



This statement follows detailed comments the MPA submitted to the CMA Consultation as part of their market study into music streaming (attached again for convenience).

The Music Publishers Association (MPA) is a membership organisation representing circa 200 UK music publishing companies, ranging from iconic Independents to the global Major Publishers. Via those members, the MPA represents over 95% of UK song rights. The MPA Group also includes MCPS, the mechanical rights organisation (representing over 23,500 direct composer and songwriter members and seven thousand music publishers) and PMLL, providing a blanket licence solution for photocopied, printed music of original compositions, to schools and choirs.

We welcome the CMA's initial findings set out in the [Market Study Update](#), including the assessment that a market investigation reference for the music industry, is not necessary. Given the comprehensive approach of the CMA in their report and the intensive business analysis undertaken, we agree that an investigation would not achieve a different outcome. We welcome acknowledgement of the highly competitive, modern music publishing sector.

Music publishers have made and continue to make a vital contribution to the success of songwriters and composers in the evolving music streaming market. As the Update Report notes, music publishers have almost doubled revenue shares for song rights from music streaming services since 2007 (5.126). Most notably, this increase has been driven by healthy music industry market forces and competitive licensing behaviour, including the ability to negotiate competitive terms within the security of appropriate confidentiality and contract law. The song licensing market works to deliver the best revenues and opportunities possible for song rights and it is agile, able to accommodate innovation whilst striving to achieve ever greater value for songwriter, composers, and publishers.

The growth in music publishers' revenues directly benefits the songwriters and composers they represent with creators typically receiving the majority of those revenues pursuant to their publishing agreements. By way of example, we acknowledge the Update Report's statement that the average royalty rates paid by major publishers to songwriters was 84% (5.123).

Contracts between music publishers and songwriters/composers have been voluntarily agreed between the two parties in a highly competitive market, which has evolved to include a wide spectrum of innovative publisher/songwriter/composer business models (5.115/6 (137)). Competition to attract creative talent drives choice and quality of offering to those creatives and the growing competition is reflected in the diversity of publishing agreements available to creators today. The agility, security and privacy afforded by contracts derived through competitive negotiation, ensures a vibrant market for UK composers and publishers. A publisher must deliver efficiency, expertise and a competitive service offering to a songwriter/composer to secure the relationship, in a richly diverse market of music publisher competitors. As such, relationships with creators are mutually agreed by contract and a large variety of contractual options exist in the market for songwriters and composers to choose the arrangement most attractive to them and their work.



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Music publishers have been providing transparent information to songwriters and composers, delivering on the obligations of their agreements and in the parameters possible within competitive commercial licences. Publishers of all business sizes and resources, provide royalty reports and data insights, (including access to facilities such as portals), to help creators interrogate and understand their royalty incomes. Publisher and songwriter/composer incentives are aligned, and publishers work hard maintaining strong relationships with creators. The MPA always welcomes close relations with creator representative organisations in the interests of achieving ever greater value, respect and opportunities for song rights and supports the ongoing work taking place under the auspices of the IPO, to promote transparency and improvements in industry metadata.

An important factor influencing the income of writers, is the proportion of revenue shared with music rightsholders by digital service providers. The CMA Update Report rightly identifies that achievable revenues for music are dependent upon a solid copyright framework and effective enforcement procedures afforded to rightsholders. In this context, we welcome the CMA's acknowledgement of the pervasive problems concerning the limitations of liability granted to digital service providers in 2000 (with the policy objective of helping the then nascent service provider market to thrive). This market has changed dramatically in the last 20 years but, without related evolutions to protect the investment of rightsholders. Models such as User Uploaded Content (UUC) services and others, have been able to generate significant revenue growth using music content without the obligations required of other services to reward and protect copyrights (5.134). Integrated tech giants are advantaged by being able to transfer the value achieved from cheaply engaging music users, to their other, consumer products and services. (5.47). As the Update Report notes, static pricing provides diminishing returns for the supply chain (5.134 (c)/5). The Update Report is right to observe that, a loss-leading music offering, supported by a conglomerate P&L, subsequently defines a limited 'share' for music rightsholders. It is a share which does not properly reflect the full value of consumer acquisition derived originally from the inclusion of music on the platform. Such models support scale but may not fairly sustain music nor allow access to market for new music service entrants who cannot compete with such dominance and integrated margins. We welcome the CMA's commitment to examine issues around digital service providers and UUC in the next stage of the process, and hope that they will make recommendations to Government on how to address the challenges these pose to the wider market.

Music publishing is the dedicated cultivation of the music sector's 'raw materials' of creative works, which only become valuable once they engage positively with audiences in the commercial world. Music publishing contracts are mutually arranged, bespoke and future proof; able to reap the benefits of new opportunities, in global deals and with evolving technologies. Even though the duration of the term of a publisher/songwriter agreement may be short, music publishers secure and license commercial opportunities for copyrights which may be long-term, such as valuable uses in film and television. The production and broadcast industries are vital voices in considerations of copyright longevity and contract security. Consideration should be given to the detrimental impact on the future prospects of UK creative talent, music IP and the wider creative and media industries, of any restrictive intervention into our internationally competitive sectors which are reliant upon secure contractual relationships to support investment.



Music Publishers Association

We urge Government to support the human, creative innovation of music and the UK's music businesses. The UK can positively address closing value gaps to support a fairer online landscape of clear obligations to rightsholders and, it can protect the long-term value of investment in songwriters and composers. Copyright drives the innovation of human, creative ideas. We are world leaders in music, one of only three, net-exporters worldwide and music IP literally soundtracks global economies in film, TV and gaming. We can only continue to do so if we are able to thrive competitively and to reward and protect our creators. Our innovation must be valued equally to that of new technologies or our global advantage in music IP will be lost. Sustaining music's market sustains growth, consumer value and competition, in a healthy, circular economy of reward for human creativity and innovation.

We remain at the disposal of the CMA, to elaborate on our concerns and to provide insights into our sector. We welcome the opportunity to support evidence-based decision making.