

THE FINANCIAL
IMPACT OF COVID-19
ON THE AFRICAN
MUSIC SECTOR

A LOOK AT THE FIRST TWO MONTHS



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INTRODUCTION

We at the Music In Africa Foundation believe that civil society has a crucial role to play in the recovery of the creative economy in Africa. Understanding the impact of the coronavirus (COVID-19) pandemic on the African music sector will enable role players to make informed strategies that are inclusive and more effective. This report is based on results collected over a one-month period from 1 April to 30 April 2020. It presents respondents' financial experiences since the outbreak of the virus and introduction of restrictions on the broader African continent from about 1 March 2020.



What does this report do?

This report captures the financial impact of COVID-19 on African music professionals, organisations and companies; provides an overview of the immediate needs of affected practitioners; anticipates further impact and shares useful tips and recommendations from industry operators.

This report does not:

Purport to be an exhaustive presentation of the full financial impact of COVID-19 on the entire African music sector. While we would have wished to present more details, it is clear that the sector is experiencing significant losses on a daily basis and that we are still in the middle of the crisis. It would therefore be premature to attempt to anticipate the full financial impact caused by the pandemic.



Our respondents

The report is based on data collected from 503 respondents in 47 countries, representing a diverse group of sub-sectors within the African music industry. Our primary data was collected in a survey run online from 1 April to 30 April. Additionally, we conducted stakeholder interviews and looked at case studies, which enabled us to provide supplementary information, projections and recommendations. A breakdown of the respondents is provided on page 10.

Individuals vs organisations and companies

You will see these terms used often in this report, as we sought to separately capture levels of impact on individuals and organisations or companies. 'Individual professional' refers to persons operating in their individual capacities, such as musicians, DJs, sound artists, composers and producers. 'Organisations and companies' broadly refers to respondents representing a legal entity, such as recording companies, collecting societies, publishers and distributors.

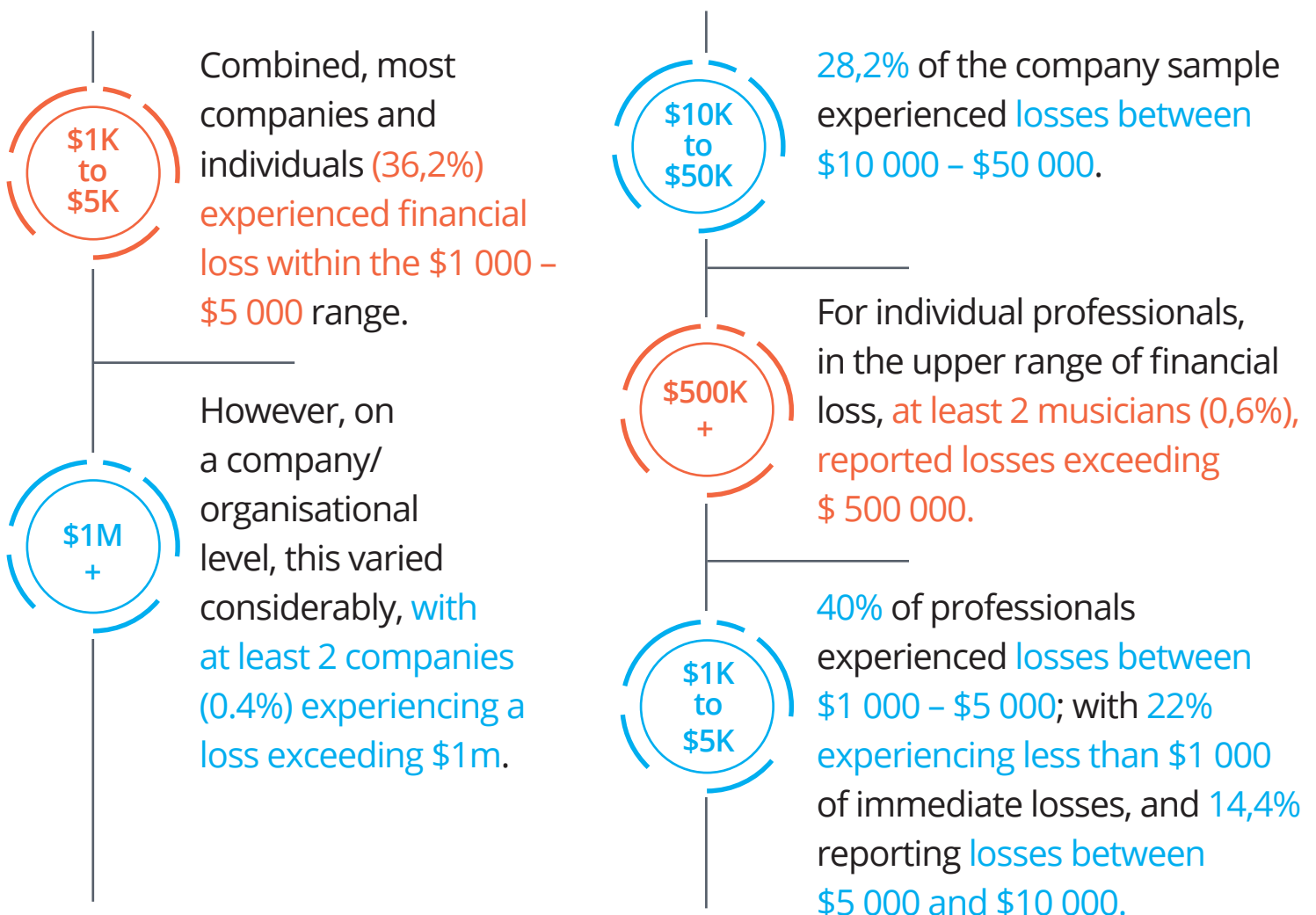


KEY FINDINGS: REVENUE LOSS

The central questions of the survey focused on current revenue losses, alternative income streams, and the types of support needed for the African music sector during the crisis.

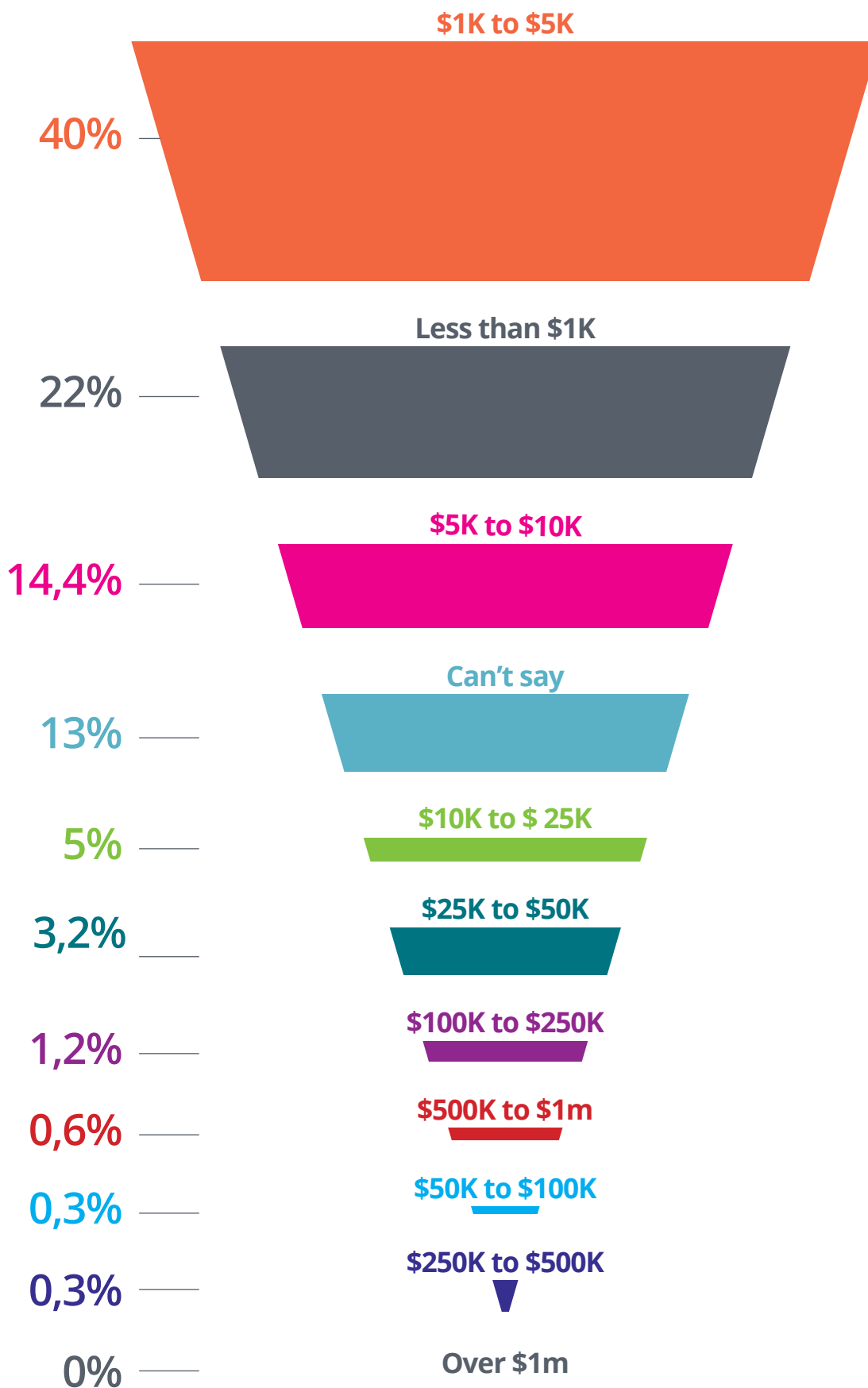
One of the primary objectives of the survey was to get a sense of the financial impact of COVID-19 on African music professionals, organisations and companies in the first two months of restrictions (1 March – 30 April 2020).

Respondents answered the question: How much revenue have you lost due to COVID-19?



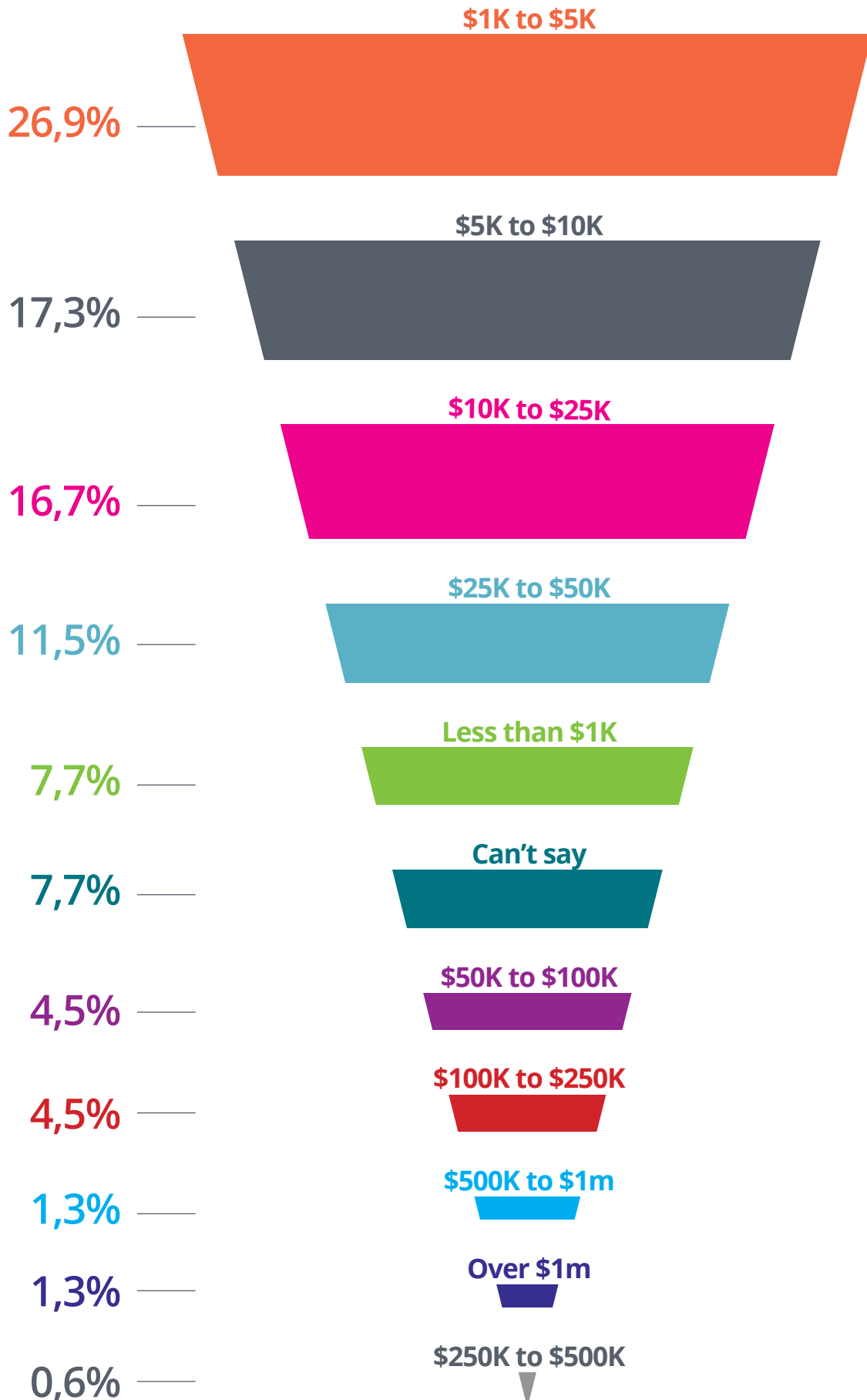


A breakdown of individual professionals' losses





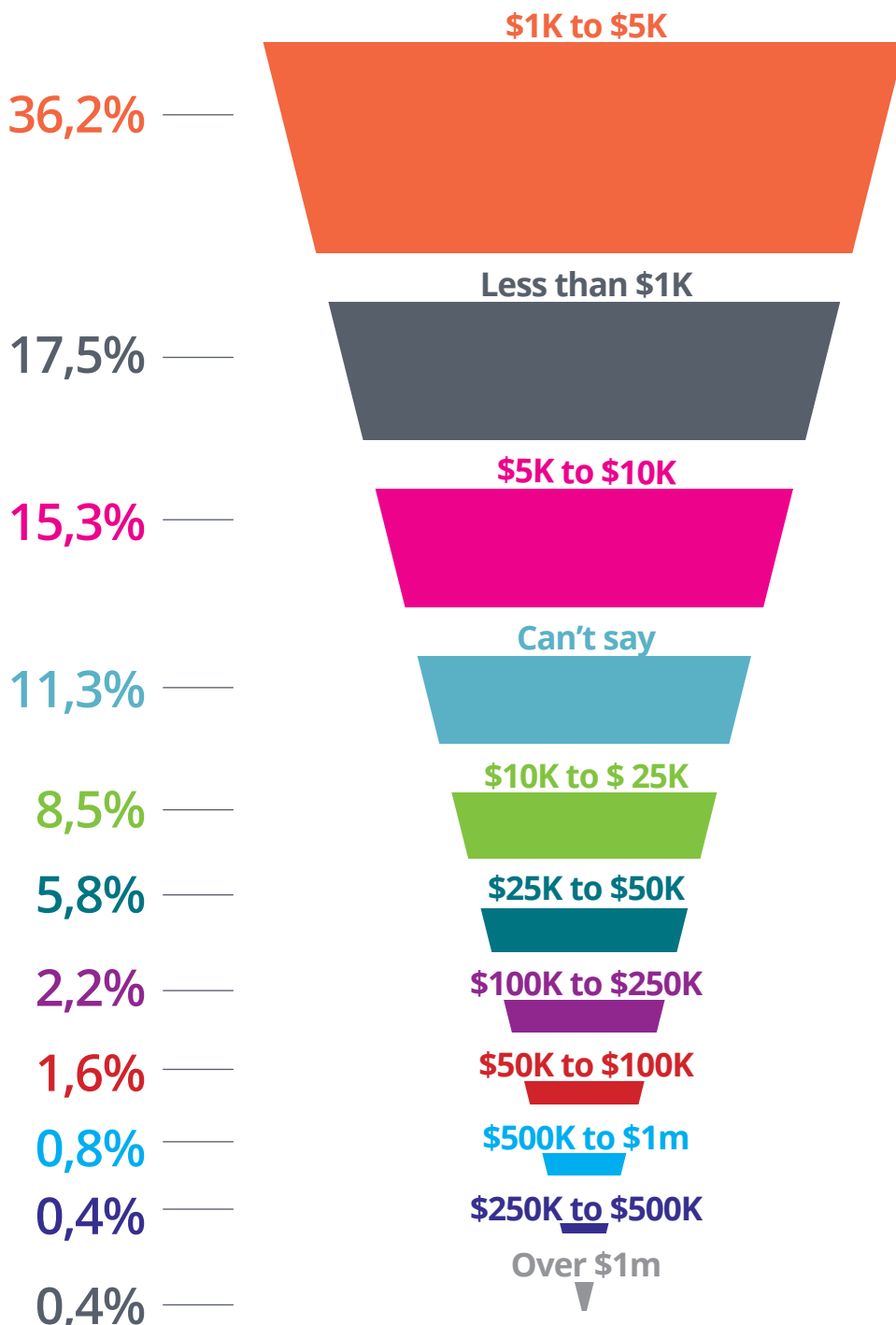
A breakdown of organisational/companies' losses:





These figures give us a high-level baseline of the scope and rate of financial losses. Although the survey did not go into specific details with regard to how the losses happened, it is clear that increasing restrictions on social gatherings, trade and movement have affected live events, festival performances, record deals and similar music-related value chains, leading to unprecedented losses.

A breakdown of the combined losses (individuals, organisations and companies):





ALTERNATIVE REVENUE STREAMS

Critical to the financial sustainability of the music industry is understanding the degree to which affected individuals and companies are able to manage financial risks in the face of unanticipated market shocks and force majeure, such as COVID-19.

**Respondents answered the question:
Do you have other sources of income?**





SUPPORT SYSTEMS

Governments across the globe have instituted various economic stimulus packages to support their economies on the back of the pandemic and to ameliorate an anticipated global economic recession.

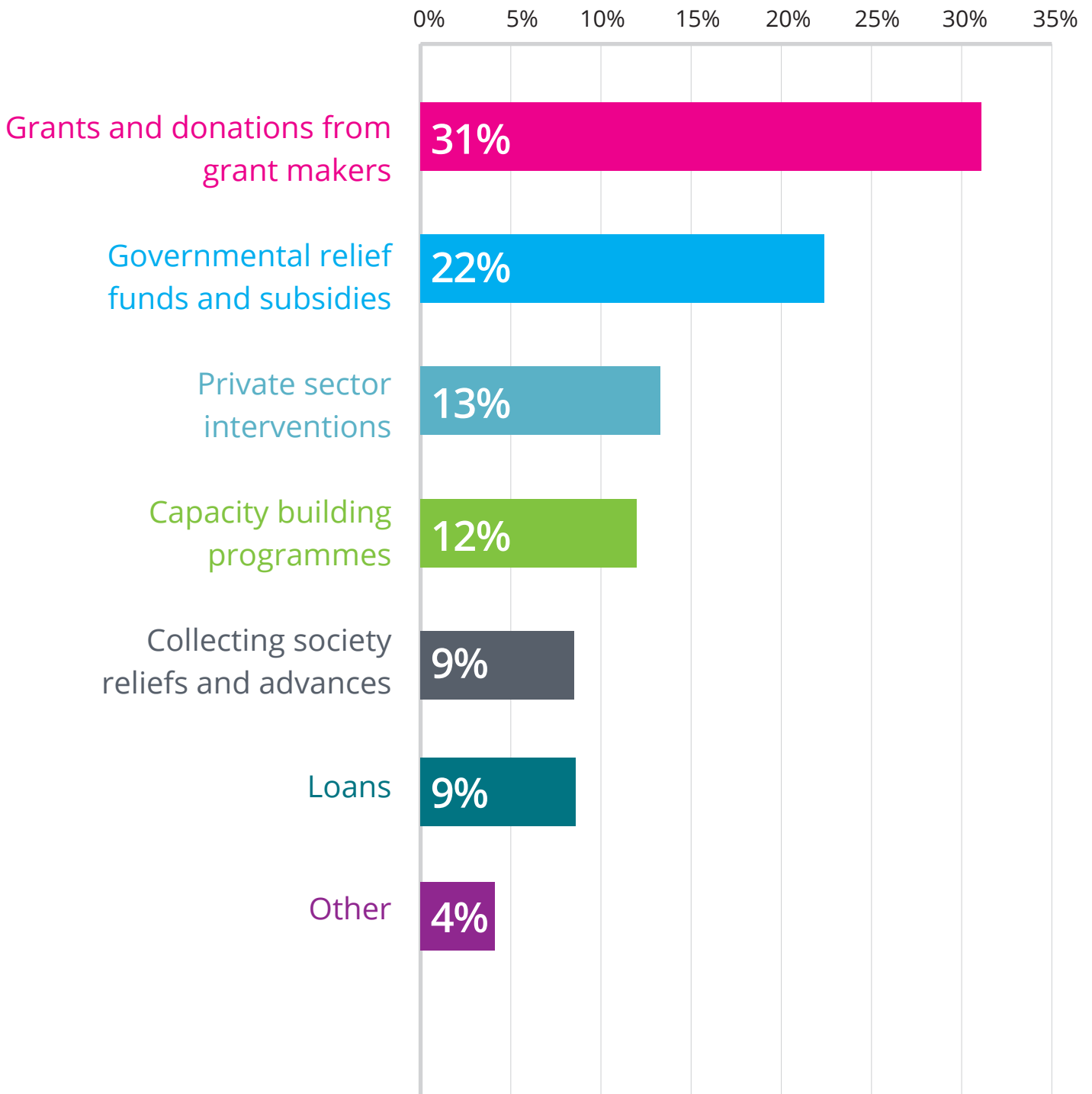
The creative and cultural industry is one of the economic sectors most affected by the COVID-19 crisis, due to restrictions on movement of people, goods and non-essential trade. In order to guide stakeholders on how best to support the creative industry, and the music industry in particular, we asked respondents to tell us what support they may need to change their situation on the ground.

“Most individuals and companies (87% combined), need some form of relief funding to survive.”



Respondents were asked to indicate what kind of immediate support they needed. A majority of respondents indicated that they need relief-based interventions.

Respondents answered the question: What kind of support do you think will be most effective to change your situation?

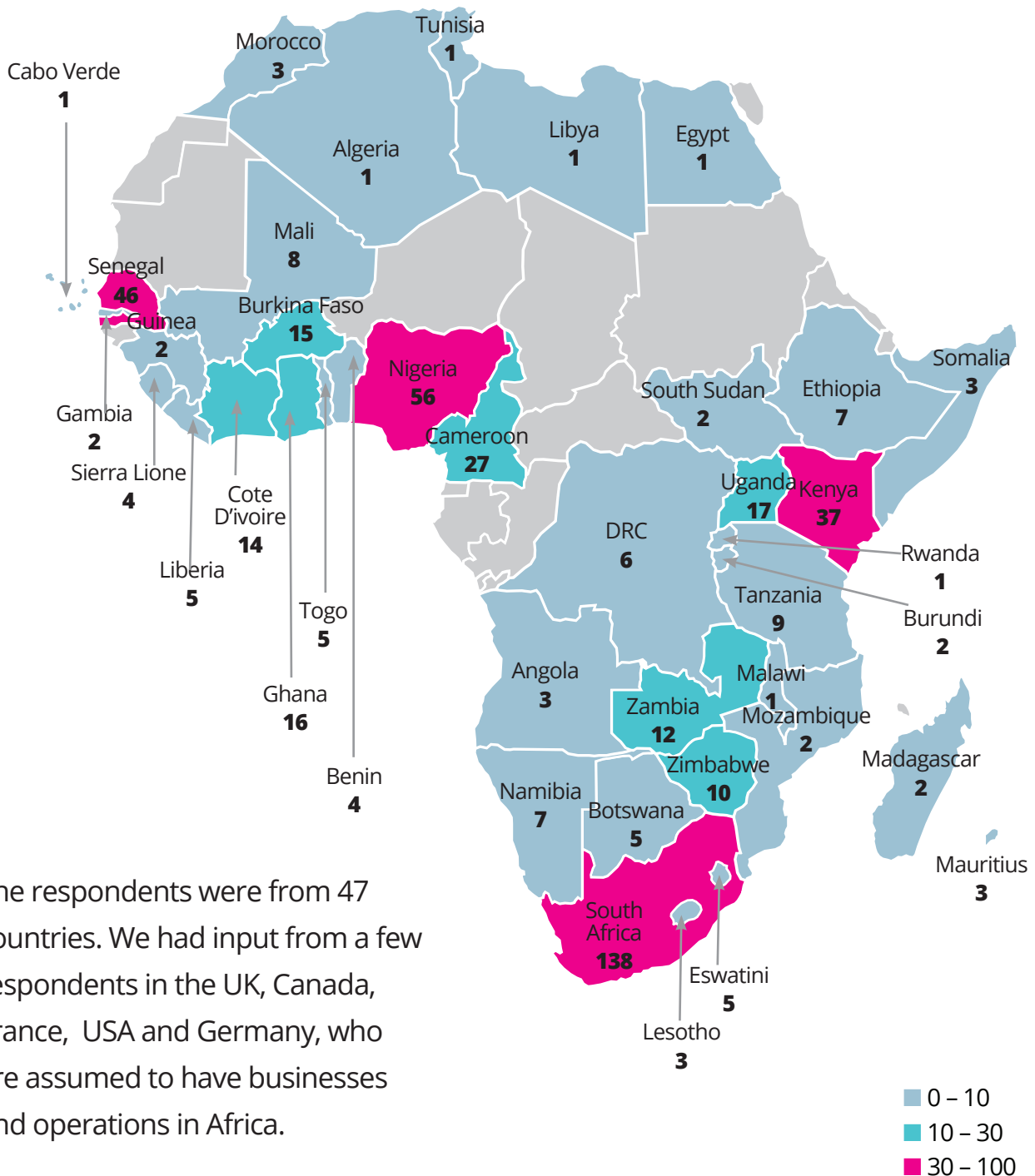




RESPONDENTS

Below is a general overview and breakdown of the demographics of respondents, including country, age, experience in the music business, industry subtype and level of involvement (split between individuals and organisations).

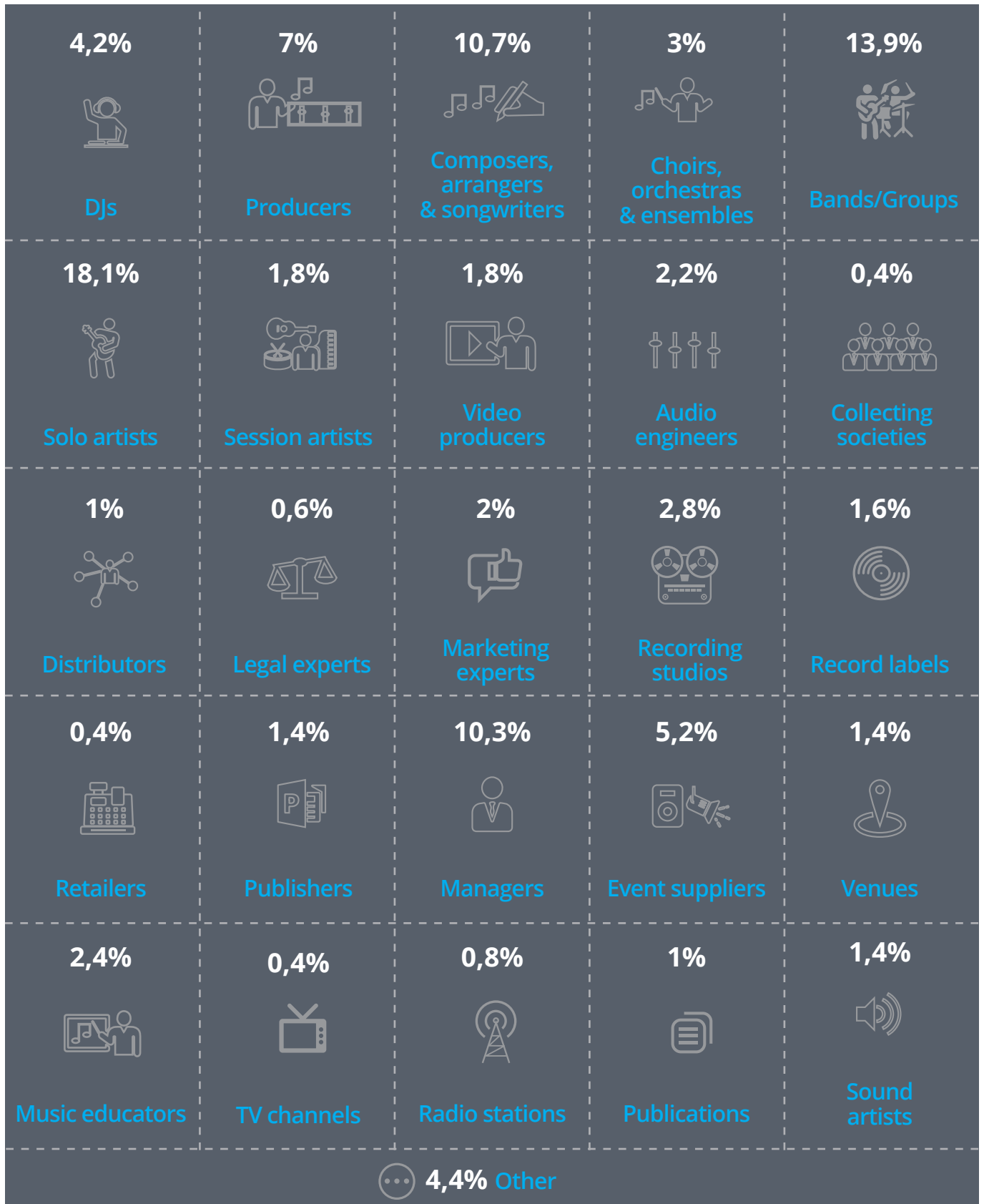
Geographical spread



The respondents were from 47 countries. We had input from a few respondents in the UK, Canada, France, USA and Germany, who are assumed to have businesses and operations in Africa.



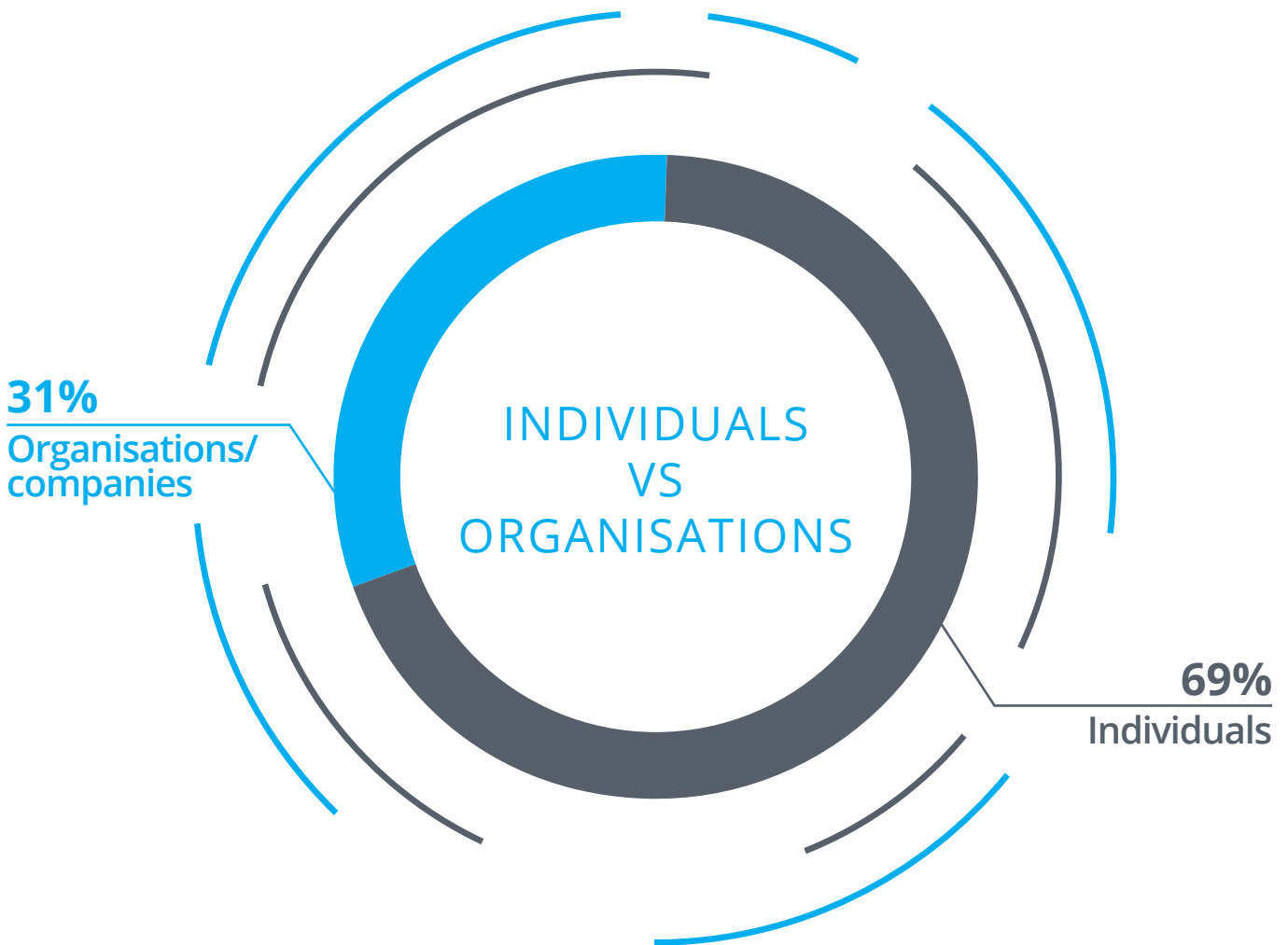
Industry subtypes





Individuals vs organisations

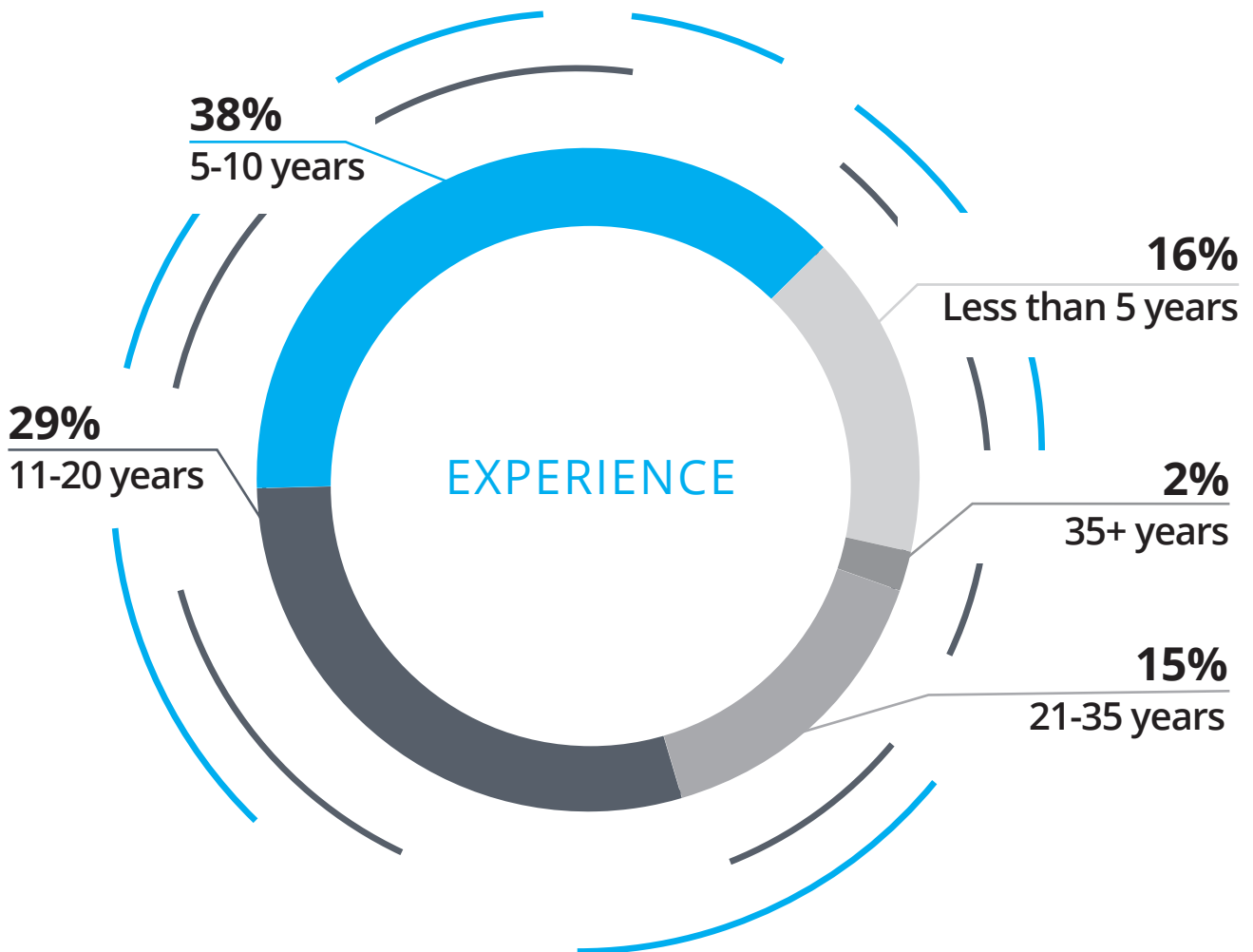
The majority of our respondents were individuals (347 or 69% of the sample). Organisations accounted for 31% of the sample with 156 organisations represented.





Music industry experience

Most respondents (38%) have 5 to 10 years' experience, which corresponds to the majority of respondents falling into the "early career" phase. About 29% of respondents fall within the 11-20 year experience range, 16% have less than 5 years' of music business experience, and 15% find themselves in the 21-35 year experience range.

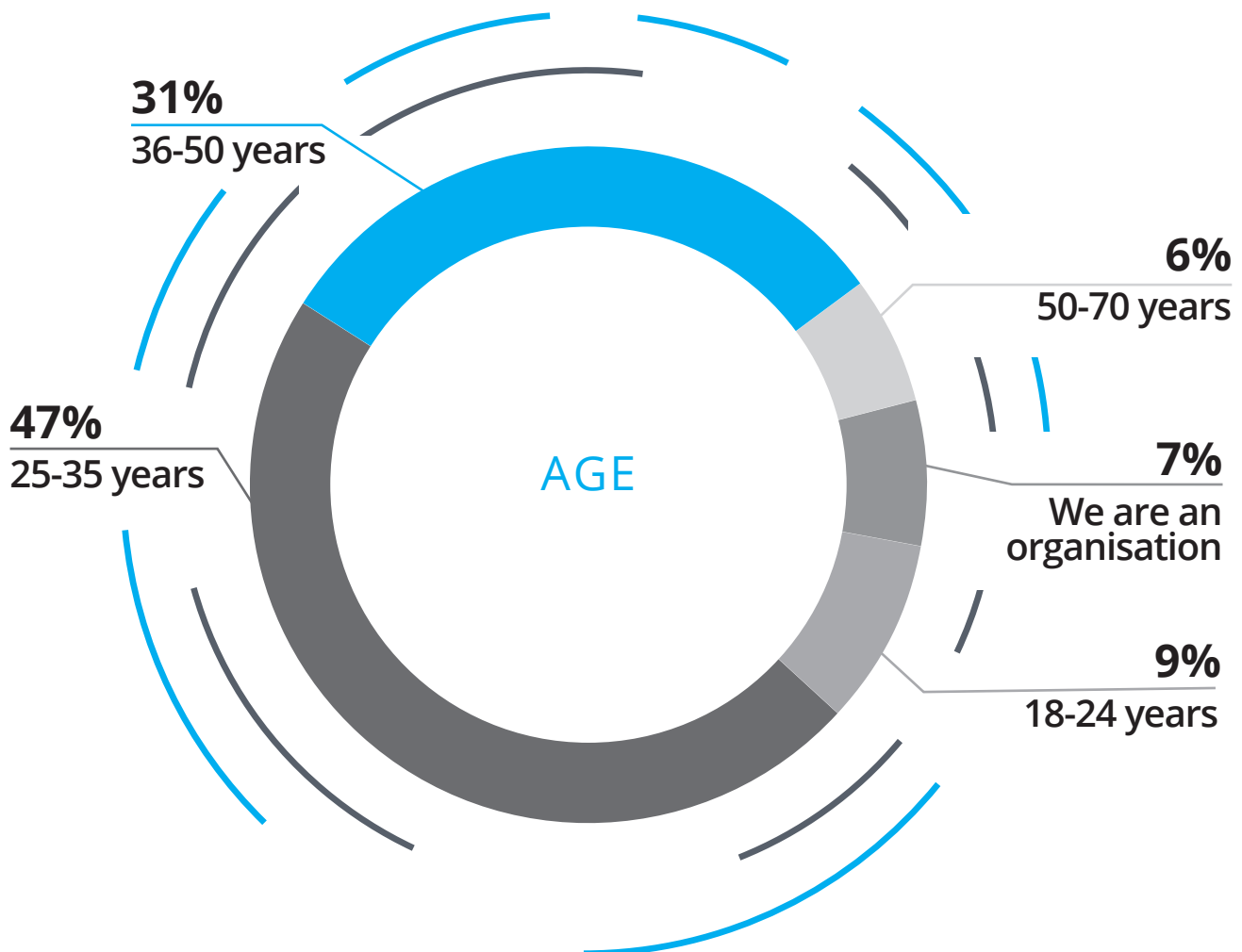




Age range

Almost 50% of those who disclosed their age fell in the 25-35 year range, which may be seen as the “early career” stage. About 30% indicated they belonged to the 36-50 age range, or “mid-career” phase.

The limitation of this data set is seen in the fact that some of the respondents chose not to select an age bracket as part of their response. This could be because a respondent was representing an organisation. Furthermore, companies run by individuals may also have chosen to select an age bracket. This limitation meant that we could not fully analyse losses at age levels but this did not affect our broader analysis and evaluation of the sample’s financial losses.

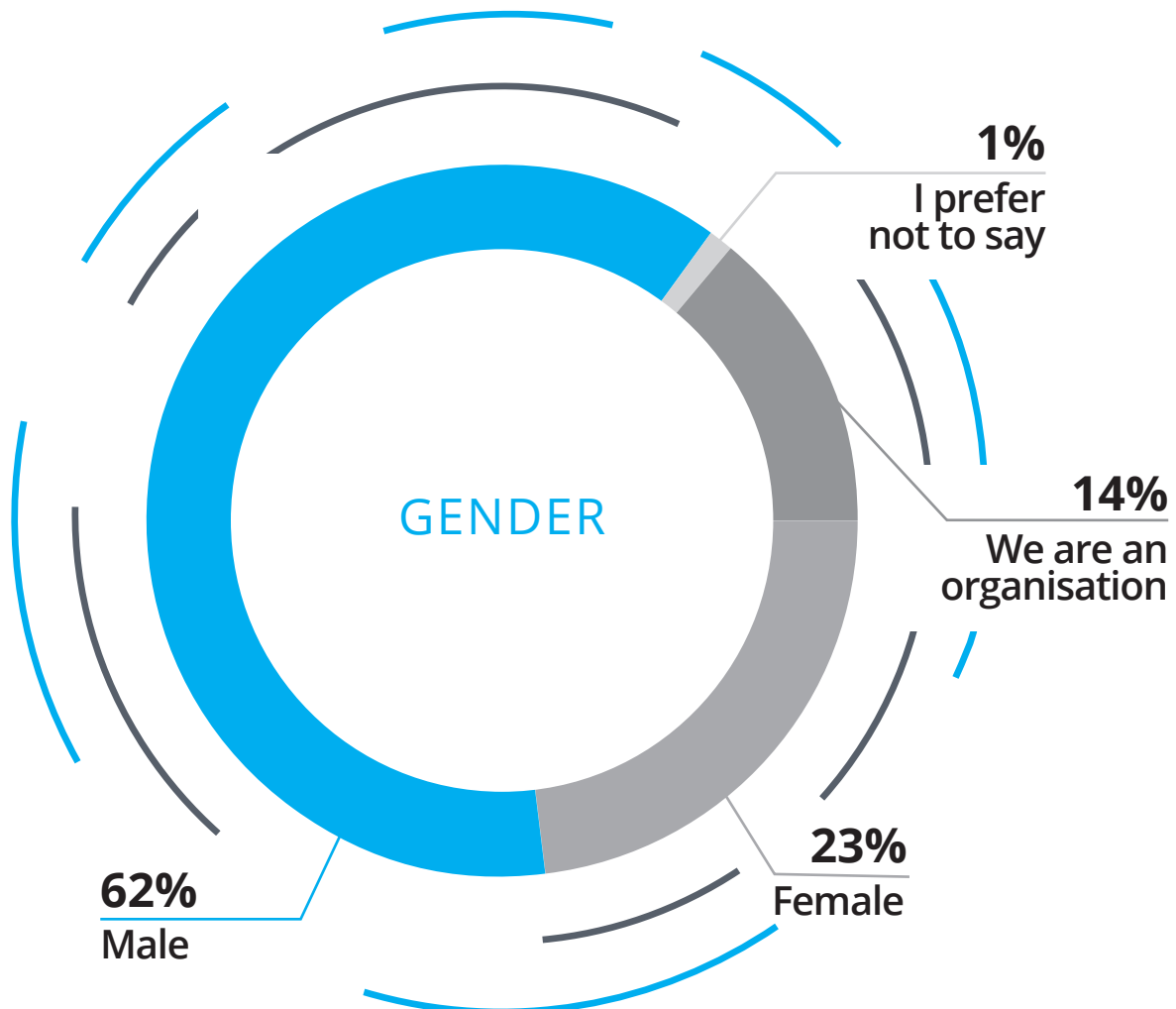




Gender split

Overall the majority of respondents indicated that they identified as male (62%), while 23% identified as female, and 1% preferred not to say.

The limitation of this data set is seen in the fact that some chose not to provide an answer, as they are an organisation and not representing an individual, while companies that are run by an individual might have chosen to answer with their gender (ie. female-run businesses etc.). Again, this limitation meant that we could not fully analyse losses according to gender, but this did not affect our broader analysis and evaluation of the sample's financial losses.





PROJECTIONS AND RECOMMENDATIONS

As a way to provide a balanced view of the situation in different countries and sectors, we consulted music professionals to react to our findings. The main focus of this exercise was to get industry professionals' projections for the future (for example, anticipating when things may return to normal in their countries, whilst also giving an idea of anticipated key shifts or new realities). We also asked the professionals to share recommendations about how the sector should strategise amid the pandemic and plan for the future. Their responses are summarised below.

Faisal Kiwewa – Bayimba Foundation (Uganda)

Projections / new realities

- In Uganda, we are most likely to slowly open up around November 2020 with strict operational procedures and with a few artists.
- Artists should be fully operational by between March and May 2021.
- Venues and events will take time to rebuild their funding partnerships. Some festivals and events might only be back around 2022.
- Most funders are exhausting their budgets with relief support. Institutions will not get the same funds they used to get.
- Most organisations will not have enough money to operate.

Recommendations

- Artists will have to continue finding ways to survive without live shows.
- Use this time to improve your craft, create new content, prepare promotional material and invest in online revenue streams.
- Organisations under pressure could reinvent small community programmes and create new ways of interaction.
- Scale down on spending at the moment and reserve operational funds for 2021.



Jess White – Akum Agency (South Africa)

Projections / new realities

- o The new reality has become live streaming or pre-recorded performances. This cannot replace all the lost income and jobs but is one part of the solutions being implemented now.
- o An increasing focus will be on diversifying income streams.
- o It is difficult to predict when we will be allowed to enjoy live music at a club/venue or festival, even with social distancing. I agree with estimates of December 2020 for South Africa, but this depends on how things go over the next 30 days.

Recommendations

- o Artists and management need to ensure they produce high quality content for these streams. Think HD quality so you can open the option to sell to TV and mobile phone networks.
- o Eat well, exercise and allow time to adjust to this new reality. This is a global pandemic and not everyone can be at 100% productivity, nor should they be expected to be.
- o Write a to-do list, tidy up things that you never had a chance to complete, update your admin, re-draft your strategic plan, research grant opportunities, and keep in touch with your peers and colleagues to share ideas and concepts or just talk. Allow yourself space. Now is a time to be kind to yourself.

“Artists and management need to ensure they produce high quality content for these streams. Think HD quality so you can open the option to sell to TV and mobile phone networks.”



Yusuf Mahmoud – Sauti za Busara Festival (Tanzania)

Projections / new realities

- Travel and crowd restrictions will continue, impacting negatively on the lives of musicians and arts professionals for the foreseeable future. Big shows will likely not be allowed for another four months at least in most countries.
- It will take time before people are comfortable traveling long distances again.
- Music is about bringing people together – there will always be a demand for live music experiences.
- Challenges will continue to exist for clubs and venues – even taking health and safety issues seriously, it will be difficult to enforce the wearing of face masks or keep audiences dancing two metres apart.
- We can emerge from this crisis wiser and stronger. As we begin to envision a post-COVID-19 music world, I hope others too will seize this opportunity to provoke some long-overdue changes in the music industry.
- Important in this process are more platforms for diverse musical expressions, and local and pan-African content, inclusive to narratives that speak to human rights, justice and the environment.
- No doubt, the world can look forward to an explosion of music, art and creativity the likes of which were previously unimagined.

Recommendations

- Use this time wisely: compose, read, create, listen to other musicians, exercise, meditate, keep in touch with family and friends, research and learn new skills.
- Go beyond your comfort zone, challenge yourself with new ideas, experiment and take risks.
- Stay connected with your audiences. Stay tuned to opportunities out there that can really help you (online seminars, training, funding and other possibilities).

“Music is about bringing people together – there will always be a demand for live music experiences.”



Jotam Matariro – CAPASSO (South Africa)

Projections / new realities

- o It will take a very long time before things get back to normal. My prediction is beyond 18 months.
- o A gradual return will probably start from the end of this year.
- o Live streaming will continue to be the norm going forward. We have been fast-tracked into the future!

Recommendations

- o Industry players have to become more accustomed to using technology.
- o Artist management need to become aware of rights to be cleared. Rights management will involve a fast-tracked collection of new metadata, while analysing existing data to identify online opportunities. This unfortunately calls for investment in new technologies that are capable of handling huge volumes of data.

“Artist management need to become aware of rights to be cleared. Rights management will involve a fast-tracked collection of new metadata, while analysing existing data to identify online opportunities.”



Benza – Vth Season (South Africa)

Projections / new realities

- Things are slowly getting back to normal. For South Africa my estimate is 50% back by August, 75% by October 2020 and in full swing between December and February 2021.
- We are busy doing a lot of live online shows, which are growing the music and brands of our artists. New countries in Africa have started streaming and viewing our content.

Recommendations

- Be conservative with whatever savings or small income you have now. Do not buy what you do not absolutely need.
- Focus more on social media activities for promotion (Insta Live and Facebook performances).
- Improve your existing skills and work on developing new skills.
- Write and make music as much as possible. Stay in contact with fans and celebrate any achievement during this time.
- Apply for shows, tours and conferences that will happen in 2021.



“Write and make music as much as possible.”



Brahim El Mazned – Visa For Music (Morocco)

Projections / new realities

- The confinement in Morocco has been extended for 3 weeks, until June 10 at least. We do not know yet how long it will last.
- The decision to ban all gatherings will certainly be maintained, and the danger is that the cultural sector will be the last to resume.
- As far as our event Visa For Music is concerned, we still need a few more weeks of reflection to decide whether and in what format the seventh edition should be maintained. Coming from the world of the performing arts, we will do what is necessary to maintain our event.

Recommendations

- In these times of crisis, artistic creation, cultural links and social cohesion must be stronger.
- Artists have to adapt to new realities and perform more and more in new places, whatever their nature, format or capacity.
- I encourage industry players to give artists and live performances new spaces, and the public authorities to launch grants and commissions for artists and cultural actors that will enable them to organise activities in public spaces and also to invest in new places such as hospitals, prisons, large public gardens, parks etc.

“Artists have to adapt to new realities and perform more and more in new places, whatever their nature, format or capacity.”



Aibee Abidoje – Chocolate City Limited (Nigeria)

Projections / new realities

- At the moment it is too early to predict when things will get back to normal. With news of a second wave coming in China – and the low adherence to social distancing measures being put in place, we are not certain how long COVID-19 will last in Nigeria.
- Its effects are quite clear and have affected different parts of our business in different ways. For the record label, work is still very much active with releases. However, we are slightly constrained in our ability to create marketing assets to support releases such as music videos.
- We are looking for solutions around that in a creative way. As can be expected, we lost a few of our activations and live events, and some marketing and licensing engagements had to be put on hold. We are however optimistic that as long as people consume content, entertainment will always thrive, albeit very slowly at the moment.
- I believe in the coming months we will get some of the best music we have heard in a long time. Music gets better when it comes from a place of vulnerability.

Recommendations

- The first thing to do will be to stop the bleeding. A few measures such as driving down operational costs, deferring fixed payments, and selling off assets that may no longer be needed are ways to reduce costs and increase cash in hand.
- Focus all energy on high-revenue brands or products driving strategic alignments and collaborations where necessary.
- Digital marketing will need to be specific and targeted so that spend provides high yield.
- I encourage all artists to get in the studio now and write music.
- For live events, we need to focus our energy on online performances. People are listening and we have their attention.

“I believe in the coming months we will get some of the best music we have heard in the longest time.”



Antos Stella – Connect Content Africa (South Africa)

Projections / new realities

- o I am not sure that there will be a 'normal' for our business again. I think we are looking ahead to the new normal which would mean events would have screening and other preventative measures.
- o The music industry has always been at the forefront of technology and we have witnessed this through live streamed events during COVID-19, and the ability to perform from home. The opportunity that exists now is for artists to promote their content on the DSPs while performing, as you have a captive audience.

Recommendations

- o This is a perfect time for creatives to pay attention to the digital explosion at their fingertips. This should be a core part of their revenue streams.

Davy Lessouga – Believe Distribution Services (Cameroon)

Projections / new realities

- o This situation is unfortunately expected to continue until the end of 2020, or even mid-2021.

Recommendations

- o Increase your online presence. Create your page / bio on Wikipedia – even a few lines that will come out in Google's search engine,
- o Take ownership of your online profiles. Claim your Google listing, profile on Spotify for Artists (labels and artists) and other platforms. Update your online bio, discography etc.
- o Create playlists wherever possible (Spotify, Deezer, etc.). A playlist on these platforms can be used to build a fan base by attracting new audiences with diverse music.



Guy-Marc Tony Mefe – Scène d’ébène (Cameroon)

Projections / new realities

- o Taking into account developments in the West and in Africa, it is likely that artistic activity may resume from the end of July. In Cameroon, this is already the case, even if it remains slow.
- o The recession will impact the African entertainment sector which remains extremely dependent on businesses and multilateral cooperation.
- o Institutions are going to be more focused on their own businesses and will likely not have more to commit to the creative sector.

Recommendations

- o Solidarity between cultural actors could be a necessary factor for recovery. This solidarity could manifest itself through the pooling of skills and resources in organising concerts, conferences, training, etc.
- o Solidarity also in the demand for better management of copyright and acquisition of the status of artists and cultural professionals.
- o It is time for players in the music industry to truly come together to push governments and legislators to give them these tools, without which most artists will remain poor.

“It is time for players in the music industry to truly come together to push governments and legislators to give them these tools (for rights management), without which most artists will remain poor.”



Ghita Khaldi – Afrikayna (Morocco)

Projections / new realities

- We are not sure that things are going to get back to normal that quickly. In Morocco, we are still in lockdown until 10 of June. In a very optimistic projection, we hope that some specific activities will slowly restart by July for very small groups. Big gatherings maybe by November or December.
- The impact of this crisis will certainly have a huge, negative impact on allocated funds for arts development (from governments, private sectors and other players).

Recommendations

- The situation is very difficult and stressful for artists and professionals, but it's probably the best period for training and creation, and thinking about alternative and solid ways to get through this crisis.
- Solidarity has been shown and we have all been guided by great collaborative creations shared on the web. A few grants have been launched in some countries. We should be curious and alert to those few calls for projects, and advocate for more attention to the creative sector.



“The impact of this crisis will certainly have a huge, negative impact on allocated funds for arts development.”



Wanjiku Koinange – Mdundo (Kenya)

Projections / new realities

- o The reality now is that a musician’s digital fan base may be one of their key sources of income for as long as public gatherings are banned.
- o We expect that more than ever advertisers will be looking to engage with artist brands as influencers and endorsers of their products and even start to generate their own content such as podcasts in an effort to engage with audiences.
- o Ticketing services like Mookh Africa are also looking at ways to offer ticketing options for live streams, online concerts and DJ shows. We see these as developing trends into 2021 with the assumption that gatherings as we know them will cease to exist until then.

Recommendations

- o There has never been more demand for digital content than now and this presents an opportunity for the industry.
- o Since the COVID-19 restrictions were put in place in March, Mdundo has seen a steady increase in music downloads. In April alone, downloads were up by 2,4%, so if I were a musician, now would be the time to release new music.
- o It is also an opportune time to connect with fans and create engaging content. In Kenya, musicians like Nyashinski, Blinky Bill and Juliani streamed full concerts/DJ sets via Instagram and YouTube.
- o Content like this opens up revenue opportunities in the form of endorsements, sponsorships and ad revenue from various platforms. And in East Africa, we have the added advantage of mobile money, so fans are able to send in their contributions during live sessions and in so doing putting money in the musician’s pocket.

“A musician’s digital fan base may be one of their key sources of income for as long as public gatherings are banned.”



ACKNOWLEDGEMENTS

We would like to thank all the respondents who participated in the survey, allowing us to present this snapshot of the impact relating to the COVID-19 pandemic on the African music industry. This industry 'temperature check' shows that the music industry is feeling unprecedented financial strain. It is our hope that stakeholders will consider these insights in their endeavours to bring about positive change.

We extend our gratitude to the 12 industry practitioners who took their time to react to our findings and offer their invaluable contributions:

- Aibee Abidoeye – Chocolate City Limited (Nigeria)
- Davy Lessouga – Believe Distribution Services (Cameroon)
- Ghita Khaldi – Afrikayna (Morocco)
- Wanjiku Koinange – Mdundo (Kenya)
- Guy-Marc Tony Mefe – Scène d'ébène (Cameroon)
- Antos Stella – Connect Content Africa (South Africa)
- Brahim El Mazned – Visa For Music (Morocco)
- Benza – Vth Season (South Africa)
- Jotam Matariro – CAPASSO (South Africa)
- Faisal Kiwewa – Bayimba Foundation (Uganda)
- Jess White – Akum Agency (South Africa)
- Yusuf Mahmoud – Sauti za Busara Festival (Tanzania)

Report contributors

Special thanks to the team that worked tirelessly to put this report together:

- Eddie Hatitye
- Belisa Rodrigues
- Kalin Pashaliev
- Blessings Ngwenya
- Patricia Yumba
- Ano Shumba
- Violet Maila
- Claire Metais
- Trevor Ou Tim



The Music In Africa Foundation (MIAF) was established in 2013 and registered in 2014 as a non-profit organisation, registered in terms of the South African Nonprofit Organisations Act, No. 71 of 1997. Our mandate is to support the African music sector, particularly musicians, by creating and sharing opportunities for them to learn, exchange, develop and promote their careers.

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