



European  
Commission

# Music moves Europe

First Dialogue Meeting  
**20-21 MAY 2019**

**FINAL REPORT**

**#MUSICMOVESEUROPE**

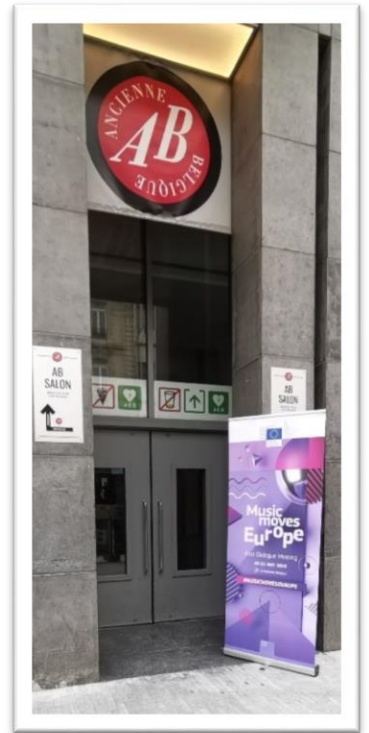
*Creative Europe*

## INTRODUCTION

On the invitation of the European Commission, representatives of the European music sector in all its diversity met in the Ancienne Belgique on 20-21 May in Brussels for the first Music Moves Europe dialogue meeting. Over 100 participants joined this conference to discuss topics relevant to their work.

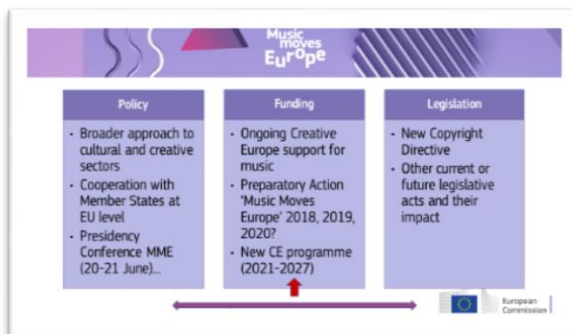
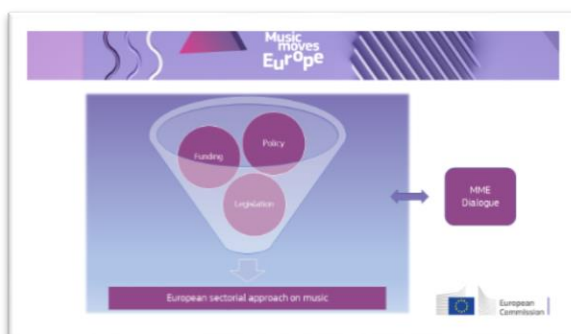
Music Moves Europe is the Commission's initiative to support music in terms of policy, funding, legislation and dialogue. This kick-off event marked the start of a series of targeted smaller scale Music Moves Europe dialogue meetings with sector representatives. Tibor Navracsics, European Commissioner for Education, Culture, Youth and Sport, took part expressing his support for developing a European sectorial approach on music.

During the event participants focused on four topics: During two World Café sessions<sup>1</sup> participants had lively exchanges on *the future of music media* and the *challenges for live music*, while two expert panels provided information on *the access to capital* for the music sector and discussed the next steps of implementing *the new EU Copyright Directive*.



## OPENING OF THE CONFERENCE AND INTRODUCTION TO MUSIC MOVES EUROPE

After a short welcome address by Tamas Szucs<sup>2</sup> from the European Commission and Corina Panitopol<sup>3</sup> from the Romanian EU Presidency, Susanne Hollmann<sup>4</sup> gave an overview on Music Moves Europe<sup>5</sup>, the European Commission's framework for initiatives and actions in support of Europe's music sector. Music Moves Europe is about shaping policy, providing EU funding, influencing and implementing new legislation, and getting into dialogue with the music sector to strengthen the sector's main assets: creativity, diversity and competitiveness.



<sup>1</sup> A World Café is a structured conversational process for knowledge sharing in which small groups of people discuss the different aspect of a topic in several discussion rounds. After each discussion round, individuals move to a new group to exchange the next question with a different set of people.

<sup>2</sup> Director Culture and Creativity, DG EAC

<sup>3</sup> Diplomatic counsellor, Permanent Representation of Romania to the European Union

<sup>4</sup> Deputy Head of Unit, Cultural Policy, DG EAC

<sup>5</sup> [https://ec.europa.eu/programmes/creative-europe/actions/music-moves-europe\\_en](https://ec.europa.eu/programmes/creative-europe/actions/music-moves-europe_en)

Following this presentation, the floor was opened for questions to representatives from the European Commission (Barbara Gessler, Juliane Ott – Creative Europe programme Unit, Susanne Hollmann, Zsolt Szokolai, Inna Garkova – Cultural policy Unit). The short exchange



allowed the Commission to clarify further aspects relating to the present and current funding for music under Creative Europe and the 2018 and 2019 Preparatory action on music. It also addressed questions concerning the representativeness of the music sector in such a European dialogue and allowed the Commission to explain its approach (inclusiveness, stakeholder analysis, focus on European organisations).



## WORLD CAFÉ 1: “THE FUTURE OF MUSIC MEDIA”

*Moderator:* Gergely Salamon, consultant, strategic designer, Eastaste Music licencing (HU)

*Introduction:* Frank Kimenai, Hive Mind (NL)

As the music ecosystem is changing rapidly, all music operators, from independent artists to digital service providers along the value chain, have to adapt to the digital shift and have to

develop new strategies. With Facebook, Instagram & Co. but also other digital service providers, a new generation of apps, platforms and services will affect the way artists will be promoted and audiences reached.

**The first World Café session on the “the future of Music Media” was dedicated to the following three questions:**

1. What are the trends that you think will have the greatest impact on the music industry in the near future?
2. How do you prepare for these changes within your organisation/sector?
3. How do you think the music industry, in partnership with European, national and local policy makers can address these challenges with a view to the sustainability, competitiveness and diversity of Europe’s music sector?

**The round table discussions and their main findings can be summarised as follows:**

One key topic evolving clearly was the process of digitisation and the opportunities and challenges the music industry and its entrepreneurs see in this process. Most participants agreed that although analogue formats and live performances do have a growing popularity, digital platforms will play a major role in almost all segments of the industry. The discussion confirmed that the way music reaches the audience changes rapidly and that today people tend to use the new channels and formats, i.e. streaming, playlist vs albums, curated platforms etc.

Music is data driven and access to data becomes essential for all actors. The discussion confirmed that most music actors are uncertain about how algorithms and curation by digital service providers actually work and that access for artists to their own data would be necessary to understand how their music is consumed and by what audience.

One of the greatest challenges for many professionals is to get accustomed to a continuous change on the market (technology, audience, media, etc.) and to understand the tendencies taking place. The discussion illustrated that music does have an increasing role in most new audio-visual digital platforms; still artists often seem to miss out such opportunities. Pure audio content tends not to exist anymore considering that everything has become audio-visual in a screen-driven consumption. The general understanding among the participants was that music as business depends on consumer behaviour, and in order to understand true demands – or even influence them to a limited extent –, the industry should invest time and analytics in this field.



The participants also discussed the new ways to influence the market. Many professionals consider social media (video sync), virtual- or augmented reality as a growing and highly influential market, where traditional publishing channels hardly reach out. Influencers as a phenomenon have a great impact on the new generation. Therefore, upcoming artists or performer should be (made) aware of the mechanism these influencers work with in order to use it to gain publicity.



The session concluded with the identification of the main needs for policy intervention. Training and education were the most often mentioned, ranging from data analytics to support for artists to develop content for social media and learn new types of artistic interventions to attract younger audiences, and to school education of music in the form of both awareness of the value of

creation as well as well more traditional music classes. This was followed by the need for legislative responses to data sharing obligations, transparency of the market, as well as the discoverability of music on digital platforms. There is also a need to do more research on audience behaviours and choices, the use of digital music, and the role of influencers and social networks in music consumption.



WORLD CAFÉ RESULTS, AS PRESENTED BY THE MODERATOR TO THE PLENARY:

Music moves Europe			
Digitalisation	Data	Algorithms	"Music industry data / blockchain standard implementation" "Should be algorithms that ensure cultural diversity" "AI Reshuffles rightholder hierarchy between tech and artists" "Provide training for music professionals to better understand and analyse data"
	AI	Global access	
New formats of media	Playlist vs. Album	SM/AR/VR	"Radio in many platforms, - online, web, podcasting." "Use more data to understand who these playlists reach" "Artists shaping their own reputations" "Analysis of playlist diversity - how intermediaries are curating through platforms"
	Streaming	Curated platforms	
Consumption	Audiovisual	Influencers	"Where does the music sector end/begin?" "Commercial interests vs Cultural diversity and quality: bridging interests" "Understand how clusters are created" "Transparency towards stakeholders"
	Copyrights	Mapping trends	
Education	Technology	How to adapt	"Mobility scheme for music professionals" "Invest in research and prepare to adapt" "Understand the digital universe to make your content accessible / media will be dominated by those who know how to use it"
	Career development	Dialogue/network	
Sustainability	Revenue streams	Crowdsourcing	"Adjust to new business models and find innovative ways to find new revenues" "Music is more than a market, the ecosystem" "European music industry more pollutant than before"
	Carbon Footprint		

PANEL DISCUSSION: "ACCESS TO CAPITAL: HOW TO FUND CREATIVITY AND CREATION?"

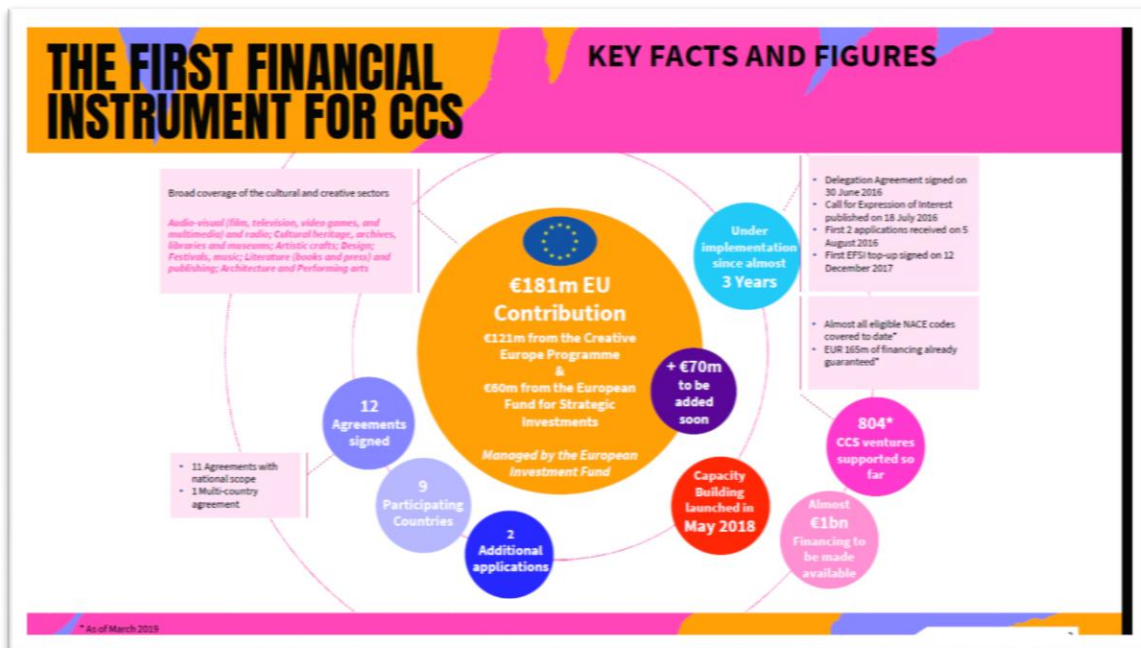
**Moderator:** Olivier Toth, CEO of Rockhal, Board member of European Arenas Association – EAA  
**Panellists:**

- Chiara Amadori (European Investment Fund, Head of Unit – Competence Centre for Culture and Education, EU Guarantee Facilities Division)
- José Ignacio Caballero (representative of the company Manufacturas Sonoras, benefitting from the Guarantee Facility in Spain)
- Nicolas Trichet (Directeur Adjoint, Institut pour le Financement du Cinéma et des Industries Culturelles)
- Helen Smith (Executive chair of IMPALA, the Independent Music Companies Association)
- Virgo Sillamaa (representative of the Estonian Music Export Office)

This panel focused on how to fund creativity and creation in the music sector. It discussed how to improve the "bankability" of artists and the possibilities provided by the "EU Guarantee Facility". As an introduction, Chiara Amadori of the EIF gave some background information on the EU financial instrument addressing the problem many operators (entrepreneurs and macro small companies) in the cultural and creative industries (CCIs) sectors, including the music sector, are facing: to get access to funding in order to develop their business plans or grow internationally. The EU Guarantee Facility, launched in 2016 under the Creative Europe programme and managed by the EIF, acts as an insurance to financial intermediaries (e.g.

banks). As CCIs or small businesses in the cultural field often have no tangible assets, like a property or machines, this financial instrument at EU level steps in to guarantee the loan given by the intermediary at national level. In addition, the EIF provides training to financial intermediaries to develop a better understanding of the needs and specificities of the creative sectors. The Guarantee Facility can be considered as a success story because the take up was quicker than expected. So far it has been made available in nine countries (DK, PL, CZ, RO, IT, FR, BE, ES, PT). Up to now, 20 projects in the music sector like the one presented in this panel (i.e. an investment of a recording studio in Madrid), have been supported with a total 4.5 million EUR.

The discussion highlighted from different perspectives, EU level, national level and beneficiary side, the positive experiences with the Guarantee Facility and confirmed the need for such a financial instrument for the music sector. All panellists stressed the importance to continue the capacity-building activities in order to help the banking sector to get a better understanding of the cultural and creative sector and to adapt their approaches accordingly. At the same time, it was underlined that CCIs need to adopt a more business-oriented attitude when asking for funding.



LINK to Guarantee Facility website  
[https://ec.europa.eu/programmes/creative-europe/cross-sector/guarantee-facility\\_en](https://ec.europa.eu/programmes/creative-europe/cross-sector/guarantee-facility_en)

## WORLD CAFÉ 2: “LIVE MUSIC”

*Moderator:* Gergely Salamon, consultant, strategic designer, Eastaste Music licencing (HU)

*Introduction:* Didier Zerath, The DZ Factory Ltd./AMA France (FR)

The live music scene in Europe is heavily affected by the rapidly changing market trends and consumer patterns. The headliner culture, characterising the past 20 years, slowly fades away and gives prominence to the hit-based music consumption. This trend represents challenges to the big arenas and the big festivals, but at the same time may provide opportunities to emerging bands to break through. In parallel, the concentration of the festival sector may have negative impact on the diversity of music with artists facing increased challenges to access the festivals' large audiences. Smaller music clubs and venues, often considered as incubators for emerging artists, also need to adapt to the changing consumer behaviour and to a challenging regulatory environment, coupled with pressure stemming from gentrification and urban development trends. The latter is characterised by the growing number of no-shows at the clubs and the difficulties of keeping the audience engaged, due to the hit-driven music consumption, and the greater competition of festivals. Spatial concentration of clubs, the attempt to offer festival-like experience to the audience may be remedial to some of these challenges. Nevertheless, many clubs have reportedly been shut down in the past years. At the same time, traditional music venues need to face the challenges of declining and aging audiences, as well as audience turnover, and must seek for new models of audience development.

**The second World Café session on the “the future of Music Media” was dedicated to the following three questions:**

1. What are the three major trends that you think will fundamentally affect the live sector?
2. Which are the trends that you think will positively impact on music diversity, and which are the ones that represent a threat to it?
3. How do you think the music industry and the European, national and potentially the local policy makers can address these challenges to sustain a diverse live scene in Europe?

**The round table discussions and their main findings can be summarised as follows:**

The discussions confirmed the rapidly changing landscape for the live music sector, characterised by increasing market concentration (mergers, fusions and buy-outs created companies or trusts), which is perceived as threat to diversity. Some argued that key players of the live music sector tend to buy competitors to prevent new trends from rising. Also, there are companies focusing on owning the full supply chain, which could lead to a narrowing path for many upcoming artists or services. Consumption patterns are also changing. Clubs and music halls have difficulties to reach the young generation (under 20). There is a need to re-consider the role of clubs, as the current format (audience is invited to stay in a black box for 90 minutes to listen to one group) is equivalent to a CD-format, which is obviously outdated and somewhat obsolete. The general trend among teenagers seems to be a hunger for ‘shareable’ content, and the live sector needs to focus more on this phenomenon.



In line with these observations, some professionals highlighted that there is a wide variety of platforms to build an audience, but in many cases there is apparently no knowledge how to handle fans and a non-coherent fan base, which would however be crucial for success.

Participants agreed that tickets are the major source of income for the live music segment and important for the overall budget of an artist or performer. Although the formats and services in ticketing are growing in many cases, the actual earnings seem to be at risk. In this context, the problem of secondary ticketing via platforms was raised as an important issue because the extra income generated by overpriced tickets never reaches the ones creating the music. Some even mentioned illicit competition as an issue they wanted to see addressed at EU level.




There was much discussion among participants about the role and the format of festivals because they influence

consumer tastes and provide huge audience numbers. According to some professionals, the size of the festival market has reached a peak, and although it was not cleared whether there is an optimum size or number for the European market, the general opinion considered the present model as not sustainable. In light of the global focus on sustainability, the music industry clearly had a role to play and positive initiatives can be found within the sector at all levels. There was the strong opinion, however, that ecological arguments could present a threat in particular to the live industry already in the short term (carbon footprint of travelling, recycling/waste).

The participants discussed suitable recommendations for the policy level on supporting a thriving and diverse live music scene. There was consensus that existing music-related platforms and programmes funded by the EU (ECOC, ETEP, Liveurope, etc.) should become part of regional or segmental strategies to help emerging artists and to support diversity. In addition, participants called for an EU legislative framework helping to build a balanced and diverse market by working on such issues as secondary ticketing, monopolies, environmental directives etc.

WORLD CAFÉ RESULTS, AS PRESENTED BY THE MODERATOR TO THE PLENARY:

Music moves Europe			
Concentration Of Live Sector	Pricing	Lack of data	"huge market share, can dictate things" "Lack of qualitative data on smaller venues, no comparative data" "Support middle size venues" Sectoral responsibility for providing emerging talent with a market
	Buying whole sectors	Low EU rep.	
Making Live Music relevant for the New Generation	Experience based approach	Gentrification	"Diversification in terms of consumption of music genres" "Gentrification of urban spaces (crucial for music venues, less places to play and listen to music)" Venues struggling to keep up with new business models
	Direct to fans	relevant platforms	
Ticketing	Secondary Ticketing	Competition between countries	"Big ticketing companies don't share their data" "Competition between countries" "Regulate illicit secondary ticketing market" "A consumer education issue"
	Lack of Fair Competition	Growing No. platforms	
Festival as a formant	Too many?	Genre based	"Showcases to encourage European music" "more hybrid festivals, not only performance" "Ecological arguments could threaten the live industry" Noise issues and neighbourhood relations
	niche	Showcase	
Artist management	Artist exchange	Language	"Increasing number of emerging artists but less circulation" "Curation helps diversity" "New DIY emergence. But only gets bands to a certain level" "Geographical distribution"
	Quota	Increase costs	




City level solutions / Foster synergies between ministries of culture and ministries of tourism / Export offices.

Create ambassadors for the live music scene to increase awareness of the value of live music / involve new platforms and other disciplines

More follow up on existing platforms ECOC, ETEP, LIVE Europe etc.

„Regulation“ (secondary ticketing, trusts, monopolies, environmental directives etc.)



## PANEL DISCUSSION: “SHARING THE VALUE ON THE INTERNET – THE EUROPEAN COPYRIGHT DIRECTIVE”

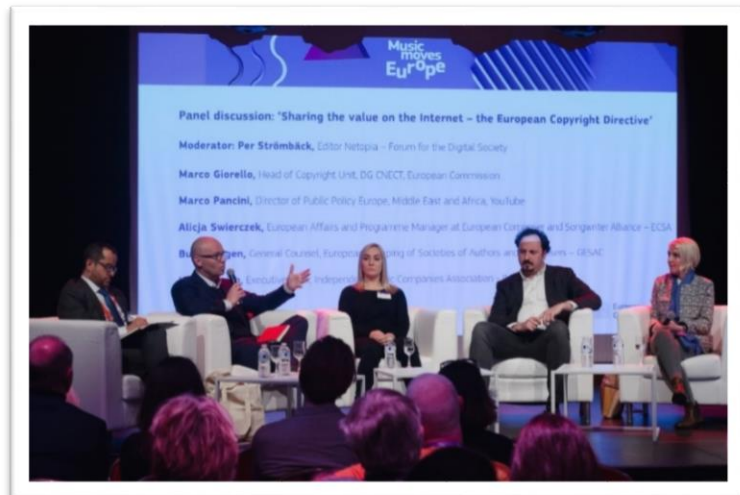
**Moderator:** Per Strömbäck, Editor Netopia – Forum for the Digital Society

**Panellists:**

- Marco Giorello (Head of Copyright Unit, DG CNECT, European Commission)
- Marco Pancini (Director of Public Policy Europe, Middle East and Africa, YouTube)
- Alicja Swierczek (European Affairs and Programme Manager at European Composer and Songwriter Alliance – ECSA)
- Burak Özgen (General Counsel, European Grouping of Societies of Authors and Composers – GESAC)
- Helen Smith (Executive chair of IMPALA, the Independent Music Companies Association)

This panel, next to the European Commission, was composed of representatives of different parts of the value chain in the music economy from creators to consumers. Panellists discussed the newly published Copyright Directive (17 May 2019), in particular the next steps in the implementation process. Marco Giorello explained that the priority for the Commission was a practical and consistent implementation process, which would last for two years. This process will include work with Member States and stakeholder dialogues. The latter will in particular cover article 17. The Directive will set the scene for the copyright debate in the digital age for the next 15 years. While all panellists remained reserved on discussing detailed issues and challenges in this process, they all confirmed their eagerness to participate in it and their hope for an accurate, loyal and balanced approach.

Directive (EU) 2019/790 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC:



<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0790&from=EN>

## CONCLUSION AND OUTLOOK

Tibor Navracsics, European Commissioner for Education, Culture, Youth and Sport who concluded the meeting, sent a clear message of support for Music Moves Europe and the development of a truly sectorial policy on music. He underlined that the European Commission has proposed a more ambitious Creative Europe programme for the EU's next long-term budget after 2020 – with a strengthened budget and including new sectorial funding for music, which is in line with Music Moves Europe initiative. He reiterated that more has to be done to ensure a fair remuneration of artists, to make the diverse European music repertoire more visible and to overcome the obstacles to its circulation across national borders. According to him, other challenges include the differences between music market structures and national music support structures across European countries and the lack of reliable and comparable data on music industry segments across Europe.



Closing remarks by *Tibor Navracsics*:

[https://ec.europa.eu/commission/commissioners/2014-2019/navracsics/announcements/closing-remarks-music-moves-europe-first-dialogue-meeting\\_en](https://ec.europa.eu/commission/commissioners/2014-2019/navracsics/announcements/closing-remarks-music-moves-europe-first-dialogue-meeting_en)

As a result, this first Music Moves Europe dialogue has delivered ideas and proposals, which will feed into the further development of the European sectorial approach on music. The next Music Moves Europe Dialogue is scheduled for the second half 2019 and will focus in more depths on one of the topics discussed at this 1<sup>st</sup> dialogue meeting.

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20 MAY

12:00 - 13:30 REGISTRATION AND BUFFER

13:30 - 13:45 WELCOME AND OPENING REMARKS

- Tamás Szűcs, Director, Culture and Creativity, DG EAC, European Commission
- Corina Panaitopol, Diplomatic counsellor, Permanent Representation of Romania to the European Union

13:45 - 14:20 MUSIC MOVES EUROPE AND THE STRUCTURED DIALOGUE

- Presentation by the European Commission
- Questions and answers

14:30 - 16:00 WORLD CAFÉ 1: STRUCTURED ROUND TABLE DISCUSSION

‘The Future Of Music Media’

Moderator: Gergely Salamon (Eastaste Music Ltd)

16:00 - 16:30 COFFEE BREAK / NETWORKING

16:30 - 17:45

PANEL DISCUSSION:

‘Access to capital: how to fund creativity and creation?’

Moderator: Olivier Toth (CEO of Rockhal, Board member of European Arenas Association – EAA)

Panelists:

- Chiara Amadori (Head of Unit, Competence Centre for Culture and Education, EU Guarantee Facilities Division, European Investment Fund - EIF)
- José Ignacio Caballero (Representative of the company Manufacturas Sonoras, benefiting from the Guarantee Facility in Spain)
- Nicolas Trichet (Directeur Adjoint, Institut pour le Financement du Cinéma et des Industries Culturelles)
- Helen Smith (Executive chair, Independent Music Companies Association – I/MPALA)
- Virgo Sillamaa (Chairman of the Board of Music Estonia, music industry development centre and export office)

18:15 - 20:45 DINNER

21:00 - 23:00 CONCERT CURATED BY LIVEUROPE

21:00 Sampladelicos (PT)

22:15 Karpov Not Kasparov (RO)

21 MAY

9:30 - 9:50 DEBRIEF OF WORLD CAFÉ 1

10:00 - 11:30

WORLD CAFÉ 2: STRUCTURED ROUND TABLE DISCUSSION

‘Live Music’

Moderator: Gergely Salamon (Eastaste Music Ltd)

11:30 - 12:00 COFFEE BREAK / NETWORKING

12:00 - 13:15 PANEL DISCUSSION:

‘Sharing the value on the Internet – the European Copyright Directive’

Moderator: Per Strömback, Editor Netopia – Forum for the Digital Society

Panelists:

- Marco Giorello (Head of Copyright Unit, DG CNECT, European Commission)
- Marco Panchini (Director of Public Policy Europe, Middle East and Africa, YouTube)
- Alicja Swierczek (European Affairs and Programme Manager at European Composer and Songwriter Alliance – ECSA)
- Burak Özgen (General Counsel, European Grouping of Authors and Composers – GESAC)

13:15 - 13:35

DEBRIEF OF WORLD CAFÉ 2

13:35 - 13:45

CLOSING BY TIBOR NAVRACSCIS,  
European Commissioner for Education, Culture, Youth and Sport