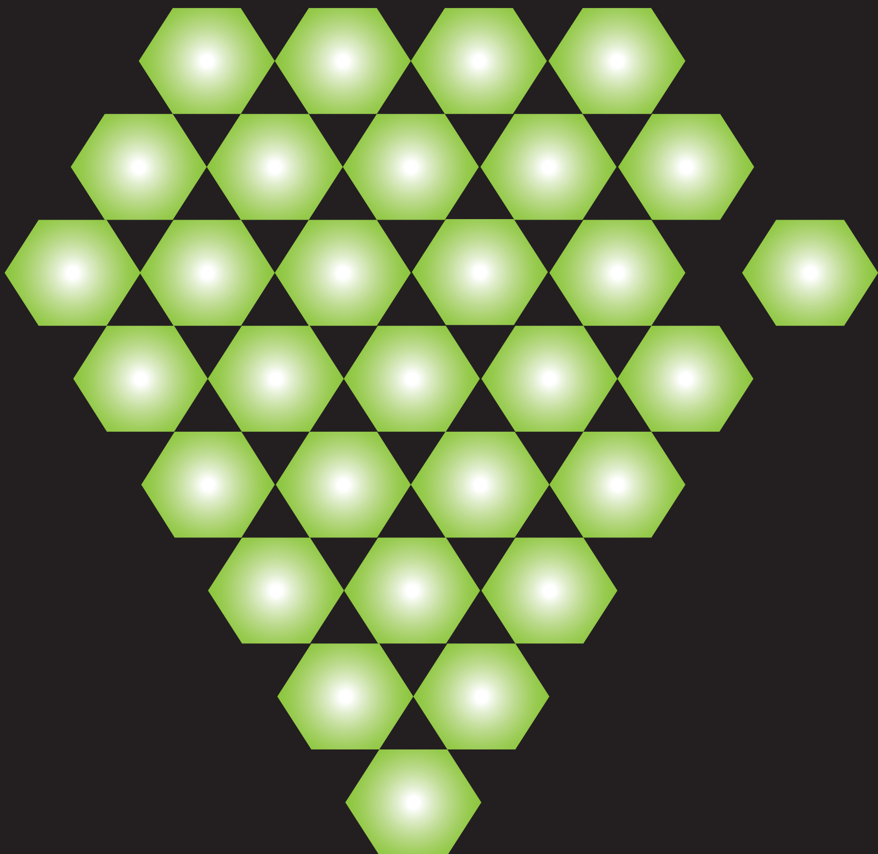
Tarja Koskinen-Olsson • Jari Muikku

DIRECT COPYRIGHT REVENUE STREAMS IN CREATIVE INDUSTRIES IN FINLAND

AN EVALUATION



FINNISH COPYRIGHT SOCIETY Finnish Copyright Institute

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AN EVALUATION

The study was commissioned by the Finnish Copyright Society, and was carried out by Ms Tarja Koskinen-Olsson, Olsson & Koskinen Consulting, and Mr Jari Muikku, Digital Media Finland. This study is a contribution to a larger national project to establish a methodology to assess the operation of national copyright and related rights systems. It is a follow-up of a first study which was published in 2010 and was based on the 2008 figures.

FINNISH COPYRIGHT SOCIETY **Finnish Copyright Institute**

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Established 1965

The Finnish Copyright Institute was founded in 1993
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For the Reader

This evaluation, commissioned by the Finnish Copyright Society, is part of a general assessment of the operation of the copyright and related rights system in Finland. An overall methodology for this assessment is being developed by the Foundation for Cultural Policy Research (CUPORE), commissioned by the Ministry of Education and Culture.

A first study on direct copyright revenue streams in Finland was published in 2010, based on the figures of 2008. In this study the evaluation model has been developed further.

Management of copyright and related rights is an essential part of a well-functioning copyright and related rights system. Rights can be exercised individually or managed collectively, depending on the case. The study at hand takes both these aspects into consideration.

This evaluation takes as a point of departure different creative industries and tries to identify areas where direct copyright revenue streams are paid. The concept of direct copyright revenue is not a clear-cut issue. This evaluation model therefore makes attempt to describe which income streams can be classified as direct copyright revenue, and on what basis.

In some cases, figures in the evaluation are based on available statistics or other available public data. Various associations representing stakeholders have been helpful in assisting to make an assessment of their sector. In some other cases, estimates are based on assumptions, and in those cases we have described the underlying information and assessment basis, to facilitate scrutiny.

In all cases where direct copyright revenue streams are identified, it is made for the sole purpose of the model. The figures and shares bear no value in negotiations and other dealings between stakeholders. Neither can conclusions be drawn on the relative importance of copyright in the respective sectors, as the model of doing business plays a decisive role in the results. Where business is based on licensing, rather than sale of physical goods, sectors show high figures; such as in software and database industries.

Using the same classification as the World Intellectual Property

Organisation (WIPO) does in surveying the economic contribution of the copyright-based industries was a conscious choice. The classification has however been updated in some instances taking into account changes in industries and consumption patterns.

In the industries that are included, there are certainly many more areas where direct copyright revenue streams could be identified. Therefore, the figures can be regarded as a conservative estimate.

September 13, 2013,
Tarja Koskinen-Olsson and *Jari Muikku*

Evaluation Model

1. Background

The Finnish Copyright Institute, as part of the Finnish Copyright Society, published a first evaluation model on direct copyright revenue streams in 2010. That model, which was based on 2008 figures, was the first ever in its genre and the study invited readers to comment and supplement to finalize the model in the future.

The study at hand is a second and revised evaluation model, based on 2012 figures whenever available. It incorporates useful comments and considerations received on the basis of the first study. Also, some of the latest developments in creative industries in Finland are taken into account in the present study.

2. General on Terminology

The term "creative industries" covers a range of different cultural industries. They can also be called copyright-based industries, which term is used in the "WIPO Guide on Surveying the Economic Contribution of the Copyright-Based Industries" (WIPO methodology). This methodology was published in 2003 and studies have been carried out on the basis of the methodology in more than 50 countries, including Finland.

The core copyright industries are defined in the WIPO methodology as follows:

> *The core copyright industries are industries that are wholly engaged in creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter.*

The relevant phases of value creation based on this definition are:

- Creation, including performances (C)
- Production and manufacturing (P)
- Performance, broadcast, communication and exhibition (E)
- Distribution and sales of physical copies (S)
- Digital delivery (D)

The WIPO methodology does not include "digital delivery" as a separate phase, but as part of performance, broadcast, communication and exhibition. This is understandable, as the methodology was published in 2003. Changes in the industry and consumption patterns justify that digital delivery is studied separately. In this study, digital delivery includes different kinds of delivery techniques and business models.

The above phases of value creation can include revenue streams that are identified as direct copyright revenue in this study. For instance creators transfer rights or grant permissions to publishers and in return receive copyright revenue as remuneration for their creative work. However, it is not a clear-cut issue what revenue streams to include; rather the authors have used personal judgement and explained the rationale of the choices they have made.

In this study, the term "copyright" is used to cover copyright and related rights. The term "work" is used to cover works and other subject matter protected by copyright.

3. Identification of Creative Industries

The definition of industries used in this evaluation model is based on the WIPO definition of core copyright industries. Computer games are, however, considered as a separate industry and not as a part of software and databases as the WIPO methodology suggests. Again, changes in the industry since 2003 justify that computer games are studied separately as a lot of important developments take place in this industry. The category "computer games" includes all kinds of entertainment games, irrespective of their technical support or device.

- Press and literature
- Music, theatrical production, opera
- Motion picture and video
- Radio and television
- Photography
- Software and databases
- Computer games
- Visual and graphic arts
- Advertising
- Collective Management Organizations

In this evaluation model, collective management organizations (CMOs) are listed under the industry, which they serve, such as music. They are also presented jointly in a separate section to give a comprehensive picture of the revenue collected by them. All CMO figures indicate gross revenue and thus include the share of administrative costs.

Each industry can include several subcategories. They are analyzed separately and grouped together under the main industry.

4. General Information on Creative Industries and Subcategories

Under the heading "Market" general information on each creative industry/ subcategory includes the following:

- Market figures and general information of the creative industry/ subcategory
- Information on stakeholders and references to their associations

There may be many measurements illustrating the size of different creative industries. In such cases, different figures are presented citing the information source and year. The reader can thus get a general picture of the market.

Under the heading "Future Trends" some identifiable trends are described. These trends are not necessarily measurable at present moment, but will have a bearing in the years to come. The descriptions are not exhaustive, rather a compilation of major phenomena worth following for an interested reader.

Finland is a country of associations and the degree of organization is high. Under the heading "Stakeholders", members of different associations and unions are listed, as these figures give a general indication of persons and companies in a particular industry.

Key findings on end-use and user habits illustrate user behaviour in various industries.

5. Identification of Direct Copyright Revenue Streams in Different Phases of Value Creation

Creation of works customarily involves direct copyright revenue, for instance royalties to writers, fees to freelance photographers and salaries to employed authors. Royalties are 100 % direct copyright revenue. Fees paid to freelancers are regarded as direct copyright revenue between 50 – 100 %.

All rights based exploitations involve direct copyright revenue, for example remuneration paid by television companies for broadcasting rights. Thus permissions and licenses to use material protected copyright involve direct copyright revenue.

Digital delivery is based on licensing of rights and thus involves direct copyright revenue according to the evaluation model. This study uses the average of 50% of the revenue for digital delivery as direct copyright revenue, market figures varying from 30 to 70%.

The sale of physical goods, such as books, CDs and DVDs, is not considered to constitute direct copyright revenue in different phases of value creation, except for royalties paid to creators, publishers and producers. It is to be noted that copyright plays a decisive role also in the sale of physical goods, as without an effective copyright system this trade would be subject to unauthorized duplication. Therefore, no conclusions can be drawn of the importance of copyright as such in any given industry.

In digital environment, value creation has become multifaceted with stakeholders taking different roles. For instance, creators can adapt new ways of disseminating themselves their works worldwide, to the extent not possible earlier. This kind of delivery is however relatively small at this stage and it is difficult to obtain data and figures. The trend merits however attention.

Under the heading "Copyright Revenue in the Value Chain", the analysis proceeds by estimating the amounts of direct copyright revenue at different steps of value creation processes: creators (C), producers (P), exhibitors (E), distributors of physical copies (S), digital distributors (D), up to end users (U).

The counting is based on actual sums paid at different phases of value creation. It is to be noted that this way of calculation is not based on value-added created at each stage, which is the basis used in the WIPO methodology.

6. Information Sources and Limitations

Figures in this study are based on available statistics and other public information. Representatives of various associations and unions have been very helpful in providing their valuable comments and additional information. The authors want to convey their sincere thanks for all assistance they have received.

Information on export and import is not available in all industries and the study does not show separate import/ export figures. The text shows whether import/export figures are included/ excluded in various turnover figures, to the extent such information has been available.

The copyright world is getting ever more globalized. Due to the global nature of dissemination and consumption it is not possible to acquire information about certain transactions. Ordering physical copies from foreign content providers, such as Amazon.com, is not included in any figures. The same applied to post ordering channels earlier.

User generated content (UGC), in particular on amateur basis, is neither included in the figures. The same applies to merchandizing revenue that can be substantial in some industries.

A fair amount of material protected by copyright is created and used in the public sector. Due to unavailability of statistics, this has not been included in the evaluation model. Another sector that is excluded in both the first and this present study is illegal trade. For natural reasons, exact figures on revenues stemming from unauthorized use do not exist. It can also be argued that revenues from pirate copies would not necessarily fall under the concept of direct copyright revenues.

7. Evaluation of Direct Copyright Revenue

In each industry/subcategory, the information includes:

- Revenue type by using generic terms as described below
- Calculation basis of copyright revenue in M€ or %
- Copyright share in %
- Copyright revenue in M€

The following generic revenue types are used:

- Royalty, such as a writer's royalty from a publisher
- Salary, such as a journalist's salary from a newspaper publisher
- Fee, such as a photographer's fee paid for the use of a photograph in a magazine
- License, such as an exclusive or non-exclusive permission to use a work of art in a calendar
- Right, such as performing right for musical works, licensed by TEOSTO
- Right to remuneration, such as remuneration collected by GRAMEX for public performance of phonograms
- Other revenue, such as private copying compensation

The above classification is not a clear-cut issue and additional information is given when and where appropriate.

Cross-sector information, when applicable, is identified by listing the revenue under the most relevant industry, and repeating it under other possible industries by reference (in brackets). This is done to avoid double-counting.

8. Results

The year of the evaluation is 2012 to the extent possible. All revenue figures are in millions of Euros (M€).

The total of identified direct copyright revenue streams is 2,931.2 M€. In the following breakdown the figures from 2012 are mirrored to those obtained in the earlier study using figures from the year 2008 (figures for software and computer games were grouped together in the 2008 study, but specified below for comparison purposes):

	2012	2008
PRESS AND LITERATURE	148.9 M€	116.0 M€
MUSIC, THEATRICAL PRODUCTIONS & OPERA	94.2 M€	89.9 M€
MOTION PICTURE AND VIDEO	138.6 M€	114.7 M€
RADIO AND TELEVISION	273.8 M€	224.4 M€
PHOTOGRAPHY	65.2 M€	61.5 M€
SOFTWARE AND DATABASES	1,830.0 M€	1,170.0 M€
COMPUTER GAMES	347.0 M€	194.4 M€
VISUAL AND GRAPHIC ARTS	7.3 M€	6.5 M€
ADVERTISING	26.2 M€	45.0 M€
GRAND TOTAL	**2,931.2 M€**	**2,022.4 M€**

The overall growth from 2008 to 2012 is close to 45 %. This is far bigger than the 9.4 % change in the consumer price index during the same period (December 2008 to December 2012).

There is positive growth in all industries, except for advertising. The biggest growth has taken place in computer games by 78 % and continuous growth is expected in this industry. The second in line is software & databases that grew by 56 %. These two industries are born-digital and licensing is the predominant way of dealing with copyright in both industries.

Changes in most other industries are also bigger than the changes in consumer price index, albeit more even. The declining figure for advertising is partly due to changes in the evaluation criteria.

In general, the results give further support to the assertion that so-called copyright industries grow more rapidly than the economy at large. This was one of the findings in the "Economic Contribution of Copyright-Based Industries in Finland 2005 – 2008".

Direct copyright revenue streams in creative industries in Finland

PRESS AND LITERATURE

Book Publishing

Newspaper/Magazine/Periodical/Journal Publishing

CMOs in the Literary Field

According to the "Economic Contribution of Copyright-Based Industries in Finland 2005 – 2008" the turnover of the category "press and literature" was 5,003 M€ in 2008, being the second largest industry after software and databases. This figure includes all creators, books and maps, newspapers, news and feature agencies, magazines and periodicals, cards, directories, pre-press, printing and post press, wholesale and retail of press and literature as well as libraries.

Book Publishing

Market and Stakeholders

Market

The book publishing sector includes all kinds of publications, in print and digital forms. They can be fiction or non-fiction, produced by commercial publishers or a variety of organizations and also by private persons. The share of the latter two is estimated to represent some 25 % of the market. Books in print take a major share of the market. Digital delivery represents 6 – 7% of the turnover according to the statistics of the Finnish Book Publishers (2012).

The value of book sales, measured in consumer prices, is estimated to be as follows:

- 581 M€ turnover (Mass media market volume, Statistics Finland, 2011)
- 559 M€ value of book sales (Facts and Figures, Creative Industries in Finland, 2007)

According to the yearly published statistics of Finnish Book Publishers, net sales figures for 2012 are as follows:

- Net sales excluding VAT 263 M€ (print, audio, digital)(represents 90% of the total market)

- Net sales excluding VAT 292 M€ (calculated estimate of the total market)

The number of new titles published yearly echoes the great variety of different publications:

- Total number of new printed publications: 8,457 (The National Library of Finland, 2012)
- Number of new titles: print 4,355, digital 1,546 (Finnish Book Publishers Association, 2012)

Future trends

The share of e-books is growing, albeit print still prevails heavily. The share of digital delivery is highest in the genre teaching materials. Rapid growth is estimated to take place in the e-book market. However, the fragmentation of different reading devices, services and programs makes the consumers' choice challenging.

Creation (C)

The following associations and unions operate in the book publishing sector. Their members are to some extent overlapping, i.e. one person can belong to many associations. Not all members are full-time writers; they represent many professions in particular in the non-fiction category.

- The Union of Finnish Writers: 670 fiction writers
- Society of Swedish Writers in Finland: 200 writers
- The Finnish Union of Authors writing for children, youngsters and young adults: 125 writers
- The Finnish Association of Non-Fiction Writers: 2,900 non-fiction writers
- The Finnish Association of Translators and Interpreters: 400 translators of fiction and non-fiction
- The Finnish Comic Professionals: 99 members

Production (P)

- Finnish Book Publishers Association: more than 100 publisher members who represent 80% of commercial publications and 90% of book sales
- Finnish Technical Publishers Association: 7 member companies
- Finnish Book Publishers (earlier Finnish Small Publishers): 26 member companies

Distribution and Sales (S)

- The Booksellers' Association of Finland and Finnish Book Publishers Association have concluded a framework agreement on delivery of new titles to bookstores
- Libraries: 827 public libraries and 152 bookmobiles according to library statistics (www.kirjastot.fi)

Digital delivery (D)

E-bookstore is a channel that offers an e-book to the consumer. The store can be a part of a larger e-store for various creative contents.

- There a specialized e-bookstores and major brick and mortal bookstores also have online sales

- Also libraries offer e-books, but so far to a limited extent

End-Use & Usage habits (U)

Book buying habits according to the Study "Finland Reads" by the Booksellers' Association of Finland and Finnish Book Publishers Association (2008):

- 22 million books per year are bought privately (excluding teaching materials)
- This leads to 4.2 books per inhabitant on the average
- 77% of the adult population buys at least one book a year

Libraries are major suppliers of books (www.kirjastot.fi)

- The total number of loans was 95 million, leading to 18 loans per inhabitant/year
- The Finns visit the library 10 times a year on site and another 10 times online/inhabitant

Copyright Revenue in the Value Chain

Relation Creation ← Production

Writers customarily conclude a **publishing contract** with publishers and their copyright revenue is based on a royalty scheme, varying in different business sectors. Royalties are 100% direct copyright revenue. Figures (net sales without VAT) are based on the statistics of the Finnish Book Publishers Association and represent 90% of the turnover of commercial publications. The share of technical material is an estimate of the Finnish Technical Publishers' Association. A majority of non-fiction publications is published by others than members of the Finnish Book Publishers Association, for example by public authorities, companies, associations, sport clubs, families, self publications, etc. No figures of the turnover are available for that share.

Average royalty rates are based on the following estimates according to industry information sources:

- Fiction, including children and youngsters: 22% (royalty range 19 – 26%)
- Non-fiction: 20% on the average
- Teaching material: 20% on the average, sometimes lower in this category
- Technical materials: 19% (royalty range 16.5 – 22 %)

Translators receive a **fee** for literary translations. This revenue is regarded as 100% direct copyright revenue. An average fee is based on a 175 page publication, totalling 3,800 €. The number of titles comes from the statics of the Finnish Book Publishers Association. Moreover, translators receive **royalties** ranging from 2.5 to 4% from **audio and digital** rights, leading to minor revenue at this stage.

The figures in the table are domestic figures. Fees paid by publishers for translation rights of foreign titles are not included in the calculation.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
BOOKS (print, audio and digital)					
Fiction	**44.6**				
Original 51%	24.5	Royalty	22%	100	5.4
Translated 49%	20.1	Fee	1.3 M€	100	1.3
		Royalty (audio...)	2.5–4%	100	0.1
Children, youngsters	**33.5**				
Original 24%	8.0	Royalty	22%	100	1.8
Translated 76%	25.5	Fee	3.7 M€	100	3.7
Comic Books	**12.0**	Fee (estimate)	1.0	100	1.0
Non-fiction	**86.2**				
Original 87%	75.0	Royalty	20%	100	15.0
Translated 13%	11.2	Fee	0.8 M€	100	0.8
Teaching Material	**89.1**	Royalty	20%	100	17.8
Technical Material	**6**	Royalty	19%	100	1.1
TOTAL	**271**				**48.0**

Relation Creation ← Sales in Libraries

Revenue from public lending to creators comes partly as a **culture based allocation** from the State Fund, and this is not regarded as direct copyright revenue. **Remuneration for public lending** based on copyright legislation is included in the CMO figures, as the revenue is paid through three CMOs (SANASTO, KOPIOSTO and TEOSTO). For 2013, the remuneration for public lending has increased to 3.8 M€.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
LIBRARIES					
Libraries		Budget allocation	2.9 M€	0	0
		Remuneration for public lending	3.6 M€	100	(3.6)
TOTAL					**0**

Relation Production ← Digital delivery

Digital delivery is based on the concept of **licensing**. This licensing income is estimated to be 50% direct copyright revenue. The turnover (net sales) statistics from the Finnish Book Publishers Association have separate figures for print and digital publications. Digital delivery of technical material is an estimate.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
BOOKS (digital)					
Digital delivery	**17.4**	License	17.4 M€	50	8.7
Digital delivery (technical)		License (estimate)	2.0 M€	50	1.0
TOTAL					**9.7**

Newspaper/Magazine/Periodical/Journal Publishing

Market and Stakeholders

Market

In newspaper publishing, end-user turnover was 1,157 M€ in 2012. This includes print and online newspapers. The figure includes all newspapers, also free of charge papers. The turnover figures are based on subscription fees, single copy sales and advertising revenue. They include domestic production and import, but not export (The Finnish Newspapers Association).

In 2011, magazine and periodical publishing end-user turnover was 680 M€, also including print and digital (Mass Media Market Volume, Statistics Finland).

Future trends

Major issues in the newspaper sector concern the future of paper format newspapers and digital content revenue. The share of online subscription income will be growing side by side with advertisement income and acquisition of feasible payment options and attractive packages are critical. The plurality of devices, including tablet computers and mobile phones, may enhance the digital business and reading newspapers on mobile units is expected to grow.

Creation (C)

- Union of Journalists in Finland
  - 15,195 members in 2012 (including radio and television)
  - Some 8,500 employed press journalists
  - Some 1,000 press freelancers

- Finnish Association of Science Editors and Journalists: close to 1,000 professionals involved in science communications

Production (P)

- The Finnish Newspapers Association (www.sanomalehdet.fi)
  - 142 members, including newspaper and city newspaper publishers, groups of companies, distribution companies and alike
  - They publish 183 newspapers and 58 city newspapers (Annual Review 2012)
- Finnish Periodicals Publishers' Association (www.aikauslehdet.fi)
  - 280 publishers
  - 530 magazines and periodicals in all genres: consumer magazines, business and association magazines and customer magazines (print and online)
- Association for Scientific Publishing in Finland: 93 member organizations (January 2013)

Digital delivery (D)

- In 2011, newspapers derived less than 4% of content and advertizing revenue from digital media, according to the Finnish Newspapers Association
- Various package solutions of printed and digital media have proved to be a successful combination
- Many newspapers offer digital services to print subscribers at a small additional monthly fee.

End-Use & Usage habits (U)

- The combined reach of printed newspapers and their online services totaled 94% of the Finns (The Finnish Newspapers Association)
- During an average week, printed newspapers are read by 92%, on computers by 57%, with mobile phones by 16% and on tablet computers by 5% of the Finns (The Finnish Newspapers Association)
- Magazines and periodicals: circulation 11.6 million copies/year (2.2 copies per inhabitant)

Copyright Revenue in the Value Chain

Relation Creation ← Production

The majority of **journalists** are employed by newspaper publishers. They conclude a **labor agreement** with the employer, based on a **collective labor agreement** negotiated between the relevant organizations representing journalists and employers. Figures are based on the survey of the Union of Journalists (2012). The average salary for newspapers and magazines was 3,622 €/month, i.e. 43,464 €/year. The share of direct copyright revenue is estimated to be 7% of the journalists' salary according to the Union of Journalists.

Freelancers customarily receive a **fee** for their contribution. The average invoicing in 2012 was 27,500 €/year. This fee is regarded to be 50% direct copyright revenue in this evaluation, following the method explained in the general part of the evaluation model.

There is no information regarding the **fees** that are paid to **scientific authors**. The revenue is estimated to be minor, and consequently not included in the figures.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
NEWSPAPERS/MAGAZINES/PERIODICALS/JOURNALS (print and digital)					
Newspapers, etc.	1,891				
Journalists, employed		Salary	369.4 M€	7	25.8
Freelancers		Fee	27.5 M€	50	13.7
Journals					
Scientific authors		Fee			
TOTAL					**39.5**

Relation Production ← Digital delivery

The turnover figures include both print and digital sales. The number of internet newspapers is high, 164 of 197 (2008). For magazines, the corresponding figure is 248 of the total of 557. The share of digital delivery is estimated to be 3.5% of the total turnover and the share of direct copyright revenue 50% thereof.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
NEWSPAPERS/MAGAZINES/PERIODICALS/JOURNALS (digital)					
Digital delivery	**1 891**	License	66.2 M€	50	33.1
TOTAL					**33.1**

CMOs in the Literary Field

Remuneration collected by CMOs is 100% direct copyright revenue.

The relevant CMOs in the literary field and their respective licensing areas are:

- KOPIOSTO (Joint Finnish Copyright Organization)
  - Rights in reprography and certain digital uses
  - Public lending remuneration, visual material
- SANASTO (Copyright Organization for Literary Works)
  - Public lending remuneration, literary works
  - Broadcasting and other licensing of literary works

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
LITERARY WORKS (print and digital)					
KOPIOSTO	**27.6**	Right Remuneration/public lending & online services	14.8 M€ 0.5 M€	100 100	**14.8** **0.5**
SANASTO	**3.3**	Remuneration/public lending Right	2.9 M€ 0.4 M€	100	**2.9** **0.4**
TOTAL	**26.7**				**18.6**

TOTAL FOR PRESS AND LITERATURE: 148.9 M€

- Book publishing: 57.7 M€
- Newspaper/magazine/periodical/journal publishing: 72.6 M€
- CMOs in the literary field: 18.6 M€

MUSIC, THEATRICAL PRODUCTIONS & OPERA

Music

a. Live Music

b. Recorded Music

c. Graphic Rights in Musical Works

d. CMOs in the Field of Music

Theatrical productions & opera

Music

Market and Stakeholders

Market

The total value of Finnish music market in 2012 was 817.7 M€, including 264.2 M€ for education (Finland: Music Industry Country Report, Music & Copyright; February 2013).

One of the main characteristics of Finnish music market is one of the highest shares of domestic repertoire in EU area as it is estimated to be around 70% of sold physical recordings. Finland is also known for its efficient music education system, which has produced a lot of performing artists and composers of international quality compared with the size of the population.

Future trends

Recorded music business is currently going through a major change as the market share of digital delivery is increasing quickly. It is expected that during the next few years the value of digital delivery will pass the value of physical recordings. In 2012, the market share of digital delivery was on global level 35% whereas in Finland only 27%. However, during the first quarter of 2013 the share of digital delivery in Finland had already increased to 44% (the Finnish Group of IFPI).

Creation (C)

- TEOSTO: 27,000 composers, lyricists and music publishers
- GRAMEX: 45,000 performing artists and record producers
- Finnish Musicians Union: 3,300 performers

Production (P)

- The Finnish Music Publishers' Association: 40 music publishers with 70% market share

- The Finnish National Group of IFPI: 25 phonogram producers with 95% market share

End Use & Usage habits (U)

- 70% of Finns listen to music daily, only 5% listen to music more seldom than monthly (Teosto)

Copyright Revenue in the Value Chain

a. Live Music

Relation Creation ← Exhibition: Live Music

TEOSTO grants a **non-exclusive license** for the use of musical works, including for live performances, on behalf of **composers, lyric writers** and **music publishers**.

Performers in **orchestras**, including opera, receive their salary on the basis of the terms of collective labor agreements. The share of **recording remuneration** of the salary is estimated to be 6% by the Finnish Musicians Union.

Live performances are occasionally broadcast and **freelancer performers** receive remuneration for such **broadcasting**. The share of one percent is an estimate.

The turnover of live performances is 212 M€ according to Music Industry Country Report.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
LIVE MUSIC					
Concerts & festivals	**212**				
Creators		Performing right	5.0 M€	100	(5.0)
Performers/Orchestras		Salary	35 M€	6	2.0
Performers/Freelancers		Fee	50 M€	1	0.5
TOTAL	**212**				**2.5**

b. Recorded Music

Relation Creation ← Production: Recorded Music

TEOSTO/NCB grants **a license for recording** of musical works on behalf of **composers, lyric writers** and **music publishers**.

Musicians receive **salary** for the recording of their performances to be used in sound recordings, based on collective labor agreements. The share of copyright revenue in the salary is estimated to be between 30 and 50%, with an average of 40% (Finnish Musicians Union).

Soloists and members of bands receive **royalties** for recording of their performances, and these royalties are direct copyright revenue (the Finnish Group of IFPI).

The turnover of recorded music (including digital delivery) is 42.2 M€ according to IFPI.

These figures do not include recordings, which Finnish consumers have bought from foreign web shops.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
RECORDED MUSIC					
Record sales	**42.2**				
Creators		Mechanical right	5.0 M€	100	(5.0)
Musicians		Salary	0.3 M€	40	0.12
Soloists		Royalty	2.7 M€	100	2.7
TOTAL	**42.2**				**2.82**

Relation Production ← Production: Recorded Music

In phonogram production, the sale of **master files** plays an increasing role. The master file is produced by an artist or a producer who then sells the rights to another producer for release to the market. Phonogram producers also **license third parties** to use recorded music in other phonograms as well as in compilations and music games. The sale of master files and rights are estimated to make 10 to 15% of the turnover for recorded music. According to the Finnish Group of IFPI, the turnover including digital delivery and excluding VAT was 42.2 M€ in 2012.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
RECORDED MUSIC					
Master files, licensing, compilations, games	42.2	Right, license	12.5%	100	5.3
TOTAL	**42.2**				**5.3**

Relation Production ← Distribution: Recorded Music/Digital Delivery

Digital delivery is based on **licensing**. Based on the discussions with the representatives of the Finnish Group of IFPI, this evaluation uses 50 % as the share of direct copyright revenue. As the business models of digital delivery of music are developing quickly, only the total sum is used in this context. Furthermore, as the digital delivery will become the dominant form of delivery during the next few years, and as the digital business models stabilize, these revenue shares and figures should be revisited in any future evaluation.

The turnover of digital delivery is 11.5 M€ (IFPI).

	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
RECORDED MUSIC					
Digital Delivery	**11.5**	License	11.5 M€	50	**5.75**
TOTAL	**11.5**				**5.75**

c. Graphic Rights in Musical Works

Relation Production ← Distribution: Sheet Music

Music publishers grant **permissions** for the use of graphic rights of musical works. Music usage outside the mandate given to TEOSTO is licensed directly by music publishers, including some foreign rights. The overall turnover of music publishing was estimated to be around 10 M€, and out of this around 7 M€ was distributed to music publishers by Teosto. The share of reprography is included in the figures of KOPIOSTO (Finnish Music Publishers Association).

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
MUSIC PUBLISHING					
Music Publishing	**10**				
Sheet music	**3.2**	License	0.6 M€	100	0.6
Grand rights		Right	0.28 M€	100	0.28
Synchronisation	**0.28**	License	0.09 M€	100	0.09
Foreign rights	**0.09**	Right	0.29 M€	100	(0.29)
Reprography		Right	0.29 M€		(0.29)
TOTAL	**10**				**0.97**

d. CMOs in the Field of Music

TEOSTO licenses the use of music on behalf of **composers, lyric writers** and **music publishers** in Finland, and receives income from foreign equivalents for the use of Finnish music abroad. Moreover, TEOSTO pays the share of music from public lending remuneration to its members.

NCB represents **mechanical rights** (right of reproduction) for Nordic and Baltic rights holders on behalf of national relevant organizations, such as TEOSTO.

GRAMEX collects **remuneration for public performance of recorded music** on behalf of performers and phonogram producers. Moreover, GRAMEX administers certain reproduction rights. Interactive online services are licensed directly by record companies. Some Finnish performers collect foreign income directly, outside the scope of GRAMEX and its reciprocal agreements.

The compensation for **private copying** for music is given as a joint amount, which is distributed by TEOSTO and GRAMEX respectively.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
MUSICAL WORKS AND SOUND RECORDINGS					
TEOSTO	45.8 3.8 3.8	Performing right Foreign income Public lending	45.8 M€ 3.8 M€ 0.3 M€	100 100 100	45.8 3.8 0.3
TEOSTO/NCB	5.6	Mechanical right	5.6 M€	100	5.6
GRAMEX **Direct collections**	13.7 0.6	Remuneration Foreign income	13.7 M€ 0.6 M€	100 100	13.7 0.6
Private copying	5.9	Music share	2.7 M€	100	2.7
TOTAL					**72.5**

Theatrical productions & opera

Market and Stakeholders

Market

Theatre plays an important role in Finnish cultural life. The network of theatres covers the whole of Finland, and individual theatres are funded mainly either by communes or the state. This section covers theatrical productions including dance, opera and circus. The ticket sales of 2012 (including other income) were estimated to be around 53 M€ (Theatre Info Finland, TINFO): Theatre Statistics, 2012).

Future trends

The number and the relative importance of the so-called free theatre, dance and opera groups will increase, and they complement the supply of the established theatre, dance and opera institutions. Theatre will also remain a popular hobby in the form of, for example, summer theatres.

Creation (C)

- The Finnish Dramatists' Union: around 500 writers (theatre, film, multimedia)
- The Union of Finnish Theatre Directors: 350 members
- The Union of Finnish scene and costume designers: 245 members
- The Union of Finnish Actors: over 1,800 actors (in different media)
- The Union of Finnish Dance Artists

Exhibition (E)

- Association of Finnish Theatres: 50 member theatres

End-Use & Usage habits (U)

- 46% of Finns have attended a theatrical performance (theatre, ballet, opera) during the last year (2007)
- 4.1 million visitors; 0.76 visits/inhabitant (Theater Statistics 2012)

Copyright Revenue in the Value Chain

Relation Creation ← Exhibition

Writers and dramatists customarily receive **royalties** for the use of their plays in theatres, the typical royalty rate being 12% of ticket sales (excluding VAT). The share of domestic plays is around 50%. The Finnish and foreign drama writers are represented by various institutions and companies, and in some cases writers do the deals with theatres themselves. Based on the ticket sales statistics of TINFO it is estimated that drama writers received around 4.8 M€ in 2011.

Music publishers license performances of music in theaters (**grand rights**); the revenue is included in the share of music.

Performers receive **salary and certain royalties**, which are included in live performances for music.

Artistic staff in theatres receives **salary** based on collective labor agreements. Occasionally they receive copyright revenue for recordings and royalties, but the amount is minor and no estimate exists. The share of the salaries of artistic staff in theatres in 2012 was 24.7 M€, 37% of the total 67.4 M€ (TINFO: Theatre Statistics).

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
THEATRICAL PRODUCTIONS & OPERA					
Writers		Royalty	4.8 M€	100	4.8
Music publishers		Grand rights	0.1 M€	100	(0.1)
Performers/orchestras		Salary/royalty			
Artistic staff		Salary	24.7 M€	-	-
TOTAL					**4.8**

TOTAL FOR MUSIC, THEATRICAL PRODUCTIONS & OPERA: 94.2 M€

- SUBTOTAL MUSIC: 89.4 M€
- SUBTOTAL THEATRICAL PRODUCTIONS & OPERA: 4.8 M€

MOTION PICTURE AND VIDEO

Feature Films
Other AV-productions
CMOs in the Audiovisual Field

"Motion picture and video" includes feature films and other AV-productions, such as short films, documentaries and video productions, as well as independent productions produced for television companies.

Market and Stakeholders

Market

510 M€ (2008) (Economic Contribution of Copyright Industries in Finland 2005 – 2008)

Future trends

Digitalization keeps on changing production, distribution and consumption of films. The sales and rentals of physical DVDs and Blue-Rays will gradually be replaced by various online film services such as Netflix. In Finland domestic films have one of the biggest market shares in EU (28% in 2012), which has increased the total cinema attendance, and this is expected to continue.

Creation (C)

- The Association of Finnish Film Directors: 135 film directors
- Association of Swedish Speaking Actors in Finland
- Finnanimation – Network of Finnish Animation Producers
- The Finnish Dramatis' Union: ca. 500 writers (theatre, film, multimedia)
- Finnish Society of Cinematographers
- Finnish Union of Dance Artists
- Union of Finnish Actors: ca. 1,800 actors in different media
- Union of Finnish Film and Video Employees
- Union of Finnish Scenographers and Costume Designers

Production (P)

- The Central Organization of Finnish Film Producers: 49 companies
- Association of Independent Producers in Finland (SATU): ca. 100 companies
- Finnanimation – Network of Finnish Animation Producers: 47 companies

Distribution (D)

- The Finnish Film Distributors' Association/the Finnish Chamber of Films

– 175 motion picture releases (36 domestic first releases)
– Films in distribution 324 (market share of domestic films 28%)

Exhibition (E)

- The Finnish Cinema Exhibitors' Association/the Finnish Chamber of Films
  – Cinemas (162 cinemas, operating in 117 different towns)
  – Gross box office 78.8 M€ (2012) (Finnish Film Foundation)

End Use & Usage Habits (U)

- 8.4 million cinema admissions: 1.5 admission per capita (Facts and Figures 2012, the Finnish Film Foundation)
- 66 % of the population watches a feature film at least once a year in cinema
- 17 % of the population watches a film at least once a month on DVD

Feature Films

Copyright Revenue in the Value Chain

Relation Creation ← Production

The total budget for **feature films** in Finland is estimated to be ca. 40 M€ in 2012. It is calculated on the basis of an average budget (1.5 M€) and the number of new releases (27).

Writers negotiate an **individual agreement** with a film producer. They receive customarily a fee for the screenplay, and certain royalties based on additional uses. Both are considered to be 100% copyright revenue. According to the Central Organization of Finnish Film Producers (SEK) writers receive from 20,000 to 50,000 € for a manuscript (average 35,000 €).

Directors conclude an **employment contract** based on a collective labor agreement, which however does not have a generally binding effect. They receive **salary**, combined with **certain royalties**. According to SEK, directors' salary varies between 30,000 and 50,000 € (average 40,000 €) and royalties, which they get only occasionally, vary between 5 and 10%. Based on these estimates, a 7 % royalty rate is used in the calculation.

The principle of salary and royalty applies also to **cinematographers, scene and costume designers**. However, they usually do not get royalties.

Actors conclude an **employment contract**, based on a collective labor agreement. The maximum amount of copyright revenue is according to the agreement 28%, which is used in this evaluation. The average number of shooting days for a feature film is 35. No statistics are available on paid salaries to actors; 2.5 M€ is thus an estimate.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
Feature Films (Domestic)					
Production	**40**				
Writers		Fee, royalty	0.95 M€	100	0.95
Directors		Salary, royalty	1.1 M€	25	0.27
Other artistic persons		Salary, royalty	1.0 M€	7	0.1
Performers		Salary, royalty	2.5 M€	28	0.7
TOTAL					**2.0**

Relation Creation ← Exhibition: Music in Feature Films

TEOSTO licenses public performance of music in cinematographic works through an agreement with movie theaters. Composers and publishers receive 1.1% of ticket sales. This amount is included in TEOSTO's turnover, presented in the table CMOs in the musical field. In case of commissioned music, the film producer pays remuneration directly to the composer, and mechanical royalties through NCB.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
EXHIBITION (Theatrical releases)					
Ticket sales	78.8	Music rights	78.8 M€	1.1	(0.86)
TOTAL					

Relation Production & Distribution ← Exhibition: Theatrical Releases

Feature films are marketed by film distributors. The share of four big distributors is 88%. Total ticket sales collected by cinema theatres are 78.8 M€ (including VAT). For foreign films (73% of turnover), distributors receive some 45% for "film rental" (the Finnish Chamber of Films).

According to SEK, the total for Finnish Feature films (27% of turnover) consists of the following shares: VAT (10%), theatres (50%), distributors (6%) and producers (34%).

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
DISTRIBUTION (Feature Films)					
Ticket sales, foreign	57.5	License/distrib.	25.9 M€	100	25.9
Ticket sales, domestic	21.3	License/distrib.	1.2 M€	100	1.2
		License/producer	7.2 M€	100	7.2
TOTAL	**78.8**				**34.3**

Relation Production ← Distribution: Rental and Sales (DVD and Blue-Ray)

The turnover for rental and sales of DVDs is 59.6 M€ according to the Finnish Film Foundation. Sales represent 87% and rental 13% of the trade. Rental is based licensing and thus 100% copyright revenue.

The market share of domestic releases of rental and sales is roughly 20%. For DVD sales, Finnish producers receive a royalty, which is estimated to be 30%.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
RENTAL AND SALES (DVD, Blue-Ray)					
Rental and sales	**59.6**				
Sales	51.9	Royalty/producer	10.4 M€	100	10.4
Rental	7.7	Rental right	7.7 M€	100	7.7
TOTAL	**59.6**				**18.1**

Other AV-Productions

Copyright Revenue in the Value Chain

Relation Creation ← Production: Other AV-Productions

An average budget for **short films** is 140,000 € and for **documentaries** 300,000 €. These productions may include direct copyright revenue for writers, directors and other artistic persons. The share is however minor and no direct copyright revenue is calculated in this evaluation.

For **television productions** produced by **independent producers**, authors and performers customarily conclude an **employment contract**, without royalties. There are also contracts with royalties, but as this is rarer, no direct copyright revenue to creators is included in the evaluation.

Relation Production ← Exhibition: Independent Productions for Television

Independent producers produce a major part of television programs, in particular for commercial channels. According to the estimate of the Association of Independent Producers in Finland (SATU), the producers receive around 75 M€ from television channels for their exhibition rights and minor royalties. This revenue is by its nature copyright income.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
EXHIBITION (Independent Television Productions)					
Television	75	Exhibition rights	75 M€	100	75.0
TOTAL					**75.0**

CMOs in the Audiovisual Field

The relevant CMOs in the audiovisual field and their management areas are the following:

TUOTOS (Copyright Association for Audiovisual Producers in Finland) represents some 200 Finnish producers. Moreover, TUOTOS represents some 10,000 foreign producers in the area of retransmission of broadcasts, based on its cooperation agreement with AGICOA (Association for the International Collective Management of Audiovisual Works).

It manages the following rights and remuneration:

- Private copying compensation (producers' share)
- Retransmission of broadcasts (collected by KOPIOSTO)
- Educational copying of radio and television programs
- Other licensing

KOPIOSTO (Joint Copyright Organization in Finland) has 44 member organizations and through them some 50,000 individual mandates.

It manages the following rights/ remuneration:

- Private copying compensation (audiovisual authors and performers' share)
- Recording of radio and television programs
- Retransmission of broadcasts

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
AUDIOVISUAL WORKS					
TUOTOS	1.5	Private copying Retransmission right Other licensing	0.2 M€ 0.5 M€ 0.7 M€	100 100 100	0.2 (0.5) 0.7
KOPIOSTO	27.1	Private copying Recordings Retransmission right	1.3 M€ 3.6 M€ 3.4 M€	100 100 100	1.3 3.6 3.4
TOTAL	**28.6**				**9.2**

TOTAL FOR MOTION PICTURE AND VIDEO: 138.6 M€

- SUBTOTAL FEATURE FILMS: 54.4 M€
- SUBTOTAL OTHER AV-PRODUCTIONS: 75.0 M€
- SUBTOTAL CMOs IN THE FIELD OF AV: 9.2 M€

RADIO AND TELEVISION

Nationwide Radio and Television
Private Radio
Cable and Satellite

Section “Radio and Television” overlaps among others with music and motion picture/video, its two major contents. Cross-references are used to indicate these overlaps. Broadcasters are both producers for in-house programs and exhibitors for outside productions.

Nationwide Radio and Television

Market and Stakeholders

Market

The Finnish TV and radio markets have both been divided on roughly 50/50 basis between public and private or commercial broadcasters for already several years now.

- Total turnover for radio and television was 1,088 M€ in 2011 (Statistics Finland/Media Statistics)
- Television broadcasting 1,028 M€ in 2011 (Statistics Finland/Media Statistics)
- Radio broadcasting 60 M€ in 2011 (Statistics Finland/Media Statistics)
- Public broadcaster YLE turnover 422.7 M€ (YLE, Annual Report 2012)

Future trends

The share of other devices than TV such as PCs, laptops, tablets, and smart phones in TV watching will increase. The share of linear TV channels will gradually decrease as contents are discovered and consumed in many other ways than watching traditional TV channels in real time. Various kinds of online streaming services challenge traditional TV and radio services who also offer online services.

Creation (C)

- Union of Journalists in Finland
  – 5,131 radio and TV-journalists
  – 500 freelancers

Production & Exhibition (P & E)

- YLE, a public-service broadcaster (four free-to-air TV channels and eight national radio channels)
- MTV3, a commercial broadcaster (three free-to-air TV channels, pay-TV packages, and one radio channel)

- NELONEN, a commercial broadcaster (three free-to-air TV channels, pay-TV packages, and five radio channels)

End Use & Usage Habits (U)

- 91% of Finnish households has a television (Finnpanel, statistics of 2012)
- The majority of watching takes place real time, and less than 10% consists of recorded programs (Finnpanel)
- Television reaches 77% of the population daily
- Radio reaches 77% of the population on an average day (from nine years up)
- Daily time spent on television was 3 hours 3 minutes (from ten years up)
- Daily time spent on radio was 3 hours 7 minutes

Copyright Revenue in the Value Chain

Relation Creation ← Production

In-house productions are produced by employed staff and freelancers. There are 5,039 **employed journalists** working in radio and television. In 2012, the medium salary for RTV-journalists working for YLE was 3,418 € and for MTV3 and NELONEN 3,902 € (some 7% work for the latter two), resulting in 3,153 €/month or 37,839 €/year. An estimated share of 7% is dedicated to direct copyright revenue (Union of Journalists).

Freelancers customarily receive **a fee** for their contribution. The estimated average invoicing in 2012 was 27,500 €. There are some 500 freelancers working for radio and television, resulting in 10 M€ in freelance fees. An estimated share of 50% is dedicated as direct copyright revenue (Union of Journalists).

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
Broadcasting programs (In-House)					
Production					
TV-journalists		Salary, royalty	190.6 M€	7	13.3
Freelancers		Fee, royalty	13.8 M€	50	6.9
TOTAL					**20.2**

Relation Production ← Exhibition: Independent productions

Independent producers produce a major part of television programs, in particular for commercial channels. According to an estimate of the Association of Independent Producers in Finland (SATU) producers received 75 M€ for exhibition rights and minor royalties from broadcasters in 2012. This revenue is direct copyright revenue, included in the figures of motion picture and video (cross reference).

Broadcasters finance the production of Finnish feature films, and to minor extent documentaries. A typical pre-sale amount for television rights entails 150,000 €, which sum makes part of the film's budget (an estimate by the Finnish Film Foundation, SES). While this is part of financing from the film producers' perspective, the investment is made to in order to get **exhibition rights** to the releases. It can thus be regarded as direct copyright expenditure from the broadcasters' perspective. The estimate give is 3.2 M€ for feature films and 0.3 M€ for documentaries, totaling 3.5 M€.

Broadcasters buy rights for foreign programs. Based on the discussions with the broadcasters it is estimated that the total costs of acquiring broadcasting rights for foreign productions is roughly around 180 M€ (commercial TV and Yle).

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
BROADCASTING RIGHTS					
Finnish TV productions		Broadcast right	75 M€	100	(75.0)
Finnish films		Broadcast right	3.5 M€	100	3.5
Foreign productions		Broadcast right	180 M€	100	180.0
TOTAL					**183.5**

Relation Creation ← Production & Exhibition: Music Rights/ Remuneration

Broadcasters (radio and TV) pay for the use of music in their programming to TEOSTO and GRAMEX: performing and mechanical rights of musical works to TEOSTO and remuneration rights to GRAMEX. These sums are included in the figures of CMOs in the field of music, but mentioned here by cross-reference.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
MUSIC IN BROADCASTING					
TEOSTO	46.2	Right	28.0 M€	100	(28.0)
GRAMEX	13.7	Remuneration	9.9 M€	100	(9.9)
TOTAL					**(37.9)**

Relation Production ← Distribution: Sale of Radio and Television Programs

Broadcasters sell their programs as audio and video recordings to institutions and individuals. YLE and KOPIOSTO have agreed on the following copyright remuneration for 2013: 24 €/C-cassette or CD and 58 €/VHS-Cassette or DVD. A similar agreement is also concluded between MTV3 and KOPIOSTO. The collected copyright revenue is included in the figures of KOPIOSTO in CMOs in the Audiovisual Field.

YLE Archive Sales, a department within YLE, supplies content for use outside the organization, in Finland and abroad. Customers include both institutions and private individuals. The customer receives a license to use the material in a clearly defined manner and context, and the ownership remains with the broadcaster. The income is direct copyright income. Ready in the archive, there are 3,697 hours of audio recordings or 0.25 M radio programs and 8,298 hours of video recordings or 0.25 M TV programs and films covering 100 years. Detailed stipulations, including remuneration, cover their area of activity.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
SALES (Audio and Video Recordings)					
Program sales/Yle	1.8	Right	1.8 M€	100	1.8
Archive sales/Yle	0.5	License	0.5 M€	100	0.5
TOTAL	**2.3**				**2.3**

Private Radio

Market and Stakeholders

Market

- Radio turnover was 60 M€ (Cultural Statistics 2011)
- Radio advertisement income was 55.4 M€ in 2012, and the share of private radio stations 25.3% (14 M€) (RadioMedia)

Creation (C)

- There were around 130 radio-journalists employed by private radio stations in 2011. In addition to this, stations used services of around 230 part-time freelancers (RadioMedia)

Production & Exhibition (P & E)

- Private radio broadcasting in Finland begun in 1985
- RadioMedia (the Association of Finnish Radio Stations) has 56 private radio stations as its members

End Use and User Habits (U)

- 3.6 million Finns listen to private radio programs weekly

Copyright Revenue in the Value Chain

Relation Creation ← Production & Exhibition

Information on RTV-journalists includes journalists who work in private radio stations: 130 employed journalists. Salary and fee income is included in the figures of nationwide broadcasting.

Remuneration for music paid by local radio stations is included in the figures of nationwide broadcasters.

Cable and Satellite

Market and Stakeholders

Market

- The total income for television was 1,028 M€ in 2011; out of this 40% was TV license fees, 28% advertisement, 22% pay-TV, and 10% basic fees of cable-TV (Statistics Finland)
- The share of subscription fees was 226 M€ and the basic fees of cable-TV 102 M€
- The amount paid by the household is dependant on the number and combination of channels

Distributors/Exhibitors (D & E)

- The Finnish Federation of Communications and Teleinformatics (FiCom) is the cooperation organization for the Finnish ICT industry
- Cable-TV companies are members of FiCom

End-Users and User Habits (U)

- 1.58 M households were connected to cable or IPTV of the total of 2.26 M TV-households in 2012 (70 % of all households) (FiCom)

- 352,000 households have paid television services (35% of cable households)
- 502,000 channel packages were sold in 2009 (1.4 package per household)
- Number of IPTV customers was 256,000 (Finnish Communications Regulatory Authority, Ficora)

Copyright Revenue in the Value Chain

Relation Production ← Exhibition

There are very few, if any, national cable originated programs. Different packages of channels consist of foreign programs. These programs are either foreign broadcasts retransmitted simultaneously and unchanged or foreign program packages. For the first, copyright remuneration for all rights holders is collected by KOPIOSTO and included in the figure for CMOs in the audiovisual field. For the latter, subscription fees for other channels totaled 226 M€ in 2011. The share of exhibition rights is estimated to be 30% of the total revenue, i.e. 67.8 M€.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
CABLE AND SATELLITE					
Subscriptions Broadcasts	226 (102)	Exhibition rights Retransmission right	67.8 M€ 3.4 M€	100 100	67.8 (3.4)
TOTAL	**328**				**67.8**

TOTAL FOR RADIO AND TELEVISION: 273.8 M€

- SUBTOTAL NATIONWIDE RADIO AND TELEVISION: 206 M€
- SUBTOTAL PRIVATE RADIO (included in nationwide radio)
- SUBTOTAL CABLE AND SATELLITE: 67.8 M€

PHOTOGRAPHY

Photography

CMOs in the Field of Photography

Photography

Market and Stakeholders

Market

According to the Economic Contribution of Copyright Industries in Finland, the turnover of the photography sector was 113 M€ in 2008. It includes photographic services, studios, etc. Altogether 1 125 persons were employed in the sector.

Future trends

In the digital environment, the use of photographs grows constantly. However, unauthorized use of photographic pictures in the Internet is a major challenge for professional photographers. Robust metadata and watermarking technologies make the discovery easier, but a lot of education on copyright issues is needed.

Creators (C)

Central Association of Photographic Organizations (FINNFOTO) and its members associations have 8,828 members in the following member organizations (2013):

- Professional Nature Photographers in Finland)
- Press Photographers in Finland (Finlands Pressfotografer)
- The Union of Camera Associations
- Nature Photographers in Finland
- Finnish Image Makers Association
- Professional Photographers in Finland
- Photography Students
- Fotoart

The Union of Journalists in Finland

- Professional press & media photographers are members of the union (15,195 members in total as journalists in various media)

The Union of Artist Photographers in Finland is a member of the Artists' Association of Finland

- The union has some 400 members of the total of 3,000 members in the Artists' Association of Finland

Producers & Distributors (P & S/D)

- Photo agencies: there are some 40 - 50 photo agencies in Finland with various representations of photographers

Exhibitors (E)

- Photo archives and museums
- The Finnish Museum of Photography has a photo archive
- The Picture Collections of the National Board of Antiquities

Copyright Revenue in the Value Chain

Relation Creation ← Production & Sales/Digital delivery

Many **photographers** market their works themselves. Alternatively, they use photo agencies as their representatives. The customary way is granting **a license** (**non-exclusive or exclusive**) for the use of the photograph. License terms are often based on the recommendation of the association. In case of commissioned works, an exclusive license is customary, at least for a period of time. The license defines the media included in the license. Additional remuneration is paid for additional media and time exceeding one year. The license fees are considered as 100 % direct copyright revenue. The estimated invoicing is 27,500 €/year for 1,500 photographers.

Photo agencies license photographs for different uses, such as advertising and media companies. Their turnover is estimated to be 40 M€. After deduction of an agency fee, estimated at 40%, the revenue to photographers is 100% copyright revenue.

Photo archives/museums grant permissions to use photographs in their collections. The turnover is included in the estimate for photo agencies.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
PHOTOGRAPHY					
Photographers	41.2	License	41.2 M€	100 %	41.2
Photo agencies	40.0	License	60 %	100 %	24.0
TOTAL					**65.2**

CMOs in the Field of Photography

- FINNFOTO and the Union of Journalists are members of KOPIOSTO (Joint Copyright Organization)
- The Union of Artist Photographers in Finland is a member of KUVASTO (Visual Artists Copyright Association)
- KOPIOSTO collected in 2012 for reprography 14.8 M€; the share of all visual elements including photography is 2.5 M€ (some 17%) and this is included in revenue for literary works

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
PHOTOGRAPHY					
KOPIOSTO	14.8	Right	2.5 M€	100 %	(2.5)
TOTAL					**(2.5)**

TOTAL FOR PHOTOGRAPHY: 65.2 M€

SOFTWARE AND DATABASES

Software

Databases

Software

In this evaluation, software includes software development and sales of software products by licensing or as services.

Market and Stakeholders

Market

- 3,700 M€ turnover of Finnish software industry (Technology Industries, 2012)
- 7,558 M€ for software and databases (2008) (Economic Contribution of Copyright Industries in Finland 2005 – 2008)

Future trends

- Software development is a growing business area. It is estimated that the 25/75 relation between open source and proprietary software remains the same in the near future.
- The relative importance of SaaS (Software as a Service) in the software business is increasing.

Creators and Producers (C & P)

- IT-sector employed 52,100 in total in 2011; estimated 36,000 employees with software as the main business (Technology Industries)
- IT-sector companies around 8,000 in total
- 15,000 professionals and 500 companies as members of the Finnish Information Processing Association (FIPA) at www.ttlry.fi
- Around 5,000 software development companies (2012) (Technology Industries at www.teknologiateollisuus.fi)

Copyright Revenue in the Value Chain

Relation Creation ← Production

Software developers are customarily **employed by software-producing companies** and their copyright rights are transferred to the employer on the basis of the law, unless otherwise agreed between parties. This evaluation takes as a point of departure that rights reside with the employers, i.e. software development companies, and no direct copyright revenue is estimated in the relation Creation ← Production.

Relation Production ← Usage

The Finnish software firms can be divided into eight categories:

- *Software product firms* offering their own software products using the traditional licensing model (classified as copyright revenue);
- *ASP and SaaS firms* (and to a certain degree PaaS or Platform-as-a-Software firms) offering their software over the internet using either an Application Service Provision (ASP) or Software-as-a-Service (SaaS) arrangement (classified as copyright revenue);
- *Development service firms* providing software development services (development rental) or custom development projects when some or all rights may in some cases be transferred to the paying client (classified as copyright revenue);
- *Deployment projects* offering installation, customization mainly for ready software products (not classified as copyright revenue);
- *Software consulting firms* offering consulting and testing (no copyright revenue);
- *Hardware firms* offering hardware with embedded software (no copyright revenue);
- *Content and ads firms* offering software-related services (no copyright revenue);
- *Non-software firms* offering general consulting and IT support services (no copyright revenue).

The estimated turnover of firms that deal with copyright revenue is estimated to be around 55% of the total turnover of 3,700 M€. As business in this category is in the main based on licensing, rather than sale (transfer of ownership), 90 % of the turnover is regarded as direct copyright revenue. Some sectors of the consumer trade, such as sale of packaged software off the shelves and sale of software in conjunction with hardware, are borderline cases. The prevailing business model is based on selling a license and thus corresponding turnover is included in this evaluation, up to 90% of the trade.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
SOFTWARE (Products and Services)					
Software	3,700				
Products and services	2,035	License	1,830 M€	100	1,830
TOTAL					**1,830**

Databases

Database production, processing and publishing

This section includes a great variety of different services. There is no single industry with a given turnover figure. The Economic Contribution of Copyright Industries in Finland 2005 – 2008 indicates 7,558 M€ for software and databases in the year 2008. On the basis of this, an estimated turnover for database processing would lead to some 5,200 M€.

Central players in database processing and publishing are the following:

- Creators and publishers who create the documents;
- Database producers, who process documents into databases and produce bibliographic data describing the documents;
- Database vendors, online vendors, who acquire one or several databases for online availability;
- Data communication services who provide for the connection to the databases;
- Intermediaries or information professionals who help end users in finding documents;
- End-users, either using the services or intermediaries or using the databases themselves.

Relation Creation ← Production: Databases

Creators and publishers of the underlying material create the content on the basis of the same rules and logistics that apply to the particular category of works. This relation is dealt with in its own industry and context, for instance literature, music or photographs.

It is assumed that the copyright rights of database developers are transferred to the employers, and consequently no direct copyright revenue is identified in relation Creation ← Production.

Relation Production ← Exhibition: Online vendors

Remuneration collected for the use of copyright protected material in online databases cannot easily be grouped under one heading, as the business model is dependant on the transmitted content. Legal online music services, for instance, are reported under music. Databases including technical standards, for instance, are reported under literature (technical materials).

At this stage, no estimate is given for direct copyright revenue in database processing and publishing.

TOTAL FOR SOFTWARE AND DATABASES: 1,830 M€

- SUBTOTAL SOFTWARE: 1,830 M€
- SUBTOTAL DATABASES: no estimate

COMPUTER GAMES

Market and Stakeholders

Market

The estimated turnover in 2012 was 343 M€ in total excluding mobile and online games sold via international websites.

Finland is currently an important producer of some of the most popular games such as Angry Birds (Rovio) and Clash of Clans (Supercell). Digital delivery is gradually becoming the most important sales channel of games.

Future trends

The Finnish game industry has grown quickly during the past few years and the growth will continue as the turnover of game developers is expected be around 600-800 M€ in 2013 according to Neogames.

Creators and Producers (C & P)

- Neogames is a member-based non-profit game industry organization
- 175 game developers and game service providers (an estimate of Neogames)
- Employs 1.800 full-time people; does not include freelancers and start-up company owners (Neogames)
- Turnover of the core game development was 250 M€ in 2012 (Neogames)
- Total turnover was 350 M€ if investments, M&As, and merchandise & licensing are included (Neogames)
- The share of export income is more than 90%

Producers and Distributors (P & D)

- Finnish Games and Multimedia Association (FIGMA): 8 member companies, in charge of distribution and sales
- Estimated turnover of FIGMA members and non-members 97 M€ at resale price value with VAT (2011)
- It should be noted that this figure does not include the turnover of mobile and online games as the sales information is not available from big international online service providers such as Apple and Google

Copyright Revenue in the Value Chain

Relation Creation ← Production

In game development, direct copyright revenue is paid to the developers. Rights are transferred to the employer directly based on the law, unless otherwise agreed by the parties. This evaluation takes as a point of departure that no copyright revenue is paid to the individuals working in development companies, neither to outside individuals.

Relation Production & Distribution ← Usage

The total turnover excluding hardware and accessories is 97 M€. This trade is based on the notion of licensing of usage rights and included as direct copyright share in this evaluation.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
GAMES					
Games	**343.0**				
Development	**250.0**	Royalty/license	250.0 M€	100	250.0
Distribution	**97.0**	Licensing	97.0 M€	100	97.0
TOTAL					**347.0**

TOTAL FOR COMPUTER GAMES: 347 M€

VISUAL AND GRAPHIC ARTS

Visual Arts
Graphic Arts
CMOs in the Field of Visual and Graphic Arts

Visual Arts

The market for visual art, including artistic photographs, includes direct sales and the activities of art galleries, art rental, art museums and sales through auction houses.

Market and Stakeholders

Market

The joint turnover for visual and graphic arts was 22 M€ in 2008 (Economic Contribution of Copyright Industries in Finland 2005 – 2008).

Future trends

Also in the field of visual arts, digitization affects the use of pictures in general, including works of visual art. The demand of visual art content in e-books and other e-material is increasing. Art is displayed in virtual art galleries, and presence in the virtual world is ever more important for museums and also for rights holders. The services relating to tracking and identification of illegal images on the web will also have an impact on the market.

Creators (C)

- Employed labor force in visual arts (sculptors, painters and related artists) was 4,160 in 2005 (Facts and Figures, Creative Industries in Finland)
- Artists' Association in Finland has 3,000 members as professional artists in the following member organizations:
  - Finnish Interdisciplinary Artists Association (MUU)
  - Association of Finnish Sculptors
  - Union of Finnish Visual Arts Associations
  - Finnish Artistic Graphic Designers
  - Finnish Painters' Union
  - Finnish Artists Photographers
- The visual artists' CMO, KUVASTO, has 2,100 members

Distribution and Exhibition (D & E)

- Retail sale of art and art gallery activities: 208 enterprises with 205 employees in 2006 (Facts and Figures, Creative Industries in Finland)
- The Finnish Art Galleries Association: 33 members

- Art rental: 29 members in the association (www.taidelainaamot.fi): a monthly rental fee depending on the price of the art work
- Auction Houses: 2,132 works sold at Finnish art auctions with the sales of 7 M€ and average price of 3,292 € in 2007 (Facts and Figures, Creative Industries in Finland)
- Art museums: 63 museums in 2006, representing 20% of all museums (Facts and Figures, Creative Industries in Finland)

End Use and Usage Habits (U)

- According to the museum statistics, there were 4.9 million visits to museums in 2011
- Art museums have been very popular, and ATENEUM Art Museum attracted 400,000 visitors, the second in line being the Museum of Contemporary Art KIASMA with 182,000 visitors in 2011 (www.museot.fi/museotilastot).

Copyright Revenue in the Value Chain

Relation Creation ← Sales & Exhibitors & Users

Works of visual arts are sold to users directly by the artists themselves and by art galleries. Works may also be commissioned by the acquirer.

Artists get sales income for direct sales. Works sold through galleries on commission also generate sales income. This income is not regarded as direct copyright income. The same applies to remuneration for commissioned works.

Sales through art galleries is estimated to be 16 M€, and a typical commission is 30%. As works in galleries are owned by artists, galleries do not pay copyright revenue for exhibition of works on site or through internet.

Art rental is a relatively new phenomenon which in the majority of case leads to sale; works are rented for a period of time and sold thereafter to the same person. Only in case of institutional users, such as film producers, works of art are rented for the project. Consequently, the estimate for rental is very small.

Sales through auction houses of works of art are estimated to be 7 M€ according the Statistics Finland (2007). **Resale right remuneration** is included in the CMO figures.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
VISUAL ARTS					
Galleries	16.0	Commission	11.2 M€	-	
Art rental	1.0	Rental right	0.1 M€	100 %	0.1
Auction sales	7.0	Resale right	0.2 M€	100 %	(0.2)
TOTAL	**24.0**				**0.1**

Graphic Arts

Graphic arts is described here as one sector, but it includes a variety of professions, such as graphic designer, AD, illustrator, creative director, artist, and website or game designer.

Market and Stakeholders

Market

Joint turnover for visual and graphic arts was 23 M€ in 2008 (Economic Contribution of Copyright Industries in Finland 2005 – 2008).

Future trends

Graphic designers work increasingly in web-design and game companies where the visual element is crucial to the service. Data visualization and information graphics represent a major trend. The amount of information is getting ever bigger and visualization makes information more easily accessible.

Creators (C)

- GRAFIA, Association of Visual Communication Designers in Finland: 1,000 professionals as members
- Illustrators in Finland: 310 members

Copyright Revenue in the Value Chain

Creation ← Production

Graphic designers work in the following areas: corporation graphics, publication graphics, advertisement, and illustrations. Graphic designers can be employed, work through their own companies or as freelancers. They get **a salary or a fee** for their work. According to the Statistics Finland, salaries paid for graphic design were 7.2 M€ in 2008. Part of the salary can be dedicated as direct copyright revenue and an estimate of 7% in used in this evaluation model. License fee can be regarded as 100 % copyright revenue. It is estimated that 100 freelancers invoice 16,500 € yearly.

Illustrators conclude a **license agreement** with the user. A Recommendation Agreement drafted by Illustrators in Finland consists of general terms and terms of commission. Fees paid to illustrators are considered as direct copyright revenue. Illustrators in Finland estimate that some 250 – 400 illustrators work professionally and get part of their income from illustrations (invoicing 16,500 €/year). As illustrators and graphic designers are partly overlapping, the estimate is based on 250 persons.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
GRAPHIC ARTS					
Graphic designers		Salary	7.2 M€	7 %	0.5
		Fee	1.6 M€	100 %	1.6
Illustrators		Fee	4.1 M€	100 %	4.1
TOTAL					**6.2**

CMOs in the Field of Visual and Graphic Arts

The relevant CMOs in the field of visual and graphic art are the following:

- KUVASTO (Visual Artists' Copyright Association)
- KOPIOSTO (Joint Copyright Organisation): public lending remuneration for visual art and photography
- KOPIOSTO: reprography remuneration includes also revenue for visual and graphic artists (included in the figures of CMOs is the literary field)

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
CMOs					
KUVASTO	0.6	Exhibition right	0.2 M€	100 %	0.2
		Reproductions	0.2 M€	100 %	0.2
		Resale right	0.2 M€	100 %	0.2
KOPIOSTO	27.6	Public lending	0.4 M€	100 %	0.4
TOTAL					**1.0**

TOTAL FOR VISUAL AND GRAPHIC ARTS: 7.3 M€

- SUBTOTAL VISUAL ARTS: 0.1 M€
- SUBTOTAL GRAPHIC ARTS: 6.2 M€
- SUBTOTAL CMOs IN THE FIELD OF VISUAL AND GRAPHIC ARTS: 1.0 M€

ADVERTISING

The broader concept “Marketing Communication” includes the following subsections:

- Media advertising
- Direct marketing
- Sales promotion

Market and Stakeholders

The sector “advertising” includes information on agencies and buying services. The WIPO Methodology of 2003 suggests that the price of advertising should not be included in the measurement.

Market

There are many estimates of the size of the sector

- Turnover 1,662 M€ and 8,128 employees (Economic contribution of the copyrights-based industries in Finland, 2008)
- Turnover 1,500 M€ and 6,823 employees in 2,827 enterprises (2006) (Facts and Figures/Creative Industries in Finland 2009)
- Print and electronic media advertising 1,353 M€ (2012) (Union of Advertisers, www.mainostajat.fi)

The share of various media advertising was as follows in 2012 (Press release January 29, 2013, Finnish Advertising Council MNK)

- Print media advertising 54.1 %
- Electronic media advertising 42.7%
- Outside/vehicle advertising 3.2%

Future trends

The share of advertising in the Internet is on the increase, being 17.8% in 2012. This is expected to grow over the coming years. However, the growth in network advertising does not fully compensate the slight decrease in advertising revenue that is expected.

Creators (C)

- Creative professionals employed by advertising agencies
- 5,852 persons working in 2,465 advertising agencies with total salary of 236 M€ in 2008 (Statistics Finland)

Producers of Audio-Visual (Production/AV)

- Association of Independent Producers in Finland (SATU)
- Members 101 and 22 of them work in the field of advertising (2011)

Producers – Distributors (Production & Sales)

- 102 enterprises with 1,500 employees in the Finnish Association of Marketing Communication Agencies (MTL)

Exhibitors (E) (Advertisers)

- Some 400 member companies in the Association of Finnish Advertisers

Copyright Revenue in the Value Chain

Relation Creation ← Production & Sales/Digital delivery

Some 2,000 persons work in MTL member companies with a salary of 46,000 €/year. The copyright rights are customarily transferred to the employer and no direct copyright share is estimated in this evaluation.

Relation Production/AV ← Production & Sales

Ad films include productions for television, video, cinema, internet or mobile. According to the general conditions for adverting films by SATU, the commissioner gets the right to transmit the ad in television or the agreed forum. A separate agreement is due for wider usage rights, such as other media, extra copies, showing outside Finland. Remuneration for extra rights is agreed between the parties. The film producer is responsible for any third party content used in the film, such as music. In case the commissioner is an advertising agency, the company has the right to transfer the usage rights to the advertiser.

The trade is based on the concept of **exclusive licenses**, and the ownership to the material (film) stays with the ad producer. The fees paid for third party content, such as music, is included in the section for music; TEOSTO in the case of musical works.

The turnover of member companies of SATU is estimated to be 101.2 M€ and the share is advertising films is estimated to be 26.2 M€. This license is based on rights and thus 100 % as direct copyright revenue.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
AD FILMS					
AV producers	101.2	License	50.6 M€	100 %	26.2
TOTAL					**26.2**

Relation Production & Sales ← Exhibitors

According to the general conditions agreed between the advertising agencies and advertisers, the advertiser gets ownership rights to the material it has commissioned. The advertising agency is responsible for any third party content used in the advertisement. No direct copyright revenue is included in this relation.

Fees paid for third party content, such as photographs, are included in the relevant section.

TOTAL FOR ADVERTISING: 26.3 M€

COLLECTIVE MANAGEMENT ORGANISATIONS (CMOs)

This section includes summary information on the revenue collected by CMOs. It is included for reference purposes only, as the figures are presented in the sector which the CMOs serve. All figures concerning the revenue collected by CMOs are gross figures, including the share of administrative costs.

The term "Right" is used here for exclusive rights, remuneration rights and fair compensation for private copying.

Source	Turnover (M€)	Revenue type	Revenue (% or €)	Copyright Share (%)	Copyright Revenue (M€)
CMOs					
TEOSTO	49.9	Right	49.9 M€	100 %	(49.9)
TEOSTO/ncb	5.6	Right	5.6 M€	100 %	(5.6)
GRAMEX	13.7	Right	13.7 M€	100 %	(13.7)
KOPIOSTO	27.1	Right	27.1 M€	100 %	(27.1)
KUVASTO	0.6	Right	0.6 M€	100 %	(0.6)
TUOTOS	1.5	Right	1.5 M€	100 %	(1.5)
SANASTO	3.3	Right	3.3 M€	100 %	(3.3)
TOTAL	**101.7**				**(101.7)**

Summary

The total of identified direct revenue streams based in 2012 figures is 2,931.2 M€, as compared to 2,022.4 M€ in 2008. There is positive growth in all industries, except for advertising.

The breakdown of direct copyright revenue into different copyright-based industries and their subcategories in 2012 is as follows:

PRESS AND LITERATURE: 148.9 M€
- BOOK PUBLISHING: 57.7 M€
- NEWSPAPER/MAGAZINE/PERIODICAL/JOURNAL PUBLISHING: 72.6 M€
- CMOS IN THE LITERARY FIELD: 18.6 M€

MUSIC, THEATRICAL PRODUCTIONS & OPERA: 94.2 M€
- MUSIC: 89.4 M€
- THEATRICAL PRODUCTIONS & OPERA: 4.8 M€

MOTION PICTURE AND VIDEO: 138.6 M€
- FEATURE FILMS: 54.4 M€
- OTHER AV-PRODUCTIONS: 75.0 M€
- CMOs IN THE FIELD OF AV: 9.2 M€

RADIO AND TELEVISION: 273.8 M€
- NATIONWIDE RADIO AND TELEVISION: 206 M€
- PRIVATE RADIO (included in nationwide radio)
- CABLE AND SATELLITE: 67.8 M€

PHOTOGRAPHY: 65.2 M€

SOFTWARE AND DATABASES: 1,830 M€
- SOFTWARE: 1,830 M€
- DATABASES: no estimate

COMPUTER GAMES: 347 M€

VISUAL AND GRAPHIC ARTS: 7.3 M€
- VISUAL ARTS: 0.1 M€
- SUBTOTAL GRAPHIC ARTS: 6.2 M€
- CMOs IN THE FIELD OF VISUAL AND GRAPHIC ARTS: 1.0 M€

ADVERTISING: 26.3 M€

The following table shows the breakdown of the identified direct copyright revenues into the studied industries in percentages:

Press and literature	148.9 M€	5.1%
Music, theatrical productions & opera	94.2 M€	3.2%
Motion picture and video	138.6 M€	4.7%
Radio and television	273.8 M€	9.3%
Photography	65.2 M€	2.2%
Software and databases	1,830.00 M€	62.4%
Computer games	347.0 M€	11.8%
Visual and graphic arts	7.3 M€	0.3%
Advertising	26.2 M€	1.0%
Total	**2,931.2 M€**	**100.0%**

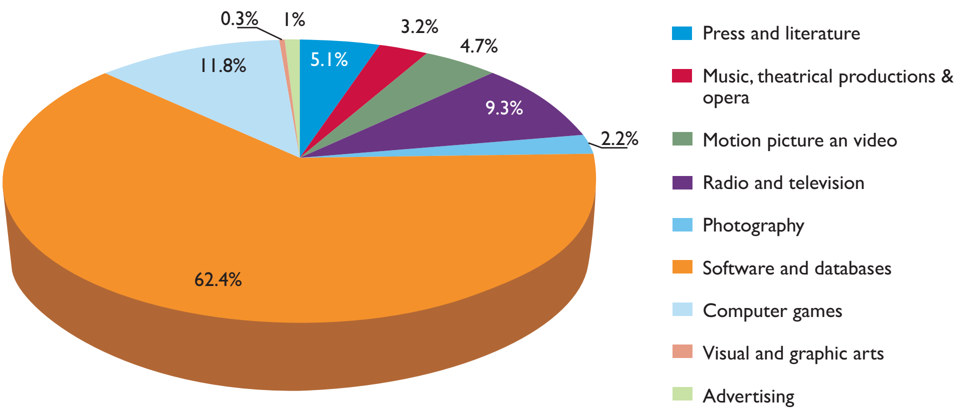

Figure 1. Identified direct copyright revenue streams: Breakdown into industries.

Total revenue without software and databases is 1,101.2 M€ and the breakdown into industries as follows:

Press and literature	148.9 M€	13.5%
Music, theatrical productions & opera	94.2 M€	8.5%
Motion picture and video	138.6 M€	12.6%
Radio and television	273.8 M€	24.9%
Photography	65.2 M€	5.9%
Computer games	347.0 M€	31.5%
Visual and graphic arts	7.3 M€	0.7%
Advertising	26.2 M€	2.4%
Total	**1,101.2 M€**	**100.0%**

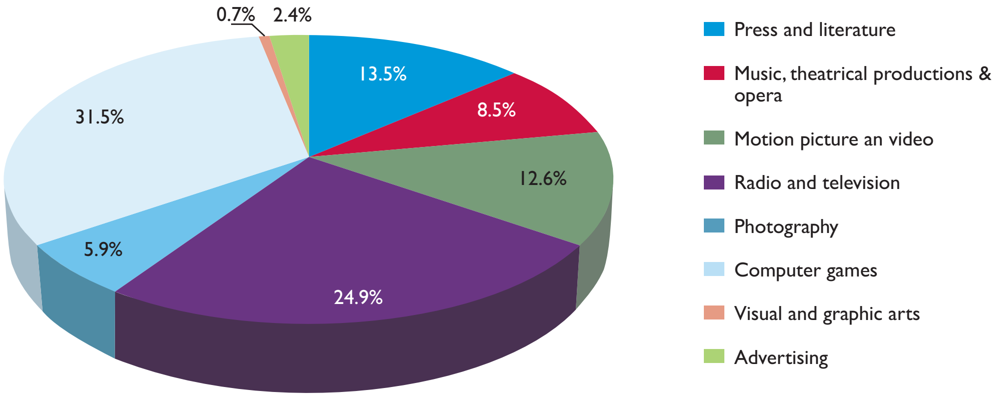

Figure 2. Identified direct copyright revenue streams: Breakdown into industries excluding Software and databases.

The revenue collected by collective management organizations (CMOs) was in total 101.7 M€, which is 3.5 % of all identified revenue streams. When software and databases are excluded, the share is 9.2 % of the total revenue.

When comparing the different phases of value creation in various industries, it can be noticed that most direct copyright revenue streams are identified in the production phase, as the following table shows:

Direct copyright revenue streams in M€, as divided into different steps of value creation.

	Creation (C)	Production (P)	Exhibition (E)	Distribution (S)	Digital Delivery (D)	CMOs	Total, M€	Total %
Press & Literature	87.5				42.8	18.6	148.9	5.1
Music, Theatrical Productions, Opera	10.1	4.9		1.0	5.7	72.5	94.2	3.2
Motion Picture and Video	2.0		75.0	52.4		9.2	138.6	4.7
Radio & TV	20.2		251.3	2.3		*Included in music and motion picture*	273.8	9.3
Photography	41.2			24.0		*Included in press and literature*	65.2	2.2
Software & Databases		1,830.0					1,830.0	62.5
Computer games		250.0		97.0			347.0	11.8
Visual & Graphic Arts	6.2			0.1		1.0	7.3	0.3
Advertising		26.2					26.2	0.9
TOTAL M€	**167.2**	**2,111.1**	**326.3**	**176.8**	**48.5**	**101.3**	**2,931.2**	
TOTAL %	**5.7**	**72.0**	**11.1**	**6.0**	**1.7**	**3.5**	**100**	

As can be seen from the table, the figures of the industry category Software and databases strongly affect the overall figures of different phases of value creation. Therefore, the total figures without this category are presented hereunder.

	Creation (C)	Production (P)	Exhibition (E)	Distribution (S)	Digital Delivery (D)	CMOs	Total, M€	Total %
Press & Literature	87.5				42.8	18.6	148.9	5.1
Music, Theatrical Productions, Opera	10.1	4.9		1.0	5.7	72.5	94.2	3.2
Motion Picture and Video	2.0		75.0	52.4		9.2	138.6	4.7
Radio & TV	20.2		251.3	2.3		*Included in music and motion picture*	273.8	9.3
Photography	41.2			24.0		*Included in press and literature*	65.2	2.2
Computer games		250.0		97.0			347.0	11.8
Visual & Graphic Arts	6.2			0.1		1.0	7.3	0.3
Advertising		26.2					26.2	0.9
TOTAL M€, without Software and databases	**167.2**	**281.1**	**326.3**	**176.8**	**48.5**	**101.3**	**1,101.2**	
TOTAL %, without Software and databases	**15.2**	**25.5**	**29.6**	**16.1**	**4.4**	**9.2**	**100**	

It should be remembered that the estimated figures from different industries are based on definitions presented in the description of the evaluation model and presentations of the industry data. They will not give an exhaustive picture of direct copyright revenue streams in different industries but provide approximations and add to transparency of industry level data. Furthermore, the evaluation model provides only tentative data for analysing the division of revenue between the actors in different steps of the value creation processes.

As said at the outset, the evaluation of direct copyright revenue streams does not as such give any indication about the size of the respective industry. Born-digital industries, such as software & databases and computer games, show high figures as this trade is based on the notion of licensing. In industries where analogue products bring the majority of the turnover, figures are lower that the relative size of the industry.

NOTES

DIRECT COPYRIGHT REVENUE STREAMS IN CREATIVE INDUSTRIES IN FINLAND

AN EVALUATION

The study was commissioned by the Finnish Copyright Society, and was carried out by Ms Tarja Koskinen-Olsson, Olsson & Koskinen Consulting, and Mr Jari Muikku, Digital Media Finland. This study is a contribution to a larger national project to establish a methodology to assess the operation of national copyright and related rights systems. It is a follow-up of a first study which was published in 2010 and was based on the 2008 figures.

Publication Series of the Finnish Copyright Institute

The Finnish Copyright Institute, established within the Finnish Copyright Society, publishes in its Publication Series studies, articles, research reports etc. Furthermore, the Institute publishes materials on legislation, preparatory legislative documents and case law.

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