

COLLECTIVE MANAGEMENT ORGANISATIONS TEMPER THE IMPACT OF COVID ON PERFORMERS

Brussel, 13 December 2021

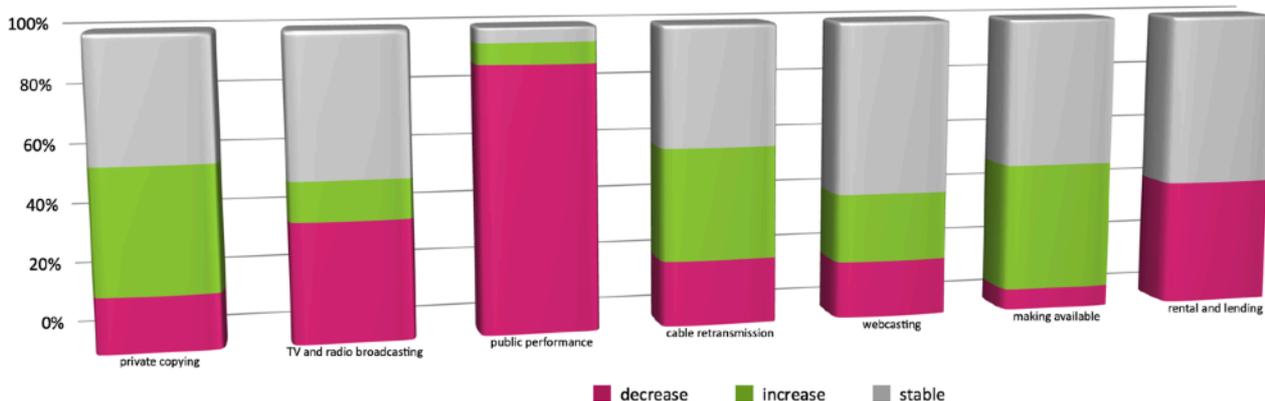
Worldwide COVID-19 has hit the cultural industries hard. Very hard. However, collective management succeeded in limiting the impact for performers. A survey that **AEPO-ARTIS** and **SCAPR** conducted among their members came to the conclusion that despite of a general drop in revenues, collective management organisations (CMOs) for performers were able to increase their distributions while looking for all ways possible to help out performers in need.

An overall decline in collections in 2020.

The vast majority of societies for the collective management of performers rights have experienced significant variation in their collection in 2020 (as compared to 2019) with an **average 9% decrease**. This is comparable to the impact of the crisis on collective management for authors rights, which was recently calculated by CISAC at 9.9%. This decline cannot be underestimated, but thankfully below the forecasts CMOs made themselves in 2020.

When we compare the different sources of income of CMOs, it is striking that the income from **public performance** has been hit particularly hard. 88% of the organisations have seen this collection significantly drop (up to -85%). With the cultural sector forced to staying closed even long after ending lockdowns, this was no surprise. Collection of **broadcasting rights** remained generally stable, however 39% did declare a decrease, mainly due to a drop in advertising investments from the broadcasters. Other traditional sources of income for CMOs, such as **private copying, lending, renting** and **cable retransmission**, remained mostly stable and have permitted CMOs to slow down the general decline.

Reported variation in collections (per type of right) 2019/2020



The considerable differences per type of income also lead to a large difference in the impact of the crisis on the various disciplines. CMOs that represent the rights of musicians only are the most impacted. This is mainly because of the large role that public performance plays in their overall revenue-model. CMOs that only represent performers in the audiovisual sector, on the other hand, rarely see a significant decline. Often, however, because they can only count on traditional income.

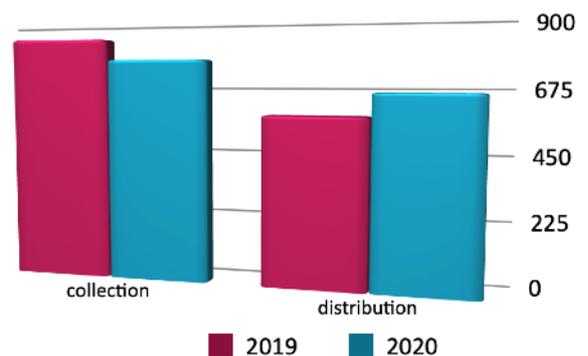
But there are also general trends of increase to be noted. Especially when it comes to **online exploitations**. Only one CMO noted a decrease here. The other organisations that have the ability to collect revenue for online exploitations experienced an overall increase in collection (up to +29%). However, the number of organisations that were able to mitigate the impact by capitalising the major boost that COVID has had on online consumption of music and audiovisual works remains limited. In many countries, current legal frameworks prevent performers to organise this kind of exploitation through their collective management organisation.

Less in, more out!

Despite the general drop in revenue, from 848 million euro in 2019 to 776 million euro in 2020, CMO's were able to stabilise the amounts they distributed in 2020. What's more, half of them managed to pay their actors, musicians and dancers higher amounts than initially planned.

70% of CMOs have adapted their operations to better help their members in times of crisis. 61% brought forward distributions, 36% made additional efforts to lower their administrative costs. As a result the effective payments to performers increased from 585 million in 2019 to 664 million in 2020.

Collections for and payments to performers (in million EUR)



Just as culture does not stop at the border, the activities of a CMO are also not limited to the country in which it operates. The members of AEPO-ARTIS and SCAPR are all linked through representation agreements that enable cross-border payments. The acceleration and increase in payments was therefore also visible in the international payments. However, the existing travel restrictions meant that a large part of the organisations could not report new collaborations.

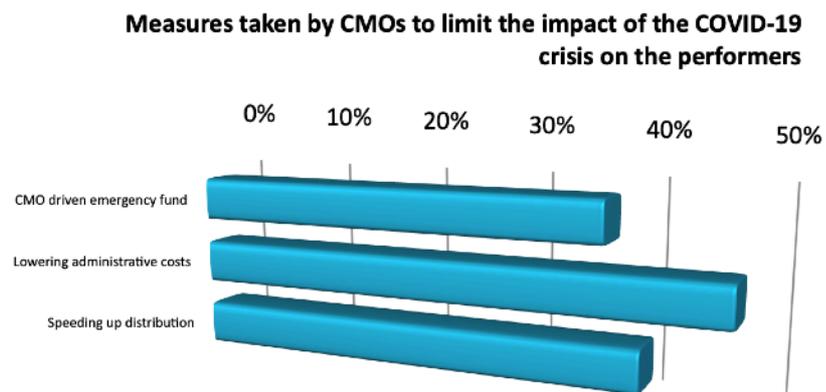
All CMOs that took part in the survey are controlled by performers and their search for ways to assist performers in difficult times did not stop at adjusting distributions. 55% of all CMOs have started an emergency fund or have played an active role in the proper functioning of a fund to help performers during the Pandemic.

These funds benefited to at least 64.000 performers, all respondents combined. Most of those funds were alimeted with non distributable rights and reallocation of social and cultural funds.

Limits to the engine

With the way their collections and distributions are organised, performers CMOs have been able to slow down the negative income curve for performers in 2020. However, with a drop in collections in 2020 and 2021, they will not be able to keep distributions at the same level in the years coming.

The majority (68%) of the societies that are able to predict future distributions anticipate a decline in payments, reflecting the drop in collections. Again, societies representing sound recording artists are more affected than audiovisual only societies. However, 64% of the respondents are still making efforts to bring the distribution forward (40%), to reduce operational costs (47%) and/or to maintain emergency funds (37%).



It is therefore disappointing to see that these organisations, that have proven to do everything in their capacity to assist the most affected sector, are themselves often left in the cold. 63% of CMOs have reported not being recognised as eligible to any emergency measure by their local authorities. This is all the more painful knowing that 56% of CMOs have consented (or have been forced to consent) to discounts, delays, exemptions or even refunds to users, mainly for public performance users. It is these exceptional measures that have impacted the collection of about 70% of all CMOs and have caused up to a 75% decrease of collection in certain areas.

While the members of SCAPR and AEPO-ARTIS have not been able to turn the crisis into a success story like some major online players have, they have shown to do what they were founded for: put the interests of performers first and be a stabilising factor in the turbulent career of the artist, even in the most turbulent times.

SCAPR, the Societies' Council for the Collective Management of Performers' Rights, represents 57 performers' collective management organisations (CMOs) from 42 countries. SCAPR strives to improve the exchange of data and performers' rights payments across borders by developing the relationships between its members and to promote the recognition and enforcement of performers rights worldwide.

AEPO-ARTIS is a non-profit making organisation that represents 37 European performers' collective management organisations from 27 different European countries. AEPO-ARTIS's mission is to protect, strengthen and develop performers' rights and to promote their collective management. The number of performers, from the audio and audio-visual sector, represented by its member organisations can be estimated at 650,000.