



Rt Hon Theresa May MP
Prime Minister
10 Downing Street
London
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26 November 2018

Dear Prime Minister

I am writing on behalf of UK Music, the umbrella body the commercial music industry, in response to your letter to the nation on 24 November, following the European Council's endorsement of the Brexit Withdrawal agreement and approval of the political declaration on future EU-UK relations.

According to our recent Measuring Music report, the UK music industry contributed £4.5 billion to the economy last year and enjoyed a 7% growth in export generation. The sector also employs 145,815 people.

UK Music has long called for a transitional phase as part of any post-Brexit period. This is essential to avoid a cliff-edge and allow businesses and individuals to stagger any changes in operations. We therefore welcome commitments for there to be an implementation period after 29 March 2019.

Whilst we continue to look forward to the opportunities to increase trade and drive exports in new trade agreements across the world, UK Music remains deeply worried that our principal concerns about the impact of Brexit remain unaddressed.

- **Freedom of movement of people**

Live music contributes around £1 billion to the economy and has grown by has grown by 49 per cent since 2012. At present, artists can play a concert in Amsterdam one night and then simply travel to Paris the next with no associated costs or red tape as a result of freedom of movement of people. Losing this following Brexit is likely to have a serious impact on touring musicians and crews, and risks our ability to grow audiences and limits millions of fans not being able to see their favourite UK acts. Countries such as France have traditionally required work permits for performances by artists from non-EU countries.

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The truth is costly bureaucracy will make touring simply unviable for very many artists. This puts the development of future globally-leading UK talent at risk. While the UK's commercial music industry outperforms the rest of the economy on so many indicators, average earnings in the sector are the below the average earnings of the rest of the economy. The average wage in the UK last year was £29,002 yet music creators earn significantly less at £20,504 a year. The vast earnings attributed to super-rich global stars are very much the exception, not the norm.

We desperately need a reciprocal system that supports temporary short-term permissions and exemptions for musicians and crews - both for those coming to the UK and those performing in the EU - to keep our touring industry vibrant and thriving. This could be achieved through the creation of a "touring passport" that acts as a waiver for visas and permits. The existing EU Blue Card is a work and residency permit for non-EU/EEA nationals and is a useful precedent by which a touring passport could be designed.

How the UK designs its future immigration system could have a profound impact on how this issue can be resolved. The UK benefits greatly from cultural exchange. Individual classical musicians frequently visit the UK at short notice to play in flagship venues like the Royal Albert Hall. Our musicians are also in high demand at orchestras in the EU. Session players also come from EU member states to world-renowned recording studios such as Abbey Road and AIR.

UK Music engaged positively with the recent Migration Advisory Committee's inquiry into the economic and social impact of the UK's exit from the EU. We were disappointed by the subsequent report of the Committee, which failed to acknowledge the importance of migration to the music industry and the need for a reciprocal approach. The Committee did however set a precedent by suggesting the UK agriculture industry should benefit from a seasonal workers scheme allowing lower skilled EU nationals to come to work here. We propose that the music industry has features which similarly do not work with salary or formal skills thresholds. We kindly ask that the Government's imminent White Paper on immigration reflects our concerns and seeks a way forward.

- **Freedom of movement of goods**

Any restriction on movement across Europe could result in the introduction of a carnet, a temporary customs document detailing every piece of equipment and merchandise to avoid paying import duties and taxes. On average carnets can cost around £1,000 to £2,000 and last around 12 months. EU bands coming to the UK may also be subject to this.

Whilst some physical goods such as CDs and DVDs are zero-rated for tariff purposes, others, such as musical instruments and recording equipment, are not. Irrespective of tariffs, possible delays at borders present a real risk

It remains uncertain how the Government intends to address these issues in the long term in light of Brexit and we ask for further clarity.

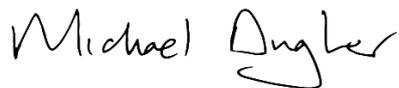
- **Copyright legislative framework**

Copyright is of fundamental importance to the music industry. It enables creators to derive a financial return for their work and provides an incentive for businesses to invest in creative content. The European Union's competency over copyright means UK domestic legislation is based on Directives emanating from the EU. At present the EU provides a high level of protection for copyright works. We welcome the provisions in paragraphs 44 and 45 of the Political Declaration which provide for the protection and enforcement of intellectual property to stimulate creativity and seek to preserve high levels of protection under copyright law.

Withdrawal from the EU does not require substantial changes to the UK copyright framework. This continuity is critical to ensuring confidence amongst music businesses. There is no evidence of the need for new exceptions to copyright. We ask you to confirm that the European Union (Withdrawal) Act 2018 provides the sufficient guarantees for protecting copyright law and that the UK Government will resist any attempts to weaken this through amendment.

We look forward to continuing to work with your Government to ensure that our artists, musicians and crews can continue to tour the EU, that we protect the UK's domestic live music sector, that we guarantee goods can move seamlessly between borders, and that we maintain a legal intellectual property framework that remains robust and can drive growth.

Kind regards

A handwritten signature in black ink that reads "Michael Dugher". The signature is written in a cursive style with a large, stylized 'M' and 'D'.

Michael Dugher
CEO, UK Music