

**MEDIA RELEASE**

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## **IFPI Digital Music Report 2010 released today Digital revenues up, but not offsetting piracy losses**

IFPI has today released its Digital Music Report 2010 which shows that more than a quarter of all recorded music industry revenues worldwide are now coming from digital channels, as music companies license music in partnership with internet services providers (ISPs) and mobile operators, subscription services, streaming sites and hundreds of download stores. However, despite the continuing growth of the digital music business – with trade revenues up 12 per cent to an estimated AU\$4.5 billion in 2009 worldwide – illegal file-sharing and other forms of online theft are continuing to undermine investment and sales of music in major markets including Australia.

In the Report, Australia is described as one of the few markets to achieve the “holy grail” of overall growth in the first half of 2009, as the rise in digital sales offset the decline in revenues from physical formats. ARIA figures show that digital album sales nearly doubled in the first half of 2009, representing almost 8 per cent of overall album sales. Notwithstanding that growth, industry revenues remain substantially below their peak in 2004.

Yet despite the strong growth in the digital market, illegal file sharing remains a significant challenge, causing ongoing damage to local music industries around the world, including Australia. The Report shows that illegal file-sharing and other forms of online piracy have been the major factor behind the 30 per cent overall global market decline, a decline mirrored in Australia since 2001.

The Report recognises that online theft is continuing to adversely affect growth across the creative industries and calls for the urgent adoption of laws and codes of conduct to curb peer-to-peer (P2P) and other forms of online piracy – including the “graduated response” by which ISPs would cooperate with right holders in deterring illegal file-sharing on their networks.

Sabiene Heindl, General Manager of MIPI said “Despite record labels embracing the legitimate digital market in Australia and elsewhere, online piracy is still undermining artists and songwriters. We need to face facts – ISPs must take part in addressing the problem of illegal file-sharing. We welcome the IFPI Digital Music Report 2010 which reiterates the urgent need for ISPs to partner with the music industry and take steps to curb digital piracy on their networks.”

The Report, available at [www.ifpi.org](http://www.ifpi.org), provides an overview of the music industry’s changing business models, outlines the impact of digital piracy internationally, and reviews the efforts of governments to address it.

### **Media inquiries and interviews with Sabiene Heindl, General Manager, MIPI contact:**

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**About MIPI** - Music Industry Piracy Investigations Pty Ltd ([www.mipi.com.au](http://www.mipi.com.au)) is the anti-piracy organisation for the Australian music industry. MIPI represents close to 125 music labels through their association, ARIA and over 2,000 music publishers and songwriters through their association, AMCOS. MIPI operates a toll-free piracy hotline on **1800 06 16 16** and a report piracy form that can be accessed at <http://www.mipi.com.au/Report-Piracy.html>.

**About IFPI** - The International Federation of the Phonographic Industry ([www.ifpi.org](http://www.ifpi.org)) represents the recording industry worldwide, with a membership comprising some 1400 record companies in 72 countries and affiliated industry associations in 44 countries. IFPI's mission is to promote the value of recorded music, safeguard the rights of record producers and expand the commercial uses of recorded music in all markets where its members operate.