



On The Run. Hit and Run Music's international sub-publishing agreement with Warner/Chappell Music was inked recently in London. (Billboard, Oct. 2). Pictured at the signing, from left, are Andrew Gummer, director of commercial and business affairs, Warner/Chappell; Tony Smith, chairman and owner of Hit and Run; Les Bider, chairman/CEO, Warner/Chappell Music; John Crawley, managing director, Hit and Run; and Robin Godfrey-Cass, managing director and senior VP of international A&R, Warner/Chappell.

CD Pirates Wreak Hong Kong Havoc Chinese Agree To Police The Problem

■ BY MIKE LEVIN

HONG KONG—News that China is to act on its snowballing CD piracy problem (Billboard, Oct. 9) could not have come sooner for record companies here.

After a deal with IFPI, Chinese authorities are assembling a task force to police the problem. Piracy also is being tackled at ground level. In the town of Shenzhen, near the Hong Kong border, Chinese authorities working with the Hong Kong Customs Department seized some 23,000 CDs in raids on shops. (Billboard, Oct. 9).

But neither diplomatic nor street-

level moves can assuage the feeling of concern at Hong Kong's record companies. It's the same clawing fear that gripped the business here in the '70s when pirate cassette tapes flooded the market and washed away huge chunks of income. In 1993, the problem is counterfeit CDs.

The pirate products—mostly Cantopop albums, with a sprinkling of international artists—made their street appearance only within the past few months, but already PolyGram is reporting revenue losses of at least 22%. It's the same for others with strong Cantonese catalogs, such as Capital Artists.

Paul Ewing, Warner Music Inter-

national VP for Southeast Asia, calculates that the company is losing about 15% of sales to pirates, but says the problem does not affect expectations for next year. "We're not changing our forecasts," he adds. "Piracy is a part of life [in this region]."

His views are echoed by PolyGram Far East president Norman Cheng. "Even with this [flood of pirate CDs], I don't think we'll have to change our forecast for this year," he says. "But if we aren't more careful and diligent with our masters, we can't help but have our results affected."

The culprits are 14 CD factories spread throughout the southern Chinese province of Guangdong. These state-funded plants claim they are legitimate operations. "Most of our orders come from Hong Kong and Taiwan, and they are legal. If there is a problem [with piracy], talk to those customers and the smugglers—just leave us alone," says the manager of a Guangzhou plant, an employee of the Culture Ministry who is therefore unable to reveal his name.

The numbers are staggering. The plants have an annual capacity of 54 million discs, and Chinese consumers buy fewer than 2 million a year. In the first eight months of 1993, the Hong Kong Customs Department seized about 23,000 illegal CDs. That represents less than five days' influx from one source alone.

IFPI estimates that 5,000 units a day make their way down the Kowloon Canton Railway, hand-carried by passengers who can buy and sell them to local dealers for about \$4. At the current rate, 1.8 million counterfeit CDs will be available in Hong Kong during the next 12 months, representing almost 22% of the colony's entire sales.

Once the CDs arrive, they are distributed to a triad-controlled network of street hawkers, mostly teen-agers who sell in the youth-oriented districts of Mongkok and Sham Shui Po. But the discs also have turned up in business districts of Central and Causeway Bay.

"In many small record stores, you can easily get pirate versions if you are a regular customer," says Alex Chan, PolyGram's marketing manager for Southeast Asia. Prices range from \$4.50 to \$6.

IFPI's Hong Kong manager, Patrick Wong, is upset. "It is a disaster. The problem is on the China side, and we have absolutely no control," he says.

The solution is to intercept them at the border, says Vincent Poon, senior superintendent of the Intellectual Property Investigation Bureau. But that may be easier said than done. Hong Kong's trade with China reached \$500 million last year, and more than half travels across the border at Shenzhen.

Reflecting the importance it attaches to Asia, IFPI is holding its annual board meeting in Hong Kong Oct. 27, and its annual general meeting in Beijing Nov. 1.

'Bodyguard' Is Top Foreign Album In Japan

LONDON—The soundtrack to "The Bodyguard" has displaced Michael Jackson's "Thriller" as the Japanese music industry's biggest-selling international album to date.

It has sold 1.8 million copies there, compared with 1.6 million for "Thriller." The all-time top domestic album, by Dreams Come True, has sold 3.1 million (Billboard, Oct. 2).

In the U.S., "The Bodyguard" has been certified for sales of 9 million.

Outside the U.S., according to Arista Records and BMG International, the album's sales are:

1. Japan..... 1.8m
2. U.K. 1.6m
3. Germany..... 1.3m
4. South Korea 1.0m
5. Canada 980,000
6. France 910,000
7. Italy 810,000
8. Spain 570,000
9. Mexico..... 445,000
10. The Netherlands 402,000

Other territories where the release has performed well include Australia (346,000 units), Sweden (343,000), Indonesia (320,000) and Taiwan (305,000).

FOR THE RECORD

Phil Collins is signed outside the U.S., U.K., and Ireland to Warner Music International, which will release his new album, "Both Sides," on its WEA label. His international label affiliation was given incorrectly in the Oct. 4 issue.

French Video Sales Decline By 9%

■ BY PHILIPPE CROCC

PARIS—After a slowdown in the growth of the French video market last year, gross sales for the first half of this year dropped 9.25%.

The most optimistic projections for this year foresee a zero growth rate—provided that the major releases scheduled for the pre-Christmas period all materialize.

Sales for the whole of 1992 were up 12%—but that compares with a 34.5% yearly increase in 1991.

According to the Chambre Syndicale de l'Édition Audiovisuelle (CSEA), which represents about 70% of video production and distribution companies in France, gross receipts from video sales and rentals in the first six months of this year amounted to 917.3 million francs (\$160.9 million at current rates), compared with 1 billion francs (\$177.2 million) for the first half of 1992.

Income from sell-through declined 8.36%, the first fall since records started.

"For some time now," says Jean-

Paul Commin, marketing director of Fil-A-Film, "supermarkets and hypermarkets have suffered a considerable decline in sales of videocassettes—and these stores represent the major outlets for the product.

"Because of the slowdown in sales growth in 1992, the stores were overstocked with product. Consequently, in 1993, they reduced their purchases of new titles and concentrated on disposing of their existing stocks."

Not all video companies are suffering, however. In fact, TF1 has increased its market share to 12%, taking fourth place in the video league table. The gain has been mainly at the expense of small, ambitious companies like Canal Plus's NMV, whose sales in the first six months were down 60%, compared with the first half of 1992.

"We are seeing a restructuring of the industry," says TF1 president Pierre Brossard, "just as occurred in the record industry, with the big, soundly financed companies getting bigger and the smaller com-

panies going to the wall."

Founded in 1988, TF1 sold 2.5 million videocassettes last year, with 3% of revenue coming from laserdisc. Its catalog includes 130 French feature films and more than 140 nonfilm subjects. Its biggest successes this year so far have been "L'Amant" by Jean-Jacques Ammand, which has sold more than 150,000 units, and "Indochine" by Regis Varnier. TF1 also achieved 80,000 sales of the video of a concert by singer Michel Sardou.

Gaumont/Columbia/Tristar is another company that has increased sales this first half-year—9% over the figure for the first six months of 1992, making the company market leader, ahead of Buena Vista, which suffered a 31% decline in sales.

Warner Home Video revenue is also down for the first six months—by 9%.

Revenue for UGC is up 11% and PolyGram Video, with an effective combination of film titles and music productions (including videos by Dire Straits and Johnny Hallyday),

(Continued on page 51)

Mixing Genres: Greek Pop Artists Explore Their Laika Roots

■ BY JOHN CARR

ATHENS—Greek pop artists, anxious to improve sales by experimenting with their musical roots, are turning trad.

In a blurring of musical styles that has been gaining momentum here in recent years, local established pop and rock acts—such as Vasilis Papakonstantinou, Nikos Portokaloglu, Lakis Papadopoulos, and the Katsimihas Brothers—have been releasing material penned to appeal to both younger listeners and older groups more at home with Greece's traditional music.

The latter is given the generic name of "laika," meaning "popular," and is based on the Levantine scales of old Byzantine music, with a Turkish element thrown in. Laika songs have always led domestic repertoire sales,

provided Greece with its superstar vocalists, and even now are the basis of any big commercial success here. (The Zorba-the-Greek-type "syrtaki," popular in the '60s, was merely a watered-down version of the laika mainstream).

Financial considerations, say record producers, are only part of the motive. "The artists seem to want to mix genres now," says George Makrakis, head of domestic repertoire for PolyGram in Greece. "They also get better attendance at live shows."

Makrakis earlier this year borrowed veteran rocker Papakonstantinou from Minos EMI for what he calls a "completely laika" track on a PolyGram compilation album.

Some artists take the philosophical view. "Rock and laika are brothers. It's instinctive with us" says Nikos Portokaloglu, who five years ago

caused a mild controversy with a song that appeared to sing the praises of car theft and joy riding.

Haris Katsimihas, one of the Katsimihas Brothers, who opened for Bob Dylan at the Lyvakittos Theatre in Athens this past June, is more definite. "For every Greek, even though he might not admit it, laika is like our mother's milk."

It's a trend, observers say, that won't likely change, especially at a time when Balkan nationalities, including the Greeks, are experiencing a revival in ethnic pride (Billboard, Sept. 11). The fact that it is good for disc and cassette sales is incidental, at best. "A pop artist might raise sales from, say, 10,000 to 13,000 if a few laika elements are put in, but it's not the main incentive," says Makrakis at PolyGram.