



After coming late to streaming, Canada is now experiencing a boom in subscriber numbers and overall music consumption.

MUSIC CONSUMPTION GREW 6.5%

in Canada in 2020, buoyed by a 16.1% increase in streaming, as the number of Canadian music subscribers hit 9.3m. According to MRC Data / Billboard, total album equivalent audio consumption in Canada in 2020 reached 73.9m units, up from 69.4m in 2019, while on-demand audio song streams in Canada grew 16.1% in the same timeframe.

These figures, of course, do not necessarily reflect a similar growth in recorded music income: 2019 saw total album equivalent audio consumption in Canada increase 18.1%, while recorded music revenue for the same year grew a more modest 8.1%.

Nevertheless, these promising figures do give the Canadian music industry hope for the

future. Music Canada CEO Patrick Rogers says that engagement with audio streaming is growing across all age groups in Canada, while Canadian collecting society SOCAN's interim CEO Jennifer Brown revealed that there are 9.3million subscriptions to music streaming services in Canada, up from 7.8m in February 2020. This came despite a significant drop in bundled streaming deals in Canada in 2019, when Rogers, the country's largest telco, ended its bundling deal with Spotify.

This is an impressive figure for a country of 37.9m people, particularly one that came so late to streaming. While services like Rdio and Slacker launched relatively early in Canada (in 2010 and 2011 respectively) it wasn't until Spotify arrived in the second half of 2014 - closely followed by Apple Music

Canada: statistics



Population... 37.9m

GDP (purchasing power parity)... \$1.84 trillion

GDP per capita (PPP)... \$49,031

Mobile/cell phone subscriptions... 34.6m

Smartphone users... 31.4m

Internet users - total... 33.7m

Broadband connections... 14.4m

Broadband - subscriptions per 100 people... 39

Sources: CIA World Factbook / Statista



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**Patrick Rogers,
Music Canada**



and Tidal in 2015 - that streaming began to take off. Recent years have seen steady increases in recorded music consumption and revenue in Canada, which suggests the country is experiencing the kind of streaming-led boom that early-adopter markets like Sweden enjoyed the best part of a decade ago.

All this, of course, has to be weighed against the effect of the global pandemic. Initially, it looked as if the impact of Covid-19 was to push down music consumption in Canada: in MRC's half-year 2020 report, total audio activity from January 1 to March 12 was up 10.8%, with this increase falling to 2.6% from March 13 to July 2, a decline that MRC blamed on changing work patterns during confinement.

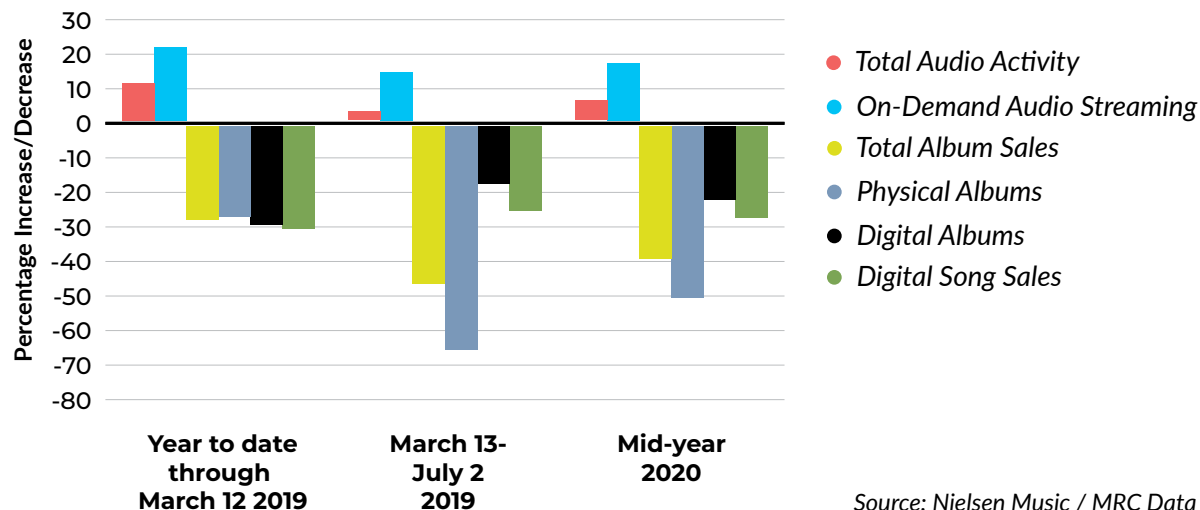
The second half of the year, however, saw listening pick up again. Overall, during the first half of 2020, total audio consumption rose by 5.7% in Canada; this had increased to 6.5% by the end of the year. MRC added that, in terms of musical genre, country and children's music were the biggest beneficiaries of the lockdown.

For all this, the pandemic has clearly had a devastating effect on many parts of Canada's music industry. Musical sales in Canada fell sharply in 2020, according to MRC, with total album sales down 33.8%, led by a 42.7% decline in the volume of physical album sales. While this is part of a wider historical trend of decline in music sales, the results were clearly exacerbated by the country's various regional lockdowns and the knock-on effect on physical retail.

Live music, too, has suffered greatly. Rogers says that there is "real concern for the future of the music industry due to the impact of

Canada continued...

Pre-/Post-Covid19 Analysis: 2020 vs same period in 2019



THE WEEKND WAS CANADA'S BEST-SELLING ARTIST OF 2020



the pandemic on artists, creators and live music spaces”.

“That’s why Music Canada has partnered with Abacus Data several times throughout the pandemic to conduct industry, and public research to better understand the effect of Covid-19 on the industry,” he adds.

“Recent findings show that venue closures continue to have a disastrous effect on those working in the sector, and Canadians are concerned more live music spaces will be lost before the music community can recover without further government support, resulting in a longer threat to the industry and a negative impact on Canadian culture.”

With this kind of impact in mind, few people in the Canadian music are in the mood for celebrating its increases in audio consumption and streaming use. And yet the underlying picture of the Canadian recorded music industry is one of digital health.

SOCAN’s Jennifer Brown says that in 2021 “we are seeing positive signs in many areas in which SOCAN collects licenses and distributes royalties”. “Overall, we see growth in performing and mechanical rights royalties in recorded music, but many of our members are desperate to see in-person live music return so that they can continue to earn from all aspects of their concert work,” Brown adds.

Rogers, meanwhile, says he expects

growth in music consumption to continue and is confident about Canada’s digital music industry. “The digital music industry continues to grow and pick up speed and we are positive for the future of the music community,” he says.

“As the digital marketplace continues to expand, labels are well placed to help artists and creators reach new fans and markets. They are adept at developing new technologies, licensing hundreds of digital music services around the world, and they invest in the human capital needed to shine a light on the careers of artists.”

There’s even been some moves on the Value Gap, as Rogers explains. “Most recently,

the Standing Committee on Canadian Heritage’s report *Shifting Paradigms* made recommendations that could potentially alleviate the Value Gap, following a study into artist remuneration,” he says. “If made into law, these recommendations would be positive for Canada’s creators and they have never been more timely as artists and creators deal with the disastrous impact of the pandemic.

“Unfortunately the last national election was called before the government could issue a formal response to the report and recommendations. Music Canada and others in our industry continue to rally together to see that the recommendations in that report, which would help restore a functioning marketplace for creators, are made into law.”