

Press Release 25.06.2005

At the General Assembly held in Lugano on 25 June 2005, SUISA, the Swiss Society for the rights of authors of musical works, released its results for the 2004 financial year. Against a backdrop of continuously sinking sound carrier sales, profit for the year attained CHF 132.7 million, a decline of 3% compared with the prior year. The General Assembly approved the introduction of a one-time "entry fee" for new principals.

SUISA's earnings declined in 2004 for the third consecutive year. Income from overall rights administration (domestic and foreign) attained CHF 125.7 million compared with CHF 130 million in 2003. One of the main reasons for the decline stems from the mechanical rights' sector. The drop in sound carrier sales that the market has experienced for several years has now had a delayed - but cumulated - effect on SUISA's annual accounts. Revenue from the licensing of sound carriers sank by about CHF 6 million, or nearly 25%. Individual increases in other areas, such as the licensing of ring tones (about CHF 1 million), could only partially compensate the shortfall. The launching of legal online music shops offers a glimmer of hope. Whether or not they will contribute to compensating the losses, only time will tell. Performance and broadcasting revenues were practically stable at CHF 84.5 million. The only growth was in foreign revenue which increased from CHF 13.7 to CHF 14.6 million.

The General Assembly also approved the introduction of a contribution designed to cover part of the admission costs for new members and principals («entry fee»). The number of SUISA's members and principals has approximately doubled in the last ten years. This welcome development shows that SUISA administers the rights to virtually the entire Swiss music repertoire. But it also entails additional costs, that often have no reasonable proportion with the remuneration that SUISA collects for the new principals. By introducing a one-time fee of CHF 100.- for authors and CHF 200.- for publishers, new members and principals will contribute to cover registration costs, showing by the same token their confidence in a minimum degree of economic success for their works.

Hans Ulrich Lehmann, SUISA's president, reminded the Assembly that copyright law is essential to both our material and our artistic existence and that, basically, music has always had, and will always have, a value and a price.

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