

Asia China

Country Data

Population (millions) : 1,330

Median Age (years) : 34

Currency : Renminbi (RMB) | Yuan (CNY)

US\$ Exchange Rate : 6.96

Performance rights music licensing company :
CAVCA (for Karaoke Videos)

Link : www.cavca.org

Top Independent Labels (Alphabetical)

HY Brothers

Modern Sky

Taihe Rye Music Co. Ltd.

World Ranking

Physical sales	34
Digital sales	9
Performance rights	–
Total market	25

Digital Indicators (Millions)

Internet users	298.0
Broadband lines	83.4
Mobile subs	627.3
Portable player users	–

Music sales in China grew by 8.0% in 2008 aided by strong digital growth. China has one of the highest digital shares in the world, with 62% of music sales coming from digital platforms. Digital piracy continued to underscore the potential of the digital music sector in China, with an estimated piracy level of 90%.

The Chinese digital market is dominated by mobile sales, which accounted for over 80% of digital revenues. Ringback tones are by far the most important music format, although single track downloads to mobile are on the rise. Music companies currently receive 5% or less from sales of mobile music in China, highlighting a big gap between content owners' and mobile operators' remunerations. China Mobile's value-added service market reached US\$ 18 billion in 2008 (iResearch). The expected introduction of 3G services in China should further expand the Chinese mobile music market.

China has the highest number of internet users in the world. As much as 80% of all internet users in China are under the age of 35 years old and nearly 80% of internet users have broadband access. Research by CNNIC showed that 87% of Chinese internet users have listened to online music in the past six months, with 71% having downloaded music in the past six months.

Despite this, the legitimate online sector has failed to take off in China due to high piracy levels. The biggest infringers are the country's largest internet companies, Baidu, Sohu-Sogu and Yahoo China, which provide specialized 'deep link' services giving users direct access to millions of copyright-infringing music files. Critical for the long-term success of the mobile music business in China is the ability to control piracy in this environment. The fact that credit card use is limited in China has also held back the online market, favouring mobile operators' billing systems.

In early 2009 major music labels partnered with Google China and Top100.cn to offer a new legitimate music service to Chinese consumers. Through the service Google Music Search music labels can offer their catalogue legitimately to consumers on an ad-supported basis.

The majority of music sales in China come from international and regional repertoire. Chinese music buyers' tastes lie in Mandarin recordings produced in or outside China. Hong Kong and Taiwan are the main exporters of Mandarin repertoire into China. Many Chinese artists record and sign their contracts in those territories – where the recording infrastructure is more developed. In addition, many Cantonese acts from Hong Kong record Mandarin versions of their releases for exploitation in China and Taiwan. Market barriers faced by non-Chinese record companies also hampers the development of Chinese artists.



Recorded Music Sales (Trade Value)			
Year	US\$ (M)	Local Currency (M)	Change
2008	82.0	570.5	8.0%
2007	75.9	528.2	-10.4%
2006	84.7	589.8	24.5%
2005	68.0	473.6	-35.0%
2004	104.8	729.1	-

Recorded Music Sales By Sector (US\$ Million, Trade Value)			
Year	Physical	Digital	Perf. Rights
2008	31.5	50.4	-
2007	41.2	34.7	-
2006	54.0	30.7	-
2005	68.0	-	-
2004	104.8	-	-

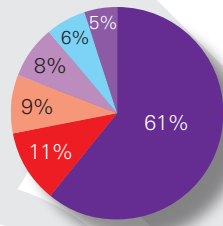
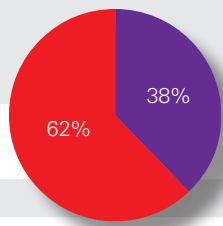
Note: Digital sales included from 2006. 2004-2003 sales are not comparable.

Digital Sales By Sector				
Year	Online	Mobile	Subscriptions	Other
2008	16%	82%	-	2%
2007	19%	78%	3%	-
2006	5%	74%	8%	13%
2005	-	-	-	-
2004	-	-	-	-

Recorded Music Sales Volume (Million Units)					
Year	Physical			Digital	
	CD	Music Video	Other Physical	Single Tracks	Digital Albums
2008	7.7	2.1	-	-	-
2007	13.1	1.5	-	-	-
2006	16.6	6.9	2.6	-	-
2005	19.7	10.1	9.9	-	-
2004	33.1	10.3	19.0	-	-

Note: Other includes ad-supported revenues and other digital amounts.

Note: Music video includes DVD, VHS and VCD. Other physical includes singles, vinyl, cassette and other.



Recorded Music Sales By Sector

- Physical
- Digital
- Performance rights

Digital Sales By Format (Value)

- Ringback tones
- Mobile single track
- Mastertones
- Online streams
- Online single track
- Other