PRESS RELEASE

Indian Music Industry, heavily dependent on cashflows, hit hard by Coronavirus; Smaller Labels Face Existential Threat

The Indian Music Industry’s members whose existence is solely dependent on releases of feature films, public performance revenues from events and concerts amongst others have started to suffer on account of drastically reduced cashflows as film releases have been stalled and public performances revenues have dried due to cancelled music events and F&B outlets being shut.

IMI members follow a business model where they pay minimum guarantees (MGs) to film producers who demand substantial money upfront, well in advance for film music acquisitions. The music industry’s money is locked into film releases which may now be indefinitely postponed with no signs of predictable recovery. Around 80% of revenues come from film music for the recorded music industry.

Another fall out is the large numbers of artists, technicians, sessions musicians being rendered unemployed with the closure of film production, live events, F&B sector.

Vikram Mehra- Chairman, IMI stated “we are indeed looking into a financially unstable situation in the near to medium term. Consumer attention is centred around the virus and hence softer industries like ours are the first to be hit. Recordings being cancelled and postponed means many daily wage musicians supporting their families will face a hard time and record labels will not be able to recoup their investments- either paid as MGs to film producers or investments in independent music called I-Pop”

According to Tarsame Mittal of TM Talent Management: “The events industry is hit hard due to concerts getting cancelled and many artists, support staff who depend on their concerts for livelihood, especially the smaller stature artists and new artists are the worst hit.”

According to Rajat Kakar, CEO PPL India: “Public Performance income, a large part of the music industry’s livelihood especially that of the smaller music labels who survive on this revenue source has taken a beating due to cancellation of events. These smaller labels need public performance revenues to survive.”

Said Blaise Fernandes, CEO and President of IMI: “The silver lining in this bleak outlook is COAI asking OTT Service Providers to lower the quality of feeds, that’s an indicator that the OTT services are doing well given the work from home situation. This will translate into revenues for the copyright holders in
the industry going forward. This is apart from the suffering of the daily wage music bands who perform music at weddings and other social events.”

For further information please contact:

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**About IMI**

The Indian Music Industry (IMI) is the apex body that represents the interest of the music companies a.k.a. Record labels on a pan-India basis. IMI is an IFPI affiliate which is the global body that represents the recorded music industry worldwide. All major music labels in India are part of this association. IMI is the leading force in India’s fight against music piracy and establishing IP rights.