

EU recording industry loses €170 million annually due to music piracy

A new [report](#) from the European Union Intellectual Property Office (EUIPO) shows that €170 million, or 5.2 % of all music sales, were lost in the EU in 2014 due to music piracy.

Overall, in music sales, €57 million were lost in physical formats (e.g. CDs) and €113 million in digital formats.

This was equivalent to 2.9 % of all music sales in physical formats and 8.8 % of all music sales in digital formats.

The study, issued by the EUIPO through the European Observatory on Infringements of Intellectual Property Rights, analyses the recording industry's direct sales of music products to domestic retailers or intermediaries. It does not include sales by music distributors, like online platforms, or retailers.

The EUIPO's Executive Director, António Campinos, said:

The question of whether piracy reduces or increases sales of recorded music has been the subject of many studies with contradictory results. Our study's results are in line with the prevailing consensus and find that piracy reduces the revenue of legitimate industry in both digital and physical formats.

The study is based on data from the International Federation of the Phonographic Industry (IFPI), which represents recording and music licensing companies worldwide. It analyses sales data from the 19 EU Member States where 99 % of all such EU sales took place in 2014.

Germany

In 2014, the German recorded music sector, by far the biggest market in the EU, made sales of €1.3 billion. Of those sales, 75 % consisted of music in physical formats (e.g. CDs). During that year, the German recorded music sector lost €40 million in sales due to piracy, half in physical and half in digital formats.

United Kingdom

In the UK, 52 % of all music sales in 2014 were digital and the total music sales were worth €1.1 billion. During 2014, the UK recorded music sector lost €49 million in sales due to piracy: 25 % were lost in sales of physical formats and 75 % in sales of digital formats.

Germany and the UK together account for more than half of the physical and digital sales in the EU.

France

In 2014, music sales in France totalled €700 million, of which two thirds were physical sales and one third were digital sales. During 2014, the French recorded music sector lost €26.4 million in sales due to piracy: €16 million were lost in digital sales and €10 million were lost in physical format sales.

Sweden

Total music sales in Sweden in 2014 equalled €167 million, mainly in digital sales. €9.1 million were lost sales due to piracy and represented 7.4 % of all music sales, the third highest relative impact in the EU. Lost sales in recorded music in Sweden were nearly all sales in digital formats, estimated at €8.9 million.

Spain

In Spain, in 2014, music sales totalled €150 million, with 58 % of all sales corresponding to physical music purchases. In 2014, €9.1 million worth of music sales were lost in the Spanish music sector due to piracy: €2.6 million were in physical formats and €6.4 million in digital formats. The relative effect of piracy in Spain is the highest in the EU, representing 8.2 % of recording industry revenues.

Italy

In 2014, €200 million worth of sales were generated by the Italian recording industry, of which 39 % were digital sales. In the same year, the Italian recording industry lost €7.8 million due to piracy, €3 million in physical sales and €4.7 million in digital sales.

NOTE TO EDITORS

The analysis looked at revenues collected by the recording industry from physical music sales (e.g. CDs, cassettes, vinyl singles and vinyl records), digital music (e.g. permanent downloads and subscription stream income).

The report estimates the value of the recording industry's loss of direct sales, using data from IFPI. Direct sales are sales of music products to domestic retailers or intermediaries (including music stores and other retailers like supermarkets and online platforms). It does not estimate the value of illegally acquired recordings. Nor does it estimate the so-called 'substitution effect' — the amount and value of illegally consumed music that would have been bought if piracy had not taken place. Today's report is the seventh in a [series of sectorial reports](#) quantifying the economic impact of counterfeiting. Future reports will study additional sectors, including medicines, computers, automotive parts, and alcohol and other sectors thought to be vulnerable to intellectual property rights infringements.

ABOUT EUIPO

The EUIPO is the EU's largest decentralised agency, based in Alicante, Spain. It manages the registration of the European Union trade mark (EUTM) and the registered Community design (RCD), both of which provide intellectual property protection in all 28 EU Member States. Up until 23 March 2016, the EUIPO was known as the Office for Harmonization in the Internal Market (OHIM).

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The European Observatory on Infringements of Intellectual Property Rights was established in 2009 to support the protection and enforcement of intellectual property rights and help combat the growing threat of IP infringements in Europe. It was transferred to the EUIPO on June 5 by Regulation (EU) No 386/2012 of the European Parliament and of the Council

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