

This is the NMPA's 7th annual survey of music publishing revenues. It was produced with the help of 51 countries who provided information about their music publishing revenues in 1996.

Collectively the 51 reporting territories collected \$6.22bn in royalty payments in 1996. This represents a rise of 0.3% on the music revenues of 1995. As can be seen from the table below this represents the lowest growth rate in the last five years.

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MUSIC PUBLISHING REVENUES 1992 - 1996 (\$M)*

1992 (43)	4,718.2	
1993 (48)	5,033.2	(+6.7)
1994 (58)	5,837.8	(+16.0)
1995 (57)	6,208.7	(+6.4)
1996 (51)	6,224.5	(+0.3)

* The figures in brackets in the first column are the number of reporting territories that year. The figures in brackets in the third column below are the percentage changes on the previous years.

However, the table also shows that over the five-year period music publishing revenues have risen 32%. In part, of course this is due to the greater number of reporting countries (up from 43 in 1992 to 51 in 1996). Two further reasons are the growing general acceptance of copyright in areas of the world where previously payment for the use of music was rare, and the growing professionalism of the newer collection societies. This is particularly noticeable with regard to performance-based income. The 13% growth in royalties from the use of music on radio, to \$581.12m, and the 9% growth in royalties from the use of music terrestrial, cable and satellite television, to \$915.27m, are almost entirely due to growth outside the leading markets. As a result music-publishing revenues are slowly rising in these regions.

In confirmation of this the music publishing revenues of the top five territories (US, Germany, Japan, France and the UK) now account for a smaller percentage of total music publishing revenues. In 1994 the top five represented 71% of music publishing revenues; in 1995 this fell to 69% and in 1996 it fell further to 68%. The same trend can be seen if one looks at the music publishing revenues of the top ten territories between 1994 and 1996. In 1994 the top ten represented 88%, in 1995, 87% and in 1996, 86%. Further proof of this trend can be seen in that in 1996 the European Union's share of global music royalties fell from 1995's 55.8% to 52.3%.

A major cause of the reduced growth rate of music publishing revenues in 1996 was the strength of the US dollar. Because the survey details are reported to the NMPA in US dollars, they are subject to currency fluctuations. As can be seen from the table below of the changes in the value of the Top 10 countries surveyed, which together accounted for 86% of the world's publishing revenues in 1996, most currencies fell in value against the dollar.

With this in mind this year we have also published a table of the music publishing revenues of all the territories surveyed at flat exchange rates, rather than just a table of the leading territories as last year. This table can be found on page 9. Based on flat exchange rates, which partially eliminate fluctuations in exchange rates when comparisons are made between years, global publishing revenues rose 4.8% in 1996. The different positions of Switzerland on the two

tables, (12th on the master table and 10th on the flat exchange rate table) is a reflection of the 15% fall in value of the Swiss Franc against the dollar in the 1995 - 1996. This is also the reason why Argentina, which was placed 9th in 1994, fell to 12th on the master table in 1995.

The 0.3% growth rate in music publishing revenues is remarkably close to the 0.4% rise in world soundcarrier sales from \$39.62bn to \$39.77bn in 1996, as reported by international record industry associations IFPI. Because of the significant strength of the dollar against most other currencies, in 1996 IFPI for the first time published a weighted currency growth rate for soundcarrier sales. At 5.5% this is very close to the flat exchange rate growth of 4.8% reported by the NMPA for global music publishing revenues.

There was one notable area of growth in 1996. In 1994 music publishing revenues in Southeast Asia



Country	Exchange rate 29/12/95	Exchange rate 27/12/96	
US	1.0	1.0	(0)
Germany	0.6985	0.6433	(-8)
Japan	0.0093	0.0080	(-14)
France	0.2298	0.1906	(-17)
UK	1.5473	1.6813	(+ 9)
Italy	0.000631	0.000654	(+ 2)
Netherlands	0.6238	0.5732	(-9)
Austria	0.9930	0.9146	(-8)
Spain	0.0087	0.0076	(-13)
Canada	0.73319	0.73313	(-0)

NMPA EXECUTIVE SUMMARY

MUSIC PUBLISHING REVENUES IN THE MAJOR TERRITORIES OF SOUTHEAST ASIA

1994 -1996 (\$m)*

COUNTRY	1994	1995	% Change	1996	% Change
China	0.47	0.35	-26	0.80	+ 129
Hong Kong	11.63	13.89	+ 19	14.01	+ 1
Indonesia	0.82	0.98	+ 20	1.59	+ 62
Philippines	0.16	0.26	+ 63	0.55	+ 112
Singapore	2.14	3.10	+ 45	3.49	+ 13
South Korea	22.44	24.40	+ 9	24.42	+ 0
Taiwan	1.79	2.07	+ 16	1.59	-23
TOTAL	39.45	45.05	+ 14	46.45	+ 3

* The Indian sub-continent and Japan are excluded from this table as are Malaysia and Thailand, which did not report revenues in 1996. The music publishing revenues for the two territories were \$2.8m and \$0.03m respectively in 1995.

MUSIC PUBLISHING REVENUES IN THE MAJOR TERRITORIES OF EASTERN EUROPE

1995 -1996 (\$m)

COUNTRY	1995	1996	% Change
Bulgaria	0.09	0.09	0
Czech Republic	2.14	3.44	+ 61
Croatia	0.99	1.25	+ 26
Hungary	11.59	13.07	+ 13
Poland	17.27	15.22	-12
Russia	2.88	2.81	-2
Slovak Republic	0.50	1.83	+ 266
TOTAL	35.46	37.65	+ 6

PUBLISHING REVENUES IN THE MAJOR TERRITORIES OF LATIN AMERICA

1995 -1996 (\$m)

COUNTRY	1995	1996	% CHANGE
Argentina	92.46	85.92	-7
Brazil	62.91	63.22	+ 0.5
Chile	5.53	5.56	+ 0.5
Mexico	11.53	15.68	+ 36
TOTAL	172.43	170.38	-1

were \$39.45m. In 1995 this rose 14% to \$45.05m (see table at left). In 1996 music publishing revenues rose again, by 3% to \$46.45m. While this only represents 0.75% of global publishing revenues, the underlying pattern is of growth as broadcasters, promoters and record companies become accustomed to paying royalties for the use of music copyrights.

The importance of the growth in music publishing revenues in Southeast Asia is seen if one compares the progress made in that region to Eastern Europe and Latin America (see tables at left).

At \$37.65m the value of music royalties collected in Eastern Europe was lower than that collected in Southeast Asia. More significant is the underlying growth pattern. In 1995, the region experienced a 73% growth in music publishing revenues, from \$20.47m to \$35.46m. In 1996 the region saw music publishing revenues rise 6% to \$37.65m. It is likely that growth will continue for music publishing revenues in 1997. This is because there has been a continued expansion of commercial broadcasting in the region. A further indication of growth is that in 1997, a year when global soundcarrier growth was very small, the three major markets in the region (Hungary, Poland and Russia) reported double-digit growth rates, according to international record industry association IFPI.

The same is true of Latin America with the proviso that the broadcast royalties collected are still likely to be far lower than they should be (see separate country profile on Brazil). As in 1995, the region accounted for just under 3% of world music royalties.

CHART 2 Total Revenues by type

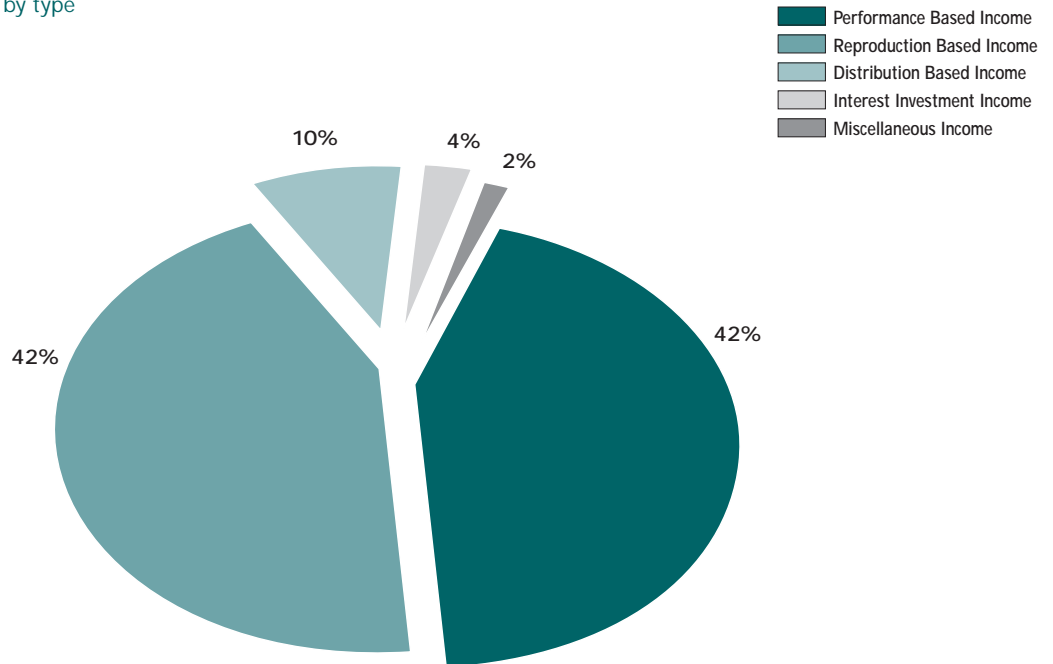


CHART 3 The Leading Countries

