

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Diwydiant Cerddoriaeth yng Nghymru / Music Industry in Wales

CWLC M04

Ymateb gan Sain (Recordiau) Cyf / Response from Sain (Recordiau) Cyf

## **Response to the Culture, Welsh Language and Communication Committee's Consultation**

### **The music industry in Wales**

I am strongly of the opinion that one of the main deficiencies of the music industry in Wales is the fact that the Government does not have a comprehensive strategy that takes into consideration the industry in its entirety. By looking at one part of it, such as 'live music', the Government's piecemeal action will continue. Since the Government made its decision not to fund the Welsh Music Foundation (WMF), a significant vacuum has developed in the industry, and there is no longer a single body that represents the industry as a whole. All other media have bodies to represent them, along with a stable public sponsorship structure, be that in television (S4C and the BBC), radio (BBC), the press and print media (the Welsh Books Council), but there is no equivalent for music other than Welsh National Opera.

I was very pleased to be a member of the WMF board, and, in later years, I chaired the body. I was also a board member of Cerdd Cymru:Music Wales, which was a partnership between the WMF, the Arts Council of Wales and Wales Arts International. We succeeded in bringing one of the world's foremost music festivals to Cardiff in 2013, namely Womex. However, following that, and despite all of the investment in bringing Womex to Cardiff, Government support for WMF was withdrawn, without capitalising on the momentum for Welsh music generated by Womex. The partnership between the industry (WMF) and the public arts bodies (WAI and ACW) was working well, but, since then, Government support has been channelled through the public arts bodies alone, and Cerdd Cymru:Music Wales is now just a brand. Of course, these bodies have their own policies in terms of distributing sponsorship and support, but, more often than not, these policies are not appropriate for the commercial industry.

Sponsorship and support from cultural bodies are focused on the artists' priorities. This is reasonable enough with regard to the arts, but does not make sense in terms of the industry. Support is available for artists to attend festivals and fairs abroad, or to collaborate with artists from the Government's target countries, but this work is short-term in nature. Artists require sustained support from the industry, be it from managers, promoters or agents. Artists also need to be nurtured and developed, they need studio experience and they need to record material for promotional purposes. They should be supported in festivals and on tour; promoters and other agents should be spoken to on their behalf; and their content should be licensed to other labels as well as to the media, broadcasters and film companies. This, then, releases the artist to focus on their art. Sometimes, a label will organise short tours to promote new material, or will arrange an appearance on radio or television, and they may employ pluggers to encourage coverage and reviews in the media, or

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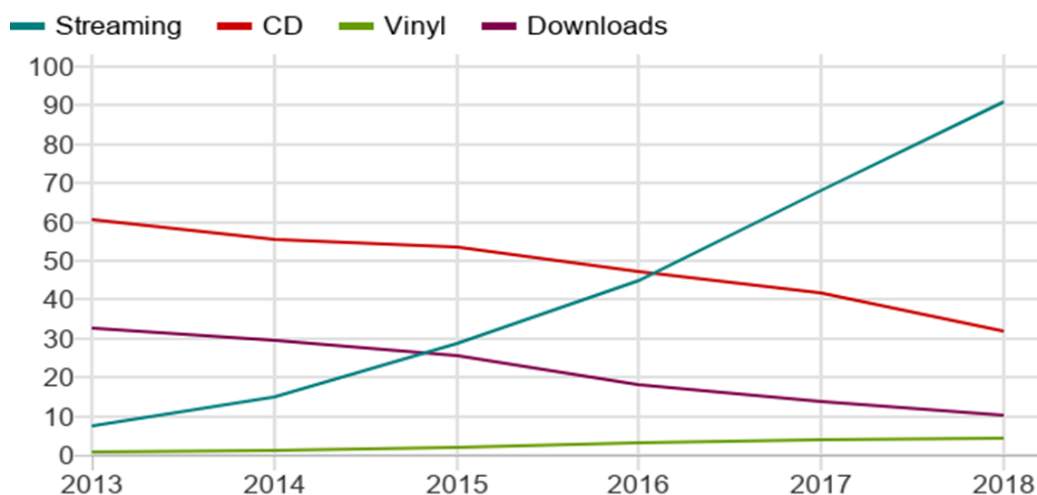
interviews on local radio stations across the UK. All of this is part of work by ‘the industry’ to support artists.

At present, the support is piecemeal in nature, with a little given here and a little given there. A whole host of bodies hold pieces of the jigsaw, but nobody is looking at the picture on the box to see what the complete picture is meant to look like.

The digital revolution led to a massive increase in opportunities to distribute Welsh-language music. Even though it continues to be niche music, it is now niche music on the global stage. From the outset, Sain has had an agreement with iTunes (Apple Music) to download and stream our music, which constitutes almost 15,000 tracks. We have also used the digital distributor State 51 for all other platforms, including Spotify. We receive monthly reports of 35,000 lines from these companies, and it appears that our tracks were streamed around 4.5 million times last year. The problem, of course, is that the income that Sain receives is very limited at £0.0045 per stream (less than 0.5p), and we then have to pay a royalty to the artist out of this amount. It is clear that this is not viable, and will not sustain the recording industry for the future. If the industry is to be a professional one, which does not depend on favours from friends, on crumbs thrown our way on occasion and on volunteers who have other full-time jobs, we must have a comprehensive strategy on how to develop it.

## UK Music Consumption

Album sales / streams in millions



BPI / Official Charts Company

BBC

The amount of money that labels are able to invest in new music and material is less than it was 20 years ago. The technology has improved and the process is easier, but session musicians and producers need to be paid so that they can earn a living.

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To ensure that Welsh music is of the highest quality, it is still vital that labels and studios invest in the latest technology. Using a professional studio remains essential, and this is one of the reasons that producers such as Ifan and Osian (Candelas), and Aled Hughes (Cowbois Rhos Botwnnog) are based at the Sain Centre. However, this is not viable in the long term. The audience is limited, in the same way as the audience for Welsh-language books and Welsh books in general is limited, but support is available to publish books, encompassing support for the author, editor, press, cover art, distribution and marketing. There is no such support for musical output. The favourable terms that the Welsh Books Council is able to offer retailers means that shops in Wales devote more shelf-space to books and much less to CDs.

In an effort to increase the income derived from streaming for artists from Wales, Sain has established the Apton streaming service in the form of a website and mobile phone app. Several labels in Wales contribute tracks to Apton, and 3,000 users have registered for the service. Primary schools and local authorities also subscribe to Apton, as they realise that it is a 'safe' service for children and a way to play Welsh music in schools. This, in turn, raises awareness of Welsh music and contributes to the Government's aim of a million Welsh speakers. However, it is difficult to compete with major corporations like Spotify and Apple Music, and Apton must be developed into a service that is compatible with systems like Sonos or Alexa to ensure its future survival. The Welsh Government's Welsh language department has allocated £30,000 to develop Apton, but Sain has invested over £100,000 of its own in the initiative. Developing an app of this kind is an expensive process in terms of the technology and programming, and in terms of updates and maintenance. It is highly unlikely that Apton can continue without further investment in its development.

Revenue collection companies such as PPL, PRS and MCPS have all now adapted their distribution policies, which means that any artist, label, composer or publishing company that works in a minority language receives much less income, while the companies themselves report that they are collecting and distributing more money than ever. This is what led to establishing the Alliance in 2007, and to the establishment of Eos, the independent revenue collection company, six years later. To date, Eos has distributed over £500,000 to composers and publishers from Wales, and it pays a per-minute rate that is double what PRS pays for songs played on Radio Cymru and approximately six times greater than the amount PRS pays for broadcasts on S4C. The situation regarding royalties is, therefore, part of the wider picture, and must be discussed as part of a comprehensive strategy for the music industry.

I urge you, therefore, not to look at one part of the industry in isolation. All parts need to be discussed, because these elements are inextricably linked and are interdependent. Without creative endeavour there is nothing to distribute and perform. When the recording industry is on its knees due to the collapse in CD sales,

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and when the income derived from streaming is negligible, live performance is an important part of promoting the material as well as the artist. I would also urge you to consider all kinds of music, not just pop, rock and indie. From our experience, Welsh music that incorporates an element of Welsh culture, which is what makes it world music, makes for a much better export, and artists in this genre also enjoy greater success than those who emulate the Anglo-American sound. This may include traditional music as well as modern folk and material by singer-songwriters. It is also important to remember our classical, country and choral artists as we discuss how to develop and strengthen the music industry and improve exports of our musical culture.

**Dafydd M Roberts**  
**Chief Executive**  
**Sain (Records) Limited**