

CHAPTER THREE: THE MUSIC INDUSTRY

Box 3.1: Profile of the Global Music Sector²²

- In 2004, the U.S. recorded music market posted its first advance in five years. The market will continue to expand as licensed digital distribution and mobile music fuel growth. Spending will rise to from \$12.8 billion in 2004 to \$18.8 billion in 2009, an 8.0 percent compound annual increase.
- In Europe, the Middle East and Africa mobile music accounted for 10 percent of the market in 2004 and will constitute nearly a third of total spending on recorded music in 2009. Mobile music spending will be approximately \$6.4 billion in 2009, a 33.9 percent compound annual increase.
- In Asia/Pacific mobile music stabilized total spending in 2003 and propelled the market to a 9.3 percent increase in 2004. On the strength of continued growth in that sector, overall spending will advance at a 10.6 percent compound annual rate to \$14.7 billion in 2009.
- In Latin America mobile music will grow rapidly and pass the physical distribution market in 2009. Spending will total \$925 million in 2009, up from \$126 million in 2004, a 49 percent compound annual increase.
- In Canada digital distribution will total \$256 million in 2009, increasing at a 51.6 percent compound annual rate from 2004.

Global Overview

The global music industry is a complex of activities with various income streams. The music business encompasses the production and distribution of sound recordings or sound carriers (e.g. records, tapes, CDs, MP3s), the manufacture of instruments and audio equipment, music education, live performance (e.g. concerts, tours), professional and technical services (sound engineering, legal and accounting), music publishing and the administration of authors' and other related rights.

Global music market was worth US\$33.6 billion in 2004, with a decline of – 1.3%, the best year-on-year sales result since 2000. World sales fell by - 7.4 % in 2003, - 6.7% in 2002, - 1.3% in 2001 and – 1.6% in 2000. The music business, which is prone to piracy and other forms of copyright infringement, has been severely impacted by the growth of CD-R and Internet piracy. Disc and cassette piracy along with online piracy are the major cause for the decline in legitimate music sales. Recorded music piracy is estimated to have sold 1.5 million units in 2004 and to be worth US\$4.6 billion. On the positive side, the global market for digital music is the fastest rising segment at 6% of the music market. Revenues from digital music sales reached US\$1.1 billion in 2005, a three-fold growth over 2004. The sales are split 60-40 between online and mobile music. Projections are that by 2010, 25% or more of record company revenue will come from digital sales.²³

²² This data is taken from PriceWaterhouseCoopers, *Global Entertainment and Media Outlook 2005-2009*. www.pwcglobal.com/ accessed 02/03/2006.

²³ See *IFPI Digital Music Report 2006*.

The world's major music markets continue to be dominated by the US (37%); Japan (18%); UK (10%); France (6%); Germany (3%); Canada (1.8%). The top ten sales territories account for over 80% of the market. Of note is the fact that Mexico and Brazil, who were in the "top ten" have now dropped out of the ranks. This is on account of the 14.4% fall in sales in the region, a result of the high level of piracy. No country in the Latin America and Caribbean region has a piracy rate below 50%. In fact, most territories in the region are estimated to have piracy rates close to 80%.

The global music market continues to be dominated by the large firms. Latest estimates put Universal at 23.5% of world market sales, EMI 13.4%, Sony 13.2%, Warner 12.7%, BMG 11.9%, and the independents at 25.3%. The independents are smaller labels that often specialize in a particular genre or consumer niche. They tend to provide the new talent and the major firms in their strife for global competitiveness incorporate the successful firms from time to time.²⁴

The business model of the music industry has experienced rapid techno-economic change with the growth of the digital and Internet economy (e.g. iTunes, iPods, Napster, MP3, e-commerce, online subscription, ringtones). The music business is shifting away from the sale of 'things' to the exploitation of 'rights' and lifestyle merchandising. The harmonization and globalization of copyright regulation under the WTO TRIPs agreement and the WIPO digital treaties have allowed for stronger enforcement mechanisms.

Sound recording sales in the top territories is dominated by musical genres like rock, Hip-Hop, R&B, pop, gospel, Latin. World music, the category within which most Caribbean music is placed, is a rising share of the market. Soundcarrier sales are dominated by CDs in the top sales territories with the decline of vinyl records and audiocassettes and rising growth in digital music sales. There has also been a major demographic shift in the market. For example, in the US the under 25 year old consumers which accounted for approximately 40% of sales a decade ago are now down to 30% while the over 40 age group purchases 37% of music.²⁵

Regional Assessment

The Caribbean music industry comprises an array of products and services that can be classified under seven main areas of economic activity (see Figure 3.1). Of these, music production, music publishing, and live performance are the primary or core economic activities; while audio-visual production, broadcasting, and copyright administration are considered non-core economic activities as they provide essential support services for the effective functioning of the industry in each territory.

The Caribbean can boast of having a diverse repertoire of indigenous music alongside a growing focus on music production in the global mainstream genres of jazz, gospel and rock. Over the years, the indigenous genres in particular reggae/dancehall, calypso, soca, zouk and salsa have become commercialized through record production. This has evolved into a steady business activity across the region and has propelled the popularity of these genres outside of the region.

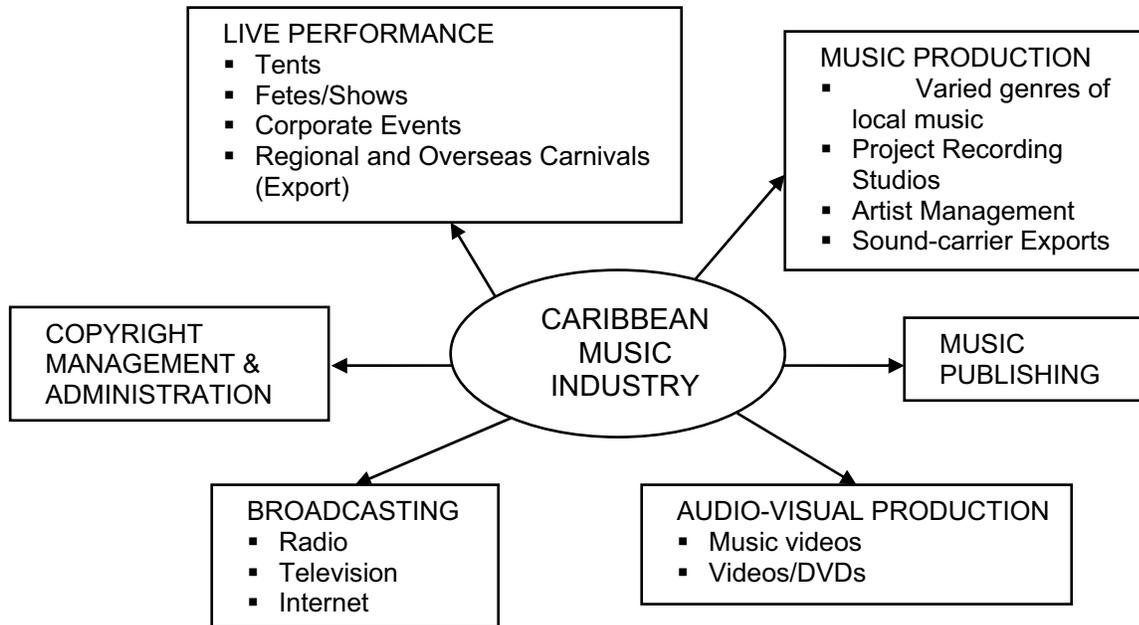
The recording studio is one of the oldest enterprises in the regional entertainment industry, and was initially used to record and produce the work of reggae artists and calypsonians. The recording studio has since expanded its operations to other related commercial activities such

²⁴ See IFPI (2006) *The Recording Industry in Numbers, 2005*. London: IFPI.

²⁵ Taken from RIAA 2004 Consumer Profile. www.riaa.com.

as mastering, mixing, music publishing and music retail. Research shows that there are mostly established project studios in operation throughout the region, while large studios such as Caribbean Sound Basin (Trinidad) and Blue Wave/Ice Studio (Barbados) have fallen out of vogue with the emergence the small digital studio. In this regard, there is also a significant number of small bedroom studios in operation that mainly serve the needs of new artists.

Figure 3.1: Structure of the Caribbean Music Industry



The Jamaican Market and International Sales of Reggae Music

The music industry in Jamaica is dominated by reggae/dancehall music although gospel music is rapidly increasing in its share of the market. Industry sources indicate that there are some 200 recording studios in Jamaica, including home project studios (Witter 2004). Of this number it is estimated that there are some 50 commercial sound recording studios each employing a minimum of two technical persons on a full-time basis. It has been estimated that worldwide sales in reggae recordings in the late 1990s were approximately US\$1.2 billion with approximately 25% or US\$300 million flowing to Jamaican producers, musicians and songwriters (Kozul-Wright and Stanbury 1998). This estimate appears to be an exaggeration because Jamaica is not the only country that produces and exports reggae (as one would observe if you attend a major music trade fair) and most top-selling Jamaican artists are signed to foreign labels and are not members of the local copyright society (JACAP) resulting in the non-repatriation of the large share of overseas income by Jamaican artists and entrepreneurs. At the national level there tends to be low local value added and high levels of copyright infringement (Cuthbert & Wilson 1990). These problems are related to the fact that the sector is highly fragmented and lacks a strong institutional framework. These issues are reflected in the following comments from an entertainment sector specialist at JAMPRO:

It has been recognized that the major decision-makers within music are concentrated outside of Jamaica. In addition, the income being derived from music and its attendant value-added products are not being returned to Jamaica. The success of Jamaican music to date has had very little to do with government policy or incentives and more to do with the struggles of poverty and hardship and the use of informal channels to market local music products (JAMPRO 1996: 62).

From this standpoint the exact contribution of the music industry to the Jamaican economy is difficult to ascertain but it is clear that it is not insignificant. Jamaica is the only territory in the Caribbean for which there is both data on the national market and data on international sales. At the national level there is data from the IFPI for the years 1998 to 2002. In keeping with international trends the choice of format for soundcarriers has shifted from LPs and MCs to CDs with the latter accounting for over 84% of the market. The number of singles has also declined by half. Overall the number of units sales has dropped by almost two-thirds from 1.7 million to 600,000. Similarly, retail value has dropped from US \$9.7 million to a low of \$ 2.0 million in 2001 before rebounding to \$6.5 million in 2002. This trend is explained by the rapid decline in the local market on account of piracy and the uncompetitiveness of domestic production in the digital age.

Table 3.1: Jamaica Recorded Music Sales, Market Data & Format Analysis, 1998-2002 (figures in millions)

Year	Units							Retail Value			Annual Change	
	Singles	LPs	MCs	CDs	DVD	VHS	Total ¹	\$US (variable)	\$US (fixed)	Local Currency	Unit Change	LC Value Change
2002	0.4	0.09	0.02	0.4	-	-	0.6	6.5	6.5	316.5	Not compatible	
2001	0.3	0.08	0.01	0.1	-	-	0.3	2.0	1.9	91.7	-3.0	-2.0
2000	0.4	0.08	0.01	0.1	-	-	0.3	2.2	1.9	93.6	Not Compatible	
1999	0.6	0.3	0.2	0.1	-	-	0.7	5.4	4.3	209.3	-58.1	-41.0
1998	0.8	0.8	0.5	0.3	-	-	1.7	9.7	7.3	354.4	Not compatible	

Source:IFPI, 2003.

MUSIC MARKET DATA	2002	2001
Per capita sales (\$US)	2.4	0.8
Per capita sales (units)	0.2	0.1
World ranking (value)	58	72
Piracy level (audio, units)	-	-

Source:IFPI, 2003.

FORMAT ANALYSIS: audio and video

Format	Share of Value	Value Growth
Singles	8.0%	-
LPs	6.4%	-
MCs	1.3%	-
CDs	84.3%	-
DVD	-	-
VHS	-	-

Source:IFPI, 2003.

In the UK, there is data on sales of reggae singles and albums. Table 3.2 shows that reggae music sales peaked in 1993 accounting for 7.6% of singles sales and 1.5% of album sales, for a combined total of 4.0% and sales value of 52.8 million. Since 1993, sales have dropped dramatically, especially in the singles format. The 1997 sales share for reggae was 0.4% for singles and 0.8% for albums, for a combined total of 0.9% and sales of £15.0 million. Figure 3.2 provides a graph of reggae sales for the period 1991 to 2002. What it shows is that reggae sales rebounded in 2000 (£35.5 m) and 2001 (£45.0 m) but dipped again in 2002 to £26.7 million, approximately half of the earnings in 1993. An example of the music market's decline is the case that the top selling single in the UK in 1996 was Beres Hammond's "Over You", which sold less than 10,000 units (Mensah 1997: 49). In 1998, the top selling artists were in rank order, Finley Quaye, with over a third of sales, followed by Bob Marley, UB40, Buju Banton, Red Rat, Horace Andy, Sizzla, and Beenie Man (BPI 1999).

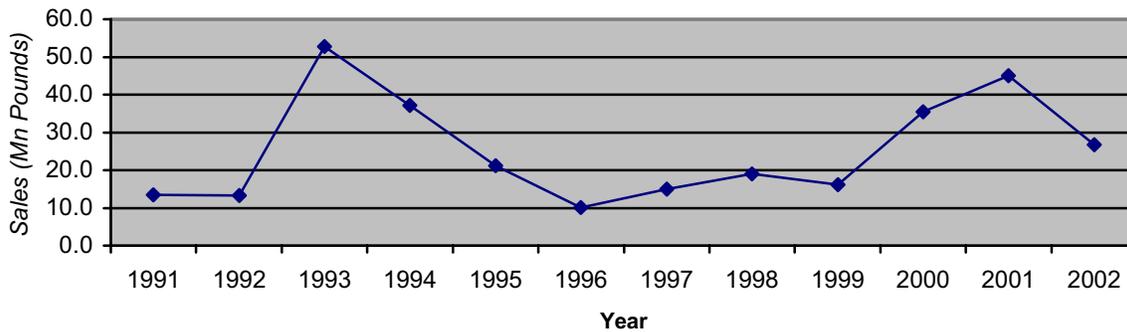
Table 3.2: Reggae Music Sales in the UK, 1991 – 2002 (% share)

Format	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Singles	-	0.7	7.6	3.3	1.5	0.5	0.4	0.5	1.0	0.3	0.4	0.2
Albums	1.1	0.9	1.5	1.3	0.8	0.4	0.8	1.0	0.6	0.9	1.0	0.7
Combined ¹	1.1	1.1	4.0	2.4	1.3	0.6	0.9	1.1	0.9	1.9	2.3	1.4
Total UK sales (£mn)	1,217.9	1,199.1	1,320.0	1,550.0	1,624.0	1,691.6	1,665.1	1,724.0	1,797.6	1,865.8	1,956.4	1,907.8
Estimated Reggae Sales (£mn)	13.4	13.2	52.8	37.2	21.1	10.1	15.0	19.0	16.2	35.5	45.0	26.7

Source: BPI, 1999;BPI, 2003; IFPI, 1998.

Note: ¹ The combined total of singles and albums is based on the ratio of 3 singles = 1 album.

Figure 3.2: Reggae Sales in the UK (MN Pounds)



No

te: ¹ The combined total of singles and albums is based on the ratio of 3 singles = 1 album.

For the US market there is no comparable retail data for reggae sales. The best alternative source of information about the genre is artist's certification from the Recording Industry Association of America. Table 3.3 below provides data on the top selling Caribbean artists in the US market. Jamaicans dominate the list. Bob Marley outstrips all others with 12 albums or videos that have gone Gold, Platinum and Multi-Platinum, including Diamond (10 million) for the album "Legend". All together Bob Marley and the Wailers have sold 16.5 million units in the US market which puts Bob Marley in the top 100 seller's list for the US market.

It is also noteworthy that the sales in the reggae catalogue²⁶ category are largely driven by albums from the late great Bob Marley (see appendices 1-3). Bob Marley's album Legend was also the top R&B catalog album in 1997 and 1998. The Legend album has spent 547 weeks on the catalog charts third in rank to Pink Floyd's albums. This performance results in Bob Marley and the Wailers being one of the top artist in the pop catalog in the late 1990s and Tuff Gong placing high in the top pop catalog imprints. Bob Marley's sustained position at the top of the charts has earned him the title of artist of the century according to Time magazine.

Shaggy is next in terms of sales in the US market. Shaggy's album "Hotshot" was the best selling album worldwide for 2001 with Multi-Platinum status of 6 million units. The single and album, "Boombastic", achieved Gold and Platinum certification while the album "Lucky Day" went Gold in 2002. The other contemporary Jamaican artist with this kind of sales is Sean Paul. Under the Atlantic label Sean Paul has achieved Gold, Platinum and Multi-Platinum (2 million) with the album "Dutty Rock". More recent albums like "Trinity" has gone Gold and Platinum, while "We be Burnin" and "Temperature" have been certified Gold.

No other Jamaican artist has gone Multi-Platinum in the US market. The only others to have achieved Platinum are Ziggy Marley for the album "Conscious Party" and Ini Kamoze for the single "Here Comes the Hotstepper". Harry Belafonte's 6 Gold albums between 1961 and 1967 was quite an achievement for its day. Peter Tosh is also notable with Gold and Platinum for the album "Legalize It" and Gold for "Equal Rights". The other certified artists are Shabba Ranks (Gold – 2 albums; 1 single), Maxi Priest (Gold - 1 single and album), Damien Marley (1 Gold album) and Patra, the lone Jamaican woman in the list (1 Gold album). The only current

²⁶ Catalog albums are 2-year old titles that have fallen below No. 100 on the Billboard 200 or reissues of older albums.

Jamaican or Caribbean label in the list is Tuff Gong representing Damien Marley. Island Records, which was the label for twenty-one of Bob Marley and Wailers albums was owned by Jamaican Chris Blackwell until the mid-1990s when it was sold.

Other Jamaican artists like Elephant Man, Beenie Man, Buju Banton and Bounty Killa have enjoyed high international sales, international awards and lucrative live performance schedules. The Jamaican case is outstanding. One would be hard pressed to identify another developing country that has produced such a collection of artists. Indeed, when compared with other Caribbean countries Jamaica's success is a shining example. As illustrated in the Table below it is only in the case of Cuba (Celia Cruz; Ibrahim Ferrer) that we have found more than one artist with Gold and/or Platinum sales in the US. The other territories have only one artist each with such high sales, for instance, Dominican Republic (Juan Luis Guerra), Haiti (Wyclef Jean), Bahamas (Baha Men), Trinidad and Tobago (Billy Ocean), Guyana (Eddy Grant), Barbados (Rihanna), and St. Vincent (Kevin Lyttle). In addition, it is important to note that some of these artists (Billy Ocean, Rihanna and Wyclef Jean) have achieved success with non-Caribbean genres, which is not the case for any of the Jamaican artist.

Table 3.3: Top Selling Caribbean Artists in the US based on RIAA Certification*

Artist	G	P	M2	M3	M4	M5	M6	M7	M8	M9	M10	Labels (number of certified albums/singles)
Bob Marley	13	3	2	1	1	1		1	1	1	1	Island (21); Island Video (3); Polygram Music Video (1)
Shaggy	4	3	1	1	1	1	1					MCA (8); Virgin (4)
Billy Ocean	5	4	1									Jive (9); Arista (2)
Baha Men	1	1	1	1								S-Curve (4)
Wyclef Jean	3	3	1									Ruffhouse/Columbia (5); Columbia 2
Sean Paul	4	2	1									Atlantic (7)
Juan Luis Guerra	4	2										Universal Music Latino (5); Karen Publishing (1)
Harry Belafonte	6											RCA (6)
Celia Cruz	3	2										Sony Discos (3); Sony BMG Norte (2)
Rihanna	3	1										Def Jam (3); Mercury (1)
Peter Tosh	2	1										Columbia (3)
Eddy Grant	2	1										Portrait (2); Epic (1)
Ziggy Marley	2	1										Virgin (3)
Shabba Ranks	3											Epic (3)
Ini Kamoze	1	1										Columbia (2)
Maxi Priest	2											Charisma (2)
Kevin Lyttle	2											Atlantic (2)
Ibrahim Ferrer	1											Nonesuch/Atlantic (1)
Patra	1											Epic (1)
Damain Marley	1											Tuff Gong (1)

Source: RIAA.com

Notes: G – Gold (500,000 units); P – Platinum (1 million units); M – Multi-Platinum.

* The RIAA's certification levels are based on unit shipments (minus returns) from manufacturers to a wide range of accounts, including non-retail record clubs, mail order houses, specialty stores, units shipped for Internet fulfillment or direct marketing sales, such as TV-advertised albums.

To evaluate the success of the Jamaican music industry it is important to go beyond looking at artists to examine the key firms that are involved in the marketing and distribution. For the US market this analysis is possible utilizing Billboard's annual listing of the top reggae artists, albums, labels, imprints and distributors. The data for 1999 and 2003 indicates that there is a dominance of non-Jamaican firms in the US reggae market. However, some significant trends are discernable. The first is the sustained market share of the independent imprints, labels and distributors. This trend is exemplified by the success of VP Records, a Jamaican owned independent firm operating in the US, which specializes in reggae and dancehall. It has held the number one spot for the last several years in the category of imprint and/or label. VP also has the honor of producing Beenie Man, Sean Paul, Wayne Wonder and Sizzla. Jamaican labels such as Shocking Vibes, Germain and Penthouse have also maintained a presence in the charts with the success of Jamaican artists.

Table 3.4: Top Reggae Imprints, Labels and Distributors, 1999 and 2003
(No. of Charted Titles)

1999			
Position	Top Reggae Imprints	Top Reggae Labels	Top Reggae Distributors
1	VP (16)	VP (19)	Independents (44)
2	Polygram TV (2)	Island Def Jam (4)	Universal (5)
3	Shocking Vibes (2)	Simitar (2)	EMD (5)
4	Beast (2)	Virgin (4)	Sony (4)
5	Virgin (3)	Madacy (1)	WEA (3)

2003			
Position	Top Reggae Imprints	Top Reggae Labels	Top Reggae Distributors
1	VP (12)	Atlantic Group (2)	WEA (6)
2	Atlantic (2)	VP (9)	Universal (8)
3	Big Yard (1)	MCA (1)	BMG (5)
4	Tuff Gong (5)	Island Def Jam (4)	Independents (27)
5	Razor Tie (1)	Arista (1)	EMM (3)
6			Sony (2)

The second trend is the growing dominance of compilations as opposed to single artist albums in the top selling records. In 1999 seven of the fifteen top selling albums are compilations. VP Records heads the list of compilations with its series of Reggae Gold and Strictly the Best. Polygram's Pure Reggae and Reggae Party were top selling compilations as well. This trend differs from the situation in 1997 when Virgin Records topped the list of firms with charted albums from UB40, Shaggy and Maxi Priest. The growth of compilations is indicative of a number of trends. The first is the continued dominance of dancehall as a sub-genre in the US market. The second is the reduction of the market to the core fan base in urban centers, which represents a decline in international sales. The final is the influence of reggae is returning to the Jamaican scene in that what is popular at home is defining international sales, especially among the core fan base in the US.

The US is the key market for Jamaican music as with most other genres. The US market has a fairly large Jamaican and Caribbean diaspora which operates like an extension of the home market. This market is to be found in the metropolitan and urban areas. Reggae music also has a following in the wider US population. There is limited data on the size of this market. The best

indication of the demographics of the market for reggae comes from a 1992 survey on culture and entertainment conducted by the federal agency, the National Endowment of the Arts. The survey indicates that reggae music is the 15th most popular genre of music in the US. The demographic profile evident in the survey fits with the profile of the average visitor for the reggae festivals (RSI 1997):

- Reggae music is liked by 19.52% of the adult population, approximately 50 million people.
- 25% of the under-50 age group liked reggae compared with 8% of the over-50 age group.
- The preference for reggae was stronger among higher income earners and those who were college educated.
- Among ethnic groups it is estimated that 17% of the white population, 36% of the black population, 19% of the Hispanic population, 17% of the Asians and 23% of the native Americans.

Trinidad and Tobago Music Recording Sector

Data from a previous study puts the earnings of the Trinidad and Tobago sector at approximately US\$13 million in 1998 (Nurse 1999). Revenue totals in 2005 for a well-established project studio show that a fully operational studio can earn approximately US\$160,000 in one year. Of this amount, approximately 90% is derived from studio work.

Growth of the human resource capability within the recording industry appears slow, as evidenced by the relatively low numbers entering the field of sound engineering and music production. Membership records of RIATT indicate that some 35 persons in the industry formed the organisation in 1995. Since then, it is estimated that approximately only 30 persons have entered the field as studio apprentices. Eagerness to become a sound engineer or record producer is not easily satisfied, since there are few avenues of training in the field in the region. In Trinidad and Tobago there are currently, there are three sound production companies that offer training that is geared for seasoned producers and engineers seeking to upgrade their skills, than for apprentice studio assistants. It has been observed that many young studio workers are currently operating without the requisite "studio-ready" skills even though they have undergone some level of training. This is of grave concern since studio assistants play a critical role in the day-to-day operations of the studio. Moreover, success of the overall industry highly depends on its workers having the relevant skills to produce quality work. There is, therefore, a void in the training capability within the industry that can seriously impede the further development of the sector.

To date, there are approximately some 900 recording artists in Trinidad and Tobago, most of who record in calypso and soca. These artists/groups collectively account for about 76%, while recording artists/groups in other indigenous genres such as chutney soca and rapso represent approximately 10% and 6% respectively. Artists/groups recording in the national instrument pan, account for a mere 5%. These low numbers are symptomatic of the relatively low domestic demand for legitimate product. This has become a major deterrent to record. The situation is further compounded by the relatively limited airplay given to these genres. Piracy also affects music sales - local consumers tend to purchase pirated compilations of music. Overall, this has inhibited the growth of music production in these genres.

On the other hand, gospel music has experienced more positive growth as a recorded genre. Demand is spurred primarily by the growing need of churches and choirs for pre-recorded “church” music; as well as the desire by audiences attending commercial gospel concerts to own CDs of the performing artists and groups. Table 3.5 shows a sample of top gospel acts in Trinidad and Tobago and the corresponding number of albums produced to date. It is anticipated that music production in this genre will continue to grow, as other industry linkages begin to develop specifically for the genre, such as music festivals, event management companies, artist management agencies; publicists and booking agents (Mc Barnett 2004: 26).

Similarly, the number of rock bands recording has been steadily increasing. Approximately 10 have consistently recorded albums, most of which are targeted at the major record labels. Of particular note is the band *Orange Sky*, who has recently recorded its first international 12-track album under the Pyramid Record Label, and is targeted for worldwide distribution via the Universal Music Group by early 2005 (The 411 Entertainment, 2004). It is anticipated that other bands in this genre will make similar moves as the growth of recordings in rock continue to increase.

Table 3.5: Sample of Music Production in Gospel

Artist/Group	No. Of Albums
Love Circle	9
Angela Williams	5
Sherwyn Gardner	3
Sean Daniel	2
Royal Priesthood	1
Broadway Boyz	1
Word	1
Righteous Restoration	1
Celestial Harmony	4 singles

Source: Alana Mc Barnett (2004) “Export Plan of Caribbean Gospel Music”, Unpublished Thesis, Centre for Creative and Festival Arts, The University of The West Indies.

Trinidad Live Performance

Across the genres in each territory, performing artists far outnumber recording artists – industry sources estimate that there are about 4,000 performing artists in Trinidad and Tobago and about 2,500 in Barbados, with majority performing the calypso/soca genres. In Jamaica, it is estimated that earnings from live performances total US\$50 million (Henry 2006), making live performance revenues a significant share of total earnings of the Jamaica music industry.

Performance has increasingly become the main source of income for the artists/music groups, due to declining local music sales, limited broadcast exposure and limited financial resources to produce and market an album. As a result, many artists tend to skip production and move on to commercial exploitation through live performance, after having created the song or music (Demas and Henry, 2001). This is particularly the case in calypso, soca, rapso and chutney soca. Table 3.6 shows that there are approximately 2,900 performing artists in these genres in Trinidad and Tobago.

Table 3.6: No. of Performing Artists in Trinidad & Tobago
(according to selected genres)

Genre	No. of Artists
Calypso/Soca	2,000
Rapso	100
Chutney Soca	800*
TOTAL	2,900

Source: Interviews with Music Industry Professionals, September 2004.

*Does not include dancers and other performers likely to accompanying chutney soca singers.

Most economic activity in the music industry revolves around live performances in the two–three months leading up to the annual Carnival, and at the Trinidad-type carnivals around the globe (Nurse 1999). Within the regional market, the demand for live performance comes from calypso tents, calypso shows and carnival fetes. Of these, the Carnival fete has become the most lucrative source of income, as local consumer tastes and interests continue to shift away from the calypso tent. The carnival fete can pay the soca artist between US\$300 - US\$1,000 per gig, and a music band between US\$600 – US\$12,000 (see Table 3.7).

Table 3.7: 2004 Live Performance Fees, Trinidad Market

Type Of Gig	Fees Per Gig (TT\$)	
	Artist	Music Band
Carnival Fete	2,500 – 5,000	3,000 – 40,000
Calypso Tent (weekly)	1,000 – 5,000	15,000 – 20,000
Calypso Show	1,000 – 3,000	9,000 – 15,000
Other Shows*	1,500 – 9,000	N/A
Nightclub	500 – 3,000	2,500 – 10,000

Source: Interviews with Music Industry Professionals, September 2004.

*Refers to large local shows featuring foreign-based artists, and the local artist/band has been hired to make a special appearance.

Calypso shows are noticeably becoming popular as the trend towards themed-based shows such as “Girls Night Out”, Calypso Comedy”, “Battle of the Sexes”, “Woman Is Boss” and “Children’s Spektakula” has now become a norm. These shows have given calypso/soca artists and bands an additional source of income during and after the Carnival season. The nightclub scenario is much the same, where soca/calypso artists in particular, have become regular features. Whereas in the past the nightclub management hired the performing artist/band, it is now the promoter of the event that secures the services of the band/artist to perform in the nightclub. This change in contracting agent has contributed to the growing number of engagements of this nature for the calypso/soca acts and has allowed the performing artists to develop long-standing business with promoters outside of the carnival season.

In contrast, earning levels within the calypso tent are smaller. Weekly performance fees range US\$180 – US\$750 for the individual artist, and US\$1,500 – US\$3,200 for the music band. The high-end fee is usually paid to the calypso stars in the tent. Each tent attempts to secure at least two stars so as to ensure large audience attendance. It is estimated that a calypso star can earn about US\$6,500 for a season.

Similarly, for the calypso/soca artist and music band, securing gigs in the diasporic Carnivals and festivals is heavily dependent on the artist's/band's level of popularity in the recent Carnival season. Artists are likely to earn around US\$3,000 for a performance with a hit song(s), and about US\$1,000–US\$2,000 if the artist has not produced a hit that year, but can still command audience appeal. Music bands can earn US\$3,000–US\$20,000 (Montano 2004). Performance fees for gigs within the diasporic markets are usually accompanied by per diem for each artist and band member, airline tickets, departure taxes, and ground transport (see Table 3.8).

Table 3.8: Expenses Covered by Promoters in Diasporic Markets

Expense	US\$	£
Per Diem	\$35 per day/per person	£20 per day/per person
Airline Tickets	\$300-\$500 per ticket	£650 per ticket
Dept. Tax from Trinidad & Tobago	\$16 per person	£9 - £10 per person
Hotel Accommodation	\$99 - \$200 per night/per person	£100 - £200 per night/per person
Ground Transport	\$100 - \$400 per trip	Unknown

Source: Elizabeth Montano (2004) "An Export Plan for Machel Montano and Xtatik Music Band", Unpublished Thesis, Centre for Creative and Festival Arts, The University of the West Indies.

The case is not the same in the mainstream market of college gigs and art festivals, where the artist/music band is expected to fund the trip including per diem and accommodation, or accept minimal or no payment for performance (Montano 2004). In spite of the less than attractive fee package and the low economic returns in the short run, these gigs are considered an important avenue for breaking into the mainstream market. Consequently, some of the top calypso/soca acts have begun to explore this market with considerable zeal within the last two years.

Barbados Live Performance Sector

The live performance sector is particularly vibrant during the Crop Over Festival, which has seen an increasing diversity of entertainment within the festival within the last three years. This has been, in part, as a result of growing external investment into festival events, particularly from Trinidad and Tobago (see Table 3.9). These collaborations have allowed a few Trinidad promoters and events operators to enter the Barbados market smoothly, by having their local counterparts remain at the forefront of promotions, and in exchange provide the needed capital/sponsorship revenue to make the event a success. With an increased revenue stream, Barbadian promoters have been incorporating more live acts in their events. This has been the main driver behind the emergence of a performing circuit during the Crop Over festival much akin to what pertains during the Trinidad Carnival.

Performance fees during the Crop over Festival can range between US\$250 – US\$1,500 for the individual artist and US\$400 – US\$2,500 for a music band. It is noted that these fees are slightly lower than those earned by their counterparts in Trinidad and Tobago, which can be partly attributed to the fact that the entertainment industry is still not viewed as seriously by the private sector in Barbados as is the case in Trinidad and Tobago. There is also the issue of low fee standards set by the Barbados hotel sector over the years, which continue to be used as the

appropriate payment structure by many night spots and venue operators on the island during and outside of the festival season.

Table 3.9: Event Collaborations between Barbadian & Trinidadian Promoters during Crop Over Festival

BARBADOS	TRINIDAD
Berger Boyz (Insomnia) F.A.S*	Island People Island Events
PowerXFour (Glow)	
Baje International (Girl Power)	Island People
Baje International (Wet Fete)	Signal to Noise Productions
Brian Lara Fete	

Interestingly, there has also been an increase in the number of foreign acts performing during the festival particularly from Trinidad and Tobago (see Table 3.10). This remains a bone of contention to some degree as some members of the local industry and by extension some quarters of Barbadian society regard this as disadvantageous to the local acts. Whilst exact fees could not be ascertained, some industry sources stated that foreign acts are paid substantially more than the local acts and this represents the main area of conflict. From the standpoint of the further development of a regional industry, the presence of artists throughout the region at the various regional festival brings tremendous possibilities including exposure on various stages; the opportunity to learn from each other as well as to create strategic and creative synergies among the artists in the region.

Table 3.10: Main Trinidad Acts Performing in Crop Over 2004 – 2006

YEAR	BAND/ARTIST	TYPE OF EVENTS
2004	Rachel Price	Government (NCF)
	Destra and Atlantik	
	Black Stalin	Private Sector
	Faye-ann & Invasion Desperados steel pan orchestra	Government (NCF)
2005	Machel Montano & Xtatik	Private sector
	Island Vibes	Private sector Government (NCF)
2006	Bunji Garlin & Asylum	Private Sector
	Machel Montano & Xtatik	Private Sector Government (NCF)
	Destra & Atlantik	Private Sector
	St. James Tripolians	Private Sector
	Ronnie McIntosh	Private Sector

Audio-visual products in the Caribbean

Over the last decade, the music industry has become increasingly aware of the value of audio-visual products as marketing tools and merchandise. Currently, three forms of audio-visual products are used in the industry: music videos for promotion; video-tapes as merchandise; and DVDs as merchandise and as artist media kits.

Of these, music videos are extensively used within the industry, and are likely to become an even more popular choice with the launch of MTV Tempo and Trinidad and Tobago's Synergy TV, which are dedicated to promoting Caribbean music. Developments in technology have encouraged improvement in the concepts and technical quality of local music videos across the board. One of the more interesting concepts to emerge for the Carnival 2005 season is the use of animation in music videos.

Use of music videos for promotion is highest among soca artists. Currently, there are three audio-visual production companies that produce music videos in Trinidad and Tobago, and one in Barbados. There is also a growing practice of hiring free-lance producers to shoot the video. The cost of a music video can range from US\$7,000 to as much as US\$40,000, depending on the concept and the technicality involved. This cost is usually borne by the artist and not the producer of the song or the management of the artist, as is done in the global music industry. This is primarily because of huge financial overheads and the difficulty in securing a return on investment through the sale of CDs and other merchandise. Many artists are not in a strong financial position to wholly finance music video production, nor are they able to execute the required marketing follow-up to make international break-throughs.

During the late 1990s, the production of videotapes of live events such as "Panorama", "Parade of the Bands" in Trinidad and Tobago and Cohoblopot and "Bacchanal Time" in Barbados became a growing trend as event promoters recognize the role of these videos in diversifying their income stream and lengthening the shelf life of a local event as a product. The demand for these videos has been highest within the diasporic markets. Many are purchased by returning nationals during their Carnival holiday and are also exported via the suitcase trade to the

diaspora. This has made it difficult to accurately track the export levels. Since the turn of the decade, it appears that this form of merchandise has declined. This may be attributed to declining interest of the consumer market and the growing obsolescence of the videotape as a merchandise audio-visual product. Globally, the DVD has since replaced the videotape in this regard.

Within the last two years, there has been an isolated attempt to use DVDs for the creation of electronic media kits (e-kits) and for the development of an alternative, more high-end merchandise. To date, soca artist Machel Montano has been the only artist to produce a DVD of live performance for sale. He is also the only artist to have developed an e-kit as a method of marketing in the foreign markets. This media of marketing is likely to grow, given the increasing and fast-paced changes in technology that continue to affect the production and delivery modes in the music industry. With the growing use of web-sites within the industry, the use of CDs, DVDs and other digitized audio-visual carriers in this regard, is likely to become more commonplace.

Broadcasting

Over the last decade, the broadcasting landscape of Trinidad and Tobago has experienced tremendous change, while in Barbados liberalisation of the industry has been slow to take effect. In 2003, 13 licenses were issued for broadcasting on the FM band in Trinidad and Tobago, two of which are dedicated to local/Caribbean music. There are approximately 17 FM radio stations, 4 local television channels, and two cable television companies. Given the size of the sector, it is clear that the local broadcasting sector can provide strong media support towards furthering the development of the local entertainment sector. However, most broadcast companies do not place high priority on airing local music. A survey of genres of music played on FM radio stations illustrates this, where it is shown that less than half dedicate even a small portion of their programming to local music (see Table 3.11).

Table 3.11: Trinidad and Tobago FM Radio Stations and Music Genres Played

Radio Station	Music Genre Focus
Central Radio 90.5 FM	East Indian Film Songs
WACK 90.1 FM	Local music
Trini Bashment 91.9 FM	Calypso and Soca
92.1 FM	Gospel
Hott 93.1/93.5 FM	Pop; soft rock
Radio Shaktie 94.1	East Indian music
The Rock 95.1	Soft Rock; pop
I 95.5 FM Citadel Ltd.	Predominately talk radio
96.1 W.E.F.M	Hip hop; R&B; dancehall; soca (during Carnival)
Music Radio 97 FM	Adult contemporary music
98.1 FM	Gospel
Masala Radio 101	Bollywood music and contemporary mixes of genres
Power 102 FM	R&B; dancehall; some calypso and soca
WABC 103 FM	East Indian, Chutney, Soca Chutney, Local Indian,
Ebony 104 FM	R&B; Hip Hop
Radio Tempo 105 FM	Calypso; dancehall; R&B
Classic Radio 106 FM	Classical Indian music

The current programming imbalance essentially reflects the mindset among most radio broadcasters that policy favouring local content can eventually lead to a decrease in radio listenership and in turn deter advertisers from using radio as a marketing medium. The recently formulated broadcast policy supports this view and does not give much credence to the need for legislation on local content. This policy stance can be attributed to the fact that while the broadcasters have been able to strongly present their case, the music industry, on the other hand, has not been able to effectively lobby its case and gain the support of the wider society. As a result, there continues to be strong resistance to increasing the local content quota on the airwaves, even in the face of growing popularity of Caribbean music on the international airwaves.

Overall, this situation has translated into a latent appreciation for local music and the acceleration of a downward spiral for the local music industry. Local audiences, particularly in the 13 - 35 age range, heavily absorb what the radio stations, cable television and the Internet offer and generally only listen to local music during the annual Carnival season. But, the problem is also exacerbated during the carnival season when the local stations that do condescend to play local music, have a heavy rotation of what some industry sources refer to as "jam and wine" music, thereby excluding a large body of calypso, rapso and chutney-soca from their playlists. As a result, many recording artists focus more on creating "jam and wine" in order to get their work played on the airwaves and to be able to secure a hit for the Carnival season.

Lack of appreciation for local content has also impacted on local sound-carrier sales. There is the general consensus within the industry that locals and those in the diaspora do not buy legitimate product, but are more inclined to purchase pirated copies of the music. Most artists are able to sell most of their product during the period immediately after Carnival, since visitors tend to purchase the product as a memento of their Carnival vacation in Trinidad. As a result it is difficult for the average local artist to sell more than 3,000 units of product in any given year.

Part of the music industry's economic viability rests on a favourable level of local content programming by the broadcast sector, as has been adopted by other countries across the globe. The Canadian music industry is one such notable example, where the institution of a 35% local content quota since 1971 has allowed that music industry to develop and flourish alongside the highly competitive music industry of the United States. Canada is currently rated as the second largest source of music talent in the world, with its 21 leading artists having sold more than 556 million records around the world – worth more than US\$8.35 billion in retail (Applaud! 2003). Although the local radio audience size of Trinidad and Tobago cannot compare to that of Canada, the fact that most local radio stations also broadcast via the Internet indicates that is possible to attain such an audience for local content on a global scale. Broadcasting significant levels of local content via the Internet creates an opportunity for developing new audiences and in turn, increased market demand for local music. Thus, there is need for revision of the current policy on broadcasting in Trinidad and Tobago towards a more favourable stance for the music industry of Trinidad and Tobago.

Market Assessment

The Caribbean enjoys a competitive capability in musical production. The region's contribution to the global cultural economy, particularly popular music, has been very significant exemplified by the expanding international demand for reggae, zouk, meringue, salsa, calypso, soca and dancehall. However, the level of penetration of the global market has been small and sporadic with a number of one hit wonders. As such the economic potential of the Caribbean music industry is under-developed.

The home, diasporic and international markets for Caribbean music are subject to high levels of piracy and other forms of copyright infringement as well as low levels of airplay in the electronic media. These problems are compounded by weak governmental support in terms of industrial, trade, intellectual property and educational policies relative to other sectors in the economy.

The industry suffers from weak institutional capacity and has limited advocacy capabilities. The sector includes a diverse and disparate grouping of recording artists, composers, musicians, promoters, publishers and record producers, whose interests are generally absent in government policy. This is largely a result of fragile national industry association and limited representation at the regional level.

The Caribbean music industry requires institutional support to upgrade the nascent creative and entrepreneurial capabilities, to facilitate balanced growth in the home market, to maximize on the trade potential of diasporic markets and to make further inroads into global music markets. In this regard there is a critical role for regional and national organizations involved in enterprise development, business financing, export facilitation and professional training in terms of the implementation of an industrial development plan. There is also a clear need to improve local value-added and regional control of the production, marketing and distribution process. Such a strategy calls for a wide range of expertise backed up by an industrial infrastructure, which is not in place at present.

Organisational Issues

Jamaica is perhaps the most advanced with regard to agencies representing the various industry associations. Industry professionals note however, that generally many of these associations exist on paper and are hardly operational. This may be attributed to a general lack of funding and institutional capacity to operate. It has been suggested by some that the best approach is to establish a regional body to address the various issues faced by the national bodies in an effort to build their institutional capacity. National presence is however still very critical.

To date, music fraternities in other CARICOM countries have been slow to form industry associations that specifically address trade and economic concerns. Most countries generally have representative bodies that play the role of a union or are in fact have been formally structured as such as in the case of Trinidad and Tobago's PanTrinbago. In most territories there is a calypsonian's association and in some case a tent managers' association; however, these associations appear primarily focused on ensuring members' representation at annual festival celebrations in their respective territories, although in recent times there has been some attention given to other developmental issues including training initiatives and the establishment of pension plans for their members.

It must also be understood that the artistes themselves are not aware of the options with regard to mobilisation and advocacy. Many artistes are unaware of the benefits of joining a

membership association. There is thus need for education of the artist with respect to these issues. This can be effectively done through various outreach programmes, including: reviving the Caribbean Musical Expo (CME), Regional Caribbean Musical Awards; restructuring CARIFESTA to include CME; and various educational programmes targeted at the audience.

Organisational and Institutional Capacity in the Belize Music Industry

Unlike many of its Caricom neighbours, the Belize music fraternity has been able to successfully form an industry association – called the Music Industry Association of Belize (MIAB). Established in 2002, MIAB has been fully operational since 2005 with some 12 diverse music organisations as its registered members. These include: the Music Teachers Guild; Musician for Belizean First; and recording studio Stonetree Records.

In spite of limited technical assistance and having to operate on shoestring budgets, MIAB operates as the umbrella body to local music organisations. It is primarily concerned with the development and sustainability of music and the music industry in Belize. MIAB's ultimate goal is for musicians to be able to build solid careers and earn a viable living from music. To this end, the association is primarily focused on providing an enabling environment and annually hosts a "Music Week", which comprises an Awards Ceremony as well as educational workshops primarily targeted at deepening the capacity and professionalism of Belizean artists (see Figure overleaf).

MIAB has made other notable strides in terms of domestic industry development – it has been able successfully lobby the Belize Government to make the importation of musical equipment duty free. The organisation is currently seeking to have MIAB recognised by Government as the authorised agency to vet the importation of equipment such as blank CDs and recording devices. The legislation currently creates a loophole that allows for duty free importation of equipment that has been bought for the specific purpose of pirating music. In addition, the association is currently working on lobbying the tourism industry to incorporate music into their marketing strategy as is done by the Jamaica Tourist Board; and to institute fiscal concessions to hotels and promoters who hire local musicians.

Notwithstanding these initiatives, there remains the challenge of developing a sound export platform for Belizean music. In particular, there are a number of trade and cultural barriers that must be overcome, notably:

- high postage/freight and transport costs;
- high costs of local CDs due to high production and distribution costs;
- lack of incentives for the production of local music;
- non-implementation of free movement of musicians;
- lack of presence of Belizean music in the work of foreign artists;
- low sales of Belizean music on the foreign market;
- lack of strong marketing and promotional capabilities;
- difficult access to CARICOM neighbours due to existing air transportation routes;
- lack of interest by CARICOM in Belizean music industry; and
- lack of cultural exchanges with CARICOM neighbours.

MIAB representatives note that the development of an enabling environment also extends beyond Belize's borders, particularly in terms of providing scholarships and opportunities for training and work abroad. This is considered critical to the development of aspiring artists and the need to ensure that they are aware of indigenous music forms such as Garifuna, Creole, Mestizo and Mayan music. In concert with this, is the need to foster greater external relations so

that these artforms and associated music genres can be showcased on the world stage. In this regard, the Mexican embassy has indicated a willingness to sponsor 8 musicians and 3 dancers to the Afro Caribbean Festival in Mexico. Other similar projects can be mounted by Government partnering with other embassies to target festivals in neighbouring countries including Honduras, Guatemala as well as the wider Caribbean and the Central American region.

MIAB also receives some technical and institutional support from The National Institute of Cultural Heritage (NICH) the government agency responsible for the preservation and development of Belize's arts and culture. NICH gives grants to MIAB so that its members can attend trade shows such as WOMEX, and also provides funding for the preparation of publicity material for attendance at these events. NICH also provides office space MIAB with its office space and some human resources to assist with the operations of the association.

Box 3.1

Miab holds its first annual music industry conference in Belize City

Industry professionals from around the country gathered together for the first time in December with a common purpose: to address the needs and betterment of Belize's growing community of music professionals. At the Radisson Fort George Hotel, the newly founded organization miab (The Music Industry Association of Belize) hosted a number of leading industry contributors and stakeholders with the intention of fostering a new kind of collaboration.

The members of miab have seen a need for drastic changes in the industry if there is to be success in the future for Belizean artists and those involved in creating Belizean music. The Association is aware of many of the challenges musicians and artists face on a daily basis and would like to work with musicians and artists to provide a viable music market, improve the industry to compete internationally, and protect music from copyright infringement.

miab's Board consists of: Ivan Duran - President; James Sanker - Vice President; Al Obando - Technical Director; Hector Martinez - Media Liaison; Kimberly Broaster - Public Relations; David Obi "Bredda David" - Artist Rights & Local Associations Representative; Jason Guerrero - Music Education; Micheal Peyrefitte - Legal Counsel; Tim O'Malley - Web Development and Multimedia.

Panel discussions included several key topics: Belizean music and the media, the value of live music and musicians, music and the Belize tourism industry, music copyright in Belize, international marketing and promotion of Belizean music and the announcement of activities for Music week 2004.

Source: http://www.stonetreerecords.com/news/2003_miab.php

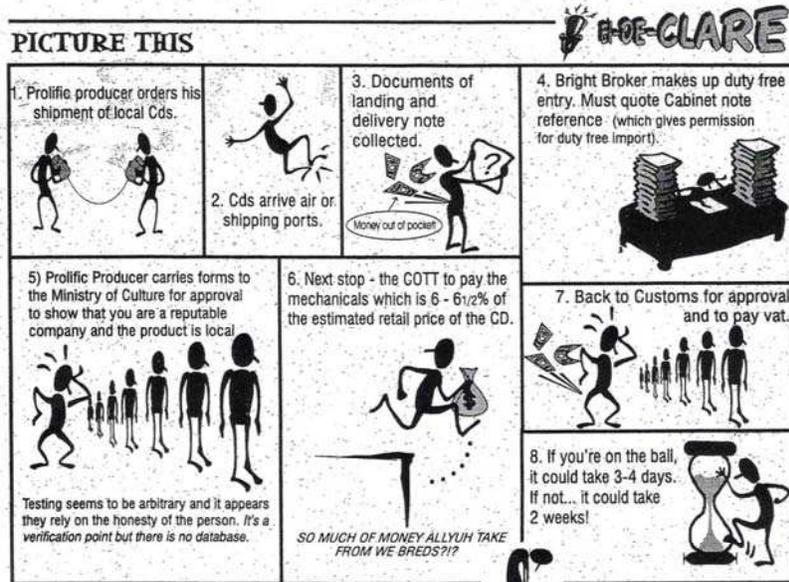
Industrial & Innovation Issues

There has been a declining level of indigenous investment in the music industry throughout the region on account of piracy, competition from foreign product and the market shift towards digital music. In addition there are few, if any, arrangements in place to attract foreign investment to the region's music industry. In the first instance, this is heavily dependant on regional branding and the capacity of region's industry to effectively and successfully execute this. Insufficient capital is the primary reason for the absence of any such project to date. It has been suggested that venture funds financed from the diaspora and within region is an option

worth exploring. The source of this funding may be either public and private sectors, and should be linked or partnered with the work of a Regional Music Association.

Another approach to funding would be for regional financial institutions to base loans on royalties, i.e valuation on catalogues. This may be challenged because there may not be the requisite skills within the financial sector or otherwise to value these assets. With rights management becoming the focus in the future it will be necessary to develop these skills. This may include getting large corporations to come and assist with the training and development of the skills.

Figure 3.3: An Example of the Challenges Faced by Record Producers on Importing Compact Discs with Local Content



WHA GOIN' ON?

Get Ready! This country will host the next *World Carnival Conference* from 19 - 23 October 1999. It was almost inevitable, as the 200 strong T&T contingent at this year's Conference in Hartford Connecticut took the place by storm. There was a strong showing from TIDCO and EIDECO officials, and from the University of the West Indies. Well Breeds, the conference delegates got a real treat for all of the 3 nights when Tony Hall and his T & T cast staged Earl Lovelace's **"DRAGON CAN'T DANCE"**. The 1999 World Carnival Conference here to better this! We understand that there is going to be a Trade Show, workshops, hands-on training activities and site visits. One of the things that EIDECO wants to get out of the Conference is to focus on the world wide Carnival traditions and to build up the expertise of all the agencies involved in organising Carnival activities. Get ready!!!

TIRE D OF ALL THE HASSLE???

Then here's what we want to do. EIDECO intends to approach the Minister of Culture to bring all these interest bodies together, so we could have a hassle-free process in importing CDs. What you can do is call us and give your suggestions for something of a one-stop shop. Call and talk to EIDECO's General Manager, Suzanne Burke.

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All communication should be addressed to:
 The Editorial Committee - EIDECO
 Suite 1D, 14-17 Victoria Square
 Port of Spain, TRINIDAD
 E-mail: suzanneb@cablenet.net
 Phone: (868) 625-9379 Fax: (868) 625-9377

Table 3.15: TOWS Analysis of the Music Industry

<p style="text-align: center;">THREATS Trends within the environment with potential negative impacts</p>	<p style="text-align: center;">OPPORTUNITIES Environmental trends with potential positive outcomes and returns</p>
<ul style="list-style-type: none"> ▪ Increasing competition from foreign music particularly from the US hip hop music which is currently generating significant attention in global mainstream markets ▪ Regional broadcast media generally neglect regional genres except dancehall outside of the Carnival season ▪ Piracy ▪ Regional music market is more interested in foreign music ▪ Popularity of calypso and soca artists limited to fringe radio stations that service diaspora ▪ Calypso and other non-dancehall music genres are being sidelined by soca with the breakthrough of soca artists Rupee and Kevin Lyttle 	<ul style="list-style-type: none"> ▪ Digital music, represents the major option of music consumption in the world market ▪ Soca music mixed with other genres such as dancehall and pop is appealing to global market ▪ The breakthrough of Kevin Lyttle and Rupee creates buzz in mainstream markets on soca ▪ Growing recognition among private sector enterprises of the value of investing in the music industry ▪ Grammy category for Soca for 2006 can provide opportunities for promotion in global mainstream markets
<p style="text-align: center;">WEAKNESSES Areas of relative disadvantage</p>	<p style="text-align: center;">STRENGTHS Areas of relative and distinctive competence</p>
<ul style="list-style-type: none"> ▪ Lack of artist professionalism - some artists view the industry as a “hustle” ▪ Weak business skills ▪ Lack of necessary support services e.g. entertainment lawyers, publicists, artist managers, image developers ▪ Lack of succession planning 	<ul style="list-style-type: none"> ▪ Caribbean music is generally well-known and popular around the world ▪ Regional music industry has survived without much support ▪ Expanding participation by the youth in various aspects of the music industry ▪ Export experiences of Jamaica and Trinidad and Tobago to a lesser extent can serve as important lessons for further developing the regional industry’s international competitiveness

Key Recommendations

Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'tment Partners)
<p><i>Trade and border measures</i> (i.e. measures that raise the transaction cost of inputs/imports and business or retard competitiveness and exports)</p>	<ol style="list-style-type: none"> 1. approx. 25% duty charged on the importation of musical instruments, equipment and software 2. Some CARICOM territories still ask artists for work permits upon arrival to the country to perform e.g. St. Lucia 3. Duties are levied on the importation of CDs produced outside of some CARICOM territories although the product of CARICOM artists 	<ul style="list-style-type: none"> • Harmonization & Standardization of the regional Certificate of Recognition process. Educational programme for all the contact points with the artistes. + Lobby government to standardize the regulations within the region • Educational programmes to inform the artistes of the procedural requirements. • Duty free exemption on the importation of all musical instruments, equipment and software as well as regionally produced/manufactured products. The importers must be certified. However, certification should be a “one-stop” process • Create facilities through the media to educate all the stakeholders (public sector and practitioners)
<p><i>Incentives regime</i> (i.e. types of incentives available to the sector and level of accessibility and effectiveness)</p>	<ol style="list-style-type: none"> 1. There are little or no incentives granted to the music sub-sector. 2. Some territories allow for the waiver of duties on imported CDs depending on whether there is either a local performer/musician/composer or record producer but the procedures have high transaction costs. 	<ul style="list-style-type: none"> • The sector should be granted parity with the Tourism sector in terms of incentives like tax holidays, duty waivers on equipment and other tax relief measures. (NB. These incentives may have to stand alone because the drive to remove incentives) • Establish marketing support mechanisms (e.g. funding for trade fairs) for export-ready firms • Business development grants • Business incubators for new and innovative firms • Corporate tax incentives for investors in the industry

Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'ment Partners)
<p><i>Organizational issues</i> (i.e. what is the structure and operations of the sector and is it well-organized in terms of advancing the collective interests of the entrepreneurs in the sector.)</p>	<ol style="list-style-type: none"> 1. Institutional capacity is weak in terms of: <ul style="list-style-type: none"> ▪ governmental support ▪ industry associations (non-existent) 2. Advocacy and lobbying capability weak <ol style="list-style-type: none"> 1. Sector still operates informally – many operate outside of national tax regimes 2. No census has been conducted to actually count the number and categories of careers to be found in the regional music industry 3. Industrial policy infrastructure non-existent: <ul style="list-style-type: none"> ▫ Domestic policy ▫ Export policy ▫ Competition policy ▫ Cultural policy Copyright policy (not law) 	<ol style="list-style-type: none"> 1. Regional Musical Association representing all stakeholders in the industry. The Association would partner with Bloom, but the basis of the musical association, comprised of practitioners, would be on networking and trading rather than on research. It would be supported by a Secretariat that would address challenges # 1 + 2 outlined. The Association would also have the responsibility of designing and implementing outreach programmes with the objective of deepening the regional relationship (e.g CME, CARIFESTA). (Gov't + Industry + Dev'ment Partners). 2. Establish a venture fund to finance businesses. 3. Establish royalties based lending to allow firms and cultural entrepreneurs to mortgage or leverage their catalogue and or intellectual property.
<p><i>Industrial & Innovation issues</i> (i.e. level and pace at which are technological and institutional innovations are occurring and the requirements to facilitate investment and industrial transformation)</p>	<ol style="list-style-type: none"> 1. Rate of innovation slow and sporadic among industry firms. 2. Current telecommunications infrastructure throughout the region is weak with low levels of penetration among households and businesses. 	<ul style="list-style-type: none"> • Establishment of a web portal to promote, market, and distribute Caribbean products. • Caribbean satellite music channel. • Develop strategies to exploit the ICT infrastructure for further promotion of regional music content, as well as developing new applications for technologies for the distribution of industry products (R&D), • Pursue collaborations with regional Telecom firms to generate new income streams and to invest in R&D on new business processes and

		business models
Issue area	Challenges	Recommendation (Owner: Gov't + Industry + Dev'ment Partners)
<p><i>Industrial & Innovation issues</i> (Continued)</p>	<p>3. New modes of capitalization are required.</p> <p>4. Human resource development in new cutting edge areas is required.</p>	<ul style="list-style-type: none"> • Educate banks and other financial agencies on royalty-based lending which allows for the commercialization and mortgaging of music catalogues and intellectual property by developing the different valuation criteria for the industry. • Development of e-commerce systems • Ecommerce transaction settlement. • Audit and Needs Assessment of the regional training programmes to create a more integrative programme. The emphasis will be on management competence.