

Documentation of statistics for Trade with Music Rights 2023



1 Introduction

The purpose of the statistics Trade with music rights is to estimate the sale of recorded music in the form of physical sales, downloads and streaming. In addition, the statistics calculate the extent of payments for the use of music for public play and by reproduction, as well as the property rights income for composers and performers. Statistics Denmark published the statistics for the first time in 2014. In 2023, the statistics were expanded with statistics on the number of registered musical works and the number of authors of music, who are copyright holders.

2 Statistical presentation

The statistics is an annual statement of sales of recorded music and rights, as well as the number of registered musical works and authors of music with registered musical works. The statistics are published in News from Statistics Denmark and in the Statistics Bank. Sales are broken down by form of distribution, nationality (Denmark/Abroad), type of rights holders, geography and the gender and age of individual rights holders. Rights holders represented by, for example, a publisher are not included in the gender and age breakdown of the statistics. The number of musical works are broken down by the number of musical works in total and new registered musical works annually. The number of authors of music with new registered musical works is broken down by gender and age.

2.1 Data description

The statistics Trade with music rights include two types of economic activity:

- The sale of music and
- Entitlement payments by public performance and reproduction.

Sales of music are determined as the music companies' total turnover from physical sales, digital downloads and streaming.

Rights Payments consists of payments to the creative artist, i.e. composer or author of royalties, the performing artist when the music is performed and the producers, i.e. record companies and others in charge of the recording of the sound recordings published. The rights to a musical work are, as a general rule, valid for 70 years from the right holder's death. During that period, payment goes to the right holder's heirs. The statistics do not distinguish between the types of property rights.

The number of musical works corresponds to the number of unique musical works that have been registered. The number of authors of music corresponds to the number of unique persons with a Danish social security number who have contributed to composing or writing the registered musical works.

2.2 Classification system

The statistics are not based on standard classifications.

2.3 Sector coverage

Not relevant



2.4 Statistical concepts and definitions

Music rights: Composers, songwriters and performers receive rights payments every time their musical work is played in public. Composer and songwriter rights must also be paid for when the music is recorded on CDs, tapes, movies, video and other audio media. Finally, there are rights associated with copying notes and selling blank media that can subsequently be used for copying.

Musical work: A musical composition protected by copyright law.

2.5 Statistical unit

The units in the statistics is musical compositions that are protected by copyright law.

2.6 Statistical population

The population of the statistics is musical works created by composers, domiciled in Denmark, as well as musical works sold in Denmark, regardless of whether the composer is domiciled in Denmark.

2.7 Reference area

Denmark.

2.8 Time coverage

The statistics covers 2008 and onwards.

2.9 Base period

Not relevant for this statistic.

2.10 Unit of measure

Financial information is in Danish kroner. The number of musical works is shown in the number of 1000 works, and the number of musical authors is rounded up or down to the closest ten.

2.11 Reference period

The statistics are compiled annually.

2.12 Frequency of dissemination

Annually.



2.13 Legal acts and other agreements

There is an agreement with IFPI, Koda and Gramex annual deliveries of data. The statistics are national.

2.14 Cost and burden

The statistics are based on a voluntary agreement with the data providers. The administrative burdens associated with the statistics has not been estimated.

2.15 Comment

More information about the statistics can be found on the <u>Subject page</u>. You are welcome to contact Statistics Denmark if you are interested in further information.

3 Statistical processing

Music statistics are based on data from the record companies' trade association (IFPI) and the organizations Koda and Gramex which manages rights payments. Data are provide by voluntary agreement. Statistics Denmark validates data by comparing with last year's data. No further processing than validation and aggregation in the compilation of the statistics is undertaken.



3.1 Source data

The statistics Trade with music rights are based on data from the record companies' trade association (IFPI) and the organizations Koda and Gramex which manages rights payments.

Sales of music works are determined as the music companies' total turnover from physical sales, digital downloads and streaming. The numbers are reported to Statistics Denmark by IFPI. IFPI is the international trade association for record companies. Their statistics are generally given high credibility. The nationality of the works is also part of the report from IFPI. Where the composer is domiciled outside Denmark, these are international repertoire. Is the composer based in Denmark, the repertoire is considered to be Danish. It is a requirement that the recordings mainly are carried out by Danish artists or by artists resident in Denmark for the case of Danish repertoire. An album can be described as Danish if at least 75 per cent of the tracks meet the conditions for being Danish repertoire.

Payment for the rights to composers and songwriters every time their musical work played in public. These rights are handled by Koda. There are also paid for composer and songwriter rights when the music recorded on CDs, tapes, film, video and other sound carriers. These so-called mechanical rights are handled by the NCB. Gramex represents the rights of the performing artists and the record companies when a work of music is played in public. Finally, the copying of music and the sale of blank media that can subsequently be used for copying, an exercise of rights. These rights are handled by Copydan. The rights payments come from central and authoritative sources. Koda has a state concession to manage music rights and collects information on music played publicly in Denmark. Data is used to calculate the remuneration of the right holders and is assessed to be of high quality.

The number of musical works is based on Koda's reports regarding the number of registered musical works. Musical works with at least one right holder that is a member of Koda is included. At this time, it is not possible to distinguish between songs and other forms of musical works. Musical works here include ringtones, advertising music, background music in e.g. films or TV series, and music that has never been published. Data has been corrected retroactively for the period 2000-2015. In 2015, Koda changed its definition of what a Koda piece of music is. Previously, a work was understood to be a Koda work if a majority of the copyright holders were KODA members. Since 2015, all musical works where at least one copyright holder is a member of Koda are considered a Koda work, . In 2015, works that had previously not been considered Koda works were thus included as Koda musical works, which also included musical works from back in time. To handle the definition change, imputation has been made for 2015 based on the number of new Koda works in 2013-2014 and 2016-2017. The difference between the imputed number of new registered musical works in 2015 and the original number of newly registered works due to the definition change has been equally distributed over the years 1926-2014. The time series has been corrected for this change with a recalculation of the number of works back to 2000, which is the first year of the statistics, so that the works between 1926 and 1999 are included for the year 2000.

The number of musical authors is calculated on the basis of a special data delivery that contains registered musical works and information about the rights holders. Data contains the social security number (cpr.nr) on the authors who are not record labels etc., which makes it possible to enrich data via Statistics Denmark's population register.

3.2 Frequency of data collection

Data are collected annually.



3.3 Data collection

Data supplied to Statistics Denmark global basis.

3.4 Data validation

The drafting of the statistics validated data based on comparison with data from the previous year.

3.5 Data compilation

Statistics Denmark validates data on receipt and aggregates in connection with tabulation to the Statbank tables.

3.6 Adjustment

There will be no corrections.

4 Relevance

These statistics are used by professionals, researchers, authorities and other users, e.g. journalists interested in the economy in the music industry.

4.1 User Needs

The overall user need is to create more knowledge about the economy in the Danish music industry. Industry organisations, public authorities, researchers and other stakeholders may be interested in having access to the results of the study with a view to identifying relevant, current cultural and cultural policy issues that can be included as a basis for cultural policy and professional considerations.

4.2 User Satisfaction

These statistics are established in collaboration with the Ministry of Culture and with a follow-up group of experts and stakeholders.

4.3 Data completeness rate

Under construction.

5 Accuracy and reliability

There are no uncovered conditions in source data that indicate that the statistics do not provide an accurate and reliable picture of the total volume of sales of music and music rights. Some factors may mean that the scope is underestimated, but there are also factors that lead to an overestimation.



5.1 Overall accuracy

A number of factors mean that the statistics underestimate the sale of musical works: Source data covers record companies that are members of IFPI and rights holders organized in Koda and Gramex. Sales from record companies or rights holders who are not members of said organizations are not covered by the statistics. There may also be a lack of reporting from the use of music in public in Koda data. Illegal downloads are also not included in the data base. Conversely, over-coverage may also occur if the data base includes rights payments from playing music in previous years. Postpostings of deposits and withdrawals after data has been submitted to Statistics Denmark can contribute to time shifts in relation to the time of sale.

5.2 Sampling error

Not relevant for this statistic.

5.3 Non-sampling error

A number of factors mean that the statistics underestimate the sales of musical works: According to its own information, IFPI organizes 95 per cent. of the record companies' turnover, sales of music works from record companies outside IFPI are therefore not included. Some rights holders manage their rights themselves and are thus not part of the data base from Koda and the other rights organizations. There may be a lack of reporting from public use of music in Koda data. Illegal downloads are not included in the data base. Conversely, over-coverage may also occur if the data base includes rights payments from playing music in previous years. Post-postings of deposits and withdrawals after data has been submitted to Statistics Denmark can contribute to time shifts in relation to the time of sale.

5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

5.6 Quality assessment

The statistics are based on central and known authoritative sources, which help to ensure the quality of the results. The statistics have a number of sources of error, which are described under point. 5.3. No actual quality assessment has been made of the final results of the statistics other than the quality assurance described during data validation.



5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the <u>Revision Policy for Statistics</u> <u>Denmark</u>. The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

5.8 Data revision practice

There will not be published preliminary figures.

6 Timeliness and punctuality

The statistics are published 6 months after the end of the reference year. The statistics are usually published without delay in relation to the scheduled date.

6.1 Timeliness and time lag - final results

The statistics are published 6 months after the end of the reference year.

6.2 Punctuality

The statistics are usually published without delay in relation to the scheduled date.

7 Comparability

The statistics have been published since 2014, and in its current form comparable from 2008 onwards. The statistic can be compared with the organizations' own statistics. There may be some minor differences if the organizations make post-postings in deposits and withdrawals after data has been submitted to Statistics Denmark.

With regards to statistics on registered musical works in 2023, data has been corrected for the years 2000-2015. Thus, Statistics Denmark's calculation of the number of musical works differs from Koda's for the period in question. The correction is due to Koda changing its definition of what a Koda work is in 2015 (read more under Statistical processing).

7.1 Comparability - geographical

There are no international guidelines for compiling this type of statistic and it is therefore not comparable with official statistics from other countries. However, it is possible to find statistics on sales of musical works and rights in other countries from other independent actors.



7.2 Comparability over time

The statistics have been published since 2014, and in its current form comparable from 2008 onwards.

Due to a reorganization within the statistical systems at IFPI, who supplies the data used for the table series MUSIK1, there is for 2021 not possible to subdivide revenue from the sale of recorded music into Danish and Foreign. The total is instead only available with regards to form of distribution.

One of the data suppliers has switched to a new accounting system between the data delivery for 2021 and 2022. The transition to the new accounting system has meant that it has not been possible to provide data for 2022 that corresponds to previous years. Due to deficiencies in the data delivery, it has not been possible to place amounts as precisely as previously. Where possible, some of data has been imputed based on 2021 data.

In 2023, a decrease in the number of registered musical works can be seen. This is due, among other things, that a record company no longer is a member of KODA. The statistic is affected by the composition of KODA members in each statistical period.

7.3 Coherence - cross domain

The statistics are comparable to the organizations' own statistics. There may be some minor differences if the organizations make post-postings in deposits and withdrawals after data has been submitted to Statistics Denmark.

7.4 Coherence - internal

Not relevant for this statistic.

8 Accessibility and clarity

The statistics are published in <u>Nyt fra Danmarks Statistik</u> under the topic Musik.

The statistics Trade with music rights are published in Statbank Musik.:

For more information, see the statistics' subject page.

8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

8.2 Release calendar access

The Release Calender can be accessed on our English website: <u>Release Calender</u>.



8.4 News release

https://www.dst.dk/en/Statistik/emner/kultur-og-fritid/musik/koeb-og-salg-af-musik

8.5 Publications

Statistics Denmark has not released publications beyond what is published in the statistics bank.

8.6 On-line database

The statistics are published in the StatBank under the subject <u>Musik</u> in the following tables:

- <u>MUSIK1</u>: Revenue from the sale of recorded music by nationality, form of distribution and time
- MUSIK2: Purchase of rights for recording music by industry (DB07), region and time
- <u>MUSIK3</u>: Income by sale of music by type of owner of rights, region and time
- MUSIK4: Authors income from music rights by sex, age, region and time
- MUSIK5: Registered musical works by time
- <u>MUSIK6</u>: Authors with new musical works by sex, age and time.

MUSIK1 is based on information from IFPI. MUSIK2-4 is based on data from the right keepers Koda and Gramex. MUSIK5-6 is based on data from the right keeper Koda.

8.7 Micro-data access

There is no access to data other than through the Statbank.

8.8 Other

Not relevant for this statistic.

8.9 Confidentiality - policy

The statistic follow Statistics Denmark's common practice for confidentiality.

8.10 Confidentiality - data treatment

The statistics is disseminated at a level of aggregation that does not require further discretion.

8.11 Documentation on methodology

Documentation can be found in the documentation of statistics on http://www.Statbank.dk

8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

9 Contact

The administrative placement of these statistics is in the division of Science, Technology and Culture. The contact person is Christian Max Gustaf Törnfelt, tel.: + 45 2163 6020, and e-mail: CHT@dst.dk.