

PRESS RELEASE

Rights holders scale \$1 billion mark for digitised content

Brussels, 2 December 2014 - EDiMA*, in association with CCIA**, launched its “Technology is Culture” report this morning – it shows just how important the Internet is to creativity and culture in Europe.

The report leaves the reader in no doubt that digital and Internet technologies drive the dynamic growth of creativity, the availability of culture and access to culture. The assumption that technology is driving demand for free and undermining consumer willingness to pay is incorrect and undermined by hard evidence: consumer spending in the creative sector is up 25% from 2001, and revenue per usage hour in the EU-28 countries have increased by more than 130% for Internet-related products and services.

From 2001 to 2011, all growth in the creative sector was driven by digital media (€30 billion). In recorded music, Europe saw digital growth of 13.3%, and the overall recorded market grew in France, Italy, Germany, Netherlands and the UK in 2013. Global spending on digital music will surpass physical distribution in 2015, as is already the case for the UK, the US, Sweden, and South Korea. Annual individual music purchases have increased since 2006, with another record mark of 1.65 billion music purchases in 2012, up 3.1% compared to 2011. There are now 28 million paid music subscribers globally, up from 20 million in 2012, amounting to a \$1 billion business for right holders. For film, box office revenues reached \$35.9 billion in 2013, up 4% from 2012 and all regions experienced growth in 2013. Total spent on online video transactions rose 97.1% from 2011 to 2012, and spending by European consumers on digital video subscriptions increased by 327% in 2012 alone. In a class of its own, the EU app sector grew from zero in 2009 to €17.5 billion in revenues in 2013. And in mid-2012, digital subscription for the Financial Times passed 300,000 users, overtaking the number of print subscribers, the equivalent to 30% year-on-year growth in digital sales.

Commenting on the report, EDiMA President Stephen Collins noted “digital distribution enables the creative industries to produce new types of content to meet consumers’ demands – far from limiting culture in all forms, the online environment provides an extremely lucrative solution to the difficulties faced by the creative sectors in years passed. Internet companies clearly play a positive and crucial role in European culture and EU policy should support that”.

The report is available at: www.europeandigitalmedia.org

For more information, contact:

+32 2 626 1990

info@europeandigitalmedia.org

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* EDiMA is the European trade association representing online platforms. It is an alliance of new media and Internet companies whose members include Allegro Group Amazon EU, Apple, eBay, Expedia, facebook, Google, LinkedIn, Microsoft, Nokia, Yahoo! Europe. EDiMA's members provide Internet and new media platforms offering European consumers a wide range of online services, including e-content, media, e-commerce, communications and information/search services.

** CCIA (Computer & Communications Industry Association) is a non-profit membership organization for a wide range of companies in the computer, Internet, information technology, and telecommunications industries, represented by their senior executives. The CCIA include: Allegro Group, eBay, Facebook, Foursquare, Google, Intuit, Microsoft and many others. Created over four decades ago, CCIA promotes open markets, open systems, open networks, and full, fair, and open competition.