

27 October 2017

**Migration Advisory Committee**  
**Call for evidence on the economic and social impact of the UK's exit from the EU**

1. UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.
2. UK Music exists to represent the UK's commercial music sector, to drive economic growth and promote the benefits of music to British society. A full list of UK Music members can be found in annex.

**The UK Music Industry in 2017**

3. The UK creative industries are of huge economic and cultural importance. According to the most recent DCMS economic estimates the creative industries account for £87.4 billion in GVA.<sup>1</sup> 1 in 11 jobs are in the creative economy.<sup>2</sup> The UK creative industries also lead the world in terms of soft power. The reach and volume of our national cultural output supports our strength in soft power. According to The Soft Power 30, the UK is second to the US in terms of cultural soft power.<sup>3</sup>
4. The UK is a world leading music industry. The sector contributed £4.4 billion to the economy in 2016, growing by 6% over the past five years.<sup>4</sup> The UK is the home to diverse and innovative music companies and creators that support this growth. Their endeavours form part of a dynamic ecosystem that is consistently delivering for music fans and consumers. The music industry generates exports of £2.5 billion and employs 142,208 people.<sup>5</sup>

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/544103/DCMS\\_Sectors\\_Economic\\_Estimates\\_-\\_August\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544103/DCMS_Sectors_Economic_Estimates_-_August_2016.pdf)

<sup>2</sup> <https://www.gov.uk/government/publications/creative-industries-2016-focus-on/key-findings>

<sup>3</sup> [http://www.comres.co.uk/wp-content/uploads/2015/07/Report\\_Final-published.pdf](http://www.comres.co.uk/wp-content/uploads/2015/07/Report_Final-published.pdf)

<sup>4</sup> <http://www.ukmusic.org/research/measuring-music-2017/>

<sup>5</sup> <http://www.ukmusic.org/research/measuring-music-2017/>

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5. In 2016, 823,000 people visited the UK for festivals and concerts.<sup>6</sup> Music tourism as a whole generates £4 billion to the economy.<sup>7</sup>
6. The UK is also home to some of the most popular festivals and venues in the world, such as the Glastonbury Festival, The O2 in London and the SSE Hydro in Glasgow. 30.9 million people attended live concerts and festivals in 2016.<sup>8</sup>
7. Global appetite for UK music artists is at record levels. Adele's third album 25 sold in excess of 20 million copies worldwide since it was released in November 2015.<sup>9</sup> It was the biggest selling album in the world for 2015. 4 of the top 10 grossing worldwide music tours for 2016 are from UK acts (Coldplay, the Rolling Stones, Adele, and Paul McCartney).<sup>10</sup>
8. This year, tracks from Ed Sheeran's third album ÷ have been streamed over a billion times in the US this year. The same album debuted at number one in nine EU countries. Human by Rag'n'Bone Man topped the charts in Austria, Belgium, Croatia, Czech Republic, Germany, Greece, Hungary, Poland, Romania, Slovakia and Slovenia. Grime artists such as Stormzy and Skepta are receiving deserved recognition for their creativity and reach. This is truly an exciting time for the UK music industry.
9. UK songwriters are also experiencing phenomenal success internationally. Wayne Hector, Alex da Kid, Cathy Dennis and Tom Fletcher are amongst a growing number of UK songwriters achieving global recognition for their work with domestic and international acts such as Nicki Minaj, Eminem, Kelly Clarkson and One Direction.

### **Migration Advisory Committee call for evidence**

10. UK Music welcomes the government's commission of the Migration Advisory Committee (MAC) to advise on the economic and social impacts of the UK's exit from the European Union and how the UK immigration system should be aligned with a modern industrial strategy.
11. Assuming that subsequent MAC analysis will be based on the use of SIC and SOC codes, it is important to highlight that these measures do not adequately capture many creative industries, particularly music, when measuring the economic impact of sectors and assessing employment trends. The limitations of using SIC and SOC for music are acknowledged by the DCMS in its annual creative industries estimates.
12. Our response is based on the best available information from industry data sources. We would welcome an opportunity to continue to work with the MAC and provide further information throughout the commission.

### **Employment within the UK Music industry**

13. There are 142,208 people employed within the music.<sup>11</sup> The following table outlines specific employment within six sub-sectors that make up the UK Music industry:-

<sup>6</sup> <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2017/>

<sup>7</sup> <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2017/>

<sup>8</sup> <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2017/>

<sup>9</sup> <http://www.ukmusic.org/research/measuring-music-2016/>

<sup>10</sup> <http://www.pollstarpro.com/files/Charts2016/2016YearEndTop100WorldwideTours.pdf>

<sup>11</sup> <http://www.ukmusic.org/research/measuring-music-2017/>

<b>Sub-sector</b>	<b>Employment</b>	<b>% change on 2015</b>
Musicians, composers, songwriters and lyricists	89,800	+27% <sup>12</sup>
Recorded music	9,100	+6%
Live music	28,538	+13%
Music publishing	1,076	-6%
Music representatives	2,394	+3%
Music producers and recording studios	11,300	+2%

14. According to Creative and Cultural Skills around 44% of those working in the music industry are self-employed. Research by UK Music's Diversity Taskforce in 2016 found that 15.6% of those working in the music industry are BAME (Black, Asian, minority ethnic) and 45.3% are women.

15. As with many parts of the creative industries, the music industry continues to evolve as it adapts to and innovates the digital economy. As new ways to consume music evolve, occupations to support the industry change and revolutionise too.

16. In terms of recruitment, whilst employment vacancies in the music industry will be advertised some roles may be more organic and there is a strong emphasis on networks. UK Music has invested, through its Skills Academy and Music Academic Partnership, to improve the skills base and entry routes into the industry.<sup>13</sup>

### **EEA employment in the UK Music industry**

17. A significant proportion of the UK music industry workforce are from other European Union countries on a short and long term basis.

18. It is paramount that the status of these employees, and their ability to work in the UK, including once the UK has withdrawn from the EU, is clarified. The right to stay in the UK for existing employees should be guaranteed. Reciprocal arrangements with other member states should be established. UK businesses already note an increase in questions by their European employees. There is a real danger that they would leave the UK in the face of uncertainty of their status

19. UK Music's 2016 UK Music Diversity Survey found that 10% of the music industry workforce hold a passport for an EU country other than the UK.<sup>14</sup> This is greater than the estimated 7% total UK workforce who are from other EU nations.

20. From the 2016 UK Music Diversity Survey the following table sets out the skills/employment level of the music industry workforce that hold a passport for an EU country other than the UK:-

<b>UK Music Industry Employment level</b>	<b>% of EU (non-UK) passport holders within employment level</b>	<b>% of EU (non-UK) passport holders in industry workforce</b>
Apprentice/intern	18%	1%

<sup>12</sup> This increase may be attributed to an increase in the identification of composers and writers receiving royalties.

<sup>13</sup> <http://www.ukmusic.org/skills-academy/>

<sup>14</sup> [http://www.ukmusic.org/assets/general/Measuring\\_Music\\_2017\\_Final.pdf](http://www.ukmusic.org/assets/general/Measuring_Music_2017_Final.pdf)

Entry level business	9%	1%
Entry level operations	10%	1%
Management	10%	4%
Self-employed	8%	1%
Senior executive	7%	1%
Senior management	8%	1%

21. At entry level business employment level, an Irish passport is held by 40% of those that hold a passport from an EU country other than the UK.
22. At management level, of those that hold a passport from an EU country other than the UK 25% are from France, 24% Ireland and 10% Germany.
23. Of the 8% senior executive employment level that hold an EU passport from a country other than the UK, 57% are from Ireland.
24. Of the 8% senior management that hold an EU passport from a country other than the UK, 33% are from Ireland and 21% Germany.
25. The most popular EU country for a music industry employee to hold a passport is Ireland, followed by France, Germany, Italy, Netherlands, Poland and then Spain.

### **Music managers**

26. Whatever solution is decided needs to take account of small and individual entrepreneurs in the music industry. Within music management, a significant proportion of UK Music member the MMF's membership are from other EU countries. They are self-employed or run small artists businesses and contribute to the UK economy by managing artists based here. For example Eric Harle (a German citizen in England for 25 years) runs DEF management based in North West London. They manage successful international artists such as Moby, Royksopp and the Knife. There is a concentration of managers based in the UK from other EEA countries such as Italy, France and Netherlands.

### **Orchestras**

27. It is difficult to quantify how many musicians are self-employed. Estimates are likely to be as high as 80%. Orchestras are likely to be one of the main sources of permanent employment.
28. Figures on employment in UK orchestras indicate around 1400 are permanently employed and a further 1800 are regularly working in UK orchestras on a self-employed basis. Many more work on an ad hoc freelance basis as Extras (topping up an orchestra for a particular performance) or Deputies (substituting for orchestra members who are absent).
29. UK Music member the Musicians' Union believes that those EEA musicians already employed by UK orchestras should have the right to remain here. For any deal to be reciprocal they are supportive of EEA musicians working in the UK on the basis that musicians from the UK should also have the freedom to work elsewhere in the EEA post-Brexit. Where there is a genuine skills shortage, for example for a particular high ranking

role in an orchestra or to play a rare instrument, the Musicians' Union want orchestras to continue to have the freedom to engage musicians from the EEA.

30. Despite orchestral musicians being on the Shortage Occupation list, the Musicians' Union point out that in fact there is no shortage of highly skilled and highly trained UK musicians qualifying at major music colleges across the UK. Conservatoires are still producing fantastic players, but remain increasingly focused on having to train players to have portfolio careers, encompassing teaching, composing and non-musical areas just to be able to sustain themselves, as low turnover in orchestras gives numerous graduates in the pool no-where to go. This has contributed to a rise in new small orchestras who use players who have no option to play for little to no fee, otherwise they have no outlet for their skill set. These practices undermine the artistic and fiscal sustainability for musicians in this workforce. Pay in UK Orchestras has been historically low compared with EU or worldwide counterparts, making the UK less attractive to the best local talent despite their strong artistic reputation.

### **Production Services**

31. The live event production industry provides technical infrastructure and supports a successful music industry which is now worth over £1 billion to the economy.
32. The Production Services Association is running a poll of its touring crew self-employed members. An estimated 10% come from the non-UK EU countries. An apprenticeship at level 3 has been established to develop the skills of these workers. Many touring crew working in the music industry will not have a degree and will be below NQF6.
33. Estimates provided from large stewards and security company Showsec, an employer of around 4000 people for live events, suggests that 3.6% of its workforce are from EU countries other than the UK.
34. Gallowglass, a big supplier of casual lower skilled labour for live events estimate that for their London workforce 35% are from the UK, 35% from countries in the EU and the 30% from the rest of world. Outside London their workforce would be 70%-80% from the UK.
35. The nature of the work of the live event production industry is that they will move around the country, as well as overseas. Geographical spread may mean that they work in London but do not live there. They could also be based in the UK and spend a large amount of time working across Europe.

### **Record companies**

36. Those that work in major record companies, particularly at a senior executive level, are likely to have degrees. The international nature of major record companies, and the jurisdiction of the rights they administer, is such that they will employ a number of EEA workers. For example, Universal Music Group's has a French parent company, Vivendi, and will have French employees in their UK operations as a result.
37. Large independent record companies operate as distributors of music. This means specific language skills may be needed to deal with online platforms based in the EEA. Streaming service Spotify is based in Sweden, meaning fluent Swedish can be of benefit

to UK music companies when recruiting for certain roles. The appetite for UK music within the EEA also means there is a need for language skills to promote music in markets such as Germany.

## **Creators**

38. The UK is an attractive music industry. International music creators, whether it is artists, musicians, performers, songwriters and composers, come to the UK to tour, record in certain studios and work with specific people. This provides inward investment. If people record in the UK their copyright is domiciled here, providing further economic benefits. This underlines the importance of system that provides temporary short term visits to the UK and the need for this to be maintained post-Brexit.
39. If broadcasters move to the continent to benefit from EU subsidies then commissions for composers in the UK could also diminish. Some broadcasters moved to European Union already as they need to establish themselves for qualifying purposes.

## **Touring**

40. The UK as an attractive music industry is supported by our live events which people from the EEA will perform and work at. Artists will come to the UK to get recognition from our globally successful labels and achieve coverage on our media. If barriers are put up then the UK will lose importance internationally and could lose ground to other markets in Germany, France and USA.
41. Given the significance of the UK as a music market many European tours from non-EEA artists begin in the UK. This results in accompanying crew being picked up in the UK. Erecting new barriers to enter the UK could result in reduced employment opportunities for UK crew travelling Europe.
42. Leaving the European Union is also likely to result in new rules that restrict freedom of movement for people. This could have a serious impact on touring musicians and crews, and risk limiting millions of fans keen to see their favourite UK acts. Acquiring visas to tour the USA is already an expensive and challenging experience.
43. While there is no pan-EU agreement on work permits and visas for non-EU nationals, the Government should seek a single EU-wide live music 'touring passport' to avoid new restrictions, costs and bureaucracy on our artists and musicians.

## **Annex**

UK Music's membership comprises of:-

- AIM – Association of Independent Music - representing over 850 small and medium sized independent music companies.
- BASCA - British Academy of Songwriters, Composers and Authors – BASCA is the membership association for music writers and exists to support and protect the professional interests of songwriters, lyricists and composers of all genres of music and to celebrate and encourage excellence in British music writing.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.

- FAC – The Featured Artists Coalition represents and promotes the interests of featured recording artists in the music industry.
- MMF – Music Managers Forum - representing over 500 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including producers, engineers, mixers, remixers, programmers and mastering engineers.
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music.
- Musicians' Union representing 30,000 musicians.
- PPL is the music licensing company which works on behalf of over 90,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK.
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 114,000 composers, songwriters and publishers and an international repertoire of 10 million songs.
- UK Live Music Group, representing the main trade associations and representative bodies of the live music sector

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