

SUISA annual results: Corona rattles authors and publishers of music

The corona pandemic had a grave financial impact for composers, lyricists and publishers of music. SUISA's collections from the exploitation of copyright in Switzerland and abroad decreased by CHF 16.8 million. This equals a decline of more than 10%. Performing rights were particularly affected. There, collections caved in by 34%. Thanks to a slightly higher income for broadcasting rights and a strong rise in the online sector, overall results were less dramatic than expected. It is likely that the difficult situation will continue for authors and publishers of music throughout this year and into next year.

Zurich, 4 June 2021 - In 2019, SUISA managed to report a record result - in 2020, COVID-19 changed everything. Concerts and other types of performances were hardly possible any longer, and shops, restaurants and bars were also closed for months, not playing any background music during that time. Correspondingly, the SUISA collections suffered a significant decline. The income from copyright in Switzerland and abroad amounted to CHF 144.1m in 2020. That is CHF 16.8m or 10.5% less than in the previous year (CHF 160.9m). As a consequence, composers, lyricists and publishers received less money from copyrights. In 2021, CHF 120.4m can be paid out to beneficiaries entitled to receive a payment, nearly CHF 15m less than in the previous year.

Hardly any concerts: big drop with regard to performing rights

As expected, collections from performing rights were particularly in decline: While income in this area amounted to CHF 52.1m in 2019, the revenue received in 2020 was only CHF 34.4m, in other words, 34% less. This decrease stems from the concerts sector where collections collapsed by 51% from CHF 23m in 2019 to CHF 11.4m in 2020. Other areas where no music was performed were also affected by drastic declines. In the hospitality industry sector, for instance, income dropped from CHF 3.7m to CHF 1.99m (-46%), in the case of entertainment events from CHF 2.36m to CHF 1.24m (-48%) and in the case of cinemas from CHF 2.6m to CHF 1.07m (-58%).

Steady development in terms of broadcasting rights and again strong growth in the online business

This decline could be offset by SUISA, albeit only partially. In the broadcasting rights sector, collections increased slightly, from CHF 63.6m in the previous year to CHF 64.3m in 2020. Reductions that had been anticipated with apprehension, e.g. due to the lower advertising revenue of TV and radio stations due to cancelled major events did not take place, at least not for the time being.

In the online area, SUISA managed to increase its income from CHF 14.5m to CHF 17.1m (+17.4%). This is thanks to the higher revenue achieved by the subsidiary SUISA Digital Licensing and Mint Digital Services, the joint venture with the US society SESAC. SUISA Digital Licensing won over various foreign sister organisations and publishers as new customers and managed to sign improved agreements with online service providers, streaming and download platforms.

Income from private copying also went down slightly (compensation claims): This sector's collections for SUISA were at CHF 12.4m last year, a decrease of 11% compared to the previous year (CHF 13.9m). With regard to reproduction rights which have been in constant decline over the last few years, SUISA collected CHF 4.3m in 2020, that is 1.7% less than in the previous year (CHF 4.4m).

Lower secondary income and overall turnover

In 2020, the secondary income of SUISA also slumped, from CHF 15.4m to CHF 11.9m. This means that the total income was CHF 155.9m, 11.5% less than in 2019 (CHF 176.3m).

87 of 100 Francs for authors and publishers

SUISA also reacted swiftly to the corona crisis when it comes to costs. That way, it kept the administration cost rate in 2020 at the same level as in the previous year, namely at 13.07%. As a consequence, SUISA pays about 87 Francs out to authors and publishers of music from 100 Francs collected for copyright exploitations. Thanks to released obligations, i.e. monies for which no sufficient information could be gathered for the allocation to the rights holders even after five years, SUISA paid out a supplementary distribution of 7% to all distribution amounts to its members in 2021.

Financial help for SUISA members

SUISA acted quickly in spring 2020 and offered support to its members in order to bridge the financial gap created by the loss of copyright royalties. On the one hand, emergency funds amounting to CHF 1.5m were created from where financial aids were released to authors and publishers. In the case of advances which SUISA have been able to draw on for years, the payback deadlines were extended until the situation will calm down for the music creators. Furthermore, there is also money available from the SUISA pension fund for authors in distress.

SUISA expects lower collections for composer, lyricists and publishers of music for this and the next year. It will take months, if not years until concerts and major events with music will be held at the scope before the pandemic.

“Especially the music sector currently goes through an extremely difficult time”, says Andreas Wegelin, CEO of SUISA. “Without concerts and other performances, many musicians are missing their main income source. For this reason, the work of SUISA and the collections for the exploitation of music for many music creators are particularly important in the current situation. We are also going to keep a close eye on our costs this year in order to be able to pay out as much as possible to the authors and publishers of music.”

SUISA's 2020 annual report is available online at www.suisa.ch/annualreport

You can also read an elaborate article on the annual results of SUISA in the SUISAblog: <https://blog.suisa.ch/en/a-worthy-result-despite-covid/>

Key figures from SUISA's 2020 financial year (in CHF million):

	2020	2019	+/-%
Broadcasting rights	64,3	63,6	+1,1%
Performance rights	34,4	52,1	-34,0%
Reproduction rights	4,3	4,4	-1,7%
Online	17,1	14,5	+17,4%
Fair compensation revenues	12,4	13,9	-11,0%
Other countries	11,6	12,3	-6,3%
Total income from copyrights in Switzerland and abroad	144,1	160,9	-10,5
Secondary income	11,9	15,4	-22,6%
Total revenue	155,9	176,3	-11,5%
Total expenses	36,2	34,5	+5,1%

Further information:**Giorgio Tebaldi**

Head of Communications SUISA

Tel. +41 44 485 65 03

Email: giorgio.tebaldi@suisa.ch

About SUISA

SUISA is the cooperative society for composers, lyricists and music publishers in Switzerland and Liechtenstein. Its over 40,000 members include music professionals from all disciplines. In Switzerland and Liechtenstein, SUISA represents the musical repertoire of two million authors worldwide. It grants licences to use this repertoire to more than 120,000 customers. In 2017, SUISA and US performance rights organisation SESAC founded the joint venture Mint Digital Services. The company manages invoicing and administration for the transnational music licensing businesses of SESAC, its subsidiary the Harry Fox Agency and SUISA with online providers, and also offers its services to publishers.

With approximately 240 employees in Zurich, Lausanne and Lugano, SUISA generates a turnover of more than CHF 150 million. As a non-profit organisation, it distributes the proceeds from licences to music authors and publishers after deducting the administrative costs. www.suisa.ch