

Music Sales Dropped 10 Percent Last Year

Digital music sales increased significantly last year, but overall music sales dropped. The International Federation of the Phonographic Industry (IFPI) alleges that piracy is to blame for the decrease in overall music sales. IFPI announced that record companies' revenue from digital music sales rose 40 percent to \$2.9 billion over the past year, while global music industry sales declined by around 10 percent in 2007.

"Unpaid copying and downloading lies at the root of the recording industry's problems, and internet service providers must be at the heart of the solution," said Geoff Taylor, chief executive of UK's BPI, as quoted by BBC News. "2008 must become the year when talk becomes action."

Apparently, the music industry did not take into account the decrease in music quality in recent years as a factor.

"A turning tide of opinion is one thing – a concrete programme of action is another. There is only one acceptable moment for ISPs to start taking responsibility for protecting content – and that moment is now," said IFPI Chairman and CEO John Kennedy.

The report also noted that single track downloads, the most popular digital music format, grew by 53 percent to 1.7 billion and digital sales now account for an estimated 15 percent of the global music market, up from 11 percent in 2006 and zero in 2003.

While there are more than 500 legitimate digital music services worldwide, offering over 6 million tracks, the International Federation of the Phonographic Industry alleges that the ratio of unlicensed tracks downloaded to legal tracks sold is about 20 to 1, amounting to billions of illegal tracks downloaded each year.

IFPI is apparently committed to push for Internet traffic filtering. This comes just shortly after the its bigger brother, the Motion Picture Association of America, has finally admitted that it overinflated by a factor of three the figures which claimed that college students were responsible for 44 percent of the movie industry's alleged domestic losses, because of illegal downloading.

The MPAA is a key ally in pushing through legislation which is already halfway to being enacted. Another ally appears to be the French President Nicholas Sarkozy, who is mentioned in the IFPI report as one of the promoters of severe anti-piracy laws. Sarkozy called in November for ISPs operating

in France to automatically disconnect customers involved in piracy.