



THIS IS MUSIC

2022





Sam Fender | Niall Lea ©

Contents

Introduction	
Jamie Njoku-Goodwin UK Music Chief Executive	4
The Figures	10
The Impact of the Pandemic on Live Music In 2021	
Timeline	12
Key Events	13
The Story	
Overview	16
Musical Composition	18
Recorded Music	22
Live Performance	24
Brand & Image	26
The World	28
The People	30
Case Study	
Wolf Alice	32
A Vision For Music	40
Methodology	47
Acknowledgements	46

Introduction



Jamie Njoku-Goodwin
UK Music Chief Executive

2021 was an emotional rollercoaster for the UK music industry. The misery of the first few months of the year following the Christmas lockdown, where it felt like there was no light at the end of the tunnel; the hope generated by the surging vaccination programme and the eventual publication of a Roadmap to Reopening; the crushing blow of that Roadmap then being delayed; the relief and joy for millions of people when restrictions were finally lifted; the challenge of coaxing nervous fans back into event spaces which had spent the previous 18 months dubbed as “high risk”; and then finally, just when we all hoped COVID-19 was in the rearview mirror, the Omicron variant plunging us back into chaos, with the public health messaging placing our industry into a lockdown in all but name.

The result was that the restrictions which devastated our industry in 2020 continued to be imposed for the better part of 2021 too – and even in the few months when events were allowed to take place, the lingering uncertainty coupled with low consumer confidence made it incredibly difficult to mount a proper recovery.

As this report sets out, it has left an industry which is desperate to rebuild, but which is in a fragile and precarious position.

Our workforce has been demoralised and decimated. The UK has a long history of producing world class musical talent over centuries, and the industry relies on a constant flow of performers, songwriters and composers, crew and technicians. But musicians were among those hit hardest by the pandemic. Unable to work, unable to perform, often unable to access economic support, a third of the workforce left the sector in 2020 – most of them freelance musicians. The

fact that tens of thousands of them have still not returned should worry policymakers and the public alike.

On top of this, the live sector is still seeing the impact of the pandemic. Many businesses and venues barely survived the lockdowns, yet now have to contend with increased VAT, soaring costs and rampant inflation at the same time as they seek to win back audiences.

The last few years have shown how effective organisations across the music industry can be at coming to the aid of the sector at times of crisis and I have no doubt that this will continue whatever challenges the future holds.

Meanwhile, it’s welcome that the recorded sector is continuing to grow, and we should be incredibly proud that the UK is one of the biggest net exporters of music on the planet. But with increasing global competition, we cannot take that position for granted.

The mission for our industry is not just to recover and rebuild, but to ensure we cement our place as a world leader in music. This is important not only for our industry, but for the country as a whole.

Because although the pandemic was an awful time for our industry and those working in it, it was also a period where we saw just how important music is to people. Live music was one of the things we missed most during those miserable lockdowns, while listening to recorded music was what got many of us through those difficult times.

Music matters to millions of people across our



ENNY | Timothy Spurr ©

country. It is at the heart of our cultural fabric, part of our heritage and core to our national identity. It is something we should value and cherish, and protect at all costs.

So this report doesn't just recount the challenges the UK music industry faced over the course of 2021 – it also sets out the path we need to follow to rebuild the industry that was so devastated over the pandemic.

First, we must protect and promote British music at home and abroad. That means upholding a gold standard of copyright and intellectual property protections, so creators and rights holders are paid properly for their work. We must also reduce the red tape that musicians and crew are facing when trying to work in the EU post-Brexit. And we should boost funding for the music export support programmes that do so much to champion British music around the world.

Second, we should actively incentivise investment in the UK music market. Sectors like film and gaming are seeing the huge benefits of government-backed tax reliefs, which stimulate activity, create jobs and boost growth. Other countries are introducing fiscal incentives for music production - but not the UK. Not only does this mean we are missing out on a huge opportunity, it also puts us at a competitive disadvantage internationally.

Third, we should protect our musical infrastructure by supporting music spaces across the UK. After battling for their survival through the pandemic, cash-strapped venues, concert halls and studios are

now facing unprecedented pressure as a result of inflation and rising energy costs. A return to the 5% VAT rate is essential to give them the chance to recover and rebuild.

We must do more to support careers in the industry and build the skills base. The future of the sector relies on a strong talent pipeline, and so it is imperative that we reverse the worrying decline that we've seen in music education over the past decade. With tens of thousands of people having left the industry during the pandemic, this agenda is more important than ever.

Ultimately, we should support music to deliver for society. Music brings huge benefits to our country – not just for our economy, but for our sense of identity, for our soft power, for our local communities, and for our collective health and wellbeing. There are a range of policy interventions that can support and supercharge these positive broader social and economic impacts. Government should be bold and harness the extraordinary power of music to transform lives and change our country for the better.

For all the challenges our industry faces, there are huge opportunities too. With the right action, we can make the UK the best place in the world to create, produce, perform and enjoy music.

The tools to achieve this are within Government's grasp. If we want to keep the UK world-leading, it's vital that we act now.



Nish | Sachin Patel ©



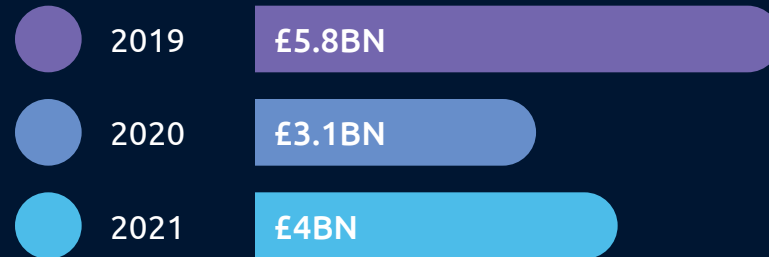
Lava La Rue (Marathon Artists) performing at the AIM Independent Music Awards | Sarah Louise Bennett - AIM ©



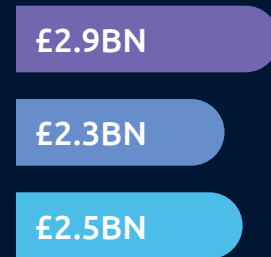
The Figures

In 2021 GVA increased 26% to £4 billion, but was still 31% down from £5.8 billion in 2019

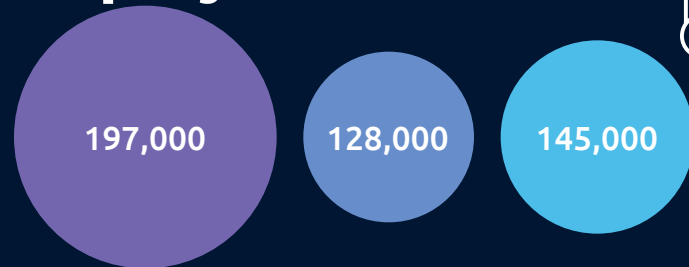
GVA



Exports



Employment



In 2021 employment was up 14% to 145,000, but still 26% down from 197,000 in 2019

In 2021, the music industry contributed £4 billion to the UK economy in terms of Gross Value Added (GVA) - an increase of 26% on 2020. However, this was still 31% down on the £5.8 billion the industry contributed in 2019 pre-pandemic.

That year, recording studios stayed open, however, they operated under strict COVID-19 protocols, and the continued enforcement of global travel restrictions meant that many international clients stayed away.

Live music eventually returned, but not until mid-summer of 2021 and was disrupted again due to the Omicron variant. There were still many challenges, such as COVID-19 outbreaks among artists and their road crews, which led to cancellations, and lower attendance at some live events, but the industry managed to make the most of the relatively short window to herald the return of live music. Even in the first quarter of 2022, many shows rescheduled, owing to the lingering impact of the Omicron variant.

Recorded and publishing-related income remained strong, with substantial increases in both streaming and vinyl revenues and a recovery in synchronisation (sync) income.

Exports grew 10% to £2.5 billion but were still down 15% from 2019's £2.9 billion. A lack of international touring, Brexit-related barriers, and a lack of music tourists visiting the UK have restricted export recovery. Nevertheless, recording and publishing export income continued to grow during 2021, even in the face of increased global competition. In a post-Brexit world, ensuring that

trade agreements protect and support recording and publishing income for music creators and rights owners alike will be crucial to sustaining future growth.

Employment improved year-on-year, up 14% to 145,000 in 2021, but was still 26% lower than 197,000 in 2019. Music creators and live music workers experienced the greatest decline in employment and while both sectors are recovering, there is a long way to go.

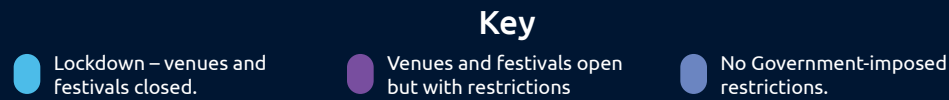
Those who could access government schemes, such as the Self-Employment Income Support Scheme (SEISS), were well placed to return to work once live music resumed at the end of July. Many industry organisations provided hardship funds to support those most vulnerable, but those who fell through the cracks either retired, retrained, or sought alternative employment in other sectors.

We anticipate that employment will recover further during 2023, but some individuals may have left the industry for good. There are skills shortages in some areas, for example, freelance crew and musicians, and a lack of access to a European workforce to plug the gaps for UK based events.

The recovery has begun, but there is still a long way to go. The British music industry cannot take anything for granted in rebuilding and ensuring that it retains its place as a leader in the global music market.

The Impact of the Pandemic on Live Music In 2021

Timeline



England

England went into lockdown from January 4. Restricted live music returned on May 14, and most restrictions were lifted on July 19. The music industry had six weeks of activity over the summer, before the Omicron wave hit the UK.



Scotland

Scotland went into lockdown from January 4. Restricted live music returned on April 26, and most restrictions were lifted on August 9. COVID-19 passports were introduced on October 18 for live indoor events over 500 capacity.



*based on national legislation, not regional restrictions.

Wales

Continuing lockdown in 2021, restricted live music returned to Wales on May 27 and most restrictions were lifted on August 7. COVID-19 passports were introduced on October 17 for indoor live events with a capacity of over 500.



Northern Ireland

Northern Ireland went into lockdown on January 8. Restricted live music returned on July 5 and concerts were allowed from July 27. Social distancing restrictions ended on September 30 for many indoor venues. COVID-19 passports were introduced on November 29 for indoor live events with a capacity of over 500.



Key Events

January

- The Department for Digital, Culture, Media and Sport (DCMS) Select Committee holds evidence sessions for its Future of UK Music Festivals inquiry and UK Music releases the Let The Music Play: Save Our Summer report calling for support to ensure festivals can happen in the summer. Top of the list for the industry – an insurance scheme.

February

- The UK Government releases its roadmap out of lockdown, which laid out a plan for England to get back to a more normal life without restrictions.

May

- The BRIT Awards and Sefton Park pilot live music events take place as part of the Government's Events Research Programme.
- Live At Worthy Farm virtual event takes place, as Glastonbury is cancelled for the second year.

July

- Many festivals take place over the summer, but many are cancelled due to not being able to get insurance in time.

September

- COVID-19 Live Events Reinsurance Scheme is launched.
- On-going issues for the music industry around audience hesitation and staff shortages and band cancellations due to self-isolation.
- The Government's Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme come to an end.

December

- The Omicron wave hits the UK. NHS COVID-19 Passes become mandatory in nightclubs in England and are already in use in Wales, Northern Ireland and Scotland.
- Chancellor Rishi Sunak announces additional economic support to help businesses in the leisure and hospitality sector that have been most impacted by the Omicron variant.
- Nightclubs closed in Northern Ireland, Wales and Scotland in response to the Omicron variant and social limits reintroduced for events.



Creamfields Festival 2021 | Anthony Mooney ©

The Story

Overview

The music industry began to recover in 2021, but while the numbers show some improvement, there is a long way to go for the industry to return to pre-pandemic levels. It is also clear that the recovery is not linear but more complex and drawn out.

Many people have wondered where the music industry would be now if the pandemic had not happened. This is a complicated question to answer, especially when considering the compound impact of delayed release schedules, tours, and pipeline income.

While it is difficult to put a figure on where the industry might have been had the pandemic not happened, we can be reasonably confident that the value of the industry would have been comfortably in excess of £6 billion in 2020. This was evident at the beginning of that year, given the live activity planned for the year ahead alongside intellectual property-related income, which continued to grow. It is likely the industry would have, at the very least, remained around that level in 2021.

The other significant factor to consider was Brexit. The UK formally left the European Union on January 31, 2020, immediately before the COVID-19 pandemic hit the UK, although the transition period ended on December 31, 2020, meaning the new rules only came into effect on January, 1 2021.

This has meant that the UK music industry has had to manage its recovery from the pandemic while the UK is in the process of redefining its relationship with the EU and striking trade deals

elsewhere around the world. The EU has for many years been the UK music industry's largest overseas market. This is true across all income streams, but especially for live performance.

2021 saw continued strong growth in recorded and publishing income – driven by streaming and vinyl, as people continued to enjoy music in their homes, and live music started to return. However, growing international competition is such that we cannot take anything for granted. For instance, recorded music was the strongest growth sector in the UK music industry in 2021. But, according to IFPI and BPI figures, growth in the UK recorded music sector lagged other major markets. The UK recorded music market grew by 13.2% in 2021,¹ but was less than the overall growth in the global recorded music market, which grew by 18.5% over the same period. The biggest growth came from emerging markets such as Latin America, the Middle East and North Africa, but some established markets outperformed the UK in terms of growth. The USA grew by 22.6%, Europe grew by 15.4% (including the UK), and Asia grew by 16.1%. The UK recorded sector is growing, but our competitors are growing faster. The reasons for this may be attributable to a number of factors, such as the relative maturity and penetration of streaming compared to emerging markets; consumer sentiment; and pricing bundles.

This emphasises the need to continue to maximise the value flowing to music from streaming services (as the largest source of revenue), for example through the licensing of music content on emerging platforms and tackling continued

copyright infringement. While export revenue from recorded music continued to grow in actual terms, growing international competition is also putting pressure on the UK's share of the global market.

The recovery of live music around the world varied depending on local restrictions. The American live music market recovered faster than the UK in 2021, which impacted other sectors. UK music merchandise companies with US operations saw US sales outperform the UK, thanks to the recovery in live merchandise sales.

As the pandemic continued, the priority for many countries was to keep their populations safe. Now that threat is receding, the priority must shift to rebuilding – and quickly. For the UK music industry, that also means ensuring it remains competitive globally against the additional challenge of reshaping the economy in the wake of Brexit.

Diagram 1: **Commercial Assets**



Table 1: **Thematic Grouping**

Sectors	Sub-Sectors
Music Creators	Artist Musician Composer Songwriter Lyricist Vocalist Producer Engineer
Live Music	Music Festival Organisers Music Promoters Music Agents Production Services for Live Music Ticketing Agents - the proportion of their activities involved with live music Concert Venues and Arenas - the proportion of their activities involved with live music
Music Publishing	Publishing Rights Holders Publishing Companies
Recorded Music	Recorded Rights Holders Record Labels Physical Manufacturing and Distribution Digital Distribution Recording Studios
Music Merchandise	Music Merchandise Companies
Music Representatives	Collective Management Organisations Music Managers Music Trade Bodies Music Accountants Music Lawyers
Music Retail	Retail of Musical Instruments Manufacture of Musical Instruments Digital Music Retail Physical Music Retail

¹ IFPI. (2022). *Global Music Report 2022*.



Nubya Garcia | Adam Jalloh ©

Music Composition

The Backstory

Music composition covers both music creation and music publishing. Music creation includes the work of composers, lyricists, and songwriters and music publishing supports that creative process and protects, manages and monetises opportunities for the rights of songwriters and composers, in the UK and internationally. Collective management organisations (CMOs) and performing rights organisations (PROs) also support the collection of income from a range of usages, including the public performance of musical works. *PRS for Music* manages this process in the UK and works with CMOs in other territories to collect international income.

There is a lot of flexibility in the songwriting or composing process. Composers and songwriters may work individually or as part of a team or with artists and producers, who may also be songwriters or lyricists themselves. Music publishers provide various services from catalogue administration to full creative support such as A&R, creative management, synchronisation, and services for self-published songwriters and composers. Music managers often play a role in representing talent (whether that is a composer or songwriter or an artist), liaising with the publisher, and sometimes running their own publishing company or a company on behalf of their artist or songwriter client.

PRS for Music revenues grew 22.4% year-on-year to £777.1 million

The Numbers

Composition income continued to grow in 2021 with British songwriters such as Jamie Hartman, Cleo Sol and Stuart Price making an impact. However, this growth was tempered by the ongoing impact of Covid-related lockdowns and restrictions in the UK and internationally.

Growth came from music streaming services and subscription video on demand platforms such as Netflix and Amazon TV. *PRS for Music* reported that its revenues increased 22.4% year-on-year to £777.1 million and that growth was driven primarily by online income, which was up 45.6% year-on-year to £267.8 million.²

Public performance income from shops and restaurants grew 59.6% year-on-year to £137.6 million as licensed premises reopened, but this was still well down on 2019, which stood at £222.3 million. Income from live performance dropped even further, declining 29.2% to £8 million in 2021, which is 85.2% down on £46 million in 2019. International income grew slightly, only 2.1% to £242.4 million in 2021. The fall in live income impacted classical music publishing particularly hard, due to the combined effects of the UK leaving the EU and lockdowns for the orchestral and classical performances.

Live performances resumed during the latter part of 2021, but the performance income due to songwriters and publishers from those shows will only appear in the 2022 numbers. Similarly, the 2020 numbers benefited from live performance

income collected in the latter half of 2019. This is a good example of how there was a time lag of the impact COVID-19 had on the music industry across certain sectors and income streams.

The international picture was mixed. Some developing markets continued to experience natural growth, particularly from streaming and audio-visual sources, while other markets, especially Asia Pacific and South America, had strict Covid-related restrictions, which in turn impacted public performance income relative to other markets where COVID-19 restrictions were not so severe.

Public performance income grew 59.6% to £137.6 million as shops and restaurants reopened, but was still 38% down from £222.3 million in 2019

² PRS for Music. (2022). *2021 Financial Performance*. Available at: <https://www.prsformusic.com/about-us/track-record/2021>

Digital revenues (streaming and downloads) were up 12% to £872.8 million

Recorded Music

The Backstory

The recorded music sector includes recording artists, musicians, producers, mixers, engineers, recording studios, production services, record labels, distributors (both physical and digital), and the production of vinyl, cassette, and CD.

Arrangements can vary considerably from artists who record and release music entirely under their own resource, to a thriving independent sector, and major labels with deeper catalogues and global resources but also with a sharp focus on new music. British session and orchestral musicians, engineers, and producers are at the top of their game and producing music that attracts global attention.

Synchronisation income was up 48% as film and TV production resumed

Label investment is vital to supporting the wider recorded sector ecosystem and underpins overall growth. According to the BPI, investment by UK

labels into A&R and marketing increased to nearly £500 million in 2021, a doubling of investment over the last five years, as labels have reinvested the proceeds of growth, predominantly from streaming.

PPL licenses the public performance of recordings for featured artists, session musicians, and record labels in the UK and collects for similar uses of

music internationally via 105 agreements with collective management organisations (CMOs) around the world. Music managers play a key role in managing the relationship between their artist clients, labels and distributors with some either running their own label, or independent labels for their artists.

The Numbers

The recorded music sector performed well in 2021. Streaming revenues continued to grow, and physical revenues, which have steadily declined in recent years, returned to growth in 2021. This can be attributed to the continued growth in vinyl and the resilience in CD sales in 2021 as physical retailers reopened, which still declined but at a much lower rate than in previous years. However, labels are facing rising costs and supply challenges relating to physical manufacture and distribution.

Key figures include:

- Digital revenues (including streaming and downloads) up 12% to £872.8 million³
- Physical revenues (vinyl, CD, and cassette) up 15% to £241 million⁴
- Synchronisation income was up 48%⁵
- Public performance income collected by PPL was up 25%⁶

This recovery was fuelled, in part, by busy release schedules, with new releases originally scheduled for 2020 coming to market in 2021, including releases from Adele, Dave, and Coldplay. Synchronisation income benefited from the resumption of film and TV production, while the reopening of shops and restaurants saw public performance income recover somewhat, although it was still 28% down on 2019. This is because many Covid-related restrictions continued during 2021.

Commercial recording studios saw an increase in revenue during 2021, as Covid-related restrictions were lifted. However, there were still many challenges. Rising costs remain a critical issue. Some studios have reported staffing issues, leading to higher employment costs, and energy costs have increased dramatically. A further challenge in 2021 was the continued absence of international recording artists coming to the UK to record their albums due to travel restrictions; although some overseas artists did return, the numbers were well down on pre-pandemic levels.



Realworld Studio in Bath | York Tillyer ©

³ BPI. (2022). *All About the Music 2022*.

⁴ BPI. (2022). *All About the Music 2022*.

⁵ BPI. (2022). *All About the Music 2022*.

⁶ PPL. (2022). *Annual Review 2021*.



Abel Selaoce and BBC National Orchestra of Wales Performing at the BBC Proms | Chris Christodoulou ©



The sector began to recover, but revenues still down on 2019

Live Performance

The Backstory

The live music ecosystem encompasses performing artists and musicians, their road crews, sound, lights and staging services, agents, promoters, venues, and ticket agents. Managers play a key role in managing and coordinating this activity.

Live music can, potentially, be staged pretty much anywhere, from a basement to a field. More often than not artists begin their live careers in small clubs and venues, building up to theatre-size venues, arenas, and - in the case of superstar artists - stadiums. The festival circuit has grown

significantly over the past thirty years, with many innovative events located in parks, country estates, farmers' fields, and National Trust

properties, to name just a few. Festivals are especially important because they give multiple acts, regardless of where they are in their career, the opportunity to perform on the same stage to a large audience.

The Numbers

From March 2020 the UK was forced to lockdown, leaving the live industry closed for most of the year, resulting in a 90% decline from 2019. As music venues reopened for approximately four months in 2021, the live sector began to recover. That recovery was irregular owing to the broad and complex nature of the live industry, with the sector as a whole down approximately two-thirds from 2019.

A series of test events, detailed in last year's This Is Music report by Festival Republic's Melvin Benn, laid the groundwork for the return of live music at the end of July 2021. The recovery was curtailed in December owing to Omicron-related restrictions. The reopening was not uniform across the UK, with England, Wales, Scotland, and Northern Ireland taking slightly different approaches, impacting promoters at a regional level.

Many festivals were able to reschedule from their usual date in the calendar to late summer, taking advantage of the reopening. Other festivals such as Glastonbury and British Summer Time did not happen. Some big theatre and arena shows, such as the Genesis reunion, went ahead during the autumn of 2021, but many other tours were postponed until 2022. Stadium shows were largely impossible in 2021 as these large-scale events typically take place before the return of the football season in August and restrictions were only lifted towards the end of July.

Some music managers report a 35% increase in costs against flat live fees

Supply chain costs surged during 2021 across every facet of live performance, including road crews, catering, transportation, and security costs. These are largely attributable to the pandemic and Brexit. The challenge for the promoters and artists in the short term is that costs have been rising against stagnant income. This is because many of the shows that ran in 2021 (and also 2022) were originally priced in 2019 before costs increased.

2022 is proving to be a far more positive year for the live music industry. There were some pandemic-related challenges in the first quarter, and rising costs due to inflation, rising energy prices, ongoing supply chain and Brexit-related issues. The good news so far as 2022 is concerned is that touring and the festivals market have mostly returned, and UK Music will report more fully on this in the 2023 report.

For touring artists, the picture continues to be mixed. The return of live shows and festivals is welcome, but artists have been hit by crew shortages as well as rising hire and fuel costs. According to the Music Managers Forum (MMF), some of its members are reporting a 35% increase against flat live fees (i.e. fees agreed in 2019 before costs surged).⁷ A further challenge for artists is that cancellations are still happening due to artists getting sick with COVID-19. This scenario has never been covered by insurance, causing great uncertainty and financial risk for artists. In Canada, the government has made available a COVID-19 transition fund for artists and music businesses, which recognises the lingering impact of COVID-19 in certain instances.

⁷ MMF member feedback



Beabadoobee on tour | Thomas Davis ©



Macca Wiles | Out Here Visuals ©

Brand & Image

The Backstory

Brand and image are deeply connected to the three other commercial assets, while also being commercial assets in their own right. This begins with the distinctive creative voice and vision of the artist, which can also apply to songwriters and producers in terms of their style or sound.

Developing an artist's brand and image are critical in positioning the artist culturally, in the market for recorded music, and most importantly, with an audience. This applies to securing streaming playlists and festival bills. A significant amount of time and investment, often from a label but also from other investors, is spent on brand and image development and into the marketing and promotion that drives value in the artist's brand.

As a commercial asset, brand and image can often enable the production of artist-branded merchandise, clothing lines, fragrances, and other items, brand endorsements, and career extensions such as acting, and media work other than music. Individual artists may be more predisposed to some opportunities than others. For instance, tour t-shirts are especially popular with heavy metal acts, whereas other artists may do better with programmes or calendars depending on their audience. There are many permutations, but it's fair to say that, in a global market, the opportunities for artists to leverage their brand and profile, continue to grow.

The Numbers

One example of how brand and image influenced music revenues in 2021 is the growth of income attributable to biopics and documentaries, such as those airing on Apple TV, Netflix, and the BBC. In some cases, record labels have their own TV production divisions to commission such content. In other cases, labels, publishers, and artist representatives work with external production companies. These ventures rely not only on great music but the story behind the music, the artists who create it, and, crucially, the strength of their bond with viewing audiences.

These revenues grew 70% in 2021.⁸ While they are relatively low compared to streaming and physical sales for rights owners and artists, it shows the importance of diversifying income streams for all players in the music industry.

The music merchandise market recovered significantly in 2021, but revenues, particularly touring, were still well down on 2019. Even when artists returned to the stage, attendance figures were mixed, with a significant proportion of no-shows. In the most extreme cases, no shows have been as high as 50%, especially where the gap between the original date and the rescheduled date was greatest. With fewer people in the room, the recovery in live merchandise sales was muted. Those merchandise companies with US operations reported much stronger live merchandise sales in the USA, which had fewer restrictions in 2021 than the UK.

⁸ BPI. (2022). *All About the Music 2022*.

COVID-19 aside, the ongoing challenge facing music merchandise companies is Brexit, which impacts the supply chain and employment.

Supply chain issues include the duty on merchandise from the UK entering the European market. Music merchandise often originates from Asia, is printed in the UK, then distributed across Europe. British printers are adept at moving quickly. For instance, if an act touring Germany runs low on merchandise midway through a tour, merchandise can be turned around and dispatched very quickly. Duty and bureaucracy hinder this process.

The EU employment issues include British-based staff only being able to work for 90 days out of 180. Individual touring artists may work for less than 90 days, but merchandise (and other touring staff) often move from tour to tour, spending much of the year on the road.

The World

Music creators report
50% of their exports
comes from the EU

A lack of international
touring during 2021
impacted exports
recovery

The Backstory

The influence of British music can be felt around the world, returning significant economic value to the UK. With the UK redefining its trading relationships around the world, this 'soft power' is arguably more important than ever.

Music exports derive from the exploitation of all four commercial assets outside the UK. For instance: record sales and streams, the performance of UK copyright compositions, master recordings (the performer contributions on those recordings), live shows performed by British artists, the sale of merchandise, brand endorsements, and other such income around the world. Export income also includes spending by overseas tourists attending live shows in the UK.

The UK is the second-largest exporter of recorded music in the world, after the USA.⁹ However, the growth in global streaming services and the digital production of music has empowered music-making in many more countries, making the global market for music far more competitive. For example, while export revenue from recorded music grew in 2021, there is pressure on the UK's share of the global market, which stands at around 12%, compared to a high of 17% in 2015.

This means that the UK must continue to invest in and support new music, coupled with a strong IP framework to maintain its position as a leader in the global music market. Any impediments such as the country's ability to recover from the COVID-19 pandemic, navigating Brexit, deriving

value from digital platforms and tackling piracy, and striking new trade deals will be critical to the success of the British music industry and its ability to generate economic value for the UK economy. Crucially, partnership with government to support music exports, particularly to enable global marketing and promotion of small and medium sized businesses, and independent artists (who have less access to capital for export) must be enhanced. In particular, the Government should extend and boost investment in the Music Export Growth Scheme (MEGS) administered by the BPI, and the International Showcase Fund, run by PRS Foundation.

The Numbers

Exports recovered to £2.5 billion in 2021, up 10% from £2.3 billion in 2020, but still down 15% from pre-pandemic levels of £2.9 billion in 2019.

Recording and publishing exports continued to grow throughout the pandemic. Recorded music exports were up 14% on 2020, and music publishing exports were up 7% on 2020, pointing to the enduring popularity of British music creators.

Competition in the global music market is growing increasingly fierce, leading to a decline in the UK's share of the global market, but the UK still produces world-beaters such as Adele, Glass Animals, Dave, and Dua Lipa. Other international recorded music markets grew more quickly than the UK during 2021. For instance, the USA

significantly outperformed the UK with 22.6% growth compared to 13.2% UK growth on a like-for-like basis.¹⁰ The British music industry must continue to invest in talent development such as the increasing investment by labels into A&R and marketing in 2021. Supporting the next generation of UK talent to find success is also important to growing exports, alongside driving consumption of the UK's strong catalogue. This is why support of music exports in partnership with the Government is so necessary to maintain the UK's position as a global leader and to capitalise on the massive growth potential over the next decade.

The EU remains a vitally important overseas market for British music creators. Even with a lack of international touring in 2021, music creators reported that 50% of their export income comes from the EU across all income streams. Artists are especially reliant on the EU for international touring income because of its proximity to the UK, and free movement pre-Brexit. The MMF conducted an analysis of PRS setlist data which showed that in 2019, the EU market was four times the size of the US (the second biggest) in terms of the number of performances of British music.¹¹ Whether an artist toured extensively, or flew in and out of the EU for single shows or festivals, EU membership enabled low barriers to entry for those playing overseas for the first time.

International touring, especially in the EU, is a critical pathway in building sustainable careers of music creators at all levels and across all genres of music. This is because if an artist has a presence in

more than one market internationally, they are less susceptible to changing trends in any individual market. For instance, an artist that is no longer fashionable in the UK can often sustain their career because they remain popular in Germany and France. Fashions and trends are cyclical, but being active across multiple markets means an artist is better placed to adapt to those changes and continue their careers regardless of how popular they are in their home market.

A continued lack of international touring during 2021 severely impacted the recovery of music exports. Similarly, music tourism, which brings vital income and employment to the UK economy, remained well below 2019 levels.

COVID-19 will impact export revenues for several years, as its effect on public performance rights collections in other countries works its way through the system. For instance, international public performance and live income originally generated during 2019 was, for the most part, paid to UK-based creators and rights owners in 2020. Accordingly, the impact of COVID-19 on such revenues will probably continue until 2023.

Exports grew 10% to £2.5 billion in 2021, but were still down 15% from £2.9 billion in 2019

⁹ BPI. (2022). *All About the Music 2022*.

¹⁰ BPI. (2022). *All About the Music 2022*.

¹¹ MMF Analysis of PRS live setlist data

The People

A workforce crisis is evident amongst highly skilled roles, especially music creators

The Backstory

The music industry is a people business that is highly entrepreneurial. There are many full-time salaried employees, but there is a disproportionate number of self-employed people, either working on a freelance or contract basis or running micro or small businesses. Pre-pandemic, 70% of those working in music,¹² performing, and visual arts were self-employed. That compares to just 15% of the UK working population as a whole, according to the Office for National Statistics (ONS).¹³

Music creators employment is still 32% down on 2019

Consistent with last year's report, on the advice of the Department for Digital, Culture, Media & Sport (DCMS), furloughed employees and their equivalents

(Self-Employment Income Support Scheme (SEISS), Universal Credit, etc) are counted in these figures as employed.

Given the fluid and decentralised nature of the music industry, many music industry workers found themselves falling between the cracks in 2020 and 2021. Portfolio careers are a choice for some but a necessity for many. Many music industry workers (especially music creators) have had to find work outside the music industry since the start of the pandemic.

The Numbers

Employment is recovering, but there is still a long way to go. Music industry employment stood at 145,000, 14% up on 2020, but still 26% down on 2019 when employment peaked at 197,000. The biggest factor was a partial recovery in the live sector during the latter part of 2021, which saw live music return during a four-month window between August and November.

Music creators and the live sector account for an overwhelming majority of the music industry's employment figures, and artists, especially, rely on the live sector for the majority of their income. Understandably, given there was only a partial recovery in the live sector during 2021, there is still some way to go for employment to recover fully.

A further consideration is that while employment figures during 2020 saw a significant drop, particularly amongst music creators and live industry workers, that drop could have been far worse had it not been for furlough, SEISS, and Universal Credit schemes. What occurred in 2021 is that some of those music creators and live music workers protected by those schemes were able to return to work.

Music creators and live workers who could not sustain themselves left the industry. Many retrained, some retired and the pool of music industry workers in these sectors depleted. This

is consistent with global creative sector trends reported by UNESCO and others in the wake of the pandemic.

This workforce crisis is particularly evident amongst highly skilled roles. Even in 2022, the Musicians' Union has received reports of orchestras making hundreds of calls to book freelance players. There are frequent examples in the live sector of a lack of security and other support staff for festivals and live music venues alike. Another issue is Brexit, as European nationals have returned home. Low pay for freelance musicians in some areas will exacerbate this problem, together with the growing cost of living crisis.

The plight of music managers is worth noting. Typically, a manager with an artist roster may join a management company in return for a salary against their share of management commission, with the company taking the remaining share. This provides the manager with a stable income and infrastructure and the company with additional revenue. During the pandemic, many management companies made redundancies. In practice, individual managers continued to manage their artists but had to seek alternative sources of income. Many are still struggling to regain a foothold, and it will take time for the management sector to recover fully.



KSI at Reading Festival | James Bridle ©

¹² DCMS and ONS. (2020). *DCMS Sectors Economic Estimates 2019: Employment*. Available: <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2019-employment>.

¹³ ONS. (2019). *Labour market economic commentary: May 2019*. Available: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/>

The MU reports that some orchestras have made hundreds of calls to book a freelance players

Case Study **Wolf Alice**

How One Band and Their Team Released A Number One Album During The Pandemic

To illustrate how the music industry responded to the pandemic, UK Music spoke to the team around Wolf Alice: their manager Stephen Taverner of East City Management, Jamie Osborne founder of their record label Dirty Hit, David Wille Senior Vice President of Sync and Brand Partnerships at the band's publisher Kobalt Music, and their live agent Matt Bates at Primary Talent.

Creating The Album

Wolf Alice went to Belgium to record their album Blue Weekend, but COVID-19 hit after only a matter of weeks into the recording schedule. The band were supposed to be there for six weeks but ended up being there for three months. They could not get back, so they used the time to finesse what they were recording.

Their record label Dirty Hit mirrored this approach. Jamie Osborne explains, "I wanted everyone at the label to put their efforts into creation rather than promotion. We had a wealth of artists who suddenly had a wealth of time so we had to support them during that time.

We had to let go of the things that we couldn't control and lean into the things we could. We helped our artists set up home studios, find residential recording studios, and put in place COVID-friendly protocols. We put all our efforts into creation.

Wolf Alice recorded at my favourite studio, and I was going to go out there once a week, but then the pandemic hit. I couldn't travel to Belgium. Lots of planes and trains were getting cancelled, and then we went into lockdown, so we had to do things over Zoom."

The band and label were keen to develop a creative world around the album, in the form of a short film linking videos for every track on the album, which form a narrative about a night out.

Stephen Taverner says, "There was a short window in November 2020 where you could shoot films and videos if they were COVID-19 compliant. It was a mammoth task, but with the help of an amazing production company in Academy Films, the director Jordan Hemingway, and Ed Blow at Dirty Hit, we made a video for every track on the album in ten days utilising various locations around London and the south coast".

Jamie Osborne continues, "Building a world and telling a story is really important. We're selling an identity as much as the music - how the visual and the audio impact each other."



Wolf Alice | Jordan Hemingway ©

Releasing The Album

Due to the lockdown many record labels re-examined their release schedules. For Jamie Osborne, the choice was clear, “We’re a record company, so if we don’t release music, then we have no purpose. We didn’t shelve anything. By the time that Blue Weekend was released in 2021, we had found a groove of how to operate through the pandemic.”

There were logistical challenges. “With new variants amongst the global population, it was pretty apparent that we were not going to be able to promote the album in a traditional way via touring and in-person interviews,” says Stephen Taverner, “Luckily, Later With Jools Holland was filming live sessions remotely, and they invited the band to perform the first single, ‘The Last Man on Earth’ at the refurbished Alexandra Palace Theatre.

That incredible TV performance really helped launch our album campaign. From there, we dropped videos, some as singles, up until the album release in early June 2021.

Like everyone else at the time, we set about taking part in as many interviews as possible via Zoom. The band also took part in some socially distanced photo shoots here in the UK. It was very difficult to maintain though, because of ever-changing restrictions at the time.

Thankfully, because we had so much video content and photos from the different video shoot locations, we had plenty of content to strategically post via the band’s socials and keep things looking reasonably fresh by servicing new content to media.”

Jamie Osborne continues; “The record sold very well in the UK. We had only been number two in the album charts previously, but Blue Weekend made it to number one. Internationally, we did well, but not being able to tour internationally the way they usually would have was a challenge. It is always a challenge to promote a record when the band is not physically in the market, and that was the challenge as restrictions continued. But overall, we were pleased with what we achieved, and a BRIT Award for Best Group was a nice bonus, especially for an independent artist.”

Music Publishing: Getting Sync Deals For The Album

Performance income was impacted because the band couldn’t play live, which can be very significant for globally touring artists like Wolf Alice. In sync, the impact was immediate as film and TV productions were shut down.

David Wille, Senior Vice President of Sync and Brand Partnerships at the band’s publisher, Kobalt Music, explains, “Sync is not only an important source of revenue for a band like Wolf Alice, but also a powerful promotional vehicle that drives visibility and engagement.

In recent years, we have built a lot of momentum thanks to a myriad of green-lit productions from the likes of Netflix, Amazon Prime, Apple TV, and many others. However, that came to a complete halt with COVID-19.

As shoots were slowly allowed to return, they had strict government COVID-19 compliance rules in place. This meant production costs shot up dramatically and impacted music sync budgets. If production costs go up post-production costs like music often get squeezed.”

Kobalt’s UK, European, and US teams came up with the idea of hosting two album playbacks via Zoom, with the band in attendance for a Q&A afterward. The sync department at the band’s US label, RCA Records, also joined the US call. These were well attended by the music supervision communities, producers and directors who were excited to hear new music.

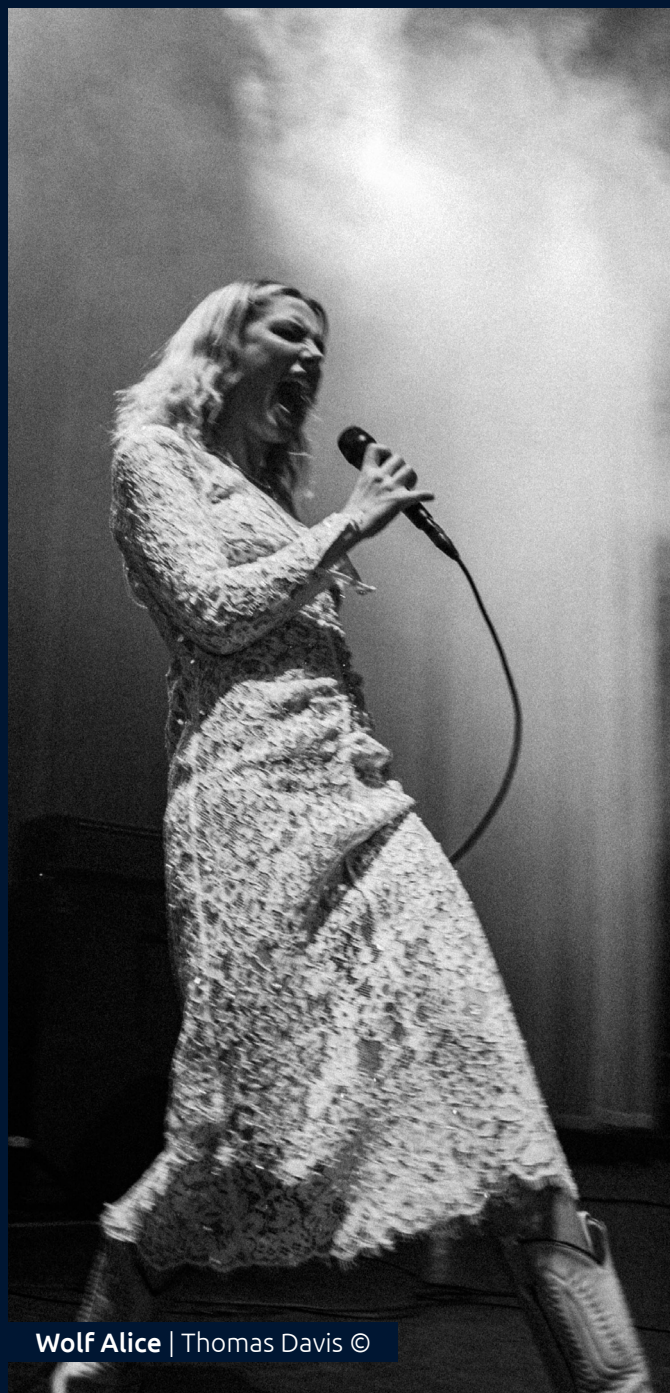
David Wille continues, “Doing a remote playback like this can feel a bit dry, but the band were great. We went track by track, with the band present in the chat window commenting and discussing their songs openly. They endeared themselves to the sync community by being charming, honest, and relaxed. The band’s personality shone through, and the sync community felt part of something very unique and special.

In sync, what you need is music that can deliver varied textures, music that offers changes in dynamics, light, and shade, hard and soft. The dexterity and variation that Wolf Alice bring to their songwriting, production, and performance is what makes them so attractive to the sync world. Wolf Alice’s music is used quite broadly across advertising, film, and TV. They don’t just sit in one sync lane or style, which brings them varied opportunities.

Making a film for every track on the album was incredibly important as the band have a strong visual aesthetic that connects not only with fans but with the film and TV world. We made sure that the sync community were fully aware of these films, as they were released over time because the band were making visual art as well as music. This connects them powerfully, directly, and aesthetically with filmmakers, producers, directors, and music supervisors.

Whilst their fan base is global, which is exciting for filmmakers, the benefit to Wolf Alice is the right sync opportunity can instantly connect a song to a global audience and have a major transformative moment on any album or single campaign.

Multiple tracks from the album were synched, including The Last Man on Earth (One of Us Is Lying, Bump), Smile (One of us is Lying, The Rookie), Lipstick On The Glass (One of Us Is Lying, Bowers and Wilkins advertising campaign), and No Hard Feelings (Gossip Girl).”



Wolf Alice | Thomas Davis ©

Playing Live

Wolf Alice's live agent at Primary Talent, Matt Bates said, "We had to think about how the band could get back out and play live again. Smaller venues were allowed to open. With the help of Music Venue Trust, we did a small club tour at the end of September 2021. A lot of these venues hadn't opened for almost two years. Wolf Alice is a special band, who can work in front of 100,000 people or 200 people. Because they are such great musicians and characters, they can do it; they are conscious about never forgetting their roots.

The band picked unusual places they hadn't played before or in a very long time. A favourite was the Cheese & Grain, a big market hall in Frome, Somerset, and a popular warm-up venue for artists playing at Glastonbury."

Stephen Taverner adds, "We went to the USA in October and did a short tour, with most shows selling out in advance.

The UK album tour was already bumped back to January 2022. But as Christmas took hold and with Omicron bearing down on us all, we decided to move the tour again. We had already booked travel and production, so it was no mean feat and had a negative financial cost to the band. We moved the tour by only a month to start in February and crossed our fingers that the UK would open again in time for the start of it."

Matt Bates continues, "Scotland was still in lockdown, so we had to move the tour back one month to February, which was a big task.

Amazingly, we improved the routing when we rescheduled the dates – that means the travel time between one town and the next town was a bit more manageable for the band.

Some people moved everything out of the first quarter. We felt confident we would get touring done - it was a risk as it was a long tour. Losing a few dates can be the difference between profit and loss for the whole tour. It was a gamble.

We did not lose anyone in the band or crew to COVID-19. We put in place protocols, and we stuck to them. With other bands, I had lost half the tour owing to band members or crew coming down with COVID-19.

Playing bigger venues and running a bigger production gives you more scope to keep people safe. Alternatively, if you don't tour, a band above a certain level can survive being out of the limelight for eighteen months, but a younger act early in their career does not have that luxury.

Sadly, the EU was not quite ready to have venues open again, so we had to postpone that tour until November 2022.

The whole thing was crazy. I've never known agents get so much sympathy. People suddenly realised what we do. We stopped earning. I was probably earning 2% of what I had in previous years. We are now rebuilding. It was especially tough for developing and breaking acts. Because of the pandemic, many did not reach the level they would have in a normal year, but they will catch up and get there."

Managing The Band During The Pandemic

"Managers are entrepreneurs by nature. You get used to putting out fires and thinking of creative solutions to get around any problems that you frequently come across," says East City Management's Stephen Taverner "Having owned and run an artist management company for over 30 years now, you think you have seen and dealt with everything that the business could ever throw at you, but the pandemic was next level.

Eloise Porteous handles day-to-day on Wolf Alice and she was instrumental in keeping all the different elements of the album campaign together and on track. We were all dealing with scary news headlines that interwove between everyone's work and home life, but I am very lucky to have a fantastic team here at East City along with some amazing managers and artists who all know that we have each other's backs should things get tough. That is what helped us all get through the pandemic and consequently played a big part in helping Wolf Alice achieve what they have achieved on this album so far."



Crowd at Sefton Park Pilot | Liverpool City Council ©



A Vision For Music

A Five-Step Plan

Our vision is to create a UK where music is a part of peoples' lives. Everyone should have the opportunity to experience the economic, cultural and health benefits that music provides. The UK is one of only three net exporters of music globally. We should treat music as a national asset.

This requires industry and the four governments across the UK to work together to address the challenges facing the sector. Issues such as COVID-19 recovery, protecting intellectual property, the aftermath of leaving the EU, sustainability, securing our talent pipeline and supporting music spaces. Below is a five-step plan for how we deliver that vision:

Step 1: Protect and promote music made in the UK at home and abroad

Protecting UK Music Intellectual Property
Intellectual property (IP) protections ensure musicians and rights holders are paid for the use of their work. IP protections facilitate legal access to music and support a healthy music industry, it is vital that the UK sets a gold standard in IP protection and works to improve global standards. This includes ensuring there is a robust framework to manage new technologies, making sure digital services properly tackle infringing content on their platforms and using the negotiation of free trade agreements (FTAs) to make sure that UK artists and rights holders are properly paid for their work. Government plans for a broad new exception to copyright for text and data mining purposes could seriously damage the music industry and

undermine innovation between the creative industries and AI technologies. The proposal needs to be scrapped.

Reducing Red Tape For UK Music Workers In The EU and Establishing a Transitional Support Fund

The growth of the sector as it recovers from COVID-19 is also being held back by a number of challenges in the UK's largest live music market – the EU. In 2019, the EU market was four times the size of the US (the second biggest) in terms of the number of performances of British music. Current issues include restrictions on visas and work permits, complicated new red tape like carnets and restrictions on selling merchandise and truck hire. This hits profits for large tours and will make it difficult for many UK-based music professionals to sustain and grow their careers. As Sir Elton John has said, it leaves UK-based music workers at risk of being “stranded in Dover”.

- The Government should work on three levels to solve these problems. Unilaterally, by investing in infrastructure to better manage outbound paperwork (e.g. designating Eurostar a port of exit) and urgently establishing a Transitional Support Fund similar to the £23 million the fishing industry received to help manage these changes.
- Bilaterally, to reduce restrictions, including ensuring all EU countries allow touring up to the 90 in 180 limit allowed for in the Trade and Co-operation Agreement.

- Multilaterally, to secure a Cultural Touring Agreement with the EU to ease all barriers for cultural touring between the UK and EU.

A minister overseeing overseas cultural touring, as recently recommended by the All-Party Parliamentary Group on Music, should also be appointed to provide a point of contact and a focal point for driving through change. This should be matched with a single information hub to provide clarity to musicians and crew.

Non-touring issues are also vital, including retaining the mutual recognition of the adequacy of data protections between the UK and the EU.

Increasing Funding And Scope Of Music Export Support Programmes

We need to maintain our position and stand up to increasing global competitiveness. The Music Export Growth Scheme co-funded by the Department for International Trade, administered by the BPI and open to all British companies, is vital in achieving this. Its success in enabling independent labels and artists to penetrate new markets overseas shows that the Government should invest now to take advantage of the explosive growth in the global market for recorded music and double its funding for the Scheme. Another excellent example of an initiative that should be expanded is the PRS Foundation's International Showcase Fund.

Establish A Music Export Office To Support Music Exports

The Government should look to be more ambitious and systemic in supporting music exports. This should involve creating a Music Export Office to support creators and businesses looking to build their profile abroad. Globalisation has created a hyper competitive music marketplace with many countries' industries being supported by their governments, to not just survive, but challenge for dominance, with the global recorded music market is set to double by 2030 and without a Music Export Office there is a risk that the UK will be left behind.

Step 2: Incentivise music activity in the UK

Create A Fiscal Incentive To Encourage New UK Music Production

A key challenge for the UK music industry is how to incentivise investment in new UK artists to ensure new music is recorded at the highest level and supported sufficiently to continue to compete in the fast-changing global digital market. Whilst new music faces significant challenges in seeking access to capital, established catalogues can generate healthy annuity revenues which has made them attractive acquisition targets for private equity funds and other investors, however this removes their cashflow from the music ecosystem and breaks the cycle of revenues from successful releases being used to reinvest in the next generation. Creative Industries' tax reliefs already show the benefits they bring in terms of both

supporting UK creative talent and entrepreneurs as well as catalysing significant capacity building via inward investment. A similar scheme for investment in new music could unlock the potential for the UK to remain at the forefront of global music and culture well into the 21st Century.

Reform Standard Industrial Classification Codes

To incentivise music production, governments also need to better understand the music sector in the UK to appreciate the impact their policies have on the industry. This report is a significant contribution to that yet more could be done. The Standard Industrial Classification (SIC) codes used by the Office for National Statistics reflect the industrial world of the 20th Century and the category of “performing arts” does not accurately reflect the fluid and interconnected world of music businesses. They need to be reformed to better reflect the modern music sector.

Step 3: Support music in delivering for society

Establishing A Cross-Government And Industry Sustainability Working Group

As we approach a climate crisis it is time for the Government to expand on the work already being done in the sector, through schemes such as LIVE Green and the Music Climate Pact, as well as by brilliant specialist organisations including Music Declares Emergency, Julie’s Bicycle and Earth Percent. This should be done through a cross-departmental working group featuring the music

industry, sustainability groups and key government departments, to institutionalise the work being done by the sector to support the UK’s steps to net-zero.

Appointing The First Power of Music Commissioner

Music can deliver proven health benefits and “meaningful improvements in wellbeing”. To integrate music better into health and social care in England, the Government needs to appoint the UK’s first Power of Music Commissioner, to champion and coordinate this work, increase access to music through social prescribing and provide further training for health and social care staff on the role of music in care

Step 4: Build UK music careers and skills

Delivering The Arts Pupil Premium

There have been some remarkable political strides on music education across the UK over the past year, with new national plans for music education from the UK and Welsh Governments and music tuition fees removed in Scotland.

However, the implementation of these plans will be key. Specific support for lowering barriers to music education for the poorest students is vital. Talent is everywhere, opportunity is not. Therefore, we would call on all governments to deliver an arts pupil premium to support schools in giving access to music and the arts for the poorest students, ensuring no one’s ability to play is contingent on their parents’ ability to pay.

Parity Of Support For The Self-Employed

Freelance work is often a requirement of working in the industry, with at least 70% of workers in the sector being self-employed. The nature of the laws around freelancers often disadvantage those that need to navigate them. This was evidenced by so many creative workers finding themselves ineligible for help under the Self-Employment Income Support Scheme during the pandemic. To retain those working in the sector we would welcome parity of protection for the self-employed to ensure people can have flexibility and security in their careers. One simple change would be allowing the self-employed access to maternity and paternity leave over the less equitable Maternity Allowance that they currently have access to.

Step 5: Support music spaces throughout the UK

Reduce VAT on live music performances.

Previous UK Music reports have highlighted how music tourists travel across the UK and come from overseas to attend gigs, concerts and festivals, demonstrating the regional diversity of music. Music spaces add to the vibrancy of communities, helping to attract people, talent and businesses, and should be seen as a tool in the levelling up agenda.

Yet, these spaces face a heavier tax burden in comparison to their European counterparts. UK gig-goers are charged 20% VAT on tickets, which is almost double the EU average (10.3%) and around

triple countries like Belgium (6%) and Germany (7%). Bringing VAT on tickets in line with the EU average would help stimulate live music activity and boost local economies.

As energy intensive businesses, music spaces face a severe challenge from spiralling energy costs. We would welcome emergency support along the lines of the COVID-19 Retail, Hospitality and Leisure Grants and Business Rate Relief for all live music venues and music studios this winter.

The UK Government should also look at how these spaces can be promoted through the planning system, confirm that the 50% rate for grassroots music venues is a permanent cut, and extend it to music studios, which are also a vital part of the music ecosystem. There should also be a statutory duty for local authorities to consider access to music in local planning decisions. The devolved governments should do the same within their own planning systems.

Conclusion

This is a vision for a nation where music reaches its full potential in powering the economy and enriches our lives, wellbeing and communities. A vision that is reachable but vulnerable. We are on the stage; can we carry the tune?



alt-J | Rosie Matheson ©





Headie One performing at the BRIT Awards | JM Enternational - BPI ©

Methodology

In this report UK Music examines the value the UK music industry contributes to the economy. We calculate the results in terms of GVA (Gross Value Added), exports and employment. These are the same metrics used by the Department for Digital, Culture, Media and Sport (DCMS).

While limitations in the Standard Industrial Classification (SIC) codes apply to data reported by DCMS, these limitations do not apply to the results that we report in This Is Music.

For live music exports, we restrict estimations of live music exports to expenditures at gigs or festivals, rather than all expenditures incurred in relation to these events, such as travel and transport, which previously would usually be covered in the Music Tourism section in the report, which we have not produced this year.

For exports, UK Music uses the internationally recognised Organisation for Economic Co-operation and Development (OECD) definition: "Exports of goods and services consist of sales, barter, or gifts or grants, of goods and services from residents to non-residents".

For the most part, exports included in this report involve money that moves across international borders. That is non-resident consumers and/or businesses making purchases outside the UK which, through various channels, transfer back across international borders to UK-based businesses.

In some cases, such as music tourism, export purchases occur inside the UK, where non-residents of the UK spend money on tickets for music concerts or festivals in the UK, they are contributing to exports, as they are non-residents spending on the services of residents. There were a small number of these transactions in 2021. These are captured within the exports number. We have not produced a specific Music Tourism report for the past two years for the simple reason there is not much to report.

Export income comprises an unusually large proportion of revenue to Music Publishing and Music Representatives. Therefore, because of this, what remains as total GVA is less than its total export revenue.

The methodology remained the same as previous years, but we have consulted extensively with stakeholders and considered additional data points alongside our existing methodology.

We have worked with political consultancy Public First who have assisted in providing polling data, economic impact data and aspects of the core economic contribution work.

A complete methodology is available on the UK Music website.

Acknowledgements

Throughout this project we have received support from all parts of the music industry with this research. Without their collaboration and enthusiasm this report would not be possible.

We are grateful to the wide range of individuals and organisations that have provided datasets essential to this analysis. Each member of UK Music has granted us access to their data and permission to survey their own membership. In addition, accountants of some of the UK's leading music acts have provided valuable information to allow us to complete this work. We would also like to thank the Entertainment Retailers Association (ERA) and Music Industries Association (MIA) for their support.

We would also like to thank for their assistance a number of ticketing agents across the country, who have been integral in contributing to this project, as well as the music creators and businesses for donating their time in order for us to present our case studies.

We are pleased to continue working with the Intellectual Property Office (IPO), The Department for Digital, Culture, Media and Sport (DCMS) and the Office for National Statistics (ONS) on this project. We are especially appreciative to the ONS for allowing us access to the Virtual Microdata Lab (VWL) which has enabled us to apply a bespoke methodology for the calculation of the music industry's GVA. This year, we worked with Public First, who conducted public polling

and provided economic analysis. A full methodological statement can be found on the UK Music website.

This report was written and produced by **Andy Edwards**, Director of Research & Analysis at UK Music. In memory of Peter Scapino, his influence lives on.

This report was designed by **Beatriz Ribeiro** at UK Music.

A Vision For Music was written by **Tom Kiehl, Hannah McLennan** and **Matt Bold**.

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This report on the music industry has been created on behalf of UK Music and its members to highlight the contribution of the music industry to the UK economy.

UK Music is the collective voice of the UK's world-leading music industry. We represent all sectors of our industry – bringing them together to collaborate, campaign, and champion music. The members of UK Music are: AIM, BPI, FAC, The Ivors Academy, MMF, MPA, MPG, MU, PPL, *PRS for Music*. UK Music also has an informal association with LIVE (Live music Industry Venues & Entertainment).

