



Attention: Editor

ENHANCING PAN-AFRICAN COLLABORATIONS IN THE MUSIC INDUSTRY: KENYA'S COLLECTIVE MANAGEMENT ORGANISATIONS (CMOs) STUDY VISIT TO SOUTH AFRICA'S MUSIC ORGANISATIONS

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Representatives of the producer and composer CMOs Kenya Association of Music Producers (KAMP) and Music Copyright Society of Kenya (MCSK) respectively, and recorded music industry trade body the Recording Industry of Kenya (RIKE) traveled to South Africa on a study visit to the South African music industry companies between March 7 and 10. The visit was sponsored by South African Music Performance Rights Association (SAMPRA), the CMO mandated to license the economic rights of producers and performers; and Southern Africa Music Rights Organisation (SAMRO), the CMO mandated to administer the economic rights of composers, authors, and publishers.

The delegation was led by Hon Dan Wanyama, Member of Parliament and Chairperson of the Parliamentary Departmental Committee on Arts and Culture and supported by the International Federation of the Phonographic Industry (IFPI), the global voice of the recording industry, working to promote the value of recorded music, campaign for the rights of record producers and expand the commercial uses of recorded music globally.

The visit sought to afford the Kenyan CMOs new and inspiring perspectives to enhancing their operations, governance, and independence; and critical regulatory and policy practices that will facilitate sustainable licensing practices in the interest of right holders. The visit follows the recent efforts between Kenya and South Africa to stimulate trade against the backdrop the memoranda of understanding, including on broadening trade, signed by the two countries in 2021, and which included agreement to increase the volume of trade between the two countries that averaged over US\$ 580 million and largely in favour of South Africa. Presidents William Ruto and Cyril Ramaphosa in November 2022 expressed commitment to implementing the bilateral agreements by initiating reciprocal visa-free entry deal effective January 2023. Implementation of trade agreements between the two countries is critical to the recorded music business, acting both as an impetus to improved representation of right holders by collective management organisations through bilateral arrangements as well as in incentivizing recorded music investors or record companies in both countries to invest in respective partner country.

The visit saw the Kenyan delegation hold critical discussions not only with SAMPRA and SAMRO, but also with the Recording Industry of South Africa (RISA), the trade body for the recording industry which hosts the acclaimed South African Music Awards (SAMAs); drives the industry charts and certification, and administers within South Africa the International Standard Recording Code (ISRC), the unique identifier

code that is critical to the management of sound recordings and music videos. The delegation further held both collective management and policy discussions with Universal Music, Sony Music Entertainment Africa and Warner Music Africa, the African offices of the three major record companies that represent over 75% of the global recorded music market, now comprising mainly of digital use and performance rights (broadcast and public performance).

In the wider context of the Africa Continental Free Trade Area (AfCFTA) Agreement, music business stands to massively benefit from the prioritisation of digital trade and investment protection, and elimination of trade barriers or unclear policies such as the current tax that subjects to 16% VAT digital music, among other export digital goods and services.

While global recorded music grew by 18.5% to US\$ 25,9 billion in 2021 (according IFPI's Global Music Report 2022), the Sub-Saharan Africa region registered growth by 9,6%, primarily driven by ad-supported streaming which rose by 56,4%. However, broadcast, and public performance revenue for sound recordings from select seven Sub-Saharan Africa countries (including Kenya and South Africa) in 2021 was only US\$ 12,9 million (KES 1,6 billion), with South Africa accounting for 81,5% of the region's performance rights revenue. Kenya's broadcast licensing market potential for the year 2020 was US\$ 8,6 million (KES 1,1 billion) for composers, music publishers, record producers, and performers (which is one tenth of the radio broadcast advertising revenue US\$ 86 million/KES 10 billion reported by PwC Entertainment and Media Outlook Report).

Hon. Dan Wanyama stated: "This was an insightful study visit, we agreed that there is need to initiate policy and regulatory changes that align the music industry with the evolving technological realities, trade alliances between Kenya and South Africa as well as the AfCFTA. This is the role I will take on as the Chairperson of the Sports and Culture Departmental Committee of the National Assembly."

The Regional Director of IFPI Sub-Saharan Africa and KAMP Chairperson Angela Ndambuki added: "it was resolved to improve governance policies and practices to enhance CMO performance and accountability; and initiate collaborations between respective Kenyan and South African CMOs through memoranda of understanding including technical support for the Kenyan CMOs. KAMP is ready to adopt best practice."

KAMP wish to express tremendous appreciation to Hon Dan Wanyama for acknowledging the need to work with stakeholders to structured discussions towards streamlining the industry to serve the rights holders, and commits to actualize a more efficient and effective operational structure.

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