

HOW

LATIN AMERICA's

RENAISSANCE IS

REDEFINING THE

GLOBAL MUSIC MARKET



AN EXCLUSIVE REPORT BY



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HOW LATIN AMERICA'S RENAISSANCE IS REDEFINING THE GLOBAL MUSIC MARKET

● EXECUTIVE SUMMARY

The immeasurable rise and rise of the music business in Latin America, once thought to be a hopeless haven of piracy, will be acknowledged at the Latin American Forum during this year's Midem, the world's leading international music-industry event. This exclusive White Paper, called **How Latin America's Renaissance Is Redefining the Global Music Market**, explores how and why the continent's music is developing even more rapidly than the also growing global market. The report is triggered by the inaugural Midem Latin American Forum, which was held in Rio de Janeiro on 26-27 November 2018 and continues during this year's Midem event in 4-7 June. The Forum is part of Midem's High Potential Markets Programme that kick started with Sub-Saharan Africa last year. As part of this year's initiative for Latin America, this document sets the tone for what the industry can learn from the region. It highlights developments that have made the continent a beacon of future growth globally.

Among the topics highlighted are the following:

- **Pan-Latinism:** In addition to advances being made by the recorded and live sectors in individual national markets, the potential for a pan-regional industry serving a population of 600 million-plus grows.
- **National phenoms:** How Spanish-speaking Colombia has reinvented itself into a thriving exporter of music; how Portuguese-speaking Brazil has retained its status as one of the world's biggest markets.
- **Profile of Latin-music listeners:** What industry experts discovered after delving deep into Latin American fans' tastes.
- **Digital media and streaming:** Latin American artists were among the first worldwide to explore and successfully exploit the effective international gains to be made from digital media and streaming platforms.

- **Burgeoning live-music market:** By enabling more effective music discovery, streaming and digital media have introduced fans outside Latin America to Latin artists they now want to see perform live.
- **Telecoms network distribution:** Millions of Latin Americans might not have access to credit cards or bank accounts, but a growing number of Latin Americans are accessing paid-for digital music via mobile-phone services.
- **Copyright legislation:** The enforcement of copyright laws remain woefully slow in the region's different countries, but the related organisations are determined to continue their anti-piracy battles.

// **THE LAST FEW YEARS HAVE BEEN INCREDIBLE FOR LATIN ARTISTS, WITH TALENT FROM THE REGION EXPLODING GLOBALLY."**

ALEXANDRE DENIOT, MIDEM DIRECTOR.

// **THE TOTAL MUSICAL TALENT IN LATIN AMERICAN IS BREATHTAKING."**

PHIL RODRIGUEZ,
CEO, MOVE CONCERTS.

// **MY KEY ADVICE TO LATIN ARTISTS IS NOT TO HINDER THEIR HORIZONS. "**

MARY NUÑEZ, VICE PRESIDENT SYNC US LATIN & LATIN AMERICA, WARNER/CHAPPELL MUSIC.

• INTRODUCTION

The size of the region's share of the international business was 4.1% that year, at a time when the US\$17.3bn global market itself was progressing at a very robust rate, thanks to the booming streaming-music industry.

In fact, Latin America reported a whopping 48.9% leap in streaming revenues in 2017 compared to a 39% international growth rate, MIDiA Research says.

Thanks to streaming platforms, from YouTube, Spotify and Deezer to Apple Music, Soundcloud and Napster, the rest of the world has discovered a host of established, emerging and fast-rising Latin American acts and their fusion of traditional genres, pop and edgy urban beats.

This is more than the crossover or World Music associated with the established big names and veterans like Shakira, Luis Miguel, Gloria Estefan, Tito Puente, Ruben Blades and Carlos Santana. Among the new wave of current chart toppers, think of Luis Fonsi, Daddy Yankee, Ozuna, J Balvin, Juanes, Anitta, Danny Ocean and Ludmilla. These are the born-and-raised-in-Latin-America artists, unapologetically taking their native tunes to the rest of the world.

Listeners and artists at the national level are also discovering new acts in their neighbouring Latin American countries.

Additionally, they are unearthing Latin-influenced recordings in the US (where 60 million Spanish-speaking Hispanic and Latin people represent about 20% of the population), Africa, Asia and Europe. In this case, think of Pitbull, Cardi B and Prince Royce (US), Enrique Iglesias (Spain), Alesso (Sweden), Adango (Cameroon) and DJ Snake (France).

The global transfusion of Latin music is injecting new explosive life into the international scene, which has got everyone talking.

Midem, the world's leading international music industry event, has recognised this and embarked on a mission to pin down how to strengthen the developments made to date.



Jana Linhares

• INTRODUCTION

As Alexandre Deniot, Midem's CEO, says: "The last few years have been incredible for Latin artists, with talent from the region exploding globally. We welcomed Daddy Yankee to Midem in 2017 at the very height of the Despacito phenomenon, and now we're thrilled to support the internationalisation of Latin music further through dynamic Midem initiatives.

"Having welcomed some of the region's most hyped talent to our stages over the years, from Celia Cruz to Gilberto Gil, Molotov, Anitta, Visi-tante, Compay Segundo, Elvis Crespo and Maná, we're looking forward to contributing to the forging of even stronger relationships between this thriving market and the rest of the world's music community."

This started with the first-ever Midem Latin American Forum at the Centro SEBRAE Referência do Artesanato Brasileiro last November. An invita-

tion-only event, it saw Midem's organisers gather top-tier decision makers to debate the future of the region's business on the ground in Brazil.

Midem's event partners included Apex-Brasil and Governo do Rio de Janeiro.

The conversations among Latin American senior executives and artists that took place then will continue at Midem itself in Cannes this June.

Until then, read this exclusive Midem White Paper, **How Latin America's Renaissance Is Redefining the Global Music Market**, which explores how the region itself plans to sustain an industry that is already flourishing internationally.



Midem's Alexandre Deniot



Adango

THIS EXCLUSIVE MIDEM WHITE PAPER explores how the continent's music sector reported a 17.7% growth in recorded-music revenue in 2017, more than double the global rate of 8.1%, according to IFPI data.

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA

Latin American is the talk of the town in the global music market. In addition to being the world's fastest growing music region, the region is kindling innovation in the way artists and other music creators collaborate, market their brands and commercialise their projects.

Music from the region and its influence on the US Hispanic market has advanced a long way since Ritchie Valens' *La Bamba* in 1951, followed by recordings from Santana, Ruben Blades, Ana Gabriel, Gloria Estefan, Luis Miguel, Ricky Martin and Selena in the 1970s, 1980s and 1990s.

But even they were treated as sophisticated crossover novelties in the English-dominated international music sector.

Today, the needle on that turntable appears to be moving in the opposite direction. The international recorded-music charts are bursting with names like Luis Fonsi, Daddy Yankee, Karol G, Bad Bunny, Maluma, Anitta, and groups like boy band CNCO, Mexico's Calibre 50 and Brazilian trio Melim.

They have introduced a world used to conventional rock and pop music to a host of other genres such as reggaeton, trap, electro cumbia, vallenato, moombahton, and the fast emerging baile funk. A fusion of traditional Latin America music, urban US sounds and African rhythms, plus the influences of nearby Spanish-speaking Caribbean islands,

Latin America's contemporary recorded music is being heard far beyond the region's borders.

A DYNAMIC DIGITAL MARKET

Latin American artists are prominent among the music creators who put into practice the theory of using digital media to develop a DIY (do-it-yourself) career.

In reality, it might not be feasible for any individual to build a global career on his or her own. But with the right talent management, label, publisher or other creative partnerships, digital technology can be used effectively and efficiently to market and distribute music to fans in any part of the world. This was encapsulated in the phenomenal global reggaeton/Latin pop hit *Despacito*, the multi-award winning sensation recorded by Luis Fonsi (featuring Daddy Yankee).

Recorded by Universal Music Group, it is the first-ever YouTube video to hit the 3 billion-views mark, and then 4 billion, and then 6 billion views. And that excludes the several remix versions and Grammy-nominated edition featuring US singing star Justin Bieber. The song equally stayed at No.1 for 14 consecutive weeks in 50 markets on the Spotify charts. Luis Fonsi has since extended his worldwide deal with Sony/ATV Music Publishing.



Daddy Yankee

Digital-media penetration is still small in the Latin American territories. But creative Latin acts, in both Latin America and among the nearby US-based Hispanic communities, have learned to become experts in adopting YouTube, Spotify and other streaming services, Facebook, Twitter and WhatsApp to reach fans and raise their profiles internationally.

It seems inevitable considering how, traditionally, they were shut out of the legacy international media outlets.

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA



Zach Fuller

// **BRAZIL ALONE REPORTS ABOUT 220 MILLION SMARTPHONES IN USE IN A COUNTRY WITH A POPULATION OF 211 MILLION PEOPLE"**

ZACH FULLER

Spotify, the leading international streaming-music platform, boasts a reported 96 million paying subscribers and more than 191 monthly active users (MAU) worldwide. About 22% of the MAU subscriptions are in Latin America.

Apple Music has 56 million subscribers internationally and is reportedly set to become bigger than Spotify in North America. Meanwhile, Deezer has also set its sights on Latin America.

According to the Latin American unit of IFPI, the global music industry's trade organisation, when the growth rate for streaming-music revenues reached 4.1% globally in 2014, it reached 7.3% in Latin America.

The rate rose to 11.8% in the region compared to 3.2% globally the following year. In 2016, it was 5% worldwide and more than double at 12% in Latin America.

The penetration of smartphone is also widening. Brazil alone reports about 220 million smartphones in use in a country with a population of 211 million people, said Zach Fuller, media analyst at UK-based MIDiA Research, during a recent Midem Latin American Forum event.

The growing reach of mobile-distributed music plus the low penetration of the credit cards required to pay for digital downloads created a gap that streaming has found easy to fill. The addition of easy access of free apps for YouTube and ad-fund-

ed versions of Spotify has made streamed music accessible to low-income fans in Latin America. And there is still plenty of room for progress, especially when you consider how the same digital tools can be used to enhance the marketing of live concerts and the strategy for international tours. With social media alone, you can get a pretty good idea of the geographical regions where an artist is in demand these days.

"Let's finally understand that streaming is still at its infancy," Oscar Castellano, ex-CEO Americas at Deezer, advises. "The average penetration over the smartphone base in the whole of Latin America is around 4%-5%. So despite all these challenges that are being progressively taken care of, we have a long and brilliant way to grow."

WHAT ARE LATIN AMERICANS LISTENING TO AND HOW?

In terms of consumer behaviour, the vast majority of fans in Brazil and Mexico enjoy their recorded music via music videos, mostly on YouTube.

The next most popular distribution channel for music is the radio, followed by ad-supported free streamed music, according to MIDiA Research. And "YouTube has by far the widest age reach of any streaming app", MIDiA says.

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA

Entrepreneurs, music-industry executives and artists seeking to expand into Latin America need a firm grasp of what the local fans are looking for. First, this is very much a multi-lingual and multi-cultural region that comprises 20 countries. And in terms of culture, history, heritage and standard of living, those countries vary.

There are Spanish-speaking markets that represent the vast majority of the countries, including the emerging economies like Mexico, Argentina, Chile and Peru, plus the neighbouring Caribbean islands and archipelagos, like Puerto Rico, the Dominican Republic and Cuba.

Brazil is the only Portuguese-speaking country in South America. But it cannot be ignored. With a population of more than 210 million citizens, it is among the world's Top 10 economies, while Mexico is in the bottom half of the Top 20. Brazil is also ranked No.9 among IFPI's Top 10 music markets. And while Brazil might be famous for the traditional bossa nova, the samba, and choro, a new generation of acts are gaining an international following from singing sertanejo, carioca funk, axé and the highly rated baile funk, a new genre fusion influenced by hip hop and centred in Brazilian street life and culture.

"The most important thing to understand is that Latin music is very diverse. You should not think this as opportunistic, but more as a way to continue

expanding your audiences and reach, and innovating by experimenting with new sounds," Rocío Guerrero Colomo, Warner Music Group's vice president A&R and cross-cultural strategy for Latin Music, says to potential investors in Latin music. "I don't think this should be the case only with Latin music but also with any new sound coming from any part of the world."

IFPI looked into what Latin American fans are listening to. In Argentina, 43% said they like Latin Music while 36% preferred reggaeton.



Anitta

In Mexico, traditional Mexican music is very popular, with 42% of those interviewed saying they are regular listeners of the genre. But Latin Music in general dominated, with 55% liking the genre in the country.

In Brazil, MPB (musica popular brasileira), modernised versions of Brazilian popular music, is the most popular genre listened to by fans, followed by sertanejo (described as Brazil's equivalent of the US' country music) and the traditional samba (34%).

STREAMING AND DISCOVERY IN SYNC

The global digital-media and streaming platforms, from music to TV and social media, have become powerful discovery tools for introducing new and eclectic music to anyone connected to the internet.

Sync music, where music is used as the soundtrack in films, TV shows, commercials and online videos, is contributing to the discovery of Latin American artists by music fans in other parts of the world. In a region where low income prevents millions from paying for music, sync revenue can be a robust addition to artists' incomes, especially if the music is heard overseas as well. And as the consumption of Latin music grows worldwide, so do the sync opportunities.

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA

International brand owners will want to feature Latin artists in their marketing campaigns, DJs will seek Latin beats for remixes, and producers will want Latin-influence film/TV scores.

But going after the sync business requires careful strategy, advised Mary Nuñez, vice president sync US Latin & Latin America, Warner/Chappell, during a Midem Latin American Forum panel.

The artist must want to reach an international audience and be associated with major ad campaigns or film/TV productions, which are growing thanks to the emergence of popular streaming-TV platforms like Netflix and Hulu.

Additionally, these artists must be happy to collaborate with artists outside their home markets, even if it means the song will be reinterpreted for sync.

"I think a lot of artists want to be discovered in an organic, authentic place and sync is a wonderful vehicle for that to happen," Nuñez said, citing Colombian band Bomba Estéreo as a great example.

"I found them to be amazing in sync because it is a very universal sound. The song can be in Portuguese or Spanish, but it has to have a universal life."

She also attributes the eruption of Latin American music on the international market to YouTube's subtitles and closed captions. "It means people can understand songs around the world. That is going to develop in the coming years because all the lyrics services will be adding translations," she added.

A UNIFIED MARKET

A united Latin sector has the potential to be a powerful platform for artists, if you add Latin American consumers to their counterparts among Hispanic Americans in the US, consumers in Spain, Portugal plus the Spanish-speaking and Portuguese-speaking markets in Africa and the Caribbean. Targeting Latin America itself for business and creative opportunities, however, comes with a significant challenge: the presence of the colossal Brazilian market right in the middle of a host of Spanish-speaking countries.

// **I THINK A LOT OF ARTISTS WANT TO BE DISCOVERED IN AN ORGANIC, AUTHENTIC PLACE AND SYNC IS A WONDERFUL VEHICLE FOR THAT TO HAPPEN"**

MARY NUÑEZ



Erika Ender

It is a challenge you ignore at your peril, for it is the world's ninth biggest music market, a Top 10 global economy and home to 200 million-plus citizens. Yet, there is more to the Latin continent than the two different languages. Each country, from Brazil, Mexico, Argentina and Colombia to Chile, Peru, Ecuador, Uruguay and Venezuela, comes with its own political, economic and social issues and that affects how much fans spend on music. But consider how much the music business will benefit if the countries' strengths are combined into a regional whole.

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA

At the political level, the OECD (Organisation of Economic Co-operation and Development), the global intergovernmental group, is hopeful about the continent's future. It predicts economic growth continuing in Argentina, Brazil, Mexico, Chile, Colombia, and Costa Rica by 2020.

Now, the music industry is considering a pan-Latin sector to capitalise on the harmonisation of the benefits at local levels.

It is still early days. The individual markets are only now establishing their respective national strengths in the industry. Copyright laws also require reinforcing at the local level before any concept of a pan-regional legislation can come into force.

Yet, industry executives speaking at the Midem Latin American Forum felt constructing a region-wide level to the business was a goal worth aiming for. "A few years ago, we saw Brazil as a little distant, as a universe apart. Nowadays, we can certainly say: 'We are one Latin America, including Brazil'. And it is important this is happening now, con-

sidering Latin music's place in the world," said Laura Mendoza, country manager for Colombia, Venezuela, Ecuador and Central America at Al-tafonte, the music-distribution specialist.

"Brazil had been out of the Latin American market for a long time. I believe that has always been a mistake, not only by the countries that forget about Brazil, but also by the Brazilians who forget the brothers who are close to us in all of Latin America. I think we are going to take off now," Paulo Lima, president, Universal Music, Brazil, said.

And Sebastian Carlomagno, COO of live-music promoter Move Concerts, observed that other Latin American countries are positioning themselves as part of the regional whole in the same way Brazil is doing.

"Brazil has started to get involved in what the continent is and is helping to make it stronger," he said. "But we also forget the other countries that have started to grow, for example Peru, which has already begun to be part of the great inter-

national expansion. Or even a smaller country like Uruguay. I believe we're in a good place to debate what we should do together to make Latin American music much bigger."

THE ROLE OF TELECOMS AND TECH

It is not only digital media that is helping to propel Latin American music across the international stage. Telecommunications and other tech are also enabling the monetisation of music in the region. Latin Americans' standard of living is much lower compared to their counterparts in developed economies like the US and Europe.

For example, the gross domestic product (GDP) per head in the US with its 330 million-plus population is currently US\$64,070. The Latin American nation with the highest GDP per capita is Uruguay with US\$18,610 and that is with a comparatively tiny population of 3.5 million.

This means it is easier for the average Latin American music fan to search for and listen to music for free than to pay for it. The high use of YouTube and Spotify confirm this.

But paid-for streaming music is also being channelled into mobile-phone services on the continent. It still is not the perfect solution for monetising streaming music as an estimated 80% of the region spend less than US\$1 a week on pre-paid mobile services.

// Mobile carriers are probably the best distribution channel for music in emerging markets"

JUAN FRANCISCO SAAVEDRA PLATA

1 • TALES TO TELL AND LESSON TO LEARN FROM LATIN AMERICA

Juan Francisco Saavedra Plata



Yet, telecom networks, including Telefonica, TIGO, TIM and CNT in various countries, are offering bundles of music and other content into their smartphone-data packages. That enables the telecoms operator to add the music's cost to the customer's mobile-phone billing.

France-originated Deezer is among the international streaming services creating partnerships with the region's telecoms networks to boost music revenues. Using an increasingly ubiquitous device like the mobile phone to deliver music to paying consumers must be a start, argued Juan Francisco Saavedra Plata, CEO/founder of Kuack Media

Group, which develops white-label music-distribution services in emerging markets.

Plata is on a mission to deliver music to the region's 500 million casual users via their mobile devices.

"Mobile carriers are probably the best distribution channel for music in emerging markets," he declared at the Midem Latin American Forum.

"Right now, your mobile is part of your life and when you are on a bus to school or to work, you are a casual user of music. Those casuals have become the largest market in the region, in our opinion."

As a strategy, telco distribution needed the co-operation of rights owners, especially the music labels. And it is working. Plata pointed out that the top streaming services like Spotify, Amazon and Apple Music entering emerging markets know that is how they are going to generate revenues from low-income consumers.

THE TECH START-UP HURDLES

Latin America is more famous for its creative industries (global musical hits, Oscar-winning movies, globally sold TV novelas, iconic art and more) than it is for innovative technology. But there is an emerging class of tech entrepreneurs targeting the music business.

They include Queremos (it is known as WeDemand in English-speaking markets), which has

launched a crowd-funding platform that enables fans to become concert promoters.

Fans will support an artist's planned concert or tour or suggest one by purchasing tickets in advance via Queremos/WeDemand. Once the minimum number of sold tickets is reached, the concert is scheduled. Its original goal was to encourage promoters to set up concerts by international acts in the smaller Latin American markets, but it has since expanded significantly into the US.

Queremos has already worked with established acts, such as US rapper Trey Songz, K-pop sensations BTS as well as US electronic-rock band LCD Soundsystem and UK rock group Primal Scream. Another burgeoning music-tech startup is Chile-originated Groovelist, which has been described as the music industry's LinkedIn, as it brings together artists and industry executives searching for talent to work with.

Fanear, also from Chile, is a tech analytics service that monitors and gathers data on what happens at concerts, music festivals and other live events so that artists can learn what their fans really want. On the one hand, Groovelist has received support from Chile's state-owned organisations that encourage economic growth, and Fanear has been commissioned to analyse the country's live-music sector by state departments.

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Colombia-based Poliedro, an agency that backs innovation and technology projects, works with the country's Ministry of Culture to devise policies that support the creative industries, including music. On the other hand, WeDemand's CMO/co-founder Bruno Natal says he has had the opposite experience but it is a reality that potential start-ups on the continent need to bear in mind.

"Queremos' unique selling point is that we are the only promoting platform that gives fans a direct voice to choose who and where they want to see at a concert. So we make the fan an active part of the curation process and that is something only we are doing," he says.

"There are many more like us in music tech, but it is not widespread. And there is definitely not enough support or encouragement by most of the national and regional governments."

In the end, the solution, he and others have suggested, is to travel to more investment-friendly countries, including Silicon Valley in the US, and attend international trade fairs like Midem, where the opportunities to meet potential investors improve significantly.

Meanwhile, developments in state support are growing. The Brazilian Trade and Investment Promotion Agency (APEX-Brasil) says it has started projects designed to foster investment in the nation's creative industries and related technologies.

A prime example is the partnership formed with the Brasil, Musica & Artes organisation to launch the Brazilian Music Exchange, which encourages the export of Brazilian music. Among the Brazilian tech start-ups that the Exchange has had talks with is ClapMe, which broadcasts live concerts online, and crowdfunding platform Embolacha.

COPYRIGHT ISSUES

Content piracy in Latin America remains a serious problem. Last year, APDIF (Association for the Protection of Phonographic Rights) was quoted in a variety of trade media as saying 97% of Mexicans questioned for a survey admitted to accessing music illegally.

Muso, the anti-piracy organisation ranked Brazil as the world's biggest market for illegal digital websites in 2017. But the anti-piracy fight is also ongoing. In January, the Torrent Freak website reported that Brazil's Ministry of Justice enforcement agency, Policia Federal, kick-started Operation Copyright to clamp down on the epidemic of pirate websites distributing unauthorised TV shows, music, movies and video games.

Latin America, however, does recognise the need to protect intellectual properties.

Its countries are signatories to international copyright treaties, including the 1886 Berne Convention, and most of them have signed the 1961 Rome Convention (excepted Cuba, Suriname and Haiti).

Several are also members of the WIPO international treaties set up to protect content in the digital environment as well.

However, music piracy remains rife despite the existence of copyright legislation at the national level, Marcelo Castello Branco, CEO at UBC (the Brazilian Union of Composers), says. He attributes the problem to the feeble enforcement infrastructures. "The main concern for the music industry is the huge number of legislative bills being introduced to expand the exemptions and limitations to authors' rights, which could create a situation of weakness to the protection of authors rights."

Until that is resolved, he adds, "there isn't a strategy or effort for a pan-Latin American legislation". However, he is confident that educating the public will be a major start to developing anti-piracy policies. "Understanding the damage caused by piracy is growing constantly in society, but education and public policy should be permanent at all levels, from government, industry associations, authors to artists."

// THERE ISN'T A STRATEGY OR EFFORT FOR A PAN-LATIN AMERICAN LEGISLATION."

MARCELO CASTELLO BRANCO

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MISTAKES TO AVOID

Industry experts offer advice to potential investors in the Latin American music sector and to Latin artists who want to expand internationally.



**Phil Rodriguez, CEO,
Move Concerts**

// The emphasis has been on artists in the genres of trap/reggaeton. This needs to evolve. At some point, this needs to expand to include other genres because the total musical talent in Latin American is breathtaking."



**Jorge Mejia, presi-
dent, Latin America
& US Latin, Sony/
ATV Music Publishing**

// The best business collaborations are the ones that happen organically and are well-orchestrated afterwards. I would also recommend that foreign labels and artists educate themselves about Latin music first – a Spanish guitar on a track doesn't make a song Latin."

**Mary Nuñez, vice
president sync US Latin
& Latin America,
Warner/Chappell Music**

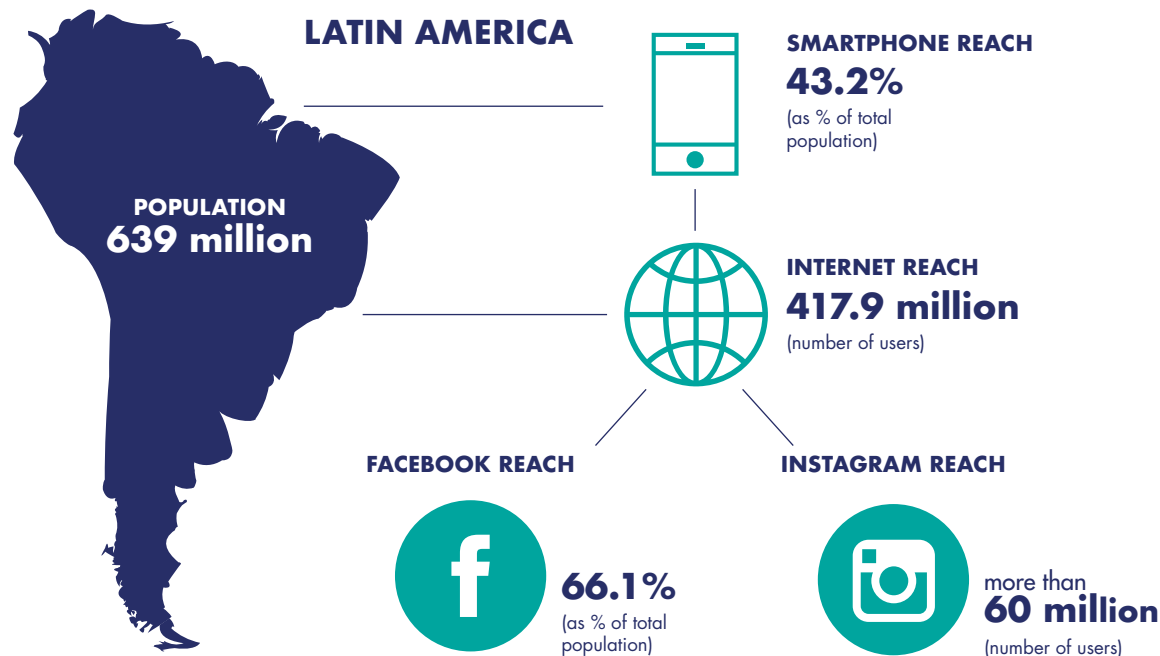


// My key advice to Latin artists is not to hinder their horizons. They should have their music placed on all platforms, make sure they create working relationships with their performance rights organisations, and have a deal in place with publishers who can work their content in a professional manner. Make sure they keep the music stems (instrumentals) of their recordings and be willing to have remixes done. They should think outside of the box with their content and not look at traditional avenues for placement."

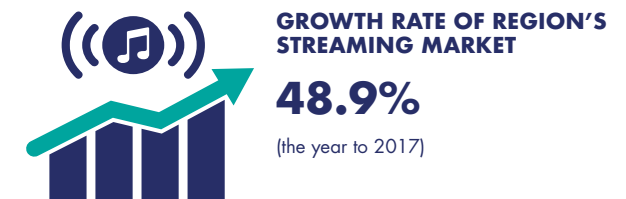
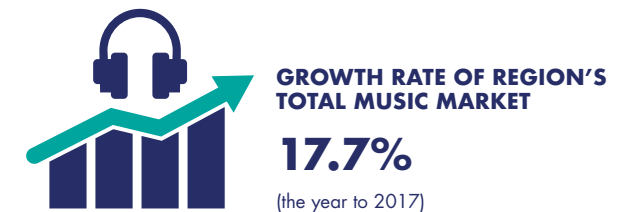
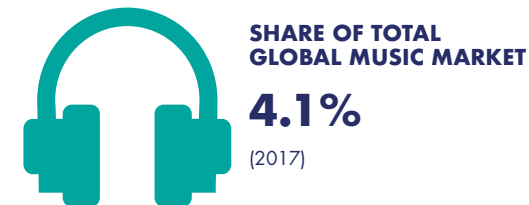
2 • THE NUMBERS

Latin America is an economically emerging region with an endless potential to be major music market, despite fluctuating economic conditions, erratic political scenarios in some countries, and extensive low living standards.

Yet, based on the most recently available data, below are numbers and statistics that illustrate the continent's capacity to be the bedrock of a thriving music industry in terms of population size, economic growth that comes with a mushrooming middle class, and an expanding digital-media penetration.



LATIN AMERICAN MUSIC



2 • THE NUMBERS

	 POPULATION	 GDP PER CAPITA	 PPP	 RANKING IN IFPI GLOBAL MUSIC MARKETS (2017)	 MUSIC SALES GROWTH RATE (2017)
 ARGENTINA	41.5 million	US \$11,450	US \$23,020	No. 20	30.7%
 BRAZIL	210.7 million	US \$9,240	US \$16,640	No. 9	17.7%
 CHILE	18.3 million	US \$17,220	US \$26,460	No. 36	14.3%
 ECUADOR	17.3 million	US \$6,150	US \$12,050	No. 50	37%
 COLOMBIA	49.9 million	US \$6,990	US \$16,020	No. 34	10.5%
 MEXICO	132.3 million	US \$9,460	US \$19,290	No. 18	7.9%
 PERU	32.6 million	US \$7,540	US \$13,250	No. 46	21.7%
 URUGUAY	3.5 million	US \$18,610	US \$25,020	No. 51	4.1%

Sources: *The Economist's World in 2019; IFPI; MIDiA Research; United Nations; Statista; Latamclick*

Notes:

- GDP per capita (the average salary per working citizen)
- PPP (purchasing power parity is the value of what it can do locally if that amount was spent in the US)
- Music sales growth rate (the year to 2017)

3 • THE MUSIC AND THE ARTISTS

Latin Americans do not need anyone else to tell them that their indigenous and contemporary music genres have always had international appeal of some kind.

But when Forbes magazines published a story in January headlined “Latin Music Is Now More Popular Than Country & EDM In America”, you knew more than a cultural shift in the international recording industry is taking place. It is also big business. And it is the creativity behind the songwriting and production that has created a surge in Latin-music sales worldwide.

A look at figures supplied by industry research specialists, such as the trade body IFPI, analytics firm MIDiA Research and BuzzAngle Music offer concrete evidence that Latin American-created music is firmly entrenched in the global sector. The region’s music industry has always been about the artist and the song. International streaming services have exposed that approach to a wider audience. The current wave of young but rapidly rising Latin acts have found their songs making a global impact, long before foreign listeners know who the performers are, in many cases.

It doesn’t matter what it takes, as long as the song gets made. And that direction has made the concept of multi-artist collaborations on tracks, popular among Latin American performers, even more viable as standalone formats.

A recent Top 10 Billboard Hot Latin Songs chart, based on US radio airplay, was strewn with multiple-acts hits.

- **MIA** – by Bad Bunny, featuring Drake
- **Taki Taki** – DJ Snake, featuring Selena Gomez, Ozuna & Cardi B
- **Despacito** – Luis Fonsi & Daddy Yankee, featuring Justin Bieber
- **Ella Quiere Beber** – Anuel AA & Romeo Santos
- **Te Bote** – Casper Magico, Nio Garcia, Darrell, Nicky Jam, Ozuna & Bad Bunny
- **Con Calma** – Daddy Yankee, featuring Snow
- **Secreto** – Anuel AA & Karol G
- **Calma** – Pedro Capo X Farruko
- **Nunca Es Suficiente** – Los Angeles Azules, featuring Natalia LaFourcade

Rocío Guerrero Colomo, Warner Music Group’s vice president of A&R and cross-cultural strategy, Latin Music, puts the internationalisation of these creative alliances into context.

“The latest Latin music explosion started happening well before 2018; Despacito was released at the beginning of 2017 and Mi Gente, from J Balvin, debuted that year, as did other global Latin songs like Me Rehuso from Danny Ocean,” she says.



“More and more Latin songs were rising on the global charts, first because the Latin audience were streaming them and, later, because the non-Latin audience were able to easily find them. Once this happened, Latin music started to cross borders, at first in a much more timid way. But by the end of 2017, things started to change very rapidly.” Talent manager, Alex Mizrahi, who is also CEO of the booking agency OCESA Seitrack, believes the Latin style of recordings is challenging conventional English-language pop music as the most

// MORE AND MORE LATIN SONGS WERE RISING ON THE GLOBAL CHARTS”

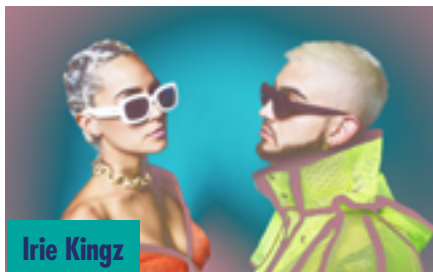
ROCÍO GUERRERO COLOMO

3 • THE MUSIC AND THE ARTISTS

ARTIST	NATIONALITY	GENRE	ARTIST	NATIONALITY	GENRE	ARTIST	NATIONALITY	GENRE
• ABEL PINTOS	Argentina	Latin pop	• IRIE KINGZ	Colombia	Dancehall; trap; calypso	• MELIM	Brazil	MPB; reggae
• ANITTA	Brazil	Latin pop; reggaeton; funk; carioca	• J BALVIN	Colombia	Reggaeton; trap	• NATTI NATASHA	Dominican Republic	Reggaeton; Latin pop;
• ANUEL AA	Puerto Rico	Trap; reggaeton	• JOÃO GILBERTO	Brazil	Bossa nova; samba; Latin jazz	• OZUNA	Puerto Rico	Reggaeton; trap
• BAD BUNNY	Puerto Rico	Trap; reggaeton	• JUANES	Colombia	Latin pop; cumbia	• PEDRO RIVERA		
• BOMBA ESTÉREO	Colombia	Electro; cumbia	• KAROL G	Venezuela	Reggaeton; Latin pop; trap	• RESIDENTE	Puerto Rico	Alternative hip hop
• CIDINHO & DOCA	Brazil	Baile funk; rap	• LELE PONS	Venezuela	Latin pop	• RICKY MARTIN	Puerto Rico	Latin pop; pop
• CIMARRÓN	Colombia	Joropo	• LOS ANGELES AZULES	Mexico	Cumbia	• ROBERTO CARLOS	Brazil	MPB; rock; bossa nova
• COSCULLUELA	Puerto Rico	Reggaeton; trap	• LUDMILLA	Brazil	Pop; funk carioca	• SHAKIRA	Colombia	Latin pop; pop
• DADDY YANKEE	Puerto Rico	Reggaeton; Latin pop	• LUIS FONSI	Puerto Rico	Reggaeton; Latin pop	• VICENTE FERNANDEZ	Mexico	Ranchera; bolero
• DANNY OCEAN	Venezuela	Reggaeton; dance pop	• LUIS MIGUEL	Puerto Rico	Latin pop; bolero; mariachi	• VICENTE GARCIA	Dominican Republic	Latin pop; bachata; bolero
• DJ ALEX	Colombia	Urban latin; reggaeton	• MALUMA	Colombia	Reggaeton; trap	• WESLEY SAFADÃO	Brazil	Forró; arrocha; axé
• FAR FROM ALASKA	Brazil	Alternative rock	• MC KEVINHO	Brazil	Baile funk; funk ousadia	• WISIN & YANDEL	Puerto Rico	Reggaeton
• FONSECA	Colombia	Tropipop; Latin pop				• XUXA	Brazil	Pop
• FUERZA DE TIJUANA	Mexico	Regional Mexican						



Far from Alaska



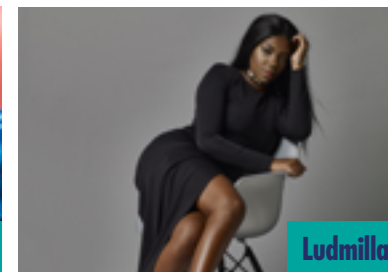
Irie Kingz



Vicente Garcia



Mitu



Ludmilla

3 • THE MUSIC AND THE ARTISTS



sought-after genre today: "Pop used to be stuck in a rut. Latin's appeal is due more to the rhythm than the lyrics, one that gets people dancing. By comparison, pop music is downbeat." Here is a roll call of veteran and contemporary Latin American acts conquering multi-territory music market (*based on a random selection of news headlines*).

THE INTERNATIONALISATION OF LATIN RHYTHMS AND SOUNDS

Contemporary pop-and-rock music as a genre has been on almost every music radio station worldwide ever since recorded-music became an international business in the 1950s.

In recent decades, it has been joined by rap music, and hip hop's slick vocal deliveries as spawned on the streets of urban US. Now, Latin music is part of that popular-culture phenomenon. For almost two decades, major Latin American, US Hispanic and Spanish stars were the carriers of the Latin flame.

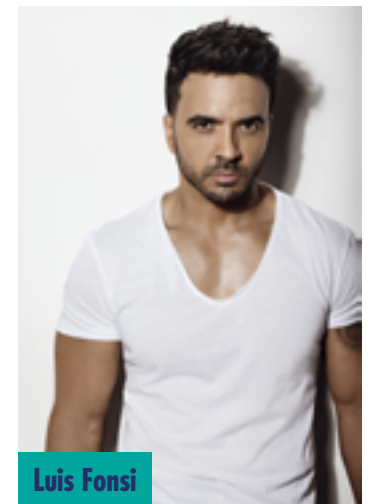
Gloria Estefan, Julio Iglesias and his son Enrique, Marc Anthony, Ricky Martin and Shakira are international household names. A vast majority of their hits, however, were arranged to entertain in a business aimed at a global English-speaking audience. The new generation of Latin acts also have international roots, but ones firmly embedded in the soil in various Latin American countries. It includes Bad Bunny, J Balvin, Karol G and Luis Fonsi among its global hit makers.

The fusion of Latin-flavoured hip hop and rap with traditional regional genres (like Mexico's mariachi, Brazil's bossa nova, sertanejo and forró, joropo from Venezuela, vallenato and cumbia from Colombia, and Puerto Rico's bomba and jíbaro music) has given birth to a host of diverse news sounds.

Add the pull of the Caribbean cultures, including Jamaica's reggae genre, and the ubiquitous African connections throughout the region and the world is introduced to an even greater variety of melodies, harmonies, cadences and tunes.

This has resonated with the global audience subscribing to the leading streaming platforms that include Spotify, Apple Music, Deezer, Amazon Prime Music, Napster, SoundCloud and Tidal. Already spoilt for choice with millions of conventional pop and rock tracks, audiences are engaging with the innovative sounds coming from the Spanish and Portuguese-speaking parts of the world.

The reggaeton genre, which originated in Puerto Rico in the 1990s, has since been adopted by performers in the neighbouring Spanish-speaking territories, with each territory adding its own distinctive style. This resonates with audiences in the Spanish-speaking diaspora in Europe, Asia and the US, a development that has spread the genre's international reach. This trend seemed to hit an apogee in 2017 with the extraordinary global success of the many versions of Despacito, the original being by Luis Fonsi, featuring Daddy Yankee (the King of Reggaeton).



3 • THE MUSIC AND THE ARTISTS

But that was not a one-off. A similar feat was achieved by Mi Gente, the reggaeton-influenced recording by J Balvin and Willy William, a French producer. It peaked at No.1 in the sales charts of more than 20 countries.

Reggaeton is also evolving its own sub-genres, such as moombahton, described as a cross between house music and reggaeton. Meanwhile, US urban styles, such as trap (an offshoot of hip hop), have been getting a lot of the Latin treatment. The industry is predicting the next Latin genre to take off globally could be baile funk. It originates from the funk-carioca street lifestyle that has permeated Rio de Janeiro's working-class culture since the 1980s.

It remained an underground movement before it was picked up by international performers, including M.I.A, the British rapper/political activist. Although the industry is aware of music

fans' engagement with the genre, it has not gone mainstream yet.

Experts believe that will end when its association with current gangsta rap lyrics stop glorifying crime and violence. Its rhythm alone will do the real talking to music fans.

COLOMBIA: A CASE STUDY

One spectacular development amid the global Latin-music fever has been the extensive presence of Colombia-originated hits from a region where the much bigger music markets of Brazil and Mexico have long dominated.

Confirmation of Colombia's position as a haven of creative innovation was seen at Midem's first-ever Latin American Forum in Rio de Janeiro.

Keynote speaker Adriana Restrepo, chairman of IFPI's Latin & Caribbean Board and president of Colombia's iconic Codiscos label, explained

// WE HAVE DIVERSE MUSIC IN COLOMBIA, FROM POP TO REGGAETON, WHICH ENTERED COLOMBIA VIA CODISCOS. WE ALWAYS SAID WE COULDN'T FOCUS ON JUST ONE GENRE. "

ADRIANA RESTREPO



Juan Sebastian Ortiz de Zaldumbide

the record company's recent revival following its struggle during the industry's global slump.

She credited the company's decision to focus on combining artist development with digital distribution and marketing. Moreover, Codiscos chose not to restrict itself to only popular genres. The end result is the global careers of acts like Nicky Jam and Wolfine, plus Latin America-based multi-territory successes for regional-music specialists like the band Herencia de Timbiqui.

"Before the industry's crisis, Codiscos easily recorded 10 to 12 artists or more per month," she said. "Then, there was less money during the crisis. But we never stopped recording. We have diverse music in Colombia, from pop to reggaeton, which entered Colombia via Codiscos. We always said we couldn't focus on just one genre."

3 • THE MUSIC AND THE ARTISTS

Today, the label itself is a major digital brand with 4.6 million-plus YouTube subscribers, more than 3.3 billion views, as well as 73,000 Instagram followers and more than 64,700 Facebook fans. “We’ve all been inspired by Colombia because they believe in trying to do something different all the time,” declares OCESA Seitrack’s Mexico City-based Alex Mizrahi.

Juan Sebastián Ortiz de Zaldumbide, co-founder/head of marketing at Colombia-based artist management group M3 Music, says hints of Colombia’s current celebrated achievements could be seen many years ago.

He refers to Shakira, who pioneered the international potential of the country’s talent. She

has since been followed by current international best-selling acts like Maluma, Juanes and J Balvin. “But that’s only the tip of the iceberg because, as well as those mainstream superstars, Colombia has dozens of bands and artists who are being played and are touring all over the world, like Bomba Estéreo, for example. They represent the leadership of a new generation of alternative experimental Latin musicians.”

He also argues that the original cultural richness the country brings to music is reflected in its geographical and historical landscapes. “Colombia is where the Andes mountains split into three. It’s where the indigenous, the Spanish, the Africans and the Arabs have co-existed and co-created for centuries,” he says.

“The richness of Colombia’s music is the result of the thousands of sounds and rhythms coming from

all this mixed cultural inheritance. And, in recent years, they have melded with modern foreign sounds, creating a unique kind of fusion that has helped the world turn its eyes and ears towards what the country has to offer.” ■

“COLOMBIAS IS WHERE THE INDIGENOUS, THE SPANISH, THE AFRICANS AND THE ARABS HAVE CO-EXISTED AND CO-CREATED FOR CENTURIES”.

*JUAN SEBASTIÁN ORTIZ
DE ZALDUMBIDE*



Shakira

4 • THE LIVE SCENE

Latin America's exact share of the global live-music market, which international research group PwC reports has been growing at a 3.3% compound annual growth rate to US\$30.55bn in 2022, is unclear.

What is certain is that the dynamic of the region's business is advancing.

For example, take Bad Bunny, the Puerto Rican reggaeton/trap artist who dropped his debut album, *X 100Pre*, on the Rimas label as recently as December 2018.

It reached No.1 in the US' Billboard Latin chart and No.11 in the highly coveted Billboard 200 albums chart.

The singer is embarking on his second North American tour this March. He also joins other Latin American modern hitmakers, including J Balvin, Rosalía, Chile's Mon Laferte and Mexican group Los Tucana de Tijuana, to headline Coachella Valley Music & Arts Festival, one of the US' biggest and most profitable live-music events.

Just like the recorded-music scene in the region, the Latin American live-music sector is alive and well. In March, veteran Roberto Carlos, the King of Latin music who has sold 150 million-plus albums globally, kick started his world tour with a sold out concert in the US, five years after he last toured that country.



And at a time when streaming is starting to yield more recording royalties to artists after almost a decade an industry slump, live remains a reliable source of income, said Sebastian Carlomagno, the Argentina-based COO of a leading regional promoter Move Concerts.

"One of the main incomes for an artist is the live show," he said during a panel at the Midem Latin American Forum in Rio de Janeiro. However, he emphasised that in a business where the fans are having a greater say in the artists' careers, the roles of promoters are also evolving.

"If the live shows are very important for an artist, we, as the producers, have to be part of the development of that artist. So it is time to change the mindset," he said.

Moreover, the promoter must involve the label, the publisher and the digital markets in the live strategy. "In the past, the record label had always been on one side, the promoters on the other, and the publishers too. Today, developing an artist requires integral work among the different parts of the industry. This is essential in our streaming-music times."

CONTRIBUTION TO THE GLOBAL ITINERARY

Latin America has put on some of the biggest live concerts internationally.

Brazil is the host nation of Rock in Rio, the mega music festival famous for staging a 1994 Rod Stewart performance that officially became the world's largest-ever free rock concert with 3.5 million spectators.

The brand has been extended to festivals in Spain, Portugal and the US. US-based Live Nation Entertainment, the world's biggest concert promoter, acquired the Rock in Rio business last year.

C3 Presents, promoter of Lollapalooza, one of the US' largest music festivals, has rolled out the brand into Argentina, Chile and Brazil.

4 • THE LIVE SCENE

The region's electronic dance music (EDM) scene includes the Storyland Festival in Santa Marta, Colombia, among its champions.

Miami-based Ultra Worldwide, another EDM events promoter, has successfully expanded the Ultra format into several Latin American countries. Ultra Brasil is considered one of the world's top EDM festivals.

Nor is there any doubt about Latin America's access to big venues for touring international rock stars.

David Bowie, Eric Clapton, The Rolling Stones, Iron Maiden, Britney Spears and Red Hot Chili Peppers are among the global mega stars who have performed before thousands at major Latin American stadiums and venues.

These include Buenos Aires-based Estadio Monumental Antonio Vespucio Libertti; Rio de Janeiro's Copacabana Beach; the Estadio Centenario in Uruguay; Bogota-based Simon Bolivar Park; and Estadio Nacional Julio Martinez Pradanos in Santiago.

THE LOCAL TALENT

To capitalise on the fast-rising Latin American recorded-music industry, a host of local concert promoters are establishing enterprises to promote local Latin performers at home and abroad.

Move Concerts, describes itself as the biggest independent concert promoter in Latin America, with offices in Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Peru and Puerto Rico, in addition to its regional headquarters in Miami. Phil Rodriguez, Move Concerts' CEO, is interviewed in Chapter 5.

Another venture is OCESA, which is the world's third largest concert promoter and is dedicated to enhancing the presence of Latin performers locally and overseas.

OCESA Seitrack, the label and talent-management division, includes Luis Miguel, "the biggest Mexican artist in the world and the Frank Sinatra of Mexico", on its roster. "He is also the fifth biggest touring act worldwide," Alex Mizrahi, talent manager/CEO, OCESA Seitrack, declares.

Zonana's roster also cites Miguel Bose, the Panamanian-born pop star, and the cumbia band Los Angeles Azules, among its assets.

Despite intensive activities in live music, the business still appears to be influenced by worldwide trends compared to the authentic native sounds we hear on recordings.

Cedric David, founder of the Colombia-based Afropicks booking agency, pointed out how a unified industry would be in a stronger position to analyse the live-music business to boost future regional growth.



Cedric David

// **THIS IS ABOUT WORKING TOGETHER ON THE IMPORTANCE OF LIVE TO THE INCOME OF ARTISTS. "**

CEDRIC DAVID

4 • THE LIVE SCENE

"This is about working together on the importance of live to the income of artists," he said at the Midem Latin American Forum in Rio de Janeiro. "We need to explain the business better to the fans. How many countries are we in? How many promoters are there? How many festivals are there? What is the price per million paid to put on a concert? What is the profile of those who attend the concerts? What is the commission that applies to a manager or a booking agent in those countries?" When most of those questions are answered, he argued, Latin America's live-concerts business could be destined to be another major international market.



Los Angeles Azules

THE INTERNATIONAL INFLUENCE

Inevitably, the major Latin American live ventures have benefited from the growth of the US market. When music superstars are touring North America, Latin America is not too far away to possibly add to the itinerary.

In 2019, you will find local independent promoters jostling with their US-based international counterparts, especially Live Nation, for a share of the Latin live-music market.

The impact and popularity of live performances was most recently demonstrated in Colombia in February.

Richard Branson, the British mogul and legendary founder of Virgin Records, organised the charity concert Venezuela Aid Live in the city of Cúcuta. It aimed to raise money for the food and medicine needed in nearby crisis-torn Venezuela.

An estimated 200,000 people attended and were entertained by, among others, Miguel Bose, Maluma, Luis Fonsi, Lele Pons, Danny Ocean and Juanes.

With these acts coming from a variety of Latin countries, including Venezuela, Mexico, Colombia, Panama and Puerto Rico, it signalled that the concept of a unified Latin America is really possible. ■



Ha*Ash

Experienced and respected Latin American executives and entrepreneurs in recorded music, live music, publishing, streaming services and copyright offer insightful views about the industry's present and future.

5 • THE EXPERTS SPEAK

[MAJOR LABEL]

Rocío Guerrero Colomo, vice president A&R and cross-cultural strategy for Latin Music, Warner Music Group

Midem: The year 2018 appears to have been the one when the music business in Latin American market made an indelible mark on the global industry – why?

Guerrero Colomo: That year was also extremely important because everyone started to realise Latin music was here to stay, and the internet would have had to break or streaming platforms would have had to disappear for something like this to stop. We witnessed an amazing moment: the transition from a trend that could have ended up being only temporary to a truly established Latin music market and its entry into the mainstream business. Songs such as “I Like It” by Cardi B, Bad Bunny and J Balvin; or “MIA” by Drake and Bad Bunny are clear examples of this.

“Taki Taki” by Ozuna, DJ Snake, Cardi B and Selena Gomez ended up demonstrating that the fusion of cultures truly reflects this new multicultural music landscape.

It also showed we should continue paying attention to it because the industry will continue in that direction as streaming penetrates new major regions like India, Africa and the Middle East.

Midem: What do you think needs to happen this year to ensure the current global popularity of Latin American music continues?

Guerrero Colomo: Millions of people enjoying Latin music through digital platforms.

But I do believe Latin music needs to continue reinventing and pushing the boundaries of the sound so that it can stay as relevant as it is now. Once other emerging markets (such as Africa, India, and the Middle East) start to become more prominent on platforms like Spotify, there will be a new revolution in the global music charts, which will create an even more multicultural landscape. The collaboration between regions, artists and cultures will be crucial so that local and global music continue to thrive.

Midem: Has the internationalisation of Latin American sounds benefited the industry in the different domestic markets, such as Mexico, Brazil, Colombia, and Argentina?

Guerrero Colomo: Countries like Colombia, Puerto Rico, Argentina and Brazil are part of this global wave and these cross-border expansions are opening new doors and creating new opportunities



for these local countries. The challenge will be to show the world the diversity and richness that Latin music and culture has to offer, so that this explosion does not end up benefitting only one genre out of the many that exists inside each country.

Midem: Has the global industry benefited from the Latin music industry's worldwide success?

Guerrero Colomo: This horizon has expanded for every musician and music fan. Now the opportunities to create and to discover music are countless.

A world in which artists are actively seeking collaborations across countries is definitely a more connected one, bringing new opportunities to every player in the industry.

The more people that are able to listen to and discover more new music, the happier the fans and the richer the music landscape will be. ■

5 • THE EXPERTS SPEAK

[MAJOR PUBLISHER]

Jorge Mejia, president, Latin America & US Latin, Sony/ATV Music Publishing

Midem: The year 2018 appears to have been the one when the music business in Latin American market made an indelible mark on the global industry – why?

Mejia: It is a combination of fantastic timing, incredible music, and the advent of streaming: in particular, the advent of streaming music in Latin America, and the advent of streaming Latin American music in the rest of the world. Take “Despacito”, for example, which to all intents and purposes was one of the first big (and, so far, arguably the biggest) worldwide Latin music hit. This was a fantastic song, which came out at a time when a perfect storm of great conditions came together: a great song meets a great distribution market (thanks to YouTube, Spotify and more), which propelled the song first to incredible Latin success and then to unimaginable worldwide success with a remix version as well.

Midem: What do you think needs to happen this year to ensure the current global popularity of Latin American music continues?

Mejia: I think what is happening right now is exactly what needs to happen for Latin music’s success to continue. There is a great amount of collaborations (which are best, if they happen organically).

And the audiences for Latin music, both in Latin America and the rest of the world, are growing. Thus Despacito was followed by J Balvin and Willy William’s “Mi Gente”, and then came a veritable smorgasbord of hits, most recently with “I Like It” and “Taki Taki”. These are all Latin songs with a variety of collaborations.

Midem: Has the internationalisation of Latin American sounds benefited the industry in the different domestic markets, such as Mexico, Brazil, Colombia, and Argentina?

Mejia: Whenever a particular sound crosses borders it definitely benefits the origins of that sound. You see it in the amount of new music being created in the country of origin. For instance, we are seeing tremendous creative activity across the region. Colombia, Argentina, and Brazil in particular are exciting frontiers of



Jorge Mejia, Sony/ATV Music Publishing

music creativity and producing today. We shall see more global acts with connections to these places coming out in the near future.

Midem: Has the global industry benefited from the Latin music industry’s worldwide success?

Mejia: Latin American music being big globally is driven in large part by the success of streaming platforms in the different Latin territories such as Mexico, Brazil, and Argentina. You now have global artists who have some of their biggest audiences worldwide in these countries, so their touring strategy and attention, going forward, are focused towards these countries. The result is growth for both Latin music and global music. ■

5 • THE EXPERTS SPEAK

[SYNC]

Mary Nuñez, vice president sync US Latin & Latin America, Warner/Chappell Music

Midem: The year 2018 appears to have been the one when the music business in Latin American market made an indelible mark on the global industry. Why do you think this is happening now in the sync sector?

Nuñez: With the digital revolution of Latin music allowing the discovery process to flourish with consumers and the creative community, sync music has become more relevant for original content creators. Traditional media like broadcast TV/radio and the internet, as well as advertising campaigns are finally connecting the dots among young music consumers in their audience.

Midem: What do you think needs to happen this year to ensure the current global popularity of Latin American music continues?

Nuñez: To sustain the momentum, independent labels, the major labels and publishers need to develop dedicated resources to actively pitch their new musical content, as well as push the catalogues for future generations to discover new sounds via sync. Sync allows that to happen organically. It has been proven that when a major sync campaign

in a territory features Latin music, that particular track gains momentum in the streaming world. The momentum will continue thanks to pan-regional collaborations, which are beginning to happen more frequently. For example I've seen an increase in synergies between the Caribbean countries and the Andean region. These are two vast, culturally different regions.

However, the genres of Latin music are being fused, creating new sounds. Brands addressing the vibrant Latin music lovers globally need to dedicate more financial resources towards that. For example: last year, Bomba Estéreo had a couple of great syncs in France, Spain and Italy for the Martini & Rossi alcohol-beverage brand. Another Warner/Chappell sync campaign was for YouTube Music featuring Anitta singing "Medicina", while the campaign for the Google Pixel 3 smartphone had J Balvin singing "No Es Justo".

Midem: Has the internationalisation of Latin American sounds benefited the sync industry in the different domestic markets, such as Mexico, Brazil, Colombia, and Argentina?



Mary Nuñez, Warner/Chappell Music

Nuñez: Mexico, for example, loves working with well-known recognisable Latin artists, while a market like Argentina will work more with local up-and-coming talent for advertising campaigns. Markets like Brazil will work with local talent for creating a more personalised message. However, they work with a much greater variety of music styles, from sertanejo artists to heavy-metal bands. Also bear in mind that language is an important factor when a brand is communicating with a particular audience.

Midem: Has the global industry benefited from the crossover of Latin American music?

Nuñez: The crossover has already taken place, so we shouldn't be addressing the globalisation of Latin music with terminology that is rather dated. We are all hybrids of different backgrounds. I foresee a future with collaborations between Latin artists and Indian sounds, or with Middle Eastern sounds. We are already witnessing new Latin sounds that have Asian flavours. ■

5 • THE EXPERTS SPEAK

[ALTERNATIVE]

Tomas Cookman, CEO/president and founder of label Nacional Records, a subsidiary of multi-discipline entertainment group Industria Works

Midem: The year 2018 appears to have been the year that the music business in the Latin American market made an indelible mark on the global industry. Why do you think this is happening now in your sector?

Cookman: This last year, with the overwhelming success of “Despacito”, J Balvin, Bad Bunny, Ozuna and others and the growth in cross-cultural tracks (be it Beyoncé, Drake, Cardi B or many others), Latin music has quickly come to the forefront. The success of these tracks in Spanish or Spanglish and the parallel growth in K-pop are fuelled by the growing acceptance of audiences of something new and different.

Be it reggaeton or K-pop, what they have in common is the fact that they are, in sound and style, similar to the types of urban music that is generally popular on a global level. This makes a lot of the music more familiar in style for non-Latino or Korean audiences.

Midem: How would you describe the alternative-music scene in Latin America today? Does it vary from country to country, including Portuguese-speaking Brazil? And what contribution do you think alternative has made to the current growth of the total business in the region?

Cookman: Alternative artists have consistently been solid touring artists, artists who have enjoyed on-going careers and who tend to do well outside of the single cycles as well.

The alternative scene is at its core a broad description of various sounds and genres. The type of music that tends to be heard with more frequency in each country does vary. You tend to hear more rock in Argentina and a variety of urban and alternative-pop sounds from countries like Chile and Colombia.

It's been an on-going challenge to bridge the markets to and from the Portuguese-speaking Brazilian artists and the rest of Latin America. Language is the first challenge but there are various musical



Tomas Cookman, Nacional Records, Industria Works

styles that are popular in Brazil that do not historically travel well outside of the country, such as pagoda, MPB, Portuguese-language rock, Portuguese-language alternative, and sertaneja. Mexico is such a big and key market that it, rightfully so, supports many different types of genres

5 • THE EXPERTS SPEAK

and artists, from the corniest of pop stars to the most left-of-centre alternative acts.

Midem: What key advice would you give an aspiring artist seeking to make an impact in the alternative market? What do they need to do to stand out in a region where a lot of the music chart-toppers are introducing innovation in their sounds?

Cookman: With the albums we release or the artists we manage, we go for as wide an impact as possible. We organise a yearly music conference called the LAMC (Latin Alternative Music Conference), and at one of our earlier editions (this summer we are celebrating our 20th anniversary), we had Pitbull on a panel and performing. At the time, it was safe to say he was an “alternative” artist. Does that mean you are “alternative” until you are as big as a pop star? The irony, it is safe to say, is that more ticket sales are generated across Latin America by alternative artists than many other genres.

So, my advice to aspiring acts? Be true to what you do. Be open to suggestions but, at the end of the day, remember that the name on the metadata is yours. ■



Raquel Coutinho

5 • THE EXPERTS SPEAK

[INDEPENDENT LIVE PROMOTER]

Alex Mizrahi, talent manager/CEO, OCESA Seitrack

Midem: The year 2018 appears to have been the one when the music business in Latin American market made an indelible mark on the global industry – why?

Mizrahi: Last year was massive for us because of the streaming platforms, which is why all the big industry executives are interested. They can't believe Spotify's biggest city by consumption was Mexico City.

The year was a revelation. In the past, an artist had to go to a label to sign a recording deal to get his or her music to the fans via retail outlets. And that was very complex.

Today, all those barriers have disappeared. Today, it is about the song. If you have a great song, the platform, promoters and all the service providers will make themselves available to the artists without any of the old difficulties.

Midem: How crucial has the role played by digital technology contributed to the global Latin phenomenon?

Mizrahi: Technology is doing its job very well. If songwriters in Sweden have the technology and

can access a global distribution platform, they can upload the track and if the song is heard, it suddenly gets into the playlists, is promoted via social media, and you have an almost instant worldwide hit.

That was impossible 10 years ago, unless you were signed to a major label or publisher, which invested millions in the artist as well as in radio promotion in the UK and touring in the US.

I don't see any threat to the dominance of the song. People are turning off traditional TV and radio for streaming. In the old days, our choices were limited to only what we heard on TV and radio. Now tech enables fans to discover their tastes more easily.

Midem: Has the internationalisation of Latin American sounds benefited the live industry in the different domestic markets, such as Mexico, Brazil, Colombia, and Argentina?

Mizrahi: I hate to admit this, but at the moment, everything is about Colombia. It is exporting its own sound. It has influencers who are producers, composers, who are making music and reaching an international audience.



Alex Mizrahi, OCESA Seitrack

Think of Colombian superstars like Shakira, Juanes and urban-music Colombian artists like Maluma. The country's culture has elements of the vallenato

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genre with influences of the Caribbean, Puerto Rico and Dominican sounds and urban music: elements that create a completely new sound when combined.

There is a huge new generation of producers working with these artists. If you are No.1 in Colombia, you will be No.1 worldwide.

Mexico has also been prolific because of the culture's diversity of genres, including mariachi, banda and cumbia. We're inspired by Colombians because they try to do things differently.

Peru isn't generating new music, but the consumption is big. Now that they are getting the tools and tech to generate new music, in five years,

you will see a lot more happening there.

In the US, urban Latin American music is inspiring a lot of collaborations among artists, such as Will Smith, Bad Bunny and Marc Anthony on "Esta Rico"; and Ozuna, Selena Gomez, Cardi B on DJ Snake's recording "Taki Taki".

This is a movement. If you put four huge artists together on one song, you will get four times the traction compared to the solo or duets associated with rock and pop.

Midem: How has your company benefited from the globalisation of Latin American music?

Mizrahi: BMG, for example, has re-entered the Latin American market after its share of Sony BMG was sold to Sony Music Entertainment. The new BMG formed afterwards has partnered with us to market their artists in Latin America.

They recognise it will take a lot of time and money to do the same thing on its own. Foreign companies interested in the territory need an ally.

Meanwhile, if we have an artist that we want to get exposure for in Europe, we now have the best partners to do so. ■



DJ Imperatore

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[INDEPENDENT LIVE PROMOTER]

Phil Rodriguez, CEO, Move Concerts

Midem: Midem: The year 2018 appears to have been the one when the music business in Latin American market made an indelible mark on the global industry. Why do you think this is happening now in the live sector?

Rodriguez: We've moved significantly forward compared to the past Latin boom of the late 1990s. Firstly, there is the growth of hip-hop/urban music worldwide. This opened the way for collaborations among urban Latin artists and their brand of urban music, such as reggaeton and trap.

In the US, the urban trends come from the city streets that are also highly populated with Latinos with different cultural roots, including the Caribbean region, where you have Puerto Rico, Cuba, Jamaica. This cross-pollination of sounds and cultures is natural and organic.

Secondly, there is the growth of YouTube, which levelled the global playing field to an extent Latin America did not have before. Thirdly, Latin immigration in the US and also in Europe increased demand to see these Hispanic and Latin artists.

These markets were barely there 20 years ago. Furthermore, there are over 430 million Spanish-speaking people in the world compared to 360 million English speakers. Do the math.

Midem: What do you think needs to happen this year to ensure the current global popularity of Latin American music continues?

Rodriguez: The touring strength of these emerging artists needs to solidify and expand. As we all know, the money in this business today is in touring. After airplay on radio, YouTube and other media, the next step is to have a solid touring record. There are some cool things happening, such as this year's massive Coachella festival in the US having on its top-tier line-up Bad Bunny and J Balvin. This is great exposure and a strong positioning for them.

Midem: What benefits does Move Concerts gain from having a significant presence in both the Latin market in the US and Latin America itself?



Phil Rodriguez, Move Concerts

Rodriguez: It definitely opens up opportunities for our company. In Puerto Rico, we are establishing relationships with up-and-coming artists that may expand beyond Puerto Rico in the future, and the same in Argentina, where we recently picked up the management for the No.1 artist in that country, Abel Pintos. ■

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[STREAMING PLATFORM]

Oscar Castellano, ex-CEO Americas, Deezer

Midem: Digital media has contributed significantly to the way Latin American artists reach international audiences. Why were local artists eager to adopt streaming and social media for marketing so early?

Castellano: These are times when there is a need for great tech to communicate an artist's work. Now it is much easier to reach international audiences via social media.

Latin music has become partly influenced by pop music worldwide, so there's also a certain fashion element to it, fostered by great talent and a lot of music on offer.

Furthermore, we must remember that social-media adoption and usage in the Latin American region is generally much higher than in other parts of the world. These platforms are global in nature, so from an easy adoption at the local level, you get to reach billions worldwide.

Midem: Which artists have exploited digital media most effectively and what can emerging artists learn from them?

Castellano: Obviously, new artists born on this digital age are well prepared to exploit the

digital-media channels as promotional tools for constantly engaging with their fans.

The reggaeton and trap generation of artists are among those who are using social media the most to spread their art and talent, creating a vast promotional network.

Midem: Telecommunications distribution has become vital to the region's music market, especially as consumers are still not willing to pay for digital music. How does Deezer work with telcos in the region?

Castellano: Telco distribution has been fundamental in extending the reach of the digital service providers (DSP) like us and reducing the barriers to entry, such as low credit-card penetration in the region.

When they provide fans a way to bundle or even pay directly for their music subscription via the phone bills, they become a clear enabler to the adoption of digital and mobile music. Subscriptions are growing an average of 20%-25% year-on-year in the biggest Latin American markets. Remember that the region's radio sector is still the leading source of music consumption. So,



Oscar Castellano, ex-Deezer

for me, it is a matter of education and offering customers that come from the radio world good value for money.

On the other hand, there's still a vast consumption of music on free online platforms, especially online music videos. That is why paid-for streaming platforms provide a clear value for those users, who get extras such as offline playlists and lyrics for a very low cost. Additionally, that approach supports the industry's overall growth by providing a better and fairer remuneration for artists.

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That is why Deezer has long-standing partnerships with the most innovative value-added telco services like TIM in Brazil, TIGO in Colombia and six other countries, and CNT in Ecuador. Those carriers have been a fundamental piece of our regional growth and will continue to be so.

Midem: Are there still challenges to generate revenue, especially as the emerging high-speed 5G mobile networks will make it easier to download music content more easily than ever before?

Castellano: The challenges that impact revenues are not necessarily associated with the speed of the networks. The +3G networks and the bandwidth required to transmit audio files, even the high-resolution ones on Deezer, is much more than enough.

The challenges that we need to overcome are the following: the low penetration of credit cards and other alternative online payment systems, like the Boleto in Brazil for those without bank accounts or credit cards;

the role of free online platforms that are not properly regulated; and educating consumers about the difference between the higher quality of paid-for services and free ones. ■



Jana Linhares & Fernanda Abreu

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[COPYRIGHT]

Rafael Fariñas, regional director for Latin America and the Caribbean, CISAC

Midem: What is the state of the copyright law in the different Latin America countries? Which ones have signed WIPO's global treaties? And how effective is the respective enforcement of any legislation?

Fariñas: The countries in Latin America have a national system of copyright protection that works in general terms. It is based on national laws and regulations, and a national and regional jurisprudence that is responsible for interpreting the most important issues.

The Latin America countries are members of the Berne Union (Berne Convention for the Protection of Literary and Artistic Works), and most of them have also signed the global WIPO Internet Treaties, for example.

The application of copyright laws is not totally effective. This is due to the lack of knowledge of copyright laws, the increase of exceptions and limitations in some of them, plus the lack of appropriate and proportional penalties for infractions for illicit use of works.

Midem: Is there any pending legislation in the region that the industry is looking forward to?

Fariñas: There are initiatives in some countries of the region, such as Mexico, Peru and the Dominican Republic, which are seeking to make effective the collection of remuneration for private copying. In Chile and Argentina, attention is directed towards the rights of visual artists.

In Brazil, Colombia and Chile, the focus is on the rights of audio-visual authors, while in other countries, the concern is about projects to reform legislation that include more and more exceptions and limitations to copyright.

Midem: Is there scope for a region-wide pan-Latin American legislation? Has there ever been any effort in that direction?

Fariñas: In Latin America, copyright protection systems are territorial. Each country has its own national legislation.

However, there are sub-regional legal systems such as Decision 351 of the Andean Community



Rafael Fariñas, CISAC

in the area of copyright, for example. This applies to the countries of the Andean Pact (Colombia, Peru, Ecuador, Bolivia). There are also the various Free Trade Agreements, which include rules on intellectual property that require mandatory compliance among the signatory countries of the region.

Midem: Do music fans understand the damage piracy can cause or is there still much education to do?

Fariñas: Piracy is still present, especially in the digital environment. It is a frequent habit to access works protected by copyright, and the productions protected by neighbouring rights, without the authorisation of the owners. And, the most worrying thing is that, this illegality is carried out not only by end users, but also by the platform operators themselves, in some cases. Taking effective legal action and continuing to undertake anti-piracy education campaigns are part of the solution. ■

ABOUT THE AUTHOR

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Midem is the leading international marketplace for the global music community, bringing together more than 4,800 upper-level music professionals, from indie & major labels, publishers to tech pros, brands and artists. Midem is dedicated to helping the music industry and its partners develop business and creativity by bringing together, during 4 days, the key players of the music ecosystem. The event offers the opportunity to expand your reputation and business globally, discover artists and music catalog, get inspired by conferences and source new business models and services.

Midem places an emphasis on assisting music professionals from all around the world and encouraging business development and talent discovery.

The high-potential markets programme is developed to assist with the structuring and professionalisation of the music industry in emerging regions to stimulate its international exchanges.

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