NATIONAL EXPORT STRATEGY

Entertainment

JAMAICA

N E S


Ministry of Industry, Investment and Commerce

JAMAICA TRADE & INVEST
JAMAICA PROMOTION CORPORATION (JAMPRO)

Jamaica Exporters’ Association

PSDP

ITC

The National Export Strategy of Jamaica was developed on the basis of the process, methodology and technical assistance of the International Trade Centre (ITC).
Jamaica, a leading per capita export country known for its commitment to creativity, innovation and exceptional quality.

April 2009
Entertainment

Introduction

Rationale

According to the Creative Industries Sector Plan for Vision 2030, “while there is limited data on the size of the creative industries in Jamaica there is evidence of its economic importance. A recent study indicated that the Copyright Sector contributes about 5.1% to the GDP of Jamaica, and accounts for 3.0% of all employment in Jamaica”. Entertainment, particularly music, is a long-standing part of the local economy, an important component of the local culture and an integral part of the tourism product. Jamaica has a globally-recognised entertainment brand. Its quality and distinctiveness has led to annual music exports of US$80-100 million\(^1\), which amounts to about 1.7% of total goods and services exports. Approximately 6-12,000 persons are directly employed in the music industry (Stanbury, 2003; Witter, 2004), while other reports estimate that the music industry employs about 15,000, and generates revenues of US$52.5 million.

The film industry earned US$14.3 million from a wide variety of film projects, music videos, and a reality series shot on location in 2003. Information from the Jamaica Film Commission indicates that 1500 - 2500 persons are employed to the film sector annually on a part-time basis. Figures for export performance for the dance and drama sub-sectors are not adequately recorded and available for reports, however the industry export potential is quite significant with earnings estimates of greater than two times current figures, provided the appropriate infrastructure is in place.

The success of the music industry, both in terms of direct export earnings and the indirect economic contributions it makes has largely come about through the talents and efforts of individual artists and industry personnel. As such, there is room for a strategic approach to leverage the export potential of this industry. In the case of dance and drama, there are development mechanisms in place, such as education and training, however there are gaps in the commercial opportunities following up on the training resulting in less people entering the field. Stronger enterprise support and appropriate performance facilities are critical to their development.

The significant potential for export earnings from music, film, dance and drama could result in significant increase in exports and GDP. With the actual and potential linkages with other industries, the creative industries have the potential

\(^1\) Strategic Plan for the Entertainment Industry of Trinidad and Tobago, the Music and Entertainment Industry Team of the Standing Committee on Business Development, January 20, 2006, citing Nurse, Keith. “The Cultural Industries and Sustainable Development in Small Island Developing States.”
of becoming a major economic sector. The sector attracts and engages many persons from marginalised groups – geographic and social – and therefore provides economic opportunities where other sectors are not able to.

**Specific Industries and Related Programmes**

The industries included in “entertainment” which the entertainment export strategy aims to address to bring about improved competitiveness and performance are (i) music, (ii) dance (iii) drama and (iv) film. Music industry covers the full scope of recorded and live performances, which is also the case for dance and drama. While the export of film services for international projects with Jamaica as a location have been the focus of previous initiatives and support, greater focus is now required for the domestic film sector. It should be noted that these are the industries currently reflected in this phase based on the appropriate levels of participation to develop respective strategies. Other areas such as the literary and visual arts will be incorporated in future revisions to this strategy.

Related initiatives in entertainment (and creative industries) include the National Development Plan, Vision 2030 Jamaica, which looks at the Creative Industries, and the Plan for the Promotion of Professional Services Exports from Jamaica, which covers the sectors above in addition to the visual arts. The Export Strategy enhances and is thus integrated into the Professional Services Plan (with some of the content from that study integrated), and will become the export element to the broader Vision 2030 Plan. The existing clusters (Music and the Visual and Performing Arts) have also been involved in the strategy design so that integration of efforts for implementation are more likely to occur.

**Where Do We Want to Be?**

**The Vision**

Jamaica’s Creative Industries as a major contributor to sustainable economic development; with respect for our intellectual property from which we optimise financial benefits globally.
Where Are We Now? 
An Assessment

Export Performance and Assessment of Overall Competitiveness

Music is one of Jamaica’s most successful exports, with a long history of artists who have realised phenomenal success in a very competitive international music industry. The music industry has demonstrated the highest level of competitiveness among Jamaica’s creative industries. Some indicators of the growth of the local entertainment industry include the increase in the stock of loans and advances to the industry which stood at J$345.9 million at the end of 2005, up 11.6% from 2004; the increase in the number of projects administered annually by JTI’s Film and Music Division from 82 in 2001 to 121 in 2005; and increase in the number of plays and drama productions staged in Jamaica from 24 in 2002 to 42 in 2005. The island has been the location for many successful international motion pictures and the Jamaican Film Commission has serviced over 3,000 film projects since its establishment in 1984, ranging from the full-length feature film to documentaries and photo shoots. Jamaica Trade and Invest’s Film Commission continues to realise significant revenues by promoting location filming, and reported earnings of US$14.3 million in 2003.

As illustrated in the value chains there are capabilities across most of the critical elements of the sector based on the current pool of trained or trainable participants in the sector as well as the requisite talent for competitive performance. However, across several areas there is room for increasing the number of participants and improving the capabilities of the existing ones.

The industry’s Value Chain – An Illustration
Music

An industry profile based on the current value chain revealed that despite the number of performing/recording artistes in music, there are relatively few record labels and recording studios. A key finding from the industry profile was that there is currently a monopoly in the label component as VP Records recently bought the second major player, Green Sleeves. The weaknesses to the model of their dominance are limited to some of the firm's issues (as perceived by the industry) and include (i) their limited promotion involvement (ii) not being up to date on industry trends and issues,
**Value Chain - Music**

**Current Value Chain Dynamics**
- Abundant talent and reputation of Jamaica does not match global position
- Creative talent is not matched by adequate business professionals in the industry
- Only few revenue options are being exploited
- There is opportunity for growth through new distribution models

**Future Value Chain Imperatives**
- Jamaica’s global ranking in the music industry is enhanced.
- There are adequate business professionals to support the industry.
- All revenue options are engaged
- Fully exploit new distribution channels
particularly digital trends, (iii) possible contraction in singles and album sales. Of course, any failure or threat to the firm would be felt by the entire industry. The value chain analysis later also points to potential for improving efficiencies that would result in reduced leakages from the sector (more so in the percentage of leakages and not necessarily in entire components of the chain).

It is important to note however, in the value chain, that much of the ownership and commercial management including distribution rests in developed countries, rather than here in Jamaica. As such, we are not realising the optimal value from this sector.

**Film**

Stanbury (2003) reports that the Jamaica Film and Video Producer’s Association (JFVPA) estimates that there are at least 20 companies actively involved in film and video production, and over 300 individual private contractors who provide services to the sector.
There are four primary dance companies in Jamaica, each at the level of staging professional productions locally and overseas. Members of these professional companies are typically formally trained. There is also an emergence in popular (dancehall) groups and individuals with potential as well. These latter groups and individuals are often not equally trained but display talent and creativity which are key to their industry. These persons are typically featured in music videos and also are part of live performances – either with performing music artistes or separately. (It should be noted that the strategy design involved so more work could be done to acknowledge any unique issues and opportunities in the popular dance segment).

Mode 4: Jamaican dance company travel overseas to perform

Current Value Chain Dynamics
- Absence of a state-of-the-art studio limits extension to new value options, such as recordings, while also limiting live performances
- Limited integration with the tourism industry

Future Value Chain Imperatives
- An adequate concert venue is constructed to facilitate new value propositions, such as recordings
- The industry benefits from the linkage to the Tourism industry
The core component of this industry is the playwright, who is often forced to be the producer based on the weaknesses in management capabilities and limited number of producers in the industry as well as funding availability. There are several major playwrights in Jamaica who have done plays for performances, and have produced published plays. There is also a stock of trained and talented actors for the industry. There is a threat to the decline in these persons based on challenges in entering and growing in this sub-sector. The assessment of the current value chains revealed some weaknesses and opportunities that are to be covered in the strategy. The main issues for sector 2 are:

- Actors for the industry face threats.
- Actors in this sector face challenges in entering and growing.
- Actors may also face a decline due to the absence of performance venues.

The Value Chain Assessment looked at:

1. Ways of improving efficiencies.
2. Creating value.
3. Adding value.
4. The sections outlined for each sub-sector.

The main issues for sector 2 are:

- Actors for the industry face threats.
- Actors in this sector face challenges in entering and growing.
- Actors may also face a decline due to the absence of performance venues.
and its sub-groups are outlined below.

**Competitiveness Perspective**

**Border In**

- Facilities:

  (a) There are inadequate venues for live performances (dance, drama, music) resulting in a limit in (i) number of performances that may be staged and therefore in earnings (ii) opportunities for new companies and talent to showcase and build experience (iii) training and development of playwrights unable to test their scripts and of (new) actors unable to gain practising experience.

  (b) In the case of existing venues, feedback from the industry indicates that they are not technically advanced which (i) weakens the quality of a production that must be scaled back to match the venue or that is not adequately showcased due to poor lighting or sound (ii) restricts the ability to build expertise in supporting fields in the industry. Generally, this issue severely constrains the development and growth in dance and drama.

  (c) In the case of music performances, outdoor venues in particular have to be outfitted for stage, sound and lighting for each event, increasing the costs of producing shows, which hinders competitiveness as it either (i) limits investment in a quality staging or (ii) is more costly to produce and therefore attend with less profits for event enterprises to grow.

- Training: While there are training programmes for talent (musicians, dancers and actors), there is less training available in the business-side of each of these sub-sectors (or broad creative industries management), and support areas of being a producer, and technical fields, such as in recording for music, or editing and directing for film. Therefore despite talent in the main value areas, this may not be maximised in terms of quality or earnings based on the other training weaknesses. Main training weakness are:

  - Music business management: Collection of royalties from exports has been lax. While this is a product of a number of factors, part of the difficulty stems from the fact that artists are not well-versed in the business side of the industry, including the changes to revenue generation that is
coming about as a result of digital distribution. Educating artists as to their intellectual property rights should facilitate a higher level of revenue collection.

- The other area is technical skills training related to music. However, while improving skills in certain areas, particularly evolving production techniques, is desirable, this should not be a drive to formalise the industry as individual creativity and training is an essential component of the success of the local music scene. Instead, training should be provided as a complement to the existing entrepreneurship and courses provided though institutes such the Edna Manley School of Performing Arts should be promoted.

- Production and marketing (including distribution) of creative products.
  - Artiste development services and training systems that cover: image, performing, voice, business (multidisciplinary to cover contracts, etc)
  - Financing: Some specific issues for these creative industries are
    - (i) lack of IP as collateral to obtain financing
    - (ii) absence of special enterprise and grant funding for the creative industries
    - (iii) lack of or limited financial support for specific activities such as export promotion — as some sub-sectors may not typically included among the client groups receiving such support.

The following general financing issues are also relevant to entertainment:

- Available and affordable financing for upgrading from traditional sources.
- Difficulty in accessing grant and similar funding.
- Absence of incubator funding for (i) enterprise development as well as (ii) specific projects.
- Film: difficulty in raising funds for production (of a specific film project), which limits revenue to the firms and eventually their growth. Without an adequate number of film projects and their use for experiential learning the development of the sub-sector is limited (similar to theatre space challenges).

- Some persons are of the view that the writing skills of scriptwriters
could be improved, but this was not the consensus of the group.

**Border**

- Intellectual property rights regulation and enforcement for the protection of these rights needs to be strengthened across all areas, with some issue examples below.
  
  o Dance: the assignment of photography rights is not clear – whether it belongs to the company or the individual.
  
  o Image rights: for both video and still images is also to be ascertained (and is critical to move to the next value step for filming and its distribution – film product).

- There is a lack of structured labour laws / policy for the industry (based on international models, such as the USA’s SAG, DGA, WGA).

**Border Out**

- There is no marketing support for identifying international buyers or in hosting in-bound missions with potential buyers (similar to tourism and other export products).

- There is no national promotion of the sector’s products and services overseas including the sensitisation of potential buyers on the products and services to drive demand.

- Marketing: While a number of established artists may have access to marketing services, many others may not have the resources to promote themselves and gather information. Sector-wide promotional efforts could be taken to stimulate demand for Jamaican artists abroad by developing contact with overseas promoters. The promoting agency could then act as a point of referral to specific artists, thus providing an industry-wide public good. Similarly, research into potential markets for artists should be carried out and the information, including details of suitable live events, should be made publicly available.

- Weak linkages with tourism sector (for the performance sub-sectors).

- Lack of information on markets, particularly the Diaspora markets (especially for performance sectors – dance and drama).

**Institutional Perspective**

- Lack of up-to-date database of industry professionals and service
providers that have been screened/qualified (to facilitate business matching)

- Film: streamlined (central) facilitation desk for all permits, approvals and other project requirements (inc. customs clearance)

- Organisation: As discussed, the industry is quite fragmented. Less-recognised artists could benefit from performing in support of more well-established acts. The practice of partnering needs to become more common and the Cluster is already playing an important role in bringing parties together. This type of unification is important as it could improve individuals’ awareness of business support services and lead to improved bargaining power.

Client Perspective

- Assistance for enterprises to formalise their businesses
- Availability of industry training and information for competency development. Specifically, (i) industry management and operation models, (ii) industry-specific training and certification, (iii) start-up guides (iv) project development and execution guides.
- Film: An opportunity listing derived from current and future film projects
- Listing of funding sources and hand-holding for accessing these

A detailed assessment of each value chain was also performed and its summary in the tables below.

<table>
<thead>
<tr>
<th>Music</th>
<th>Improving Efficiencies</th>
<th>Reducing Leakages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• By encouraging publishing of lyrics and creating a listing to facilitate talent identification and matching.</td>
<td>• More mastering and mixing can be done locally by acquiring the following:</td>
</tr>
<tr>
<td></td>
<td>• Creation and fostering of networking among talent in the industry (artistes, composers and writers) or a match-making mechanism</td>
<td>o Equipment</td>
</tr>
<tr>
<td></td>
<td>• Electronic scoring capability improved and awareness of firms providing the service.</td>
<td>o Skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Reputation, which is also an important factor, may be translated from recording to this area.</td>
</tr>
</tbody>
</table>
### Improving Efficiencies

- The producers’ knowledge and experience in writing music to be improved.
- Producers and engineers (especially) have a poor understanding of their distinct roles and how to deliver these. (Industry awareness and business practices)
- Engineers (usually self-taught) have weak mixing skills.
- Generally poor application of technology in the industry with the following scale (1-5 - highest) ratings:
  - Mixing - 1.5
  - Recording - 3.5
  - Scoring - 0
  - Engineering - 4
  - Producing - 4.5
  - Mastering - 2.5
- Not enough songs are mastered. (needs to be more affordable, and the benefits of mastering needs to be understood).

### Reducing Leakages

- Upgrading the distributors and introducing new players (or new business practices among the current ones).
- Exploring new distribution options, such as the internet.

### Music (continued)

#### Improving Efficiencies

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### Adding Value

- Film soundtracks
- Videogames
- International festivals for live performances

### Creating Value

- Merchandise (particularly fashion) with creative marketing (positioning) in key markets and creative outlets with focus on international arena shows.
<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Improving Efficiencies</th>
<th>Reducing Leakages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Film</strong></td>
<td>• Facilities for networking and business matching, such as talent and skills database.</td>
<td>• The elements that are done overseas may remain for sometime based on the investment required and the limited size of the domestic industry at present to create adequate demand for such services. More needs to be done on such assessments, however.</td>
</tr>
<tr>
<td></td>
<td>• Increasing level of professional and technical training to offer better products.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Adding Value</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• New and creative distribution channels need to be identified and exploited, such as internet.</td>
<td></td>
</tr>
<tr>
<td><strong>Dance</strong></td>
<td><strong>Improving Efficiencies</strong></td>
<td><strong>Reducing Leakages</strong></td>
</tr>
<tr>
<td></td>
<td>• Quality of theatre space.</td>
<td>• Note: all talent is typically Jamaican.</td>
</tr>
<tr>
<td></td>
<td>• Professionally trained producers for the industry are needed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Adding Value</strong></td>
<td><strong>Creating Value</strong></td>
</tr>
<tr>
<td></td>
<td>• There is the potential for more local performances locally, but the advantages and viability needs to be weighed against the constraints and disadvantages (such as compromising quality based on venue limitations).</td>
<td>• Additional revenue streams may be explored: DVDs, CDs (of original music), lectures and demos related to each production.</td>
</tr>
</tbody>
</table>
In looking at the assessment of value (for each value chain), it was determined that:

- For the music industry that a main element of the value is royalty, which is typically split between the creative rights (lyrics and composition at 50%) and the mechanical rights for the remaining 50%.

- Drama’s main value component is the script (based on perceptions in the market and reputation of the playwright), but which may be enhanced significantly by the actors (reputation based).

- The choreographer in dance contributes the core value.

### Performance against Critical Success Factors

The performance of two of the industries against the critical success factors identified for their business is summarised below.

<table>
<thead>
<tr>
<th>Drama (Theatre)</th>
<th>Improving Efficiencies</th>
<th>Reducing Leakages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Same as Dance.</td>
<td>• Note: all talent is typically Jamaican</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adding Value</th>
<th>Creating Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Same as dance.</td>
<td>• Published plays (requiring runs in more prestigious theatres internationally)</td>
</tr>
<tr>
<td></td>
<td>• DVD sales</td>
</tr>
<tr>
<td></td>
<td>• Television: Cable &amp; Free-to-air</td>
</tr>
<tr>
<td></td>
<td>• Digital formats for on demand viewing</td>
</tr>
<tr>
<td></td>
<td>• Merchandise</td>
</tr>
<tr>
<td>Film</td>
<td>Critical Success Factor</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Distribution:</td>
<td>First need to understand the process to identify these.</td>
</tr>
<tr>
<td>Script-writing:</td>
<td>Talent and their ability to communicate their story well.</td>
</tr>
<tr>
<td>Producers</td>
<td>Understanding of their role.</td>
</tr>
<tr>
<td>Director</td>
<td>Composition eye. Ability to tell a story.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drama / Theatre</th>
<th>Critical Success Factor</th>
<th>Performance</th>
<th>Challenges / Imperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Authenticity of the script and cast of actors.</td>
<td>Strong</td>
<td>Diversifying from the “Oliver Samuels” brand; i.e. building other brands – actors, playwrights, and groups.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Authenticity may often mean use of the dialect, which may restrict markets. Therefore need drive for “Jamaican Attitude/Flavour with Conventional language”.</td>
</tr>
</tbody>
</table>
**Government Policy and Strategy in Support of the Sector**

The industry has not received much governmental attention despite the rhetoric surrounding its contributions to the nation’s economic, cultural and human stocks of capital. While there are policy and support units for the sector, there are few initiatives that are executed that are reported to impact very favourably on the sector. The services may need to be more tailored and responsive to the actual needs of the sector (rather than the needs perceived by the institution).

**The Sector's Trade Support Network: Capacity, Competency and Coordination**

There are significant weaknesses in the level of coordination, the capacity and competency of the institutions in both the strategy support and service delivery networks. Failures of these networks and its members have resulted in industry failures and have also constrained the growth and development of the sector. The focus on these networks and members to address the issues will be critical to the sector strategy success.

In the area of training, there is the need for greater coordination among the institutions. The coordination is required where there are similar programmes, as well as based on how they may complement others.

The need for enhancing competency and capacity in specific areas for some institutions was highlighted in the consultations. The detailed comments regarding these will be made available to the secretariat and the sector structure as part of its implementation brief, although not detailed in this document.
SWOT Analysis of the Sector

Some of the points were taken from Vision 2030 Jamaica, as they were not identified by this strategy group but had been confirmed by a wider group.

**Strengths**

- An abundance of talent in each of the sub-sectors.
- Creative source
  - Abundant talent
  - World-class achievements
  - Varied and valuable cultural and heritage resources
- Increased collaboration between tourism, cultural, entertainment and sports sectors
- Strength of “Brand Jamaica”
- Modern copyright regime in place; Jamaica party to relevant IP agreements/international treaties

**Weaknesses**

- Lack of appropriate and sufficient venues for the performance sub-sectors.
- Absence of a film studio that meets minimum global industry standards.
- Inadequate intellectual property framework for protection, valuation and management of works resulting in limitations in (i) monitoring and penalising for infringements (ii) valuation and use of collateral (iii) commercial management for optimal revenue.
- In most sub-sectors the absence of a listing of qualified professionals for accessing/contracting them.
- Insufficient measurement and monitoring of sector.
- Insufficient capacity and financial support for institutions and infrastructure for culture and world-class entertainment industry.
- High levels of piracy.
- Insufficient regard and respect for the worth and economic value of creative industry professions and professionals.
• Limited capacity to enforce intellectual property rights.
• Insufficient knowledge of, support by and benefit by stakeholders of existing rights management systems.
• Insufficient business management capacity in creative industries.
• Inadequate institutional financing for creative ventures.
• Insufficient budgetary allocation for development of the sector.
• Inadequate human resource development for creative industries.
• Insufficient incentive for retention/holding earnings from creative industries in Jamaica.
• Gaps in existing rights management system.
• Inadequate linkages with other economic sectors.
• Fragmentation, lack of coordination and duplication of roles among agencies.
• Inordinate delay in implementing some treaties through domestic law and reform of other relevant laws.

Opportunities

• Growth in economic value of global cultural industries and markets.
• Growth of media channels and demand for content. (In videogames there is also an emerging trend where Damian Marley and Wayne Marshall both landed deals for the inclusion of their music on the soundtrack of the world’s best selling videogame - EA Sports’ FIFA 2006 and FIFA 2005 respectively). The negotiation of ring tone contracts is another lucrative area that is still evolving, but from which Jamaican artists stand to benefit significantly).
• Development of bilateral and international agreements for intellectual property rights and support for creative industries.
• Value of Internet in creating new markets, business opportunities and channels for exposure and distribution of cultural products.
• Widening of the regional market through CSME
• Existence of West Indian Diaspora as market for local creative products
• High awareness of and demand for “Brand Jamaica”

Threats

• The copying and adaptation of the Jamaican style and genres by non-Jamaicans that is eroding our share in formerly indigenous areas (e.g. international reggae artistes, reggaeton (also reguetón and reggaetón), popularised dances)
• Potential loss of comparative advantage in Jamaican cultural products through increased quality and use by other countries of Jamaican symbols and arts
• Potential erosion of geographic indicators for Brand Jamaica through imitation by competitors
• Low degree of local ownership and control of creative industries resulting in low retention of value-added
• Increasing use of technology reduces creative input of performers and artistes
• Low level of understanding by Jamaican private sector of business intricacies of creative industries
• The negative implications of including creative industries in the WTO trade regime
• Impact of negative activities on the image of Jamaica
The Way Forward (over 3-5 years):
The Development Perspective: Developmental Considerations and Priorities

A core element of the vision articulated by the entertainment strategy team is that the industry become a “major contributor to sustainable economic development”. As such the development priorities are:

• Encouragement of entrepreneurial spirit of the sector and provision of start-up and small enterprise support to increase employment generation from the industry;

• Traditionally, participants in the industry have emerged from inner cities, rural communities and to a lesser extent the main towns and cities. Entertainment has therefore been one of the main sectors for economic opportunity for disadvantaged groups. With the Export Strategy, the sector hopes to provide opportunities across rural communities and inner cities to continue to foster new entrants from these areas by investing in talent and enterprise development in these areas as well as infrastructure.

The Competitiveness Perspective

Strategic Consideration #2 – Border-In Issues and Priorities

• Development of facilities and artist exposure: The current lack of space limits the development of the entire industry and its professional fields. Acting talent development, producer entry to the business, script-writing talent development, technical expertise are all underdeveloped with no adequate facilitates for skill development, scale of performance and display of permanent works. A priority for infrastructure for the industry is the development of internationally comparable facilities: (i) The construction of a large live venue for live performances (music, dance and drama) with the requisite technology to facilitate the opportunities in filming and recording for additional revenue options (ii) A series of venues (both professional and developmental) where artistes/talents (including playwrights, choreographers and technical professionals) of varying levels perform in order to gain experience and develop talent (iii) construction of a film studio to meet the needs of a major project.

• The development and introduction
of financing tools specific to the entertainment industry (as creative industries).

- The introduction of a national endowment fund for the Arts (unlike CHASE which is very broad). Or an increase in the allocation to the Arts from CHASE.

- Specific incentive for individuals and firms in the industry.

- Many persons and enterprises in the Jamaican creative industries are perceived as inconsistent and unprofessional in their business relations, lacking modern levels of business methods and consistent standards of quality and delivery. Strengthening the productive capacity of the creative industries will require improvements in product quality, product development, technology, manufacturing capacity and packaging as well as addressing gaps in business culture and management practices including documentation, contracts and copyright protection.

**Strategic Consideration #3**

- **Border Issues and Priorities**

- A well developed and accepted intellectual property (IP) framework that sees the acceptance of IP as collateral and use in financing as well as a decline in losses to individuals and enterprises resulting from IP theft.

- The lack of (i) a strong business perception of the enterprises and (ii) willingness of traditional financial institutions to fund the sector.

**Strategic Consideration #4**

- **Border-Out Issues and Priorities** (Professional Services Plan)

- Market access negotiations. Assistance should be obtained to inform policy positions in market access discussions and negotiations resulting in greater and easier access for practitioners from the sector. In general, exports in this sub-sector are supplied under mode 2, which does not raise too many problems in terms of market access. However, there are a few issues that need to be mentioned:

  - Suppliers of entertainment services other than audiovisual are permitted to access EU markets (subject to general and individual country restrictions) for up to 6 months in a calendar year subject to an existing contract.

  - The EPA commits parties to cooperation in respect of
collective management of rights and establishment of arrangement between their respective collecting societies. Picking up on the point about JCAP’s capacity above, the industry group should assess its capability of working with its European counterparts to ensure effective collection. Where it is weak, assistance will need to be found.

- Facilitating the development of marketing and distribution channels will create value-added opportunities, expand market opportunities and increase foreign exchange earnings. However introducing new creative art forms to global, regional and national markets requires meeting competition with content from the main cultural exporters such as the USA, U.K. and India that are backed by high levels of expenditure on marketing by global firms. The growth of electronic media for the distribution of digital content offers opportunities for widening the marketing and distribution options for creative products and services from Jamaica. Distribution of cultural products and services represents a problem facing the creative industries.

- Local creative artists and entrepreneurs lack adequate market intelligence and market penetration.

- There are few distributors of Jamaican music in the main export markets including the United States, United Kingdom and Japan.

- The dominance of marketing and distribution channels by entities located in the developed countries reduces the channels available to Jamaican creators to reach their target markets. In this regard increasing local ownership and control of the creative industries will increase the value retained and the benefits that accrue to Jamaicans, and enhance Jamaican influence on production and marketing of creative products and services.

- There are typically challenges in obtaining visa and work permits for performers (this is typically done by the promoter / producer overseas).

The Client Perspective

Strategic Consideration #5
- Client Prioritisation: Support Requirements and Response

There is usually a difficulty encouraging firms to export and to take the export business seriously. Current Exporters
are those enterprises or individuals with the required competencies in their respective areas. Services may be very easily exported, and so this is a fairly large group.

Potential exporters have competencies of a level similar to current exporters, but need experience in managing international (export) transactions. In addition, some information and services for beginning international business would be required to introduce and prepare these entities for export.

Aspiring Exporters have talent, but still need to develop the competencies to the international levels achieved by the earlier two groups described. Competency development and a performance record are recommended prior to moving to another level.

Implications for Sector Support Services

Service providers have to treat the market for the industry, and its entities, as a global one at the outset based on the ease and many options of entering exports. It is also challenging to determine readiness, as based on management and contractual arrangements export competency might not be directly required by that entity, but by a partner or support service provider handling the export transaction. The export perspective must always be an element in service delivery.

**Strategic Consideration #6 – Business Competency**

- The introduction of services to assist with the formalisation of enterprises within the sector and provision of advisory services through the initial and growth stages of the enterprises.
- The provision of assistance with business and financing proposals, as well as business partner screening.
- The development and execution in training in support areas as articulated in the value chain analysis.
- Training in areas outside of Kingston through, for example Edna Manley College extension programmes.

**Strategic Consideration #8 – Financing**

- Financing schemes and products such as guaranteed financing programmes and working capital products such as purchase order finance and factoring can be used to encourage private sector banks to do cluster and associated financing with creative industries. In addition, the use of royalty as security is best suited for the creative industries due to its sometimes intangible products. Investors have successfully used this method to secure million dollar
returns. (Professional Services Plan).

Strategic Consideration #7
– Trade Information
• An updated listing of business opportunities and skills needs is maintained that is easily accessible to members of the sector.
• Information on market trends, potential buyers is actively and frequently provided to exporters in the sector.

Strategic Consideration #10
– Other Support Services
• Royalty collection. JCAP deals with copyright collection in the music industry, but it is too resource-constrained to effectively enforce rights protection. As royalties often go uncollected, an effective means of enforcement needs to be found.

The Institutional Perspective
• Collecting societies in Jamaica are relatively young and lack adequate capacity, resulting in loss of income to the creative industries, including sums of uncollected royalties owed to Jamaican artists and net outflows of royalty payments from Jamaica. Need for strengthening capacity of institutions involved in intellectual property regime including Jamaica Intellectual Property Organisation (JIPO), Intellectual Property Centre (IPC) and Jamaica Musical Rights Administration (JMRAS). (Professional Services Plan)
• There is duplication in several functions including planning, marketing and training, thus leading to stretching of limited resources among agencies and lack of clear leadership and responsibilities. Partnerships and collaboration between government and the private sector have been relatively limited in both the creative and business aspects of the industries.
• There is lack of common national vision and integrated plan for music and cultural industries. The existing bureaucratic regimes for creative industries including import and export procedures need improvement to reflect the particular requirements of these industries.
• Limited capacity of institutions such as National Performing Arts Foundation (NPAFJ)
• The industry believes a Council for the Arts similar to that in the USA (that provides business services
and advocacy) would be useful in Jamaica, and may be achieved by strengthening an existing entity to perform these activities.

**Strategic Consideration #11 – Strengthening the Sector’s Strategy Support Network**

There were no gaps found in the strategy support network in terms of capabilities. Greater focus and dedication to the priorities are required however, which are to be underpinned by alignment among network members.

**Strategy Coordination and Management:**

**Structure**

With the number of institutions involved in the entertainment industry, there needs to be consensus on the structure for its management. The following considerations are submitted for those decisions:

- Leadership must be directed from the relevant Ministry and any body charged with such a mandate. The scope of an entertainment body needs to extend beyond the music industry, however, to prevent continued fragmentation.

- A coordinated mechanism for the different entities is recommended.

- Strengthening the existing clusters as well as fostering alignment of the two relevant ones will also be very beneficial to the group and implementation of plans for the Creative Industries, and their Export Strategy.

**Process (Strategy Monitoring)**

It is recommended that the national coordinating entity within the Ministry of Youth Culture and Sport be aligned to both clusters to coordinate the strategy monitoring.
### Vision

Jamaica’s Creative Industries is a sustainable contributor to the economy with optimal financial benefits being realised from our intellectual property.

### Development Perspective

Jamaica’s Creative Industries contributes significantly to employment generation through new enterprise development in the Entertainment and related industries, achieving greater participation in the economy by individuals particularly from inner-cities and rural communities.

### Competitiveness Perspective

<table>
<thead>
<tr>
<th>SUPPLY SIDE (BORDER-IN)</th>
<th>TRANSACTION COST OF BUSINESS (BORDER)</th>
<th>DEMAND SIDE (BORDER-OUT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate entertainment venues constructed.</td>
<td>well developed and accepted IP framework in place.</td>
<td>New (and innovative) marketing and distribution channels developed.</td>
</tr>
<tr>
<td>Model for acceptance for creative works as collateral established.</td>
<td>Financial institutions perception of to the industry altered.</td>
<td>Local marketing and distribution channels increased.</td>
</tr>
<tr>
<td>Business and professional practices by enterprises improved.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Client Perspective

<table>
<thead>
<tr>
<th>TRADE INFORMATION</th>
<th>STANDARDS AND QUALITY MANAGEMENT</th>
<th>BUSINESS DEVELOPMENT AND EXPORT READINESS</th>
<th>FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated listing of global business opportunities maintained.</td>
<td>Culture of professionalism established and maintained.</td>
<td>Business services provided to support the formalisation of entities.</td>
<td>Financing tools specific to the industry introduced.</td>
</tr>
<tr>
<td>Information on market trends and potential buyers provided.</td>
<td></td>
<td>Access to professional training expanded across the island.</td>
<td>IP accepted as collateral.</td>
</tr>
</tbody>
</table>

### Institutional Perspective

The Creative Industries Clusters are recognised focal points for the activities of their stakeholders ensuring alignment to eliminate duplication of services and supporting enhanced collecting societies and a duly established Council for the Arts.
### ACTION PLAN

<table>
<thead>
<tr>
<th>THE DEVELOPMENT PERSPECTIVE</th>
<th>THE COMPETITIVENESS PERSPECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industries increases contribution to GDP</strong></td>
<td><strong>BORDER-IN</strong></td>
</tr>
<tr>
<td>The Creative Industries</td>
<td>Capacity Development</td>
</tr>
<tr>
<td>Owens</td>
<td>Baseline</td>
</tr>
<tr>
<td><strong>Percent</strong></td>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td><strong>Imporve mechanisms for collecting royalties:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Negotiate bilateral agreements with key markets such as Italy, Germany, France.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Facilitate registration of artistes with appropriate collection agencies.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Conduct workshops and provide information material to increase awareness of artistes' on intellectual property rights and collection mechanisms.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Expand awareness and training to reduce IP violations in Jamaica.</strong></td>
<td></td>
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<tr>
<td><strong>Integrate industry into national tourism linkage programme.</strong></td>
<td></td>
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<tr>
<td><strong>JACAP</strong></td>
<td></td>
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<tr>
<td><strong>MFAFT</strong></td>
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<tr>
<td><strong>MCYS</strong></td>
<td></td>
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<tr>
<td><strong>Cluster</strong></td>
<td></td>
</tr>
<tr>
<td><strong>JIT</strong></td>
<td></td>
</tr>
<tr>
<td><strong>JBDC</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cluster</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OFC</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Increased capital and infrastructure investment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Number of new firms in the industry registering their businesses.</strong></td>
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</tr>
<tr>
<td><strong>Cluster</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Education/Training Institutions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Services Coalition</strong></td>
<td></td>
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<tr>
<td><strong>Ministry of Education</strong></td>
<td></td>
</tr>
<tr>
<td><strong>JIT</strong></td>
<td></td>
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<tr>
<td><strong>Cluster</strong></td>
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</tr>
<tr>
<td><strong>Services Coalition</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Ministry of Education</strong></td>
<td></td>
</tr>
<tr>
<td>OBJECTIVES</td>
<td>MEASURES</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Action Plans</td>
<td></td>
</tr>
<tr>
<td>The number of qualified / certified professionals in the entertainment sector (to be further detailed).</td>
<td>Baselines to be refined based on audit.</td>
</tr>
<tr>
<td>In the industries</td>
<td>The number of qualified / certified professionals in the entertainment sector (to be further detailed).</td>
</tr>
<tr>
<td>(Film) Increased creation of Good Jamaican-themed products based on our stories with international marketing potential</td>
<td>Number of completed full length feature film scripts per year.</td>
</tr>
<tr>
<td>(Film) Increased financing of local film projects so that ownership and distribution rights may be retained</td>
<td></td>
</tr>
<tr>
<td>OBJECTIVES</td>
<td>MEASURES</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| Improved production skills exist to take quality of the Jamaican product to an international level | Industry possesses the required levels and quantities of skilled persons. | Industry at desired standard in 5 years. | • Identify the skills required for self-sufficiency based on the capability that exists in the baseline year.  
• Put in place an internship, training and development programme for the crews and persons interested in investing in the industry. | Cluster  
• Firms | Y1 |

BORDER

Cost of Doing Business

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>MEASURES</th>
<th>TARGETS</th>
<th>INITIATIVES</th>
<th>OWNER/SUPPORT ENTITIES</th>
<th>TIMELINE</th>
</tr>
</thead>
</table>
| “Payola” practice is eliminated | Industry possesses the required levels and quantities of skilled persons. | Industry at desired standard in 5 years. | • Develop a partnership between the regulatory authorities, industry and media to develop and implement an initiative to eliminate the practice. | MCYS  
• Clusters  
• Services Coalition  
• Ministry of Security  
• Media Association  
• Broadcast Commission | Y1 |

Intellectual Property

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>MEASURES</th>
<th>TARGETS</th>
<th>INITIATIVES</th>
<th>OWNER/SUPPORT ENTITIES</th>
<th>TIMELINE</th>
</tr>
</thead>
</table>
| Intellectual Property | Industry possesses the required levels and quantities of skilled persons. | Industry at desired standard in 5 years. | • Review of current IP legislation to ensure that the scope of the industry is covered by the current framework, and if not any gaps are filled.  
• Conduct sensitisation sessions to inform firms of IP rights, assist firms in registering and other measures to protect those rights.  
• Develop Business models for managing (and exploiting) IP rights and present models to firms through workshops and printed material. | MCYS  
• Cluster  
• Services Coalition  
• JIPO | Y1 |
### THE DEVELOPMENT PERSPECTIVE

**Environmental**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measure</th>
<th>Target</th>
<th>Initiative</th>
<th>Owner/Support Entities</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mining sector is coordinated and minimises negative impact on the natural environment</td>
<td>Percentage of firms with full compliance to lease agreements and regulations</td>
<td>100</td>
<td>Conduct rationalisation of current lease agreements beginning with the assessment of existing leases, including the review for compliance to legal agreements.</td>
<td>Mines &amp; Geology/Ministry, DBJ</td>
<td>Y1-2</td>
</tr>
</tbody>
</table>

### THE COMPETITIVENESS PERSPECTIVE

**BORDER – IN: (Value Chain Development)**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measure</th>
<th>Baseline</th>
<th>Initiative</th>
<th>Owner/Support Entities</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>To facilitate product diversification, increased levels of import substitution, improved product quality, optimised utilisation of mineral resources, and expansion of the industry.</td>
<td>Increase range of products Percentage of products that are value-added value of exports ratio of export sales to production</td>
<td>Baseline to be provided</td>
<td>Design and implementation of a modernisation programme for the industry. Provide technical support to access MOI or write loan proposals to access funds. Provide training in quality management systems for all staff (quarry and processing) Train personnel on technical know how, financial and business management. Implement specialised industry professional courses (mgmt and supervisory mgmt levels). Provide assistance to get ISO certification funding.</td>
<td>Ministry of Mining, MIIC, JTI, Sector/Cluster group, University of Technology, (Financial Institutions), HEART/NTA, UWI, NEPA, PIOJ, MQAJ, PAJ</td>
<td>Y1 Annual</td>
</tr>
</tbody>
</table>

**BORDER**

**Infrastructure**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measure</th>
<th>Initiative</th>
<th>Owner/Support Entities</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>To increase exports Access to current export points maintained and expanded New countries New products Types of products Value &amp; volume of exports</td>
<td>Develop a shared port policy to ensure access to key strategic ports for exports. Facilitate joint venture with major international partner for value-added production. Expand the time window provided by the PAJ for export from 6 months to at least 2 years.</td>
<td>Mines &amp; Geology/Ministry, MIIC, Ministry of Tourism, JTI/JEA, Port Authority of Jamaica</td>
<td>Y1</td>
<td></td>
</tr>
</tbody>
</table>
### ACTION PLAN

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>MEASURES</th>
<th>TARGETS</th>
<th>INITIATIVES</th>
<th>OWNER/SUPPORT ENTITIES</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Jamaica has a multi-disciplinary state-of-the-art performing venue | Venue constructed and operational. | Year 3 | • Assess all performance venues (including those under construction or planned) to identify any gaps based on the recommended features and capacity.  
  • Develop investment proposal for the development and construction of such a venue, to include proposed use and marketing plans. | • MCYS  
  • JTI  
  • Cluster | Y1       |
| **BORDER-OUT**                          |          |         |                                               |                        |          |
| Market Access                           |          |         | • Explore new music distribution models for accessing markets that will be feasible for firms in the sector. | • JTI  
  • Cluster | Y1       |
| Sector Promotion                        |          |         | • Provide greater support for overseas promotion of the sector:  
  • Identify 2 trade shows for each sub-sector.  
  • Coordinate and execute an inbound mission to showcase the sector. | • JTI  
  • Cluster | Y1-Y2    |
| **THE CLIENT PERSPECTIVE**              |          |         |                                               |                        |          |
| Business & Export Competency            |          |         |                                               |                        |          |
| Improved business practices and higher levels of professionalism in the sector | Number of programmes developed or enhanced.  
  1 general (per year)  
  1 per sub-sector (per year). |         | • Design and deliver workshops on professionalism and business etiquette in creative industries. | • Cluster | Y1       |
| Enhanced ability of cluster members to identify and take advantage of market opportunities domestically and internationally. |          |         | • Develop and implement General business management for the creative industries.  
  • Expand and enhance music business management programmes.  
  • Expand and enhance Artiste development programmes.  
  • Develop Film production programmes, with reputed institutions.  
  • Formally train Music distribution executives and employees, and provide information on developments, trends and opportunities in this area. | • Cluster  
  • Institutions  
  • Services Coalition  
  • Ministry of Education | On-going |
| Financing                               |          |         | • Upgrade Service providers to provide handholding and counselling to creative enterprises in (i) developing grant proposals (ii) preparing and presenting business and investment proposals (iii) preparing and presenting sponsorship proposals (iv) preparing loan packages.  
  • Create of an incubator fund for creative enterprises (micro-small enterprises). | • MCYS  
  • MIIC  
  • Min. Finance  
  • Cluster  
  • JTI  
  • JBDC  
  • CFB | Y1 – 2  
  Y2       |
# Action Plan

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures</th>
<th>Targets</th>
<th>Initiatives</th>
<th>Owner/Support Entities</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firms are provided quality market information to facilitate market selection for events and related sales efforts</td>
<td></td>
<td>Create and disseminate market specific reports that outline market size, potential and entry strategies based on channels. Post and Update business opportunities for services from the sector based on needs in linked industries (e.g. tourism sector opportunities, film projects, and events).</td>
<td>JTI, EC/BIPs, Cluster</td>
<td>Annual/On-going</td>
<td></td>
</tr>
<tr>
<td>Business Opportunities</td>
<td>Number of value creation options that are commercialised. Number of firms undertaking value creation/addition activities towards expansion.</td>
<td>5 10</td>
<td>Document / package and disseminate business opportunities based on value creation possibilities in sector chains. Develop mechanisms for networking within and across sub-sectors and sectors.</td>
<td>Clusters, JTI, JBDC</td>
<td>On-going</td>
</tr>
</tbody>
</table>

## The Institutional Perspective

| An effective national coordinating entity for the creative industries is developed | Launch, empower and support an industry-wide policy framework and unit. | MCYS, Clusters, Services Coalition | Y1 |
| Royalties payment/collection entities are strengthened. | Provide technical support to the collections agencies to improve effectiveness and efficiencies. | Cluster, JACAP, JTI | |
Annex 3: Overview of the Sector’s Global Market

The International Marketplace (EME Study)

The global market for music is worth over US$100 billion. The table below breaks out the components of the global market into individual segments; physical recordings at US$31.4 billion is the largest sector. Other key activities include live performances (US$14.4 billion), music publishing (US$6.9 billion), ring tone revenues (US$3.5 billion) and digital recordings (US$2 billion). Live performances is a growing area and the upward trend is being driven in part by the growth in music festivals, including very large festivals, in the US and Europe. One such event is the Couleur Café Festival that is held annually in Belgium during the summer. It draws in artists from all over the world, including Jamaican artists, 3 of whom appeared in 2006. A number of other festivals exist, including MIDEM, WOMEX, Oslo World Music Festival, the Masala World-Beat Festival in Hanover and Glastonbury in the UK.

Reggae music sales in the U.K. market averaged over $25 million annually from 1991-2002, ranging from 1-4% of total music sales in that market. Jamaican reggae and dancehall artistes account for half of the top twenty best selling Caribbean artists in the US market, with Bob Marley far outstripping all others with 12 albums or videos that have gone gold, platinum and multi-platinum, followed by Shaggy, Sean Paul and Peter Tosh. In terms of opportunities for developing the sector, there are encouraging trends with the increased use of Jamaican music on the soundtracks of films and video games; and new opportunities are presented through the proliferation of music festivals on the Jamaican cultural calendar and the possibilities of developing a festival tourism product.

Table 4: Music Industry Revenues by Segment (US$ billions, end user prices)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (US$ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Recordings</td>
<td>31.4</td>
</tr>
<tr>
<td>Radio Advertising</td>
<td>29.9</td>
</tr>
<tr>
<td>Live Performances</td>
<td>14.4</td>
</tr>
<tr>
<td>Portable Digital Players (global)</td>
<td>9.0</td>
</tr>
<tr>
<td>Music Publishing</td>
<td>6.9</td>
</tr>
<tr>
<td>Audio Equipment Sales (US &amp; Europe)</td>
<td>4.8</td>
</tr>
<tr>
<td>Ring Tone Revenues (after royalties)</td>
<td>3.5</td>
</tr>
<tr>
<td>Digital Recordings</td>
<td>2.0</td>
</tr>
<tr>
<td>Radio Subscriptions</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>102.7</strong></td>
</tr>
</tbody>
</table>

Physical recordings and music publishing require studios and skilled producers to arrange the music of artists. The attractiveness of locations has traditionally been fuelled by the availability of quality equipment, but more importantly by the skill of individual producers. As this expertise grows and becomes more well-known, the result is a greater perception that a particular location is a centre of quality music production. This sort of reputation plays a key role in the decision about where to go for production services. Jamaica is a good example of how a well-established reputation can have an impact and many foreign artists go to the country to work with talented producers.

A growing trend within the physical recording segment is growth in digital music sales, which surpassed US$1 billion in 2005. This represented 5.5% of total music sales and primarily occurred in the form of mobile or online sales. The rise of digital commerce in music has impacted CD sales and they dropped from 84% of total sales in 2004 to 82% the next year. Sales of recorded music by country appear in the table below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>34%</td>
</tr>
<tr>
<td>Japan</td>
<td>18%</td>
</tr>
<tr>
<td>UK</td>
<td>10%</td>
</tr>
<tr>
<td>Germany</td>
<td>7%</td>
</tr>
<tr>
<td>France</td>
<td>6%</td>
</tr>
<tr>
<td>Canada</td>
<td>3%</td>
</tr>
<tr>
<td>Australia</td>
<td>2%</td>
</tr>
<tr>
<td>Italy</td>
<td>2%</td>
</tr>
<tr>
<td>Spain</td>
<td>2%</td>
</tr>
<tr>
<td>Brazil</td>
<td>1%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>85%</strong></td>
</tr>
</tbody>
</table>


France, which ranks 5th by sales, has a market size of US$1.9 billion. 3% of its sales by genre from 2001 to 2005 were in world/reggae music. While up to 2/3 of these sales come from domestic sources, this is a market that has demonstrated openness to diverse forms of music.

**Global Industry Summary**

( Cluster Diagnostics)

The international music industry in 2007 was valued at approximately USD $30 billion by the IFPI (International
Federation of the Phonographic Industry), down from an estimated USD $31 billion last year. The same report asserts that the physical sales of recorded music accounts for approximately 82% of the world retail revenues generated, with digital sales and performance rights1 accounting for 15% and 3% respectively. A few large, international labels have traditionally dominated the industry, controlling up to 72% of the world share in 2005 according to the IFPI. The “Big Four” as they have come to be known, comprises the Warner Music Group, Sony BMG, the Universal Music Group and the EMI Group. The industry is said to have at least eighteen separate roles/job functions associated with it: songwriters/composers, singers, musicians, record producers, sound/audioengineers, music publishers, record manufacturers, promoters, managers, disc jockeys (radio, club and sound systems for events), booking agents, venue operators and/or proprietors, merchandise manufacturers, instrument manufacturers, entertainment attorneys, publicists, distributors and retailers. Practitioners with international experience describe the industry as “cutthroat” – noting the levels of piracy, theft, and significance in being “first to market” with new sounds and styles. Noteworthy is how the levels of competition in the international market function in the way Porter posits competitive forces “should” work; that is resulting in a push for innovation rather than complacency.

1 Performance rights figures reflect monies received by record companies from collection societies for licenses granted to third parties for the use of sound recordings in music videos in broadcasting (radio and TV), public performance (nightclubs, bars, restaurants, hotels) and certain internet uses


Wide scale efforts are currently underway to continue to capture the value of the digital market while reducing the levels of consumer-level piracy now prevalent worldwide.

Annex 2:

The Plan of Action / Strategy’s Balanced Scorecard