

## SUISA annual results: online usage of music exceeds physical formats for first time

**Authors and publishers of music will receive CHF 131.4 million from SUISA this year. Last year the collecting society received CHF 150 million in copyright from domestic and international sources – CHF 2.9 million more than the previous year. In particular, reimbursements from private copying and the online sector contributed to this growth. For the first time, revenues from online music recordings exceeded those from sales of physical formats. But there is still a pressing need for action in the area of streaming. The internet platforms continue to benefit almost exclusively from this growth market, rather than composers, lyricists and publishers of music.**

Zurich, 24 May 2018 - SUISA, the Cooperative Society of Music Authors and Publishers in Switzerland and Liechtenstein, achieved total revenue of CHF 159.2 million in the last year, including secondary income. This represents an improvement of CHF 5 million on the previous year's result. Composers, lyricists and publishers of music profit from this positive result, receiving CHF 131.4 million – CHF 2.5 million more than the previous year.

**Music streaming is booming – but artists do not profit nearly enough** SUISA's income from online usage of music increased from CHF 6.1 million in 2016 to CHF 7.9 million in 2017. Thus, for the first time the turnover in the online business was greater than for physical formats, which continued to decline last year. In line with worldwide developments, income from music streaming formed the largest share of online business, amounting to CHF 5 million last year.

But increased income from online usage cannot disguise the fact that composers, lyricists and publishers of music barely profit from the streaming boom; rather, a few large international tech companies see the greatest returns. That is why SUISA, together with other Swiss collecting societies, is campaigning for a fair framework for creative artists in the online market as copyright legislation undergoes revision. SUISA is also seeking to strengthen the online licensing business for its members and extend awareness of online rights globally. To this end, SUISA joined forces with US performance rights organisation SESAC last year to form the joint venture Mint Digital Services.

### **Blank media: more memory, more private copying**

The revenue from private copying fees also rose last year, amounting to CHF 11.2 million compared with CHF 10.2 million in the previous year. This increase of about 10% can be explained by two developments: first, the storage capacity of mobile devices is increasing all the time, and, second, an increasing amount of private copying is being made through digital television via set-top boxes.

### **Broadcast and performance rights: at a stable high level**

The broadcast area represents almost half of SUISA's domestic income – 47.9%. In the last year, income from broadcast rights remained stable at a high level, reaching CHF 66.7 million.

And 2017 was also a good year for reimbursements from the Swiss concert market. Income from performance rights increased by 1% to reach CHF 46.9 million. As in previous years, the lion's share came from concerts, which at CHF 21.8 million represents almost half the total.

## CHF 88 out of CHF 100 goes to authors and publishers

SUISA's administrative cost ratio remained stable last year, coming in at 12.41%. This means that for every CHF 100 that SUISA collects from copyright, CHF 88 goes to authors and publishers of music.

'I am glad that SUISA is once again able to distribute more money to its members and to international music professionals,' says Andreas Wegelin, CEO of SUISA. 'Listening to music recordings via online streaming services has increased sharply. However, this benefits mainly the large international technology companies that finance their platforms through the sale of advertising or data. The composers and lyricists who create content for these platforms do not benefit nearly enough from this development. There is a great need for action here, particularly with copyright legislation currently undergoing revision.'

SUISA's 2017 Annual Report is available online at [www.suisa.ch/annualreport](http://www.suisa.ch/annualreport).

### Key figures from SUISA's Annual Report 2017 (in thousand CHF):

	2017	2016	+/-%
Royalty collections (domestic)	139,199	136,088	2.3%
Royalty collections (international)	10,841	11,041	-1.8%
Total royalty income	<b>150,040</b>	147,130	<b>2.0%</b>
Secondary income	9,202	7,144	28.8%
<b>Total income</b>	<b>159,242</b>	<b>154,274</b>	<b>3,2%</b>
Operating expenses	<b>29,601</b>	<b>29,227</b>	<b>1.3%</b>
Less allocation from cost compensation fund	0	-2,977	-100%
Less secondary income	-9,202	-7,144	28.8%
Less allocation from liabilities from settlements	-1,782	-900	98.1%
<b>Net operating expenses</b>	<b>18,616</b>	<b>18,206</b>	<b>2.3%</b>
<b>in % of royalty income</b>	<b>12.41%</b>	<b>12.37</b>	<b>0.3%</b>

### SUISA collections in 2017 in Switzerland and Liechtenstein (in mn CHF):

	2017	2016	+/-%
Broadcasting rights	66.7	66.8	-0.1%
Performance rights	46.9	46.4	1.1%
Mechanical rights	6.5	6.6	-1.5%
Online	7.9	6.1	29.5%
Fair compensation revenues	11.2	10.2	9.8%
<b>Total</b>	<b>139.2</b>	<b>136.1</b>	<b>2.3%</b>

### Further information:

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### About SUISA

SUISA is the cooperative society for composers, lyricists and music publishers in Switzerland and Liechtenstein. Its 37,000 members represent all musical walks of life. SUISA represents the world music repertoire of two million authors in Switzerland and Liechtenstein. It licenses the use of this

world repertoire to over 90,000 clients. In 2017, SUISA and SESAC, a US music rights organisation, established Mint Digital Services in joint venture. Mint Digital Services is responsible for the accounting and management of the transnational music licensing activities of SESAC and its subsidiary The Harry Fox Agency, and for SUISA's business with online providers; the joint venture company also provides services for publishers.

SUISA employs a staff of 200 in its offices in Zurich, Lausanne and Lugano and realises an annual turnover of approx. CHF 160 million. As a not-for-profit organisation, SUISA distributes its licensing revenues, net of a cost coverage deduction, to music authors and publishers. [www.suisa.ch](http://www.suisa.ch)