

CMA shines a light on music streaming

Press release

The CMA today published analysis which shines a light on the inner workings of music streaming.



In an update paper on its music and streaming market study, the Competition and Markets Authority (CMA) has initially found that:

- Streaming has transformed the music industry. Recorded music revenues reached £1.1 billion in 2021, with 80% of recorded music now listened to via streaming services. Last year there were over 138 billion music streams in the UK.
- Listeners have access to a huge choice of music for a fixed monthly subscription fee. These fees have fallen in real terms.
- Access to a wide range of music – old and new – means older songs can more easily get a new lease of life and find new audiences. 86% of streams in 2021 were for music over a year old.
- Digitisation has made it easier than ever for many more artists to record and share music and find an audience. The number of artists streaming music has doubled between 2014 and 2020 – from around 200,000 to 400,000.
- While more artists are releasing music, and they have more choice than ever before as to how they release their work, the market remains challenging for many creators. The industry's income is broadly stable, but more artists are offering more music. As has always been the case, while a small number of high-profile artists enjoy huge financial success, the large majority do not make substantial earnings.
- Against the backdrop of 138 billion overall streams in 2021, CMA analysis has found that one million streams per month could earn an artist around £12,000 a year.
- The 3 major record labels play a key role in the recorded music sector. The evidence the CMA has seen does not show that this concentrated market is currently causing consumers harm or that it is driving the concerns raised by artists. Neither labels nor streaming services appear to be making sustained excess profits.

On balance, the CMA's initial analysis indicates that the market is delivering good outcomes for consumers. However, the CMA would be concerned if the market changed in ways that could harm consumer interests. For example, it would be concerned if innovation in the sector decreased, or if the balance of power changed and labels and streaming services began to make sustained and substantial excess profits.

The CMA will also continue to support the Intellectual Property Office's (IPO) work with industry to improve information transparency.

Sarah Cardell, Interim Chief Executive of the CMA, said:

Streaming has transformed music. Technology is opening the door to many new artists to find an audience and music lovers can access a vast array of music, old and new, for prices that have fallen in real terms.

But for many artists it is just as tough as it has always been, and many feel that they are not getting a fair deal. Our initial analysis shows that the outcomes for artists are not driven by issues to do with competition, such as sustained excessive profits.

We are now keen to hear views on our initial findings which will help guide our thinking and inform our final report.

The CMA's market study is ongoing. In light of its initial findings, the CMA is consulting on its proposal to not make a market investigation reference and welcomes further evidence or feedback on this by 19 August.

The CMA will share its analysis with the Department for Digital, Culture, Media & Sport (DCMS), the IPO and the Centre for Data Ethics and Innovation (CDEI) to help inform their work examining whether artists' rights can be strengthened for music streaming.

For more information, [visit the music streaming market study webpage](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
3. Market studies examine why particular markets may not be working well for consumers. They may lead to a range of outcomes, including: a) making recommendations to the government to change regulations or public policy; b) encouraging businesses in the market to self-regulate; c) taking consumer or competition law enforcement action against firms; d) making a reference for a more in-depth (phase 2) market investigation; e) "clean bill of health".
4. More information on the CMA's approach to market studies can be found on the [Market studies and investigations – guidance on the CMA's approach](#):

[CMA3 guidance page.](#)

5. The CMA's statutory deadline for publishing its market study report is 26 January 2023.
6. Sarah Cardell took up her new position as Interim CEO of the CMA on 26 July 2022.

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