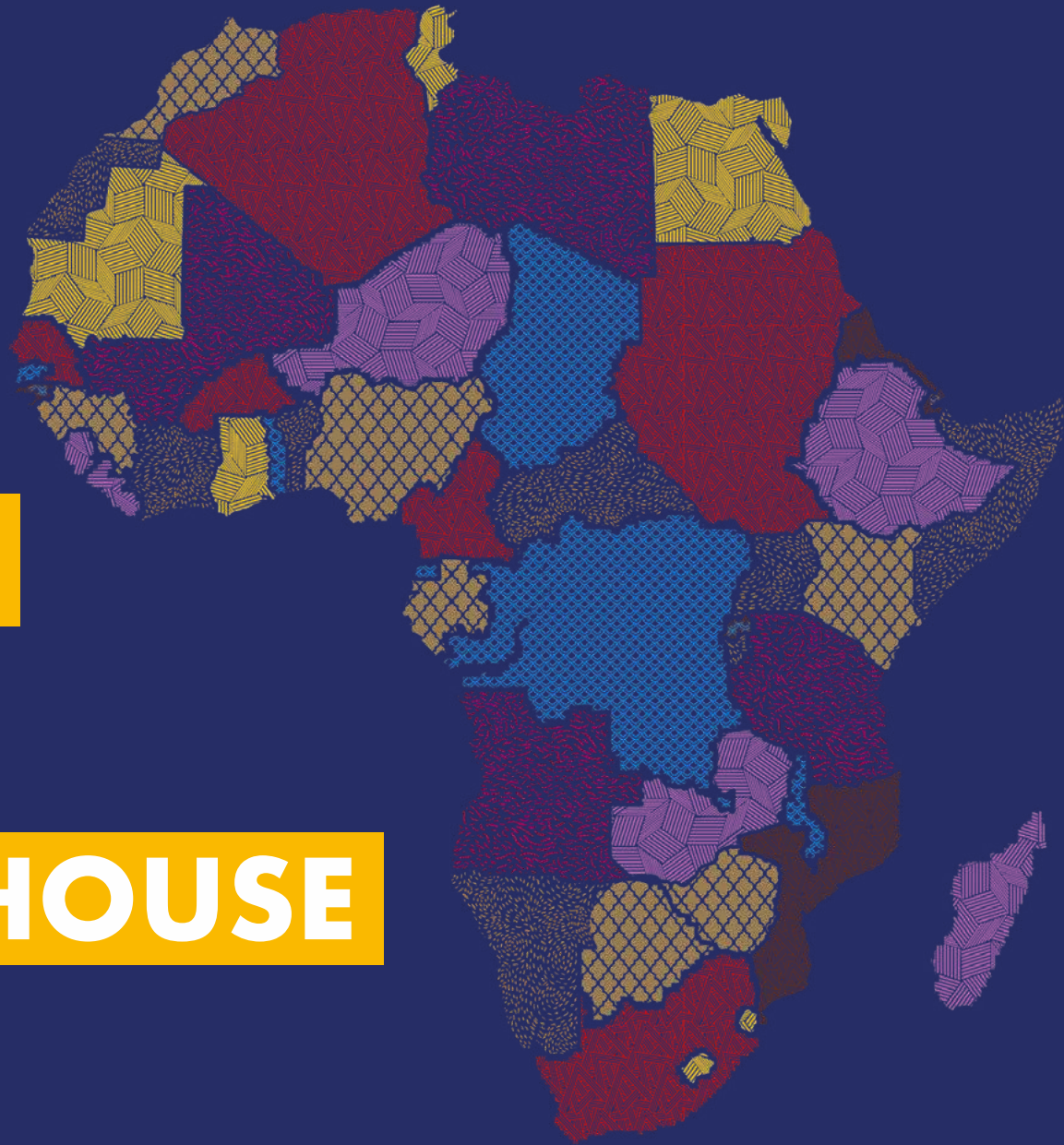


AFRICA:

THE RISE OF AN

UNDervalUED

MUSIC POWERHOUSE



AN EXCLUSIVE REPORT BY



midem
connected by music

EXECUTIVE SUMMARY

In April 2018, Midem, home of the global music community, in partnership with French Rights collection agency SACEM & La Culture avec La Copie Privée, and pan-African music media network TRACE, undertook a four-country industry roadshow to meet with local music executives, talent and politicians in South Africa, Ivory Coast, Nigeria and Republic of the Congo.

The objective was to bring local and international music experts together to discuss how best to structure and develop Africa's music sector at a national and international level.

In June 2018, Africa was the focus of Midem's newly-launched High Potential Markets Programme.

Following these two initiatives, Midem presents an exclusive White Paper devoted to the current state and future of the music sector in Sub-Saharan Africa.

- Africa currently accounts for just 2% of global music revenues and 1% of royalty collection revenues.
- 500 million African citizens are expected to own smartphones by 2020.
- The majority of Africa's Sub-Saharan population is aged under 20.
- Potential for developing the continent's music industry is massive, driven by cross-genre talent and a music-hungry fan base that is young and mobile-friendly.
- Major labels including Universal Music Group and Sony Music Entertainment are showing renewed interest in doing business in Africa.
- Artists, labels and governments need to improve understanding of the value of copyright, structure (or establish) their rights collection services and provide copyright protection.
- The continent's music industry should create a pan-African guild representing and promoting music rights owners across Africa, providing a forum for cross-border discussion within the music business community and capable of lobbying at an inter-governmental level.
- Africa should launch more regional music streaming platforms carrying local artists.
- There is a need to develop adequate concert venues and establish a network of talent agencies and management and simplify the movement of performing artists throughout Sub-Saharan Africa.

“ AFRICA IS AN ARTISTIC VOLCANO. THERE HAVE BEEN OCCASIONAL ERUPTIONS WHEN MAJOR ARTISTS HAVE BROKEN THROUGH ON THE INTERNATIONAL STAGE, BUT THERE COULD BE SO MUCH MORE.”

ALEXANDRE DENIOT, MIDEM DIRECTOR.

“ IN THE PAST, AFRICAN MUSIC WAS IN THE WORLD MUSIC CATEGORY AND I DON'T WANT TO BE PIGEONHOLED IN THAT WORLD.”

DJ AND ENTREPRENEUR BLACK COFFEE

“ CURRENTLY THE REPORTING OF PUBLISHING RIGHTS AND ROYALTIES COLLECTION IS PRETTY INCOHERENT.”

ABIOLA OKE, CEO OKAYAFRICA & OKAYPLAYER

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AFRICA: THE RISE OF AN UNDERVALUED MUSIC POWERHOUSE

1 • INTRODUCTION

Midem, the leading international music-industry market, is spearheading an initiative to place the Sub-Saharan African music industry under the global spotlight it deserves.

Midem has acknowledged the influence that African rhythms and harmonies have had on popular music in the economically thriving Western countries.

Read the history of commercial recorded-music, from the blues, jazz, rock 'n' roll to rock, hip hop and rap, and the leading lights and legends (like Nina Simone, Ginger Baker, Paul Simon and Kanye West) will point to African inspiration.

So, why does the music industry in Sub-Saharan Africa, with its 1 billion-plus mostly young population, still account for a mere 2% of the global recorded-music sector and less than 1% of the royalties collected?

In response, Midem has embarked on a series of programmes to kick-start dialogues designed to offer solutions and actions that will professionalise and build a more scalable and sustainable industry structure.

It is collaborating with African artists at home and abroad, executives,

entrepreneurs, organisations and related government institutions plus interested international associations to help develop the region's full creative power.

In 2018, this culminated in the Midem African Forum, which made the continent the first region to be celebrated in Midem's inaugural High-Potential Markets Programme.

This included a unique four-country roadshow in April that shared Midem's best practices as a

music-industry event organiser in Johannesburg, South Africa; in the Nigerian metropolis of Lagos; in the Ivory Coast capital Abidjan, and in the Republic of the Congo's Brazzaville.

The roadshow hosted a series of forums in each city, promoting African creativity, sharing professional expertise and knowledge, creating networking opportunities, exchanging ideas and involving local politicians and industry officials.

In all, about 400 musicians participated, 50 artists performed live, and three culture ministers, including the Ivory Coast's Maurice Kouakou Bandaman, showed their support. Thousands of fans attended the accompanying gigs.

Furthermore, this year's Midem event in Cannes focused on the African music sector. Several panels featured African acts and entrepreneurs discussing the possible strategies to crown their vibrant industry with future economic health and wealth.

"Africa is an artistic volcano," declared Alexandre Deniot, Director of Midem. "There have been occasional eruptions when major artists have broken through on the international



Midem African Forum

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stage, but there could be so much more. African music, in all its amazing diversity, still has incredible potential to reach international audiences and we want Midem to support that potential.”

The Midem African Forum was organised in association with the French rights collection agency Sacem and La Culture avec La Copie Privée, and Trace, the leading youth-focused international media group with Afro-urban music TV and radio networks reaching 200 million people.

“One of the greatest musical revolutions of our time is taking place before our eyes right now in Africa, and it is spreading around the world,” declared Olivier Laouchez, CEO of Trace.

“It’s a revolution that also teaches us about the history of African societies, as musical revolutions are intrinsically linked to social evolutions. Trace’s mission is to nurture, cherish and celebrate afro-urban music and culture around the world, so this year’s Midem, with its African focus, was the perfect platform for us.”

Jean-Noël Tronc, Sacem’s CEO, added: “The African tour in April confirmed the undeniable potential



Midem’s Alexandre Deniot

and vitality of African creators. We aim to ensure the fairest remuneration for our African members by sharing our expertise and developing innovative and strategic partnerships, of which the African Forum with Midem and Trace is a stellar example.”

He continued: “It is a wonderful occasion to promote African talent and for open discussion about the issues and challenges African creators face today.” ■



The Sacem African Night at Midem

THIS EXCLUSIVE WHITE PAPER centres on the findings gained during the roadshow and an invitation-only closed session during Midem. Both featured the great and the good in the Sub-Saharan African music industry reviewing the continent’s promise.

Supported by an analysis of the music market today, the international prospects and investments, digital developments plus expert interviews, this report highlights the challenges faced. But, even more crucially, it emphasises the positive conclusions reached by African and international music executives - during the Midem African Forum activities all year long - to propel the industry forward and make it sustainable.

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SIZE OF THE MARKET

According to the Worldometer website, the population of the African continent is almost 1.3 billion, and just over 1 billion live in Sub-Saharan Africa.

The United Nations and World Bank forecast that the population will grow to about 2.6 billion by 2060. And, the music industry will be pleased to know, the average age for the continent's total number of citizens is 19.4 years. This gives the Sub-Saharan area the world's highest youth population.

Yet, thanks to piracy during the heydays of physical vinyl and CD recordings, the African market was for a long period associated with corruption and loss-making investments. Futile national copyright laws undermined the value of intellectual property. We must also bear in mind, economic poverty in Africa is rife and income per capita includes some of the world's lowest.

To this day, the recorded-music sector's international trade organisation IFPI has not found it easy to calculate the revenues generated in the different African markets. There has been no African country, including the South Africa (arguably the most economically developed African market), in IFPI's Top 20 markets by revenue since its 2011 report.

Based on World Trade Organisation data, the Politifact.com website estimates Africa generates a mere US\$480m from exporting entertainment, including films, TV and music.

Midem calculates that the region represents only 2% of the global recorded-music sector. CISAC, the umbrella organisation of the world's collecting societies, reported that Africa generated €67 million in creative-industry royalties in 2016, which amounted to 0.7% of the global revenue. Music royalties for Africa might be small but it is growing: it reached €59m that year, an 11% increase from 2015.

AFRICAN ARTISTS

Hugh Masekela, Miriam Makeba, Angelique Kidjo, King Sunny Ade, Youssou N'Dour, Salif Keita, Papa Wemba, Johnny Clegg, Baaba Maal and Ladysmith Black Mambazo are among the legends of African music introduced to the rest of the world as part of the World Music movement.

Their ambitious descendants want more and Midem is supporting those aspirations. As internationally popular South African DJ Black Coffee said during a keynote interview at Midem:



Black Coffee

"In the past, African music was in the World Music category and I don't want to be pigeonholed in that world. It means you're always at the big festivals but on the smallest stage, on world tours in the smallest clubs."

Africa produces a melting pot of musical genres that contribute much to both classical and contemporary culture.

Region-wide styles include Afrobeat, Afropop, Afrosoul, Highlife plus local interpretations of standard pop music, hip hop, rap, R&B, funk,

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Yemi Alade

dance music, jazz, and gospel. You can also find heritage sounds like waka music and juju from Nigeria, gqom and kwaito from South Africa, Ivory Coast's Coupé-Décalé and Zouglou music, as well soukous from Congo.

The Nigerian and South African music industries are among the fastest growing on the continent. Nigeria's Afrobeat genre has become an international phenomenon. Two of Nigeria's hottest acts, Davido and Yemi Alade, are respectively hailed the King and Queen of Afrobeat.

Alade's hit song Johnny is officially the most viewed video by an African artist on YouTube, with 91 million views and counting in July

2018. Other Nigerian artists with local and international followers include P-Square, D'banj, Olamide, Tiwa Savage and WizKid

In South Africa, not only is DJ Black Coffee stamping his mark on the international map, check out Cassper Nyovest, Josh Wantie, Die Antwoord, Thandiswa Mazwai and Bongo Maffin, The Parlotones, Kwesta, Nasty C, T\$hego, Lira, Spoek Mathambo and AKA.

In Ghana, look out for Stonebwoy, Sarkodie and Efya; from Kenya, there are Sauti Sol, Stella Mwangi, and Khaligraph Jones; from Ivory Coast, Magic System, Kiff No Beat, Bebi Philip, and DJ Arafat are making an impact locally and abroad; and Congo's top acts include Maitre Gims, Damso, and Hero Le Coq.

// THE NEXT GLOBAL POP SUPERSTAR WILL COME FROM AFRICA"

AFRICORI'S
YOEL KENAN

INTERNATIONAL CONNECTIONS

One reliable route to international fame for African creators is collaborating with high-profile artists in other regions. Among the international hitmakers known to have worked with Africa's big names are Chris Brown, Wale, Drake, Rick Ross, Trey Songz, Snoop Dog, Major Lazer, and Meek Mill.

In terms of music publishing, at this year's Midem, Syllart Records' Binetou Sylla received an ovation when it was disclosed that one of its recordings (Bèrèbèrè by Idrissa Soumaoro) was featured in the Disney-Marvel blockbuster movie Black Panther, one of the Top 10 highest grossing films of all time.

International touring aimed at the African diaspora and foreign fans has raised the status of African artists globally. UK-based industry consultant Steve Osagie points out that major venues in the UK, Europe and the US have hosted shows by Nigerian stars like Davido, 9ice, WizKid, Yemi Alade, P-Square, Falz and Olamide. Several have sold out venues with capacities of between 3,000 and 20,000.

In all, the international music business has started to embrace original African sounds and their creators. At Midem, Yoel Kenan, CEO of UK/South Africa-based distribution/marketing company Africori,

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said: "I believe the next global pop superstar will come from Africa; more likely supported by a US, UK or French label; but the talent will be African."

DIGITAL MEDIA

There is an estimated 453 million Internet users in the whole of Africa, of which 177 million-plus are Facebook subscribers, and the number of smartphone users is predicted to be 500 million by 2020.

To date, the growing mobile penetration has made it easier for recorded music to be sold and revenues collected via mobile phones.

South Africa-headquartered MTN, the region's leading telecommunications network operator, generated a reported US\$70m from music distribution in the first half of 2016. However, local rights owners have complained the telco operators usually keep up to 80% of the revenues, which they find restrictive. But telco networks are trusted as a potentially safe way to avoid music pirates too.

It is social media, however, that has galvanised the entrepreneurial spirit among African artists. They use mostly YouTube and Facebook to reach domestic and international fans to promote new releases and planned tours.

"When a promoter is trying to publicise African artists in the UK for an upcoming show or concert, we will drive those artists' visibility by posting several of their YouTube videos first," London-based consultant Steve Osagie explained.

"The artists also do a lot of drops on social media promoting their upcoming shows. Digital has made it easier for them to be discovered. It has played a massive part in the shareability of the music. Nowadays, you don't even need to



Yemi Alade

be a big artist. As long as you have a song that has gone viral in a country outside of your home market, promoters will use that same social media to help push the artist in either UK or US."

Afrobeat queen Yemi Alade told this year's Midem audience that social media has been indispensable to her career.

"Social media is a huge part of the music. It is like your own TV station," she said. "If you stop posting, you will lose your audience. There are more than a million fans who want to know what Yemi Alade is up to. I let them know where I am and what I am doing. And for every song, there must be an amazing video to illustrate the story."

In terms of digital distribution, Spotify made its African debut in March with the launch of its South African service. It joins Apple Music as well as

**// SOCIAL MEDIA IS A
HUGE PART OF THE MUSIC.
IT IS LIKE YOUR
OWN TV STATION,"**

YEMI ALADE

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Joox and Voov, two streaming services originated by Tencent Holdings, the Chinese Internet giant that happens to also be a Spotify shareholder.

South African DJ Black Coffee has argued for an Africa-originated streaming-music platform and unveiled plans to launch his own, GongBox. He said: "I have been working on this for the past five years; it is to be the home of African content. It is to be created by us for us, for artists who want to be serious on social media."

Johannesburg-based digital-services Content Connect Africa (CCA) also has ambitions for Africa's streaming-content arena.

Head of operations Munyaradzi Chanetsa told Midem: "At this moment, our focus is short-form video content. We are working closely with MTN to launch their video-streaming platform called MTN Shortz. In fact, a budget has been set aside for MTN to commission exclusive video content in a number of their territories (namely Nigeria, South Africa, Uganda and Ghana.)."

He continued: "CCA is also in the process of launching its own video-streaming platform called VivaNation. The plan is for this platform to host exclusive African content and we hope to launch in the first week of September. The

app will be available on Google Play Store and Apple's App Store globally."

FOREIGN INVESTMENT

In the past five years, the major record labels have rediscovered Sub-Saharan Africa, having abandoned the region for almost three decades when piracy made it almost impossible to do business there, apart from South Africa.

In 2016, Universal Music Group (UMG), the world's biggest record company, appointed Johannesburg-based Siphon Diamini in the new role of managing director at Universal Music South Africa and Sub-Saharan Africa. Additionally, there is now a Universal Music Nigeria division.



In March this year, UMG agreed to acquire a majority stake in Nairobi-based AI Records, and announced in July expansion plans in French-speaking Africa.

Sony Music Entertainment is doing business in Nigeria and Kenya. Davido and WizKid have deals with Sony Music. Warner Music Group (WMG) launched Warner Music South Africa in 2013. Then, in 2017, WMG signed a licensing deal with African-music streaming platform Mdundo.

As much as African artists welcome the revived interest of the major labels, they point out that they have had to be independently entrepreneurial during the period when the majors were absent. Thus, rather than sign with a major should the opportunity arise, they would prefer to form joint ventures with them instead.

T\$hego, the rising South African urban-music star who performed at this year's Midem, said: "African artists definitely pioneered that move into DIY (do-it-yourself) music. We promote the music, handle the PR, produce, arrange, and book shows individually. We're basically on our own but will collaborate with other artists on the label when it creatively makes sense. The major labels need to understand that." ■

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CHALLENGES AND SOLUTIONS

What does Africa need to develop, build and sustain an infrastructure on which a multi-cultural, multi-lingual and multi-territory music sector will thrive locally and globally? At Cannes in June, Midem brought together some of Africa's most experienced music executives and entrepreneurs and their international counterparts at an invitation-only closed session.

The participants, which formed an African Forum think tank, debated and deliberated the issues holding back the continent's prospects of professionalising and shaping a robust structure for its sector.

African Forum Think Tank at Midem



The forum followed Midem's trail-blazing four-nation roadshow in April to inspire and motivate local creators, executives and businesses to develop solutions relevant to their respective domestic needs.

Midem then connected the key participants to share what they believed are the pragmatic strategies for overcoming today's obstacles to ensure tomorrow's long-term growth.

Below is a comprehensive snapshot of their conclusions.

TEACHING ARTISTS AND PROFESSIONALS ABOUT COPYRIGHT

An education-in-a-box should be launched to educate artists about the value of copyright, if they want to safeguard their careers and the professions, advised Alison Wenham, CEO of the global trade body for independent music community WIN (Worldwide Independent Network).

She emphasised the necessity for artists and composers to register their works, otherwise no one, including the regulators appointed to protect those works, will understand how to appreciate their value.

"We ought to set up what we called an education-in-a-box so that, through our contacts and working with local people on the ground, we can provide specific advice on contractual arrangements (such as who owns which rights in a song), the value chain, the value of rights, the marketing, the management, styling, how to approach digital distribution, and much more," she said.

Music creators and related rights owners in Africa can learn a great deal from the music communities in developed economies, she said.

Right owners of all levels need to appreciate the difference between registering a song's copyright with the ISRC for the master recording, and with the ISWC for the publishing rights, and that in some regions like Europe, the copyright survives 70 years after your death, and the recording rights last 70 years from the date of communication.

This requires skills in metadata, the coding system that identifies the artists, the labels, the publishers, the recording studio and any other information that acknowledges a song's origins.

"The industry has a responsibility to the musician's piece of music to make sure it is registered and is properly coded at metadata level," Wenham added. "Musicians will find all of that stuff

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very boring but there are a lot of companies, including YouTube and trade associations like Merlin and WIN, that will find you the people who eat metadata for breakfast. Music coded properly will earn the money that should come back to the African countries.”

TEACHING GOVERNMENT OFFICIALS ABOUT COPYRIGHT

The education-in-a-box should also apply to regulators and government authorities responsible for a nation’s intellectual properties. Wenham advised the African music industry to be inspired by achievements in the UK, France, Canada and South Korea, where the governments have understood why the creative industries are critical to a nation’s economic prosperity.

“Experts tell me that African governments generally do not value the creative industries. Today, the creative industries are the fastest growing sector in every mature country in the world, contributing at least 10% of the GDP,” she added.

“If you look at the markets that have accepted copyright, which is the economic engine of the music, film, games, publishing industries, those products will not only bring a return to the local economies, they will also establish that country’s cultural identity in the global market.”

MUSIC PUBLISHING AND COLLECTING ROYALTIES

Creating value for the artist and the region’s heritage in monetary terms should be a priority. In the 21st century, the solution is technology that will make the collection and dis-

tribution of royalties simpler and transparent. This technology will record, trace and report how, when and where the music is being used (such as on radio, TV, film, games). The same tech will ensure the music user (radio station, TV channel, movie producer, games developer) applies to a collection society for the licence and be held accountable for using the music.

“Currently, the reporting of publishing rights and royalties collection is pretty incoherent to a lot of artists and a lot of distributors,” said Abiola Oke, CEO of Nigeria-based digital platform OkayAfrica and online portal Okayplayer.

“Sometimes artists do not know or want the difficult discussion around who owns what portion of a song. We believe technology can solve a big part of those challenges right now.”

THE LEGAL CHALLENGES

Copyright protection is lacking in most African markets. Three industry experts and Midem African Forum participants point to the current legislative weak links, the achievements to date, and why it is critical to build a strong legal infrastructure to protect African intellectual properties forward going.

// The industry has a responsibility to the musician’s piece of music to make sure it is registered and is properly coded at metadata level,”

WIN’S ALISON WENHAM

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Rob Cowling, General Manager of leading South African music-publishing venture Gallo Music Group, explains why the rest of the continent needs to learn from his country's efforts to build on an increasingly strong copyright foundation.

"Africa poses its own challenges with regards to the lack of reciprocal agreements with South Africa, and problems with corruption and legitimacy of its CMOs (Collective Management Organisations)," said Cowling, who is also on the board of directors at RISA (Recording Industry of South Africa).

He noted that in Nigeria, the Copyright Society of Nigeria (COSON) earlier this year had its licence suspended because of warring factions within the organisation.

Consequently, the Nigerian Copyright Commission (NCC) issued a directive to license another copyright body, the Musical Copyright Society of Nigeria (MCSN), as an official collecting society. So COSON is no longer the region's only CMO.

"Lack of communication and information, inefficient collection, uncollected and/or unpaid royalties or reluctance to pay or incorrectly reported revenues are on-going problems, espe-

cially in key African markets like Nigeria, Kenya (MCSK), Tanzania, Ghana, Cameroon and Rwanda," he observed.

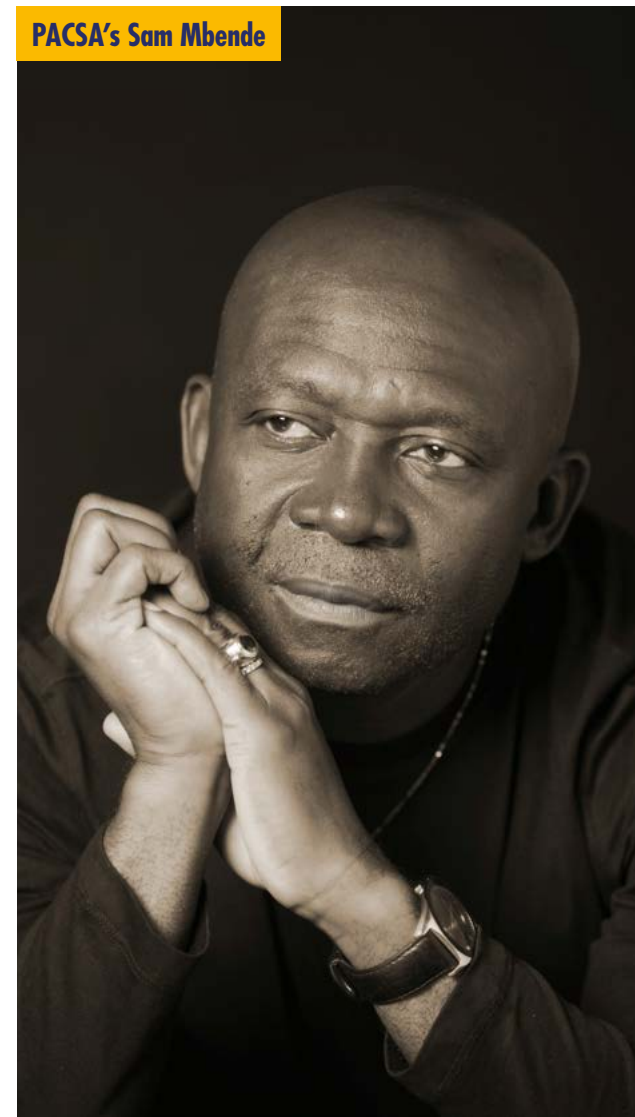
"Many music stakeholders are focused on the master-recording revenues. They fail to recognise or are not even aware of the importance of authors' rights, especially in the digital market. Perhaps this is something an African trade association could address in the future."

Sam Mbende is President of PACSA, the African continental alliance of the International Council of Music Creators (CIAM). Part of CISAC, CIAM was created to unify the voice of music creators worldwide. CISAC has 37 authors' societies in Africa. Royalty collections are fast growing, but are a tiny fraction at around 1% of total global collections.

Mbende said PACSA works with CISAC and organisations such as the African Regional Intellectual Property Organisation (ARIPO) and l'Organisation Africaine de Propriété Intellectuelle (OAPI) to develop training programmes.

For example, private-copying levies are rich sources of potential income. Yet, only a few countries, notably Algeria, Burkina Faso, Ghana and Botswana, have working systems for collection enforceable by law.

PACSA's Sam Mbende



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In 2018, PACSA, CISAC and creator ambassador Lokua Kanza met with Ivory Coast Minister of Culture Maurice Bandama. As a result, Mbende said, PACSA received a commitment to further improve private-copying levy legislation for artists in the country.

He noted that a 2017 CISAC study identified that less than 40% of radio stations in Africa are licensed to broadcast music. He said robust evidence of the economic potential and benefits that the creative sector in Africa would bring to cultures, local jobs and economic growth is needed.

PACSA has called for an economic study jointly commissioned by rights holders. In Cape Verde, female artist and Cape Verdean Society of Music President Solange Cesarovna worked with PACSA, CIAM and CISAC to achieve their goals to help creators. In April 2018, the society distributed payments to artists for the first time ever.

Mbende told Midem how PACSA hopes to help build a sturdy copyright environment for the music and other creative industries in Africa.

“PACSA is helping establish a one-stop digital licencing scheme, developed by CMOs, rights holders and creators, to support efficient, transparent distribution on Digital Service Provider (DSP) platforms and give creators much-needed

greater bargaining power in negotiating with large corporate users of music,” he said.

“With the explosion of streaming in Africa, it is widely accepted that there is enormous potential for music creators to reach large new audiences across borders,” he explained.

“Yet, paradoxically, the business and legislative environments across Africa are weighted against creators in favour of powerful broadcasters, telcos and digital platforms.”

This makes it all the more imperative for the African music industry to develop strong national and regional associations as well as partnerships, Mbende added.

“When coordination and communication networks among organisations are strengthened, Africa can attain new levels of creative vibrancy. Improving the conditions for millions of songwriters in the region is the important mission of PACSA”

Isioma Idigbe, an associate at Lagos-based Punuka Attorneys & Solicitors, praises Midem’s move to provide a platform for the African market to do some soul-searching about the future.

“I think the Midem debates will be extremely useful if the African delegates who were in attendance during the African Forum take the

conversations with them and start to act in their respective jurisdictions,” she said.

“They need to address the issues raised and implement the resolutions reached, particularly those pertaining to improving music-business regulatory frameworks.”

She also urged international enterprises seeking to do business in the region to be prepared to commit seriously.

“They must invest in working with the African business owners on the ground to improve the infrastructure. This will ultimately result in bringing to life the vision of Africa being the next frontier in the global music sector.”

CONTENT DISTRIBUTION

In Sub-Saharan Africa, where global telecoms trade body GSMA predicts smartphone penetration could reach 500 million by 2020, digital distribution seems like a safe bet for the music industry.

Africa should develop opportunities to launch its own regional streaming-music platforms. Today, the region’s artists still depend on mobile phones’ Caller Ring-Back Tones to generate any income from recorded music.

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Okay Africa's Abiola Oke

African repertoire's presence on the international streaming platforms like Spotify and Apple Music is growing. But, as OkayAfrica's Abiola Oke noted: "Some 80% of the music we identified is foreign, while 20% is local. Sifting through all that to get the type of content you actually want is proving to be challenging. Africa needs more DSPs (Digital Service Providers) to provide localised experiences."

TOURING AND THE PAN-AFRICAN PASSPORT

In addition to the technology, however, Africa must grow its own network of talent agencies, talent-management firms and booking agencies to safeguard artists' interests and fans' welfare during live gigs at venues.

Africa needs its equivalent of the US-based CAA (Creative Artists Agency) and Endeavor (formerly WME-IMG). For that to work, the industry must have suitable venues in terms of size and structure. Today, they are lacking even in the big cities. Additionally, a strong touring sector can create employment from new expertise like logistic experts, travel agencies and catering operations.

Another recommendation at the African Forum was the concept of an African-wide passport. This would enable artists to apply for region-wide visas, making it more manageable to tour the continent. Today, artists have to apply for visas on a country-by-country basis if they want to tour Sub-Saharan Africa's almost 50 territories.

"We need to speak to government bodies as a unified voice for changes that will assist us with one of the biggest issues, travelling. Hopefully, one day, the African Passport will be available so that we can travel more easily across the continent," noted Munyaradzi Chanetsa, head of operations at Johannesburg-based Content Connect Africa.

LIVE PERFORMANCES NEED A TECH SEARCH SYSTEM

Technology can come to the rescue of an under-developed and rather chaotic live-music market. A system is needed to enable promoters and venue owners to make the right connections to book acts for live concerts.

It will feature a search engine to streamline the various criteria required, such as musical genre and venue, to search for, find and book artists.

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Technology is also needed for ticketing and payment systems that will make operators accountable for the revenues collected. "At present, the ticketing systems aren't robust enough, so a lot of artists are having to depend on sponsorships and endorsements alone to make a living," Oke said.

THE IMPORTANCE OF SUPPORTING LOCAL GROWTH

Discussion panels during Midem's four-nation roadshow in April produced some leadership thoughts on how each country wanted to advance its music sector.

South Africa emphasised empowering artists, facilitating international touring, protecting rights, improving payments for legal music, restoring balance between the telcos and the rest of the industry, and acknowledging the contributions of independent music companies.

Nigeria focused on building a sustainable industry, educating artists about their rights, plus growing the country's infrastructure for live and digital music.

Participants in the **Ivory Coast** urged its industry to return to basics and rebuild a

more robust sector, enhance anti-piracy activities, encourage the growth of trade associations, and increase the local music's international visibility.

In **Congo**, the roadshow delegates encouraged the sector to build on existing achievements, to grow music's value, to demand legislative support for music's monetisation and to assist artists to develop their careers.

A GUILD TO EMPOWER AND EDUCATE THE VALUE CHAIN

Africa needs a strong institution to lead the path towards reaching its full local, regional and international potential. An institution that will create an ecosystem capable of creating bridges within the industry and across territories, bringing executives and artists together, promoting their empowerment, as well as ensuring the protection of the value of music and this industry.

That institution should be a guild, a recognised authority that enables rights owners (from artists, composer, producers to managers, publishers, marketers, record labels, distributors) to communicate with each other, and the industry to communicate with outside institutions.

Its objective should also be to participate to the structuring and professionalisation of the African music industry, and to respond to the essential challenges it faces today.

First of all, it should act as an educational platform, for members to exchange ideas, share experiences and develop best practices, instead of using the publicly open social-media networks as they do today. Cross-generation is essential to ensure the sustainability of the industry: newcomers into the industry should be able to access the guild to learn how the business works.

Last but not least, it should act as lobbying body towards regulators, legislators and officials for tools, such as a pan-African regional passport, that will allow artists and other rights owners to negotiate the existing hurdles preventing monetary and economic growth.

As CCA's Munya Chanetsa said: "At the guild, we need to address the lack of education. We need to provide a database where the recognised establishments are listed so you know whom to approach when you want to get your song registered in South Africa or in Nigeria, because the rules vary in the different territories." ■

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INTERVIEWS WITH ON-THE-GROUND INDUSTRY EXECUTIVES

FROM IVORY COAST

José Da Silva, CEO, Sony Music Entertainment (Ivory Coast)

Midem: What is the state of the country's music sector today? Is it growing? Why was Sony Music attracted in the country?

Da Silva: The music sector is reorganising itself because the country is now emerging from a great crisis that has strongly impacted the cultural industry. We cannot talk about income for now, because there is no real market, but things are growing very fast and a lot of new companies are being created. Everything indicates that the recovery will be beautiful.

We are based in Abidjan because it is a cultural hub of West Africa; all the major media outlets are here. From Abidjan, you can be present throughout the Francophone region in a short space of time.

Midem: How does the average fan access music (at live concerts, music radio, CDs, vinyl, music videos on TV, YouTube, telcos)?

Da Silva: It's a society modelled on European society, so people have been consuming music the same way for a long time through music

TV channels, FM radios, buying CDs and, of course, today through YouTube. The telcos use the music a great deal as a product of appeal and as a marketing tool. What is really missing now is our own digital platform.

Midem: Which is the fastest growing distribution format? Via telcos, streaming services like Spotify, traditional radio, digital radio?

Da Silva: The most used format is YouTube, followed by traditional radio and telcos. Deezer is present but is still too expensive. Spotify is not yet present in Francophone Africa. Regarding European digital radios, they have just arrived so it is still pretty new.

Midem: It is said that Africa lacks a serious music-publishing industry. Has there ever been a serious attempt to launch a music-publishing business in the country and how has the local collecting society helped?

Da Silva: Indeed, there is no publishing company such as the ones in Europe. It's something new here. But we are creating one and we know that



Sony Music Ivory Coast's José Da Silva

other societies are also settling right now. Copyright companies are not fully organised but, at this moment, we're seeing an awareness among some who want to raise the standards. I am confident that in the near future, most countries will have an organised copyright society. ■

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INTERVIEWS WITH ON-THE-GROUND INDUSTRY EXECUTIVES

FROM NIGERIA

Taiye Aliyu, CEO, Effyzzie Music, Head of Content, Rebel Movement, and Manager of Nigerian superstar Yemi Alade (Nigeria)

Midem: How useful was MIDEM's recent African Forum meeting in Nigeria? How did it benefit locals, businesses and regulators linked to the music industry?

Aliyu: Learning never ends, and also important is the need to spread knowledge. Midem is helping to enlighten and broaden our minds on the international entertainment industry.

Midem: The global major labels like Universal Music are investing in Africa; does that help independent ventures like yours? Or has Africa always thrived creatively because of the independents?

Aliyu: I think it goes both ways. Well-structured and international labels bring in funds, structure and experience, while independent labels like mine help to show the terrain and produce musicians who are well-rooted in the African culture.

Midem: What is your advice to any international record label or music entrepreneur who wants to do business in Nigeria and benefit from the local market's growth?

Aliyu: My advice to international labels is that they must have a lot of patience, plus a strong mind to change the bad habits we have accumulated over the years. ■



Taiye Aliyu

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INTERVIEWS WITH ON-THE-GROUND INDUSTRY EXECUTIVES

FROM SOUTH AFRICA

Rob Cowling, General Manager, Gallo Music Group (South Africa)



Midem: What is the state of the South African music sector today: Is it growing?

Cowling: The sector is still healthy and showing positive signs of an upturn. According to statistics from RISA (Recording Industry of South Africa), a rough estimate of the sector's value (excluding live revenues and publishing) was around ZAR405mil (US\$29.3m) in 2017. There is growth in streaming and mobile, but the industry saw a rise in international income and a drop in local revenue. This could be attributed to the drop in local CD sales, and the move by key retailers to a consignment-sale model. So, as much as digital and mobile are growing exponentially, the income (and margins) generated from streaming are far less than for downloads, and even less than for CDs. The majors still dominate by market share, but Gallo Record Company, as the country's biggest independent and now 92 years old, makes up roughly 15% of the local market.

Midem: How does the average music fan access music (at live concerts, music radio, CDs, vinyl, music videos on TV, YouTube, telcos)?

Cowling: All of the above: with radio, TV and YouTube (streaming services) being predominant, and it also depends on the age group and demographic. Terrestrial radio still dominates in terms of reach and route to market. Also, bear in mind the need for regional and community stations and the fact that we have 11 official languages. Internet radio is small and only a handful of stations exist. There is also a market here for Caller Tunes or Ring Back Tones.

Midem: Which is the fastest growing means for accessing music in the country? Via telcos, streaming services like Spotify, traditional radio, digital radio?

Cowling: Traditional radio as well as streaming via apps or telco services. Apple Music still dominates while Spotify launched in South Africa in March 2018, followed by Deezer and Google/YouTube.

Midem: It is said Africa lacks a serious music publishing industry. Has there ever been a serious attempt to launch a music-publishing business in the country and how has the local collecting society helped?

Cowling: There are areas of Africa that are problematic but the same cannot be said for South Africa. South Africa has a serious and strong publishing sector, from indies like Gallo Music Publishers (representing the largest portion of local copyrights), Sheer Publishing, David Gresham Entertainment Group, Geoff Paynter Music Publishing and Active Music Publishing to the majors like Universal Music and Sony/ATV. There are several publishers who offer various publishing services, including international sub-publishing and administration. There is a legitimate and active mechanical-rights society called CAPASSO and a legitimate and active performance-rights society called SAMRO. Then, there is also the Music Publishers Association of South Africa (MPASA), which exists to protect and further the interests of music publishers in South Africa and Sub-Saharan Africa. CAPASSO and SAMRO are now also housed within the same building to offer ease of access and to create a one-stop licensing solution and multi-territorial licenses for clients. ■



ABOUT THE AUTHOR

THIS REPORT IS BROUGHT TO YOU BY MIDEM

Midem is the leading international marketplace for the global music community, bringing together more than 4,800 upper-level music professionals, from indie & major labels, publishers to tech pros, brands and artists. Midem is dedicated to helping the music industry and its partners develop business and creativity by bringing together, during 4 days, the key players of the music ecosystem. The event offers the opportunity to expand your reputation and business globally, discover artists and music catalog, get inspired by conferences and source new business models and services.

Midem places an emphasis on assisting music professionals from all around the world and encouraging business development and talent discovery.

The high-potential markets programme is developed to assist with the structuring and professionalisation of the music industry in emerging regions to stimulate its international exchanges.

This year's focus was made on Africa with the Midem African Forum in April and June, and will be followed by the Latin American Forum in November 2018.

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