

# 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](mailto: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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## [OneWeb merger with Eutelsat](#)

News story

Government statement on the planned merger of OneWeb and Eutelsat.



OneWeb, a Low Earth Orbit (LEO) satellite constellation of which the UK Government is a minority shareholder, has today signed a Memorandum of Understanding with Eutelsat Communications to merge the two companies, with the objective of creating a single, powerful global player in connectivity.

Eutelsat will add its 36-strong fleet of Geostationary Orbit (GEO) satellites to OneWeb's LEO constellation, with 428 satellites already in orbit, to generate combined revenues of €1.2bn and address an even wider range of customer requirements.

The merger is positive news for UK taxpayers: having made a \$500m investment in OneWeb 2 years ago, the UK Government will now have a significant stake in what will become a single, powerful, global space company, working on the sound financial footing needed to make the most of the technological advantages it has to compete in the highly-competitive global satellite industry, against companies around the world.

The UK Government will retain the special share and its exclusive rights over OneWeb – securing the company's future at the centre of the combined group's global LEO business, national security controls over the network, and first-preference rights over domestic industrial opportunities.

They include:

- A range of national security rights, including over security standards of the OneWeb network and use of the OneWeb network for national security purposes;
- The UK secured as the preferred location for future OneWeb launch capabilities; and
- A guarantee of OneWeb preferring procurement for manufacturing from businesses in the UK

Trading under its existing name, OneWeb will continue to operate the LEO business of the combined group and OneWeb's headquarters will remain in the UK.

Eutelsat will continue to be listed on Euronext Paris and will apply for admission to listing on the London Stock Exchange.

The deal will be subject to UK and international regulatory approvals – including through the National Security and Investments Act – and the approval of Eutelsat's shareholders. The merger is expected to complete in the first half of 2023.

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## **Repeatedly flooded communities to receive dedicated funding**

Communities suffering repeated flooding will benefit from a new ring-fenced £100 million allowance designed to better protect their properties, the Government has announced today.

The £100 million Frequently Flooded Allowance will improve access to public funding for these communities, which are often smaller areas requiring more complex flood schemes, meaning that community-wide defences are not always viable.

The funding will be targeted at eligible communities where 10 or more properties have flooded twice or more in the last 10 years, helping to both accelerate existing projects and deliver new ones. It is anticipated around 80 schemes will receive support over the next four years.

This allowance will be part of the Government's current programme of investment in flood and coastal defences. The Government announced in 2020 that the amount invested in flood and coastal erosion schemes would be doubled in England to £5.2 billion between 2021 and 2027, providing around

2,000 flood defences. This year, £700 million is being invested from that pot and will better protect 35,000 properties, bringing the cumulative total for the first two years of the six-year programme to more than 65,000.

Environment Secretary George Eustice said:

Flooding is a miserable experience, especially for people who suffer its impacts time and again, and I feel we have a moral imperative to help.

Our new Frequently Flooded Allowance will boost schemes in areas which are hit repeatedly and reduce the risk of flooding in the future.

This new allowance will provide extra support for these areas and forms part of our major £5.2 billion effort to build around 2,000 flood schemes by 2027 and level-up defences across the country.

Sir James Bevan, Chief Executive of the Environment Agency, said:

The impacts of climate change are becoming all too familiar both at home and around the world.

While we cannot prevent all flooding, this allowance will help better protect homes and businesses at risk from repeated incidents.

The Environment Agency has a successful track record in delivering flood and coastal defence schemes across the country, having better protected more than 314,000 homes from flooding since 2015.

Communities will be selected through the Environment Agency's annual refresh of the £5.2 billion capital programme – which sets out the latest information on each project in the programme and the amount of grant-in-aid allocated to that project in that year.

The latest investment builds on the [Environment Agency's successful delivery of the government's previous £2.6 billion investment between 2015 and 2021](#), better protecting more than 314,000 homes, exceeding its original target.

Thanks to a £2.6 billion investment, more than 850 new flood and coastal erosion defence projects were completed during this period. Over 580,000 acres of agricultural land, as well as thousands of businesses, communities and major infrastructure – including more than 8,000 kilometres of roads – also benefited from improvement schemes.

Our flood defences recently protected around 50,000 properties from flooding during Storms Dudley, Eunice and Franklin, and schemes delivered in the last year are already helping to provide better protection for thousands of

properties across England.

Today's announcement is another step to delivering on the ambitions of the government's [flood and coastal erosion risk management policy statement](#) and the Environment Agency's [National Flood and Coastal Erosion Risk Management Strategy](#), which set out a vision and set of comprehensive actions to ensure that our country is more resilient to flooding and coastal erosion and climate change in the long term.

#### **Further information**

- The Frequently Flooded Allowance will be part of our record £5.2 billion investment between 2021 and 2027 which, as announced in July 2020, plans to provide around 2,000 flood defences to better protect 336,000 properties.
- Further information on the funding of flood and coastal erosion projects can be found from the Investment and partnership funding community of practice or from your local Environment Agency Partnership and Strategic Overview (PSO) officer ([Partnership funding for FCERM projects – GOV.UK \(www.gov.uk\)](#))

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## **History made as Dorothy – HS2's state-of-the-art tunnel boring machine – completes the project's first tunnel after 8 months underground**

- Dorothy, HS2's whopping 2000-tonne custom-made tunnel boring machine, has completed her first tunnel breakthrough along the London to Birmingham route
- this is the first of 64 miles of intricate tunnels set to make up Europe's largest infrastructure project, marking a huge step towards quicker, greener and more reliable transport
- once complete, HS2 will play a vital role in revolutionising transport and levelling up the north alongside the government's record-breaking £96 billion Integrated Rail Plan

Passengers across the north and Midlands are one step closer to quicker, greener and more reliable train services as Dorothy, HS2's tunnel boring machine, has made her first breakthrough on the London to Birmingham route after 8 months underground.

Breaking through at Long Itchington Wood late last week, Dorothy – one of HS2's 10 custom-built tunnel boring machines – completed the first of 64 miles of tunnel which will span intermittently between London and Manchester.

The tunnel network is set to improve transport across the country, level up the north and Midlands and bring Europe's largest rail project to life.

As well as boosting local economies through fast and reliable services, the tunnel boring machines are already delivering for communities along the route with Dorothy alone employing 400 workers, adding to the over 25,000 jobs created through HS2 so far.

HS2 Minister Trudy Harrison said:

This is, quite literally, a ground-breaking moment – demonstrating that we are getting on with delivering on our promises and progressing our transformative plans to boost transport, bring communities together and level up the north and Midlands.

As Dorothy paves the way for journeys between Birmingham and London, we continue to strive towards a greener, faster and more direct transport network. And along with our record breaking Integrated Rail Plan, we're boosting the economy, delivering over 25,000 jobs.

The tunnels have been specially designed to protect the ancient woodland and complex ecosystem above. They integrate with the natural landscape by reusing material excavated from the tunnel to build a soil 'roof' around the tunnel entrance. The rest of the excavated material will be transported by conveyor belt out of the site rather than by lorries and trucks, avoiding the use of around 30,000 HGVs on the local roads.

HS2 will play a key role in the government's £96 billion [Integrated Rail Plan](#) – the biggest ever public investment in Britain's rail network – which, through the creation of 3 new high speed lines, will add more seats, shorten journey times, support local services and deliver a modern, fully connected transport for the north and Midlands quicker than under any previous plan.

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## [New guidance brings clarity on employment status for workers and businesses](#)

- New government guidance will act as one-stop-shop for individuals and businesses to understand which employment rights apply to them
- gig economy workers set to benefit the most, as fresh guidance enables them to check their workplace is treating them fairly
- Business Minister Jane Hunt said: "Today we are tidying up the rules,

helping workers to find out if they are being treated fairly by their workplace.”

Businesses and workers, particularly those in the gig economy, will benefit from greater clarity over their employment status, thanks to [new guidance](#) published by the government today (Tuesday 26 July).

A person’s employment status is what defines the rights and employment protections they are entitled to at work including pay, leave and working conditions, and therefore dictates the responsibilities that an employer owes to that worker.

Today’s new guidance brings together employment status case law into one place for businesses and individuals to access. This will support workers by improving their understanding of what rights they are entitled to at work, enabling them to have informed discussions with their employer and take steps to claim or enforce them where necessary.

Crucially, the guidance also clarifies the rights that gig economy workers are entitled to – from the national minimum wage to paid leave – while offering them the same degree of flexibility to take on additional work to top up their income, if they choose. This clarity comes following the landmark Uber Supreme Court judgement which held that individuals in the gig economy can qualify as ‘workers’, meaning they are entitled to core employment protections.

The new guidance includes advice for micro businesses, start-ups and SMEs that have less capacity and legal expertise to understand the law. By reducing the risk of companies being fined by rules they have broken unknowingly, it will inject confidence into businesses to support their staff and stimulate economic growth. Equally, the guidance will help to curb unscrupulous employers from attempting to exploit the system in order to save on employment costs.

Business Minister Jane Hunt said:

Today we are tidying up the rules, helping workers understand their employment rights and find out if they are being treated fairly by their workplace.

Importantly, this one-stop shop guidance is not just for workers – it will also give businesses the confidence and the tools to better support their staff, helping to increase productivity and drive growth.

By featuring real world examples of what an individual’s working day or contract may involve – and how that translates into their employment status – this new one stop shop guidance will help to ensure that work pays fairly.

Getir General Manager Kristof Van Beveren said:



Getir employs thousands of people in the UK in the superfast grocery delivery sector. Our growth plans will see us employ thousands more in the coming months and years and we welcome any guidance, such as this, that can help us contribute further to the UK's economic growth and create more jobs.

The guidance is being published alongside a [response to a consultation on employment status](#), where many respondents called for additional clarity around the employment status boundaries and examples of how to apply the rules to different scenarios.

The UK has a '3-tiered' employment status framework, broken down by employee, worker and those that are self-employed. This system helps to create a flexible and dynamic labour market but has led to some individuals not understanding their employment status.

The guidance encourages workers to contact Acas for further advice should they think their employment status is wrong, and to engage their employer in conversations about their rights before taking further steps to hold them to account if needed.