
CAPE MUSIC INDUSTRY COMMISSION

BACKGROUND & DRAFT STRATEGY

The following document has been prepared by the interim board of the Cape Music Industry Commission:

PURPOSE OF THE INTERIM BOARD

The Interim Board consists of music industry players who together with representatives from the Department of Economic Development and Tourism (DEDT) prepared the groundwork for the establishment of a Music Sector Body.

The Interim Board's main functions were to:

- Initiate the establishment of the Music Sector Body;
- Set up a legal entity;
- Set Strategic Objectives;
- Draft Strategic Action Plan;
- Draw in all relevant music industry players;
- Provide the link between Music Industry Players, Music Artists, Music Education Institutions, Government & other stakeholders.

CONTACT DETAILS:

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1. EXECUTIVE SUMMARY

Music permeates the lives of all people. Whether it is at a birthday party, a religious gathering, in political protest or even whilst in traffic, music and as such, the music industry, is an indispensable feature of our lives.

“A press release from the United Nations Conference on Trade and Development of 16 May 2001, states that “music and other copyright industries are on the cutting edge of new technologies and new trading opportunities in today’s rapidly globalising world economy...Recorded music products worldwide are part of a \$50 billion market. This far exceeds the markets for traditional primary products such as coffee (\$17 billion), cotton (\$20 billion), tobacco (\$21 billion) or bananas (\$27 billion)”

MEDS Cultural Industries Report, 2005

The Western Cape music industry undoubtedly has unique products to offer the country and to the world. New advancements in technology have opened up new distribution opportunities. This in turn, offers a region like the Western Cape the ability to take advantage of global shifts towards the knowledge economy and export -oriented growth that draws on local competencies as a source of competitive advantage. The Western Cape is therefore poised to benefit from this international growth.

The establishment of the music industry sector body, Cape MIC is a culmination of efforts of various local music industry stakeholders who wish to see the Western Cape music industry reach its full potential locally, nationally and in the global arena.

This document provides the initial framework to establish and fund of the Cape Music Industry Commission in the Western Cape.

2. BACKGROUND

The '*heartbeat*' of the South African music industry has historically been located in Gauteng, although Western Cape musicians have been a source of talent & creativity to Gauteng. Many local artists and industry players relocate to Gauteng given that the infrastructure and music machinery is located there.

However, the rise of the digital era and technological advancement has given the Western Cape, a unique opportunity to challenge the status quo. New methods of distribution are shifting the traditional balance of power thus enabling new opportunities for production & distribution in the music industry.

The Provincial Government has over the past 3 years undertaken a series of studies as part of its Micro Economic Development Strategy (MEDS)*. A significant rise of the creative industries globally over the past decade, led the Department of Economic Development & Tourism to commission a study to determine the potential of the creative industries. In addition to this, the consultants who conducted the study were tasked with proposing possible areas of intervention to bolster and support the growth of the creative industries. The following **challenges** to growth and development of the Creative Industries were identified by the MEDS.

- o An absence of representative structures to represent, co-ordinate the differing sub-sectoral interests and solidify linkages to tourism;
- o Need for data and research to inform the sector;
- o Absence of skilled middle and senior managers who also understand the sector;
- o Lack of access to start-up capital for new companies; and
- o Lack of transformation in the sub-sectors.

Thus, the outcome of the research indicated strongly that a cohesive approach was needed to be taken to leverage the value of the music industry in the Western Cape and position it within the global context.

* See MEDS Cultural Industries Report 2005 – Addendum A

This recommendation further supported the Department's industry development approach, which uses clustering methodology as a tool to develop a particular industry. Clustering brings together all the relevant role-players in an industry, to lobby and drive the development of the industry for the region. The approach also includes all the players in the value-chain as partners in the development of the industry.

The Department of Economic Development & Tourism first mooted the notion of facilitating a Music Industry Sector Body to the local industry at the South Atlantic Jazz Music Conference in March 2007. This meeting unanimously and overwhelmingly came out in support of such an entity that would identify the key areas of commercialisation and competitiveness of the Western Cape music industry.

At this meeting, the following aims & objectives for the music sector body were set:

- o To position the region as a competitive music production centre;
- o To provide all stakeholders in the "value-chain" with superior specialised services & information;
- o To create sustainable jobs;
- o To create a strong design identity & grow local content;
- o Audience development;
- o To create & grow niche markets;
- o To develop and identify core skills & shortages;
- o To create business opportunities;
- o Manage transformation;
- o Assist with local & foreign investment; an
- o Align the Sector Body with other related industry bodies. [♦]

A follow-up meeting was then later held in May 2007, specifically with music industry practitioners across the value-chain to specifically discuss a way forward. At this time, a Steering Committee [♦] was established which undertook to put together a draft framework and begin the process of formally establishing the organisation.

[♦] See list of steering committee members – Addendum B

[♦] See South Atlantic Jazz Music Conference Publication, 2007

To date the interim Steering Committee has achieved the following:

- o Appointed an attorney to formalise the process of establishing an entity.
- o Established an interim Board of Directors.♥
- o Secured and registered the name '*Cape Music Industry Commission*' and '*Cape MIC*' as the name of the entity.
- o Prepared draft strategic objectives.
- o Prepared a business plan for seed funding for the entity.
- o Opened a bank account, and
- o Begun the process of having the first broad stakeholder meeting to introduce the entity to the stakeholder community and begin the process of establishing the first elected board of directors. This meeting is to be held on 06 December 2007.

3. VISION & MISSION

3.1 VISION

To establish a Western Cape Music Industry that, through the collective strategic interventions of all the relevant players in the industry, delivers increasing levels of economic growth to the region is vibrant, globally competitive and fully transformed

3.2 MISSION STATEMENT

The Cape Music Industry Commission's (Cape MIC) mission is to market and facilitate the economic growth, development and transformation of the Western Cape Music Industry.

♥ See list of interim board members – Addendum C

4. STAKEHOLDERS GROUPS

Core Clients:

The Cape MIC will offer service and support to any person or entity that currently makes or aspires to have a **sustainable or partially sustainable living** from the music industry.

The Music Industry (for the purposes of this document) shall include the following constituencies, stakeholders & role-players:

Constituencies	Stakeholders
Artist	Originators of music, composers, songwriters, music artists, session musicians
Music Business Services	Managers, Agents, Legal Services, Financial, Event Management
Recording Studios & Technical Services	Studio equipment providers, producers, rehearsal venues, studio technicians, recording venues, sound engineers, music instrument manufacturers & shops
Publishers & Record Companies	Record labels, Music Supervisors, Promoters, video & dvd companies, royalty sales.
Live Industry & Venues	Booking agents, promoters, tour managers, touring & stage services, venues, ticketing services, concert hire, travel & transport services, live sound engineer, festivals
Design & Distribution	Distributors, merchandising companies, printing & packaging, mastering & post-production, pressers & duplicators, creative designers
Media	Digital media, broadcasting, advertising agencies, video production, choreography & styling, TV, radio, internet, print media
Retail	Retailers, mail-order, internet
New Media & Innovation	Telecoms, cell phone technology (new distribution channels)
Other Stakeholders	Government, Civil Society groups and Labour.

5. STRATEGIC OBJECTIVES

1. **Positioning the Western music industry as an industry renown for its intelligent solutions, innovation, talent, local content & creativity**
 - Through activities promoting global competitiveness, utilising the tools of international bench-marking and best-practice amongst others.
2. **Marketing and promotion of the Western Cape music industry locally, nationally & internationally**
 - Through participation in key trade-related programmes,
 - Through the establishment of an annual calendar of events.
3. **Provision of skills development & competitiveness programmes for music-industry players**
 - Through access to information, mentorship & advisory services and content/product development.
4. **Promotion of Technology & Innovation to improve production techniques, technological systems and local capacity**
 - Through the facilitation of technical skills programmes and R & D.
5. **The creation of strategic programmes for the Western Cape music industry**
 - Through the identification of key opportunities to develop, produce, market, and distribute music using the various players in value-chain.
6. **Assist in transformation of the sector**
 - Through Local audience development (awareness-building & exposure to local products) and,
 - Through enterprise development programmes.

*(These objectives will ultimately be given credence through **specific strategic interventions** and initiatives as they pertain to the value-chain of the music industry. Decisions will need to be taken as to where specific interventions will lie.)*