	26 812	22 107	34 933	36 877	40 766	39 166	36 951
Percussion musical instruments (drums, xylophones, cymbals etc)	26 763	28 604	24 764	27 419	30 675	31 845	32 173	34 438
PIANOS (upright and grand)	89 648	84 026	60 015	74 991	85 498	93 170	98 232	103 604
Violins and harps (played with a bow)	26 808	25 770	22 226	25 008	28 594	31 197	26 984	26 400
Wind musical instruments (excl brass-wind instruments)	86 832	82 835	71 917	79 334	86 633	89 851	90 086	84 467
Total music	570 754	531 684	430 777	467 847	492 769	515 034	494 816	482 434
Total cultural goods	11 263 770	10 534 831	8 561 477	9 696 712	10 642 591	12 300 410	12 379 953	12 698 411
TOTAL TRADE	1 234 482 107	1 309 147 206	1 093 961 326	1 353 196 202	1 554 179 711	1 684 260 642	1 736 272 433	1 702 063 046

IMPORTS	2007	2008	2009	2010	2011	2012	2013	2014
CDs	80 347	73 711	65 297	50 163	51 079	38 134	36 079	34 285
Total musical instruments:	757 336	881 611	770 003	851 549	822 252	818 290	714 232	766 062
Accordions and musical instruments without keyboards	182 112	186 439	195 542	191 420	187 861	176 118	151 282	161 267
Brass wind instruments (i.e. clarinettes, trumpets)	44 795	47 821	40 880	43 263	37 712	39 203	37 374	41 267
Guitars and similar string instruments	96 637	115 207	113 236	128 271	136 075	139 924	122 367	132 359
Harpsichords and other keyboard stringed instruments	4 006	3 974	3 350	5 368	3 071	3 300	1 918	1 697
Keyboards instruments other than accordions	160 666	229 501	167 930	207 672	187 531	205 719	173 293	198 358
Percussion musical instruments (drums, xylophones, cymbals etc)	93 901	96 111	82 717	88 500	84 400	74 621	61 200	69 756
PIANOS (upright and grand)	102 982	115 398	88 090	105 424	107 442	95 813	91 541	85 964
Violins and harps (played with a bow)	14 574	16 570	16 068	17 119	15 129	17 576	15 591	16 832
Wind musical instruments (excl brass-wind instruments)	57 663	70 589	62 190	64 512	63 029	66 016	59 666	58 563
Total music	837 683	955 321	835 300	901 712	873 331	856 424	750 311	800 348
Total cultural goods	12 354 012	12 603 053	10 111 044	9 885 550	10 476 405	11 165 445	9 510 604	10 707 677
TOTAL TRADE	1 450 339 688	1 585 230 726	1 235 636 211	1 529 387 141	1 726 698 413	1 795 069 666	1 684 162 155	1 688 728 393

ICT use in connection with music

Percentage of persons using cloud services to store or share music (% of individuals aged 16+ who used the internet in the last 3 months), 2014

EU-28	10.1		
BE	9.9	HU	8.2
BG	13.7	MT	14.1
CZ	3.6	NL	13.7
DK	13.8	AT	9.3
DE	5.5	PL	4.3
EE	8.7	PT	13.8
IE	14.7	RO	9.6
EL	7.2	SI	8.5
ES	13.4	SK	8.0
FR	8.5	FI	4.6
HR	7.9	SE	12.1
IT	10.8	UK	18.5
CY	8.6	IS	11.6
LV	8.6	NO	14.0
LT	6.0	CH	14.1
LU	13.7	MK	11.9

Private expenditure on music-related goods and services

Household expenditure on music-related goods and services, as a percentage of expenditure on cultural goods and services (2010)

	Musical instruments	Equipment for the reception, recording and reproduction of sound (including earphones)	Cinemas, theatres, concerts
BE	1.3	1.9	8.0
BG	0.0	0.2	3.0
CZ	0.7	1.5	8.8
DK	1.3	3.1	7.0
DE	0.0	2.9	7.7
EE	1.3	1.2	9.8
IE	1.5	2.9	8.7
EL	0.3	1.1	9.7
ES	0.9	1.2	12.7
FR	1.1	1.9	7.5
HR	0.2	0.3	5.7
IT	0.5	0.7	9.7
CY	1.1	0.7	7.3
LV	0.6	0.4	8.7
LT	0.3	3.0	10.4
LU	2.9	3.8	4.9
HU	0.2	1.0	5.2
MT	0.8	2.4	7.1
NL			
AT	1.9	2.6	10.4
PL	0.4	1.4	3.5
PT	0.5	0.4	16.8
RO	0.0	0.9	2.3
SI	2.4	1.0	2.2
SK	0.2	1.2	4.8
FI	1.8	3.4	6.7
SE	1.9	2.3	6.9
UK	0.8	3.7	8.3
ME	0.0	0.3	1.4
MK	0.1	1.0	4.2
TR	0.6	0.6	3.6