

CREATE, PROMOTE, PROTECT: GROWTH AND GLOBAL COMPETITIVENESS FOR CANADIAN MUSIC PUBLISHERS



ABOUT CANADIAN MUSIC PUBLISHERS ASSOCIATION

MORE THAN 50 MEMBERS, representing Canadian offices of multinational companies and others who are entirely independent small and medium-sized enterprises (SMEs) and **CANADIAN-OWNED**.

Publishers manage songs, breathe new life into existing songs, invest in the creation of new songs that work in different markets and, they're a **CRITICAL PART OF THE MUSIC INDUSTRY'S SUCCESS**.

Music publishers help **CREATE, PROMOTE AND PROTECT** the value of Canadian songs.

Music publishers are the **"FIRST BUSINESS PARTNERS"** of songwriters, lyricists and composers.

Publishers represent and invest in thousands of Canadian songs and songwriters who are heard daily on the **RADIO**, on **STREAMING SERVICES**, in **VIDEO GAMES** and in **FILM, TELEVISION** and other **SCREEN-BASED** productions around the world.

CREATING JOBS IN THE MUSIC INDUSTRY BY CLOSING THE VALUE GAP

"The sustainability of the Canadian music sector is being imperiled by a longstanding and damaging weakness in our copyright law."

— Eric Miller, fellow at the Canadian Global Affairs Institute and president of Rideau Potomac Strategy Group

Since 1997, the discrepancy between what songwriters, artists and those who invest in them make and what they create is a loss worth \$19.3 billion. In 2017 alone, this number was \$1.6 billion. Each year, the increase in the Value Gap is \$82 million.

(Source: Music Canada's latest report, Closing the Value Gap: How to Fix Safe Harbours & Save the Creative Middle Class)

"The inability of policy to evolve with technology has prevented artists from receiving fair market value for their work."

— House of Commons Canadian Heritage report, Shifting Paradigms

In September 2018, the European Parliament voted in favour of a comprehensive overhaul of the EU's Copyright Directive, which ensures that online services that are more than just conduits for online content either obtain and pay for the necessary rights or face the consequences.

Canada can't fall behind.

RECOMMENDATIONS

Address the "Value Gap". Amend section 31.1 of the Copyright Act, which gives broad immunity to network and hosting services, to narrow the value gap by treating certain Internet intermediaries as more than "dumb pipes."

Make the private copying regime technologically neutral to cover audio recording devices such as digital audio recorders, tablets and smartphones.

MAXIMIZING TRADE AGREEMENTS FOR THE MUSIC PUBLISHING SECTOR

After being on the sidelines internationally for decades, the term of copyright in Canada will be strengthened to the life of the author plus 70 years, thanks to the renegotiated free trade agreement between Canada, the U.S. and Mexico (CUSMA).

This is an important development in our global trade relationships.

RECOMMENDATION

When ratifying CUSMA and other trade agreements, the government must ensure that the term extension provisions are included and enacted immediately with no conditions so that the music industry remains globally competitive.

PERMANENT INCREASE TO CANADA MUSIC FUND ESSENTIAL TO GROWTH

Canada Music Fund's annual funding was increased to \$36 million in Budget 2019 to support existing programs being enhanced and developing new programs that allow better access to capital, opportunities for Canadian SMEs to scale up or create jobs and invest in new talent.

RECOMMENDATION

In order for the industry to keep growing, the government should continue investing in the Canada Music Fund while ensuring an annual baseline budget of \$36 million.

STRONG SUPPORT FOR SME EXPORTERS CRUCIAL TO HELPING THEM COMPETE ON GLOBAL STAGE

More than two-thirds of music publishing revenues come from foreign sources.

The Canadian music industry is too small to thrive in alone, publishers must look to other key markets to grow and compete.

Export programs that support travel to domestic and international trade events and that take into account the larger business potential of a company including developing new foreign sub-publishing partnerships will generate future economic gains and lead to future investment in Canadian songwriters.

RECOMMENDATION

The government must ensure that its cultural and trade funding programs take into account activities that allow SMEs in the creative sector to grow, for example through B2B activities that foster trade and include criteria that looks at building globally competitive SMEs. This will lead to greater investment in Canadian creators.

FOR MORE INFORMATION, PLEASE VISIT WWW.MUSICPUBLISHER.CA

