

SUISA annual results: Authors and publishers of music receive more money from the past year

In the past year, SUISA generated income of CHF 160.9 million from the exploitation of copyrights in Switzerland and abroad. Income from concerts and the online sector in particular contributed to this good result. Including secondary income, total revenue amounted to CHF 176.3 million. The good result benefits composers, lyricists and publishers of music, who will receive more money from SUISA this year. However, SUISA expects a massive decrease in income for the current year and next year due to the present coronavirus crisis.

Zurich, 29 May 2020 – 2019 was a good year for authors and publishers of music in Switzerland. SUISA increased total revenue by 9.6% year-on-year, from CHF 160.8 million to CHF 176.3 million. Composers, lyricists and publishers of music profit from this positive result as SUISA is distributing CHF 135.0 million in Switzerland and abroad – CHF 2.8 million more than last year.

Strong growth in the online sector

In addition to income from the SUISA cooperative and secondary income, revenue also includes the income of the subsidiary for cross-border online licensing, SUISA Digital Licensing AG. Particularly in the online area, income rose substantially again last year, from CHF 10.1 million to CHF 14.5 million, an increase of 43.6%.

Strong concert market in 2019

Copyright revenues from performance rights increased sharply year-on-year in 2019 as well, rising from CHF 44.2 million to CHF 52.1 million (+17.9%). In particular, concerts and income from background entertainment in shops or catering establishments contributed to this rise. SUISA took over the collection of these fees from Billag at the start of 2019. This change is due to an amendment of the Radio and Television Act (RTVA). Taking over around 100,000 customers meant SUISA needed to construct a new call centre and establish a suitable processing procedure in order to be able to manage the large volume of information and invoicing efficiently.

Decline in the area of broadcasting rights due to falling advertising revenues

The majority of SUISA's income continues to come from broadcasting rights. This income amounted to CHF 63.6 million in 2019 and thus decreased by 3.2% compared to the previous year (CHF 65.7 million). This decrease is due in particular to broadcasters' decreased advertising revenues, which continue to shift to the online sector.

At CHF 13.9 million, SUISA also made less income than in the previous year from the blank recording media levy (fair compensation revenues) (previous year: CHF 14.7 million). The reason for this is the lower tariff for the blank recording media levy for smartphones, tablets and MP3 players. Income from reproduction rights has been declining for years and last year was only CHF 4.4 million (2018: CHF 6.2 million).

CHF 87 out of CHF 100 is going to authors and publishers

SUISA's administrative cost ratio increased slightly last year, from 12.34% to 13.07%. This means that for every CHF 100 that SUISA collects from copyrights, around CHF 87 goes to authors and publishers of music. Thanks partly to the good result from securities, there will again be an additional distribution of 7% on all settlement statements prepared in 2020.

Less income due to the coronavirus crisis

SUISA expects a massive decrease in income this year and next. This is due in particular to the ban on events that will continue in the coming months. The temporary closure of shops and catering establishments will also lead to lower copyright revenues because less music is being used for background entertainment in these

businesses. The coronavirus crisis will also have an impact on income from broadcast rights because television broadcasters, in particular, will generate less advertising revenue, for instance, due to the cancellation of major events.

‘Especially in this very difficult year for music professionals, SUIISA’s good result is very important,’ says Andreas Wegelin, CEO of SUIISA. ‘We can again distribute more money to authors and publishers of music in the current year. However, it’s already clear that we’ll see a massive decrease in income in 2020 due to the coronavirus crisis, and we also expect a bad year for most music professionals in 2021.’

SUIISA’s Annual Report 2019 is available online at <https://www.suisa.ch/en/suisa/publications/annual-report.html>

Key figures from SUIISA’s 2019 financial year (in CHF million):

	2019	2018	+/-%
Broadcasting rights	63.6	65.7	-3.2%
Performance rights	52.1	44.2	17.9%
Reproduction rights	4.4	6.2	-29%
Online	14.5	10.1	43.6%
Fair compensation revenues	13.9	14.7	5.4%
Other countries	12.3	12.9	-4.7%
Total income from copyrights in Switzerland and abroad	160.9	153.8	4.6%
Secondary income	15.4	7.0	120.1%
Total revenue	176.3	160.8	9.6%
Total expenses	34.5	34.1	1.1%

Further information:

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About SUIISA

SUIISA is the cooperative society for composers, lyricists and music publishers in Switzerland and Liechtenstein. Its 38,000 members include music professionals from all disciplines. In Switzerland and Liechtenstein, SUIISA represents the musical repertoire of two million authors worldwide. It grants licences to use this repertoire to more than 120,000 customers. In 2017, SUIISA 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 SUIISA with online providers, and also offers its services to publishers.

With approximately 240 employees in Zurich, Lausanne and Lugano, SUIISA generates a turnover of more than CHF 160 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