

# Music & Media

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## Upfront

by Emmanuel Legrand, Music & Media editor-in-chief

The world market figures unveiled by the IFPI this week confirm, if needs be, that the music industry is still a vibrant and thriving industry, weighing close to \$40 billion.

But there are some indications that not all is as well as it seems. To start with, this year's growth was sustained by only one region, yet the most important—North America. Had this market experienced a recession and the global picture would have looked quite different. Besides, emerging markets such as Latin America and Asia are still suffering from on-going economical crisis. This is not a healthy situation.

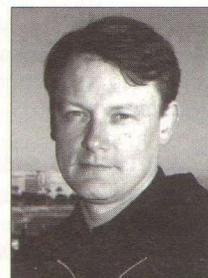
Then there is the dark picture painted in Europe with two of the three biggest markets—France and Germany—underperforming, thus contributing to an overall flat market in value. Both markets are plagued with the effects of CD burning. This is a worrying situation.

Also, the CD, which was motor that fuelled the

growth for the past 15 years, shows signs of losing pace. Of course, CD sales went up 2% overall, but as cassettes sales continue to tumble down, it seems that the CD has reached its peak as a sound carrier. New formats such as the MiniDisc are growing but not to the same level. This is not a fully satisfying situation.

So what for 2000? At this stage all the economical parameters tend to point to a continued economical growth in the western world and a recovery in the emerging markets. Sales levels should be sustained and there are some good signs coming for France for the first quarter. If this trend is confirmed, throughout the rest of the year, Europe might also experience a turnaround. This would be a gratifying situation.

But then, there is the attitude of consumers with regards to new technologies. Will the massive introduction of digital downloads this year affects global sales? Next year, as majors will start soon deliver digital downloads, we should see the IFPI starting to report sales—yet modest—of digital downloads. This will be a groundbreaking situation.



Music & Media values its readers' opinions—you can e-mail the editor-in-chief at: [elegrand@musicandmedia.co.uk](mailto:elegrand@musicandmedia.co.uk)

## NRJ investing in FranceMP3

by Emmanuel Legrand

**PARIS** — One month after relaunching its web site, radio group NRJ has reached a new stage in its Internet development strategy by becoming the main shareholder in France's leading MP3 web portal, FranceMP3.com.

The radio group acquired 16% of the company on April 12, and has options to extend its stake up to 20%. No exchange of cash has taken place however, since NRJ has accepted shares in exchange for advertising space which FranceMP3 will be able to use across all of the group's stations—NRJ (CHR), Nostalgie (Gold), Cherie FM (AC) and AC/comedy formatted Rire & Chansons.

The two companies will also

explore other avenues for partnership ventures, including sharing technical know-how and developing in the 8 other European countries where NRJ has a presence.

Alain Weill, CEO of NRJ, says that FranceMP3 fits well within the group's Internet strategy, to which digital downloads are considered essential. "Digital downloads will be a crucial component in the development of the Internet, and as NRJ has high ambitions in this field, it was quite natural for us to become associated with the leading site in the field," says Weill, adding that by the end of this year NRJ plans to offer on its own site, downloads from artists signed to major companies.

Weill will become a board member of FranceMP3, a company creat-

ed in September 1999 by Eric Legent and Laurent Maubon, respectively CEO and managing director. Maubon says the deal with NRJ couldn't come have come at a better time, and will give more leverage to develop the company. "We are welcoming a powerful and established shareholder who will give more credibility to our project," says Maubon. "NRJ has such an important role in France and in other European territories that it gives us the capacity to develop our brand both in France and internationally."

Legent says the arrival of NRJ will give FranceMP3 the muscle to strengthen their leadership in the field. Weill adds that NRJ is looking at developing similar relationships with other Internet companies.

## Austria tries again with Amadeus

by Susan L. Schuhmayer

**VIENNA** — Reviving an initiative which has twice before petered out, the Amadeus Austrian Music Awards will take place on May 6 to honour top national and international talent.

The awards, sponsored by IFPI, are designed to show that "Austrian music is getting stronger and stronger, not only inside Austria, but also outside Austria," says Mario Rossori, who is organising the event.

"It's good to have this type of award to let the public know about the achievements of our local talent. It will showcase the wealth of homegrown acts we have in Austria," says Erich Krapfenbacher, EMI Austria's managing director.

Earlier awards efforts in the

mid-'80s and late '90s died out after a year or two, Rossori says, adding, "Austria may be the last European country to do music awards."

This year's event will feature awards in 18 categories, ranging from national soloist of the year to international single of the year to Volksmusik and Schlager group of the year.

Among the nominees are such well-known national artists as Erste Allgemeine Verunsicherung, Wolfgang Ambros and Udo Jürgens.

International nominees include Cher, Offspring and Andrea Bocelli.

A jury of 600 members drawn from the music industry will select the winners.

Nominations are based on the country's best-sellers, and there are "things on the charts that never make it on the air," Rossori claims.

"That's a source of constant friction in the country, where record labels complain that local talent doesn't get enough airplay, while radio stations argue that there is not enough first-class talent in the country."

Tim Hind, programming director of the rock station 92.9 RTL, enthuses that the Amadeus awards are "really, really important for Austrian music. Regardless of airplay, they (musicians) still get acknowledgement from their peers."

Krapfenbacher expects all of his label's local artists to turn out for the award ceremony, even if they are not nominated. He also hopes some international artists will appear.

Rather than being a glitzy show, the event will have a party atmosphere, he says, and several young, up-and-coming artists will have an opportunity to perform.

