

## **FERNANDO LADEIRO – MARQUES**

### **DIRECTOR OF THE MaMA FESTIVAL & CONVENTION IN PARIS**

Goodmorning everyone,

I want to briefly go over the key elements, the consequences but also the hopes that have risen from the impact of the COVID-19 crisis on the music sector in France. In the meantime, as director of the MaMa Festival in Paris, I must inform you that we were forced to cancel the 11th edition just days before the opening, due to the pandemic and the required safety measures, when an entire team had been working on it for more than a year and 95% of the budget had been used to cover the event's expenses. But MaMa is just one example among many. As a matter of fact, as far as the French market is concerned, there has been an estimated loss of between 4.5 billion and 5 billion euros on the annual turnover. This is just an initial assessment resulting from the first study conducted on the impact of the health crisis on a sector that in France should have generated more than 10 billion euros this year alone. This indicates that there has been an almost 50% decrease, mostly due to the cancellation or rescheduling of about 150,000 shows. This significant loss is also caused by the decline in CD sales and the postponing of record releases. According to this study, even other areas of the music industry have experienced a 75 million euro drop. The music press sector, for example, has fallen by over 1 million euros. The most affected activities are those relating to live entertainment and to contemporary popular music. In 2020 its loss has amounted to over 80% of the annual turnover. Since March 1st, festivals have been canceled while concert halls and record shops remain closed indefinitely. We are experiencing a sort of black out. According to other surveys, over half of existing music businesses could go bankrupt within this year or the next. Technicians, tour managers, independent labels, artists are among the hardest hit by the crisis and we can already feel the effects of the second lockdown. With the closing of venues and no chance to showcase live talent, a whole generation of emerging artists risks to be left without a future. This represents a problem for more renowned artists as well. There are many questions: the solution is to be found on the internet. Streaming, for example, is a possible path that is not yet profitable but which could become a potential source of income. This crisis will have a strong social impact and will especially take a toll on employment because of the great fragility of the music sector. This also endangers another aspect of the music industry, namely its ability to pursue its social tasks: territorial decentralization, the creation of social ties, allowing access to culture and promoting education for all. Lastly, this crisis threatens the cultural diversity and creativity that make France an exception and a territory / observatory at the international level. Even jazz and classical music run the risk of facing serious economic difficulties as well as not being able to share new work or make it commercially viable. In response to this situation and to the industry's legitimate concerns, the French state has prepared an emergency plan for the music sector of 220 million euros that will be divided among the various players in the supply chain by the CNM, the recently created National Music Center. This € 220 million recovery fund will be boosted by extra tens of thousands of euros specifically allocated for recorded music, following the closing of record stores due to lockdown.

So, stay strong, have hope and take care of yourself!