Foreword
Björn Ulvaeus,
President of CISAC

TWO THINGS CREATORS NEED IN THE STREAMING WORLD: FAIR VALUE AND BETTER METADATA

Behind its dry veneer, CISAC's Global Collections Report tells a story I care a lot about. It's a human story of songwriters, painters, screen directors, writers, lyricists and other creators, whose work inhabits the culture around us. These are the people, across all repertoires, who make up the "royalty economy", and they are the lifeblood of our creative industries.

These are tough times to be trying to make a living as a creator. Yes, digital royalties collected by CISAC societies are growing impressively. And there are wonderful opportunities provided by the streaming world. But that same world, where tens of thousands of creative works are uploaded daily to streaming services, is still unfinished business when it comes to ensuring a fair environment to earn a living.

Life was simpler and more predictable for me when we launched Abba in the 1970s. But I am not, for one minute, nostalgic for the past—only impatient for a better future for creators, and for good decisions by those who can make that happen.

As President of CISAC, I've tried my very best to bring about positive change. And in the last year I'm pleased to see signs of progress. On the one hand, pressure is mounting for fair value and greater transparency on creators' remuneration—something CISAC societies have long been calling for. GEMA's report on the music streaming sector in Germany is the latest study to nourish this important debate.

On the other hand, I feel hopeful that something is now happening to engineer the big leap forward that is needed on the issue of metadata. This is a massive priority, as without good metadata, we cannot have a healthy creative sector where creators get fairly paid.

Right now, too much of the data needed to identify and remunerate creators is incomplete or missing when works are ingested on streaming services. The result is a lot of money—hundreds of millions of dollars, I estimate—that is left on the table when it should be going into creators' pockets.

On the music side, CISAC has done a fantastic job upgrading the music works identifier ISWC and making it available to societies. But despite this, wider adoption of the newly-improved code is slow. It is essential that the different parties involved—societies, publishers, labels, DSPs, tech companies, managers and of course creators themselves—now work in collaboration to fix the problem.

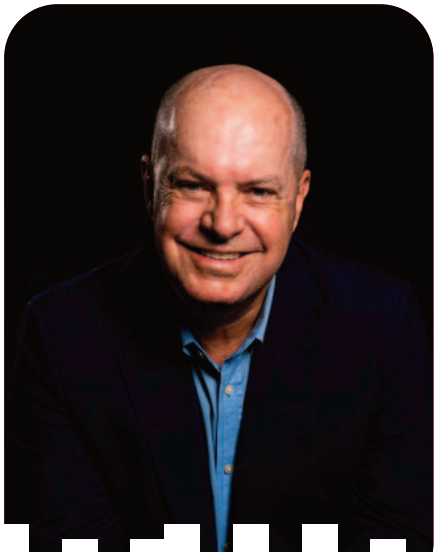
Last year I helped announce a brilliant initiative, launched by the Ivors Academy in the UK. "Credits Due" is a campaign that has asked for industry organisations to make a pledge to ensure that complete and accurate metadata is captured on recordings at the point of creation. It now has 70 supporting organisations, including CISAC.

> *The streaming world is still unfinished business when it comes to ensuring a fair environment to earn a living.*

As part of its enquiry into the streaming market, the UK government is now dedicating attention to the issue and exploring ways forward.

These are positive developments which, in combination, signal to me that things are now moving in a serious direction—as they must.

There is still a massive amount of work and willpower needed to solve these issues of fair value and good metadata. And I have no doubt at all that CISAC, with its unique platform and its global reach, will have a crucial role in making this happen. ■



Foreword
Marcelo Castello Branco,
Chair of the CISAC Board

WE ARE BACK TO BUSINESS, BUT THERE ARE CHALLENGES AHEAD

We are back to business around the world. Our member societies have driven a return to growth by showing their finest quality—the ability to adapt and change to keep pace with the rapid shift to digital.

The COVID crisis of 2020 and 2021 has tested our ability to serve creators and ensure their remuneration, improve our service and handle the ever more complex network of business partners. And on all these fronts, we have met the challenge. But more, and possibly greater, challenges lie ahead.

This latest CISAC Global Collections Report shows that we are on our way to recovery, but that our world is not the same as it was before. 2022 has seen cause for celebration as collections, especially for live and public performance, have come flowing back. But the numbers here are never going to tell the whole story. We need to see this year not just as a return to normality, but as a bridge to the next phase—with the new opportunities and challenges it brings.

In the near term, we face the prospect of economic slowdown ahead and the risks that come with the unusual combination of inflation and recession.

There are also signs of some vulnerability in the subscription streaming world, especially in the audiovisual sector, as the economic pressures make themselves felt. In the music sector, subscription prices are already undervalued and need to be raised, with prices having barely changed since the early days of the streaming model. Fair value and fair terms are essential so as not to compromise the remuneration of rightsholders.

Despite those uncertainties, streaming and subscription have become massive markets for creators, with plenty of room for long-term growth. There are promising new revenue -sharing models, and streaming platforms are generally flourishing across all repertoires represented by CISAC.

One critical area to which we need to give more attention is data management. Dealing with the trillions of transactions of the streaming market requires unprecedented investment by societies. To serve creators as we should, we must have robust industry and multi-platform identifiers and a collective system to manage them. CISAC is deeply engaged in this effort, leveraging its tools and its global network.

> *Subscription prices are already undervalued and need to be raised, with prices having barely changed since the early days of the streaming model.*

This isn't just about education and improving the recognition of creators online: it's about fairness in the way creators are treated in the streaming environment.

The exciting opportunity for societies today is to continue to adapt and grow income in the digital world. We need to seize this opportunity, staying relevant to creators and to the extraordinary creative sector that we are privileged to represent. ■

Foreword
Gadi Oron,
Director General

WE NEED TO BRING GREATER VALUE TO CREATIVE WORKS IN THE DIGITAL MARKET

It gives me great pleasure to introduce our new Global Collections Report. Once again our Report gives a unique overview of creators' royalty collections for all repertoires, based on exclusive data coming from CISAC's 228 member societies across the world.

The good news is that royalties collected by CISAC members are back to growth. Collections in 2021 rose 5.8% to EUR9.6bn, restoring our sector's pre-COVID upward year-by-year trend.

After the 10% fall experienced in 2020, our societies' return to growth is an impressive achievement. It is a result of quick adaptation to the new reality as many societies moved to focus and enhance their digital licensing.

The recovery is only half done, however. Even after the growth of 2021, collections remain more than 5% below their pre-pandemic level. Live and public performance income dropped dramatically in 2020 and 2021 and are only emerging now from an almost total collapse. Digital income might be powering ahead, but its share of overall collections is still too small to compensate for the losses in the live concerts and public performance sector.

One thing is clear from the analysis of this Report: the growing importance of digital within all repertoires. Creators saw digital royalties rise by a healthy 28% in 2021. There is, without a doubt, much more room for growth. Digital still represents only 33% of all collections which is, by comparison, less than half of the share accounted for by digital in the recording industry. The message is clear: we need to bring more value to creative works in the digital market, and we need a fairer ecosystem.

Growing global digital collections is today CISAC's top priority. First, we are working to constantly improve the data management that helps drive collections. That is why we push forward with improvements and new services around the music works identifier ISWC, a key part of the infrastructure of the streaming market. The next phase is to make the ISWC work more accurately and seamlessly across the value chain, including the participation of publishers and digital services.

Advocacy and education have a key role too: CISAC is working with members to create a fair environment in music, audiovisual, visual arts and other repertoires.

Through lobbying, negotiation and, where needed, litigation, our societies help improve rights, fix laws, and secure better licencing terms for creators' works. The case studies in this report, from eight countries - Japan, Bulgaria, India, South Africa, Chile, France, Denmark and Canada - highlight those efforts.

> *Creators saw digital royalties rise by a healthy 28% in 2021. There is, without a doubt, much more room for growth.*

Looking ahead, we can expect further growth in 2022, helped by the return of live concerts, theatres and exhibitions. But there is uncertainty too, with the ongoing cost of living crisis. Whatever the impact this will eventually have on royalties, I am confident that CISAC's global network will continue to lead in the fight for fair value for creators' works. ■