

EMO EXPORT HANDBOOK

Finland



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Education and Culture

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I. GENERAL INFORMATION ON FINLAND

1. Geography, Demographics, Economy and Political Environment

1.1 Geography

Finland is a Nordic country located in northern Europe between Sweden and Russia. Both countries share a border with Finland; Sweden with 614 kilometres and Russia with 1.340 kilometres. In the north, the bordering country is Norway, sharing a border of 736 kilometres. The southern sea border is shared with Estonia.¹

The area including the sweet water lakes is 338.436 square kilometres, out of which approximately 10% is water. There are more than 187.888 lakes. Furthermore, the archipelago is the largest in Europe. The terrain is mostly low, excluding the hills in northern Finland, the highest of which is Halti Tunturi, reaching 1.328 metres above the sea level at its peak. The four seasons of the year can be recognised in the Finnish climate. During the summer the temperature can reach over 30 degrees and less than 30 degrees below zero during the winter.²

1.2 Demographics

Finland has a population of 5,3 million inhabitants, out of which 62% live in towns or urban areas. The population growth rate is estimated to be at 0,14% per year. The median age of the population is 42,8 years.

The capital city of Finland is Helsinki. The population of Helsinki is 560.000, and more than one million people live in the Helsinki metropolitan area, which includes the neighbour cities Espoo (227.000 inhabitants) and Vantaa (185.000 inhabitants). Other cities with over 100.000 inhabitants are Tampere, Turku and Oulu.³

Finland has three official languages; Finnish, Swedish and Sami. 91,3% of the population speak Finnish as their mother tongue, whereas Swedish is spoken by 5,4% and Sami only by approximately 1.700 people. There are only a few territories, where Finnish is not spoken, and one must know Swedish to be able to do business. However, most Finnish people speak at least moderate English and the majority of young people speak fluent English. The most common other languages spoken are German, Russian and French.

Compared with other countries in Western Europe, there are few refugees and asylum-seekers in Finland. Currently, the number of refugees in Finland is approximately 20.000. People of Finnish descent, but who resettle from Russia, are not considered as refugees, but ethnic Finnish immigrants.⁴

¹ National Land Survey of Finland, www.maanmittauslaitos.fi, 2006

² Virtual Finland, virtual.finland.fi, July 2006

³ Virtual Finland, virtual.finland.fi, July 2006

⁴ Peltonen, A. "The Population in Finland", 2002

1.3 Economy

The Finnish economy in the new millennium is highly industrialized and stable. The internationalisation of the Finnish companies started on a larger scale in the 1980s, mostly through acquisitions of foreign businesses. The new industries began to grow when they realised the potential for expanding their businesses internationally. However, in the early 1990s, the economic boom suffered from a severe recession, which had a strong influence on the Finnish economy and the structure of the society. During the recession, the rate of unemployment at its worst was about 20%, and numerous companies did not survive the slump.

The leading industries are wood, metals, modern technology and telecommunications, of which Nokia is the most obvious example of a success story. During the recent decades the technology boom has boosted the Finnish economy to new heights on the international scale and opened new possibilities for numerous companies to make business worldwide.¹²

GDP per capita in 2005 was €28.869, and the consumer price inflation was at 0.9%. The average salary in the private sector is €2.372 per month. According to the Labour Force Survey by Statistics Finland, the rate of unemployment in June 2006 was 8,1%, which means that the rate has fallen 0,7 percentage points, and that there were 14.000 less unemployed people than a year before.³

Along with the capital region (Helsinki, Espoo and Vantaa), the regions with the most economic growth are Jyväskylä's, Oulu's, Tampere's and Turku's regions. These cities have invested significant amounts in research and development during the recent decades, and now the results are beginning to show.⁴

1.3.1 Taxation⁵

The corporation tax in 2006 is 29%, and is uniform for all types of corporate income, including sales profits, interest income, dividends, royalties and rental income. Value-added tax (VAT) rate is 22% on most goods and services. A reduced VAT rate of 17% is applied to the sale of food and animal feed (not applied to the serving of foods and drinks), and a rate of 8% on cinema performances, physical exercise services, books, pharmaceuticals, passenger transportation services and such.

1.4 Political Environment

Finland declared its independence in 1917. The political framework in The Republic of Finland is a representative democracy. The head of the state is President Tarja Halonen, who is also the Commander-in-Chief of the Defence. The Presidential term in Finland is six years.

¹ Kolbe L. (ed.) "Portraying Finland", 2005

² Virtual Finland, virtual.finland.fi, July 2006

³ Statistics Finland, www.stat.fi, 2006

⁴ Tekes "Alueiden elinvoima syntyy innovaatiosta", 2006

⁵ FinPro "Finland: Country Profile", 2006

The legislative power is held by the Parliament, and the executive affairs are controlled by the Council of State. The head of government is the Prime Minister.

Finland has been a member of the European Union since 1995, and the member of the Council of Europe since 1989.

2. General Description on Finnish Music Industry

In the context of the Scandinavian music industries, the Finnish music industry is one of the fastest growing, and this applies to the context of the European and worldwide industries as well. Only the recording industry has suffered from declining sales, but this is uniform for every country in the world. The Finns have especially managed to increase the value of their music exports, and the live music industry has been doing well in recent years. However, the live scene has not experienced such a dramatic boom as for example in the UK, where at one point all the major festivals and concerts sold out instantly as soon as the tickets arrived on the marketplace.

Although Finnish music has traditionally controlled the sales figures in the domestic market, only a few of those artists have been able to break through internationally. However, during recent years, Finnish music companies have raised their heads and set their sights towards the global market, instead of marketing products only to the Finnish market. This has led to a growing number of success stories and currently Finland - together with Norway - is the fastest developing music export country in Scandinavia. Many Finnish companies have managed to turn their artists' distinctively Scandinavian features to advantages. Combined with creativity and an increased level of professionalism, the Finns have been able to turn themselves from the underdogs to forerunners in many aspects.

The latest example of making good use of Finnish creativity are the Eurovision Song Contest winners Lordi, who have actually worked on their monstrous music and look for years before their success in the contest. Their record company Sony BMG dared to take a risk and put their act's credibility on test, and the results can be calculated in pure cash. Also involved in their career development is the management company Monstereo Management and the artists themselves, as they have contributed significantly to the evolution of the monster group.

Besides developing their ability to export products, the music companies have also managed to raise the domestic buyers' level of interest towards music consumption. The live music industry is healthy, and in addition to this, the record industry has managed to keep the decline of sales figures at a reasonably low level. People listen to music more than ever, so the big question is, how to push them to buy the music in legal formats instead of obtaining it through illegal channels.

The Finnish recording industry has confronted many challenges since the 1980s, which have affected - and still do affect - consumer behaviour. When MCs came onto the market, people started copying the cassettes and recording music from the radio. Recording industry representatives celebrated the arrival of CDs, hoping

to be able to eradicate illegal copying, but Finland's geographical location next to Russia allowed people to import significant amounts of pirated CDs while visiting their eastern neighbour on holiday. The quality of the sound on the illegal copies was most often reasonably good or equal to the original, so basically people did not care that they were stealing income directly from the record companies and the artists. Finally, when Finnish legislation was amended to fight the physical piracy of CDs coming from Russia and Estonia, digital piracy boomed and the Finnish recording industry was forced to its knees again.

In Annex 1 are some examples of Finnish artists that have managed to break into the international market either with global success or success in their own respective genres:

3. Industrial and Technological Environment

3.1 Traditional Industries

The history of the Finnish industry differs slightly from the industrial development of the traditional industrial countries. Industrialisation did not start very early, but the emphasis was soon set on knowledge and know-how, which has since then been the basis of the industrial development in Finland. In the beginning of the 20th century, a great share of industrial income was created from producing and exporting wood and paper. Wood was the main income source until the Second World War, after which Finland was forced to pay war indemnities in metal products. Therefore metal industry became the most significant industry for the Finnish economy, and remained as such until the 1980s when technological companies started investing significantly in research and development of high technologies.¹ Currently this industry and construction employ approximately 540.000 Finns.²

3.2 Communications, New Technology and Creative Industries

Finland is internationally renowned as a country with a high level of technological professionalism. High technology has become standard in most people's everyday life. There are 5,2 million mobile phone subscribers, while the population is only 5,3 million inhabitants. The internet penetration is 62,5% (February 2006), and broadband is in use in 1,2 million households, which means that in over four cases out of five, the Finns connect to the internet through broadband. The broadband penetration rate is the 7th highest in the world, after Iceland, The Netherlands, Denmark, Norway, Belgium and Sweden.³⁴

The internet access density of enterprises in Finland is nearly 100%. In 2005, 65% of all enterprises employing over 5 persons had their own internet homepages. Of all

¹ The Economic Information Office "Teollisuuden historiaa", 2005

² The Economic Information Office "Teollisuus lukuina ja numeroina", 2005

³ Statistics Finland "Information Society Statistics 2006", 2006

⁴ Internet World Statistics "Finland Internet Usage and Telecommunications Report", 2006

EU countries, Finland comes 3rd in the number of enterprises maintaining their own websites.¹²

Companies such as Nokia and F-Secure are among the forerunners in the high technology industry and during recent years, numerous new companies have emerged and entered the market. A good example of successful new media companies is Sulake Ltd, whose interactive community Habbo Hotel has become a worldwide super success in a short period of time.

One of the key factors behind the success of the Finnish creative industries has been continuous and strong support from the government. There are numerous channels to apply for governmental support; small and medium-sized enterprises are supported substantially during their start-up, innovation and internationalisation phases. There are also many foundations that support entrepreneurial activity.

4. The Culture of Leisure and Music

Finns spend most of their time at work and at home. According to statistics, the most common free time activities, excluding housework, are watching TV and reading.³ However, the latest statistics, which are available, do not show the influence of the internet on time usage. Various different forms of entertainment, such as music, films and games, can now be accessed through the internet, which therefore has become one of the most significant platforms for leisure activities.

On average, Finns spend approximately 169 minutes a day watching TV (year 2005) and approximately 198 minutes listening to the radio (year 2005).⁴ The most popular time for listening to the radio is in the morning, when the radio stations broadcast their top shows with the most popular DJs. There is no research concluded on the music listening habits in Finland, but people do spend a lot of time listening to music on different platforms.

The Finnish people have great respect for literature and reading. There are approximately 13.000 (2005) new books published annually. Of these 13.000 new items, approximately 2.000 are translated to Finnish, 100 to Swedish, and the others are published in national languages.⁵

The money spent on leisure activities is affiliated with the person's age and standard of living. With age, disposable income increases, whereas the targets of spending diversify. Young people spend the most on goods and services that bring the most pleasure, often meaning entertainment such as music, films and concerts or goods such as clothes and accessories. However, it is worth noting the fact that the entertainment-orientated generation has now advanced to a point, where there

¹ European Communities "Europe in Figures - Eurostat Yearbook 2005", 2005

² Statistics Finland "Information Society Statistics 2006", 2006

³ Statistics Finland "Ajankäyttötutkimus", 1999

⁴ Finnpanel Oy "KRT", 2006

⁵ Statistics Finland "Culture and the Media", 2006

are people that are both capable and willing to spend on entertainment and pleasure-giving commodities. These people are also the target group that the many marketers are currently after.

5. Cultural Policy

Finnish cultural policy is said to rise from the educational system, in which culture and cultural upbringing are highly prioritised. The reformation of the education system in the 1970s and 1980s aimed towards improving social equity among other things. The idea was that education should not end when people become adults, but instead they should be able to take part in supplementary courses, re-training and continue to educate themselves.¹

Furthermore, the local authorities show great interest in supporting cultural and artistic activities. It has however happened only recently that authorities have started to consider popular culture as supportable and acceptable as high culture. This change of perception has supported the development of the cultural scene in many cities.

The Finnish public library system is exceptionally good and comprehensive. It is dictated in the Finnish law, that all the communes and cities must provide public library service for their citizens. The libraries' collections include everything from scientific to fictional literature, as well as music CDs, DVDs, videos, sheet music, software, comic books, magazines and local collections. The selections vary from one place to another, but predominantly the libraries provide relatively good and diversified collections. It is free of cost to loan material from the libraries. Usually libraries also provide free internet connections and workstations that can be used for reading emails and searching for information.

¹ Kolbe L. (ed.) "Portraying Finland", 2005

II. MUSIC FACTS AND FIGURES

1. Domestic Market

The total retail value of the Finnish recorded music sales in 2004 was €108,2 million. A distinctive feature of the Finnish recording industry is that the record sales are mainly driven by domestic material, and the value of repertoire originating in Finland is steadily increasing. In 2005, 52% of the records sold were of Finnish origin. ¹

The biggest players in the recording industry are the major record companies, of which Sony BMG has the largest share of the total market. Also the indie sector is very active, but this does not reflect statistics so much, as most of the companies have rather small rosters or are concentrated in alternative material. Many of the indies, which have grown bigger during their existence, have been bought out by the majors. Therefore, in terms of market share, there are not currently any strong Finnish indie companies in the market.

1.1 Genres

Although Finland is widely known for hard rock and metal acts, they are only the peak of the iceberg in the Finnish music scene. There is a huge diversity of different music styles available, and the Finns are becoming ever more open to new variations.

All the main musical genres are represented in the Finnish scene, although some niche styles have a relatively small following. In addition, there are some specialities, which cannot be found anywhere else in the world. Most of these are somehow related to the Finnish culture and lifestyle, and the phenomena are often rather difficult to describe to a person coming from another culture.

The descriptions below are short descriptions of different musical scenes in Finland, and are by no means meant as an all-inclusive analysis of the Finnish musical world.

1.1.1 Pop and Rock

Finland is often labelled as a country of rock music, and the statement is not completely unjustified. There is a steady following for rock acts, and the diversity of different sub-genres is broad.

There is also a style called 'Finn-rock', which more or less means rock music sung in Finnish. However, most often the style is affiliated with acts that play basic guitar rock with catchy melodies, which everyone can memorize on first listening.

¹ International Federation of the Phonographic Industry (IFPI) "Global Recording Industry in Numbers", 2006

People of all ages listen to pop and rock, but new music is still mostly adopted by the younger audience. Teenagers and young adults are also eager to discover new styles and trends, which are often adopted from the USA or the UK.

1.1.2 Hard Rock and Metal

As mentioned earlier, harder rock music and metal are very popular music genres in Finland. Due to the popularity and the record companies' activity in supporting their acts and investing on exporting, the Finnish metal artists have also managed to receive fairly good exposure abroad.

The metal fans often tend to be quite faithful and enthusiastic. They are eager to see their favourite bands, as well as new and upcoming acts, live. Therefore it is no wonder that metal acts tour Finland extensively, and collect vast audiences around the country. Moreover, in the course of the last five to ten years, many new metal-orientated festivals and events have emerged to satisfy the fans' hunger to experience their favourite bands live. The biggest metal festivals are Tuska Open Air in Helsinki and Sauna Open Air in Tampere, which both attract tens of thousands of paying customers every year.

1.1.3 Urban and rhythm music

Hip hop has been known to the Finnish underground audience for a long time, but the biggest boom was at the end of the 1990's, when artists rapping in Finnish made their way into the mainstream. As the Finnish-rapping pioneers earned huge success, numerous groups and solo artists followed, and during the boom many of them managed to reach vast audiences.

Since then, hip hop has been in the mainstream and American hip hop and r'n b artists continuously top the radio and music television charts. The Finnish-rapping acts do not enjoy such popularity anymore, but due the extensive airtime on the radio and music TV channels, the genre is still standing on firm ground. It can be said that in recent years, there has been an actual hip hop culture developing in Finland.

Along with the mainstream hip hop scene there is quite a large movement for alternative hip hop and rhythm music, and many acts from these surroundings have been able to make their way to the international market.

For those who want to experience their music live, there are various events and festivals, which have rhythm music on the bill. The styles of these events vary from underground and indie to mainstream, so there is something for everyone. The biggest events are Flow, Koneisto, Pipefest and UMF.

1.1.4 Electronic Music and Dance

The roots of today's Finnish electronic and dance music can be traced back to the 1980's, when the first clubs were organised in Helsinki and Turku. These parties were a starting point of a scene which became a home to a number of internationally renowned Finnish DJs, artists and producers. However, electronic

music did not break through into the mainstream in the early 1990s, as it did in Central Europe and the UK, but remained underground for some years before the Finnish music listeners got used to the new sound.¹

Nowadays electronic and dance tunes top the Finnish charts the same way as pop music does. There are also numerous events and parties organised around the country frequently.

1.1.5 Jazz, Folk and World Music

Finnish folk music culture has been on an upswing since the early 1980's. The scene is currently very alive, and a number of new artists have been able to get themselves recognised, both locally and internationally.² This upward trend has also had its effect on the interest towards international folk and world music artists, who have frequently appeared on Finnish stages during recent years.

A significant role in keeping the scene alive and fresh has been played by the various folk music festivals, which annually present a vast number of Finnish and international artists and groups. The most notable of these festivals is the Kaustinen Folk Music Festival, which has been running for nearly 40 years, and is the largest of its kind in Scandinavia. During one week the festival presents altogether over 300 artists in more than 200 different concerts.

1.1.6 Iskelmä, Schlagers

Perhaps the oddest style of Finnish music is the schlagers, which in Finnish are called 'iskelmä'. Although musical genres are in constant change and styles transform and develop, the schlagers have remained relatively unchanged for over 70 years. Although the schlager sales have seen good and bad years, the genre has never really been on the decline.³ Actually, every year a number of records reach the gold record limit, and the best-selling schlager records even go platinum.

The schlagers are almost without exception listened to by an older audience. However, in recent years there has been a small upward trend among young adults, who consider listening to the 1970's and 1980's schlagers quite trendy and fashionable.

2. Finnish Music in the Global Market⁴

The total market value of Finnish music exports in 2005 was €29 million. The average annual growth in the total market value has been around 40% since 1999, when the value of the Finnish music exports was approximately €3.8 million. This upward trend is a consequence of dramatically increased exporting activity of the Finnish companies, the number of quality products in the marketplace, as well as

¹ Mattila, I. & Lehtinen, L. "Electric FinLand", 2005

² Kauhanen, M. "Contemporary Finnish Folk Music Draws on Tradition", 2003

³ Hakasalo, I. "Finns Love Their Schlagers", 1999

⁴ Music Export Finland "Total Market Value and Structure of Finnish Music Exports in 2005", 2006

increased efficiency of the industry framework. In addition to this, there is significant support for the creative industries' export efforts by the Finnish government.

The key territories for exporting Finnish music are currently the GSA countries (Germany, Switzerland and Austria) along with the Nordic countries. Most of the copyright income generated abroad comes from the Nordic countries, whereas most goods are sold in the GSA territory. Among the emerging exporting territories are the UK, France and Benelux countries as well as the USA and Finland's Southern neighbour, Estonia.

3. Collection Societies, Trade Organisations and Associations

3.1 Collection Societies

3.1.1 Teosto (Finnish Composers' Copyright Society)

The Finnish performing rights society is Teosto, Finnish Composers' Copyright Society. The association was established in 1928 to administer the music writers' copyright. The organisation represents over 17.000 Finnish copyright owners domestically and abroad, through reciprocal agreements with other countries' copyright collection societies. They are also the representative of over 2 million foreign copyright holders in Finland. Teosto is a member of CISAC.

The collection society for mechanical royalties in Scandinavia and the Baltic countries is Nordisk Copyright Bureau (NCB). The organisation is owned by the Nordic performing right societies, KODA (Denmark), STEF (Iceland), STIM (Sweden), Teosto and TONO (Norway). The representative of NCB in Finland is Teosto.¹

In 2005, the remunerations collected by Teosto domestically totalled €34,9 million. The largest share, €21,4 million, was collected from the performance of music in radio and TV. The remunerations collected from new media and the internet were only €381.384, but are expected to constitute a larger share in the years to come. From the public performance of music abroad, Teosto's partner organisations collected €2,7 million altogether. Most of the remunerations were collected in Germany, Sweden and the United Kingdom.²

3.1.2 Gramex (The Copyright Society for Performing Artists and Phonogram Producers)³

The collection society for neighbouring rights in Finland is called Gramex. The organisation collects remunerations for the use of phonograms and distributes them to the producers and artists. Gramex was established in 1967, and is the only collection society in Finland administering the performers' and producers' rights with respect to phonograms.

¹ Teosto, www.teosto.fi, 2006

² Teosto "Toimintakertomus 2005", 2006

³ Gramex, www.gramex.fi, 2006

3.2 Trade Organisations and Associations of the Music Industry

3.2.1 The Finnish National Group of IFPI¹

The Finnish National Group of IFPI is one of IFPI's 39 national groups. It is an association representing the Finnish recording industry within the cultural political, legislative and operational frameworks. The organisation was established in 1970, prior to which the interests of the industry were overseen by a union called 'Soitinalan Tuottajaliitto'.

Altogether 25 recording producers are currently members of IFPI Finland. The members include all the majors as well as 21 independent companies. IFPI Finland's members' share of the total Finnish music market is approximately 88%. The 25 Finnish companies are among the 1.300 music companies that IFPI represents worldwide.

IFPI Finland also actively participates in protecting copyright and preventing piracy. The organisation initiates discussion and takes part in the development of the copyright legislation.

3.2.2 IndieCo (The Association for Independent Record Producers in Finland)²

IndieCo is the Association for Independent Record Producers in Finland. The goal of IndieCo is to enhance its members' operational environment, as well as support the diversity of Finnish music production. The organisation's activities include supporting and driving the member companies' interests within the music industry framework and establishing co-operation between the independent record companies. IndieCo is a member of the Finnish IFPI (II chapter 3.2.1), Music Export Finland (II chapter 3.2.5) and the Finnish Performing Music Promotion Centre, ESEK (II chapter 9.1). IndieCo also has a member in the board of IFPI Finland and Music Export Finland.

3.2.3 The Finnish Music Publishers' Association³

The Finnish Music Publishers' Association was established in 1976, and currently represents 36 Finnish music publishing companies. It is a non-profit organisation and a member of The Finnish Composers' Copyright Society, Teosto. The organisation's aims are in promoting the importance of publishing, representing its members within the governmental bodies and other trade organisations, as well as keeping the members abreast of developments and legislative changes. Furthermore, the association consults and trains its members, as well as produces statistical reports and guides for member use.

¹ IFPI Finland, www.ifpi.fi, 2006

² IndieCo, www.indieco.fi, 2006

³ The Finnish Music Publishers' Association, www.musiikkikustantajat.fi, 2006

The Finnish Music Publishers' Association is a member of the International Confederation of Music Publishers (ICMP/CIEM).

3.2.4 Fimic (Finnish Music Information Centre)

Finnish Music Information Centre is an organisation, which promotes and distributes information on Finnish music worldwide. Fimic is also a member of the International Association of Music Information Centres (IAMIC), the International Association of Music Libraries (IAML) and the International Association of Sound Archives (IASA).

Fimic was established in 1963 as a subsidiary of the Finnish Music Council. Subsequently, Fimic was transferred to operate as a part of the Foundation for the Promotion of Finnish Music (LUSES). Since 1995 the Finnish Music Information Centre has been a department of the Finnish Composers' Copyright Society, TEOSTO.

Besides acting as an information source based in Finland, Fimic's activities include participating in music industry trade events and festivals around the world. The goal of international promotion is to help the Finnish companies, who represent Finnish composers, to connect with the international industry representatives.¹

The main difference between Fimic and Music Export Finland (II chapter 3.2.5) is that Fimic's goal is to promote Finnish composers and compositions, while Musex operates as an export organisation representing all the sectors of the music industry.

3.2.5 Music Export Finland²

Music Export Finland is an export association representing the entire Finnish music industry. The organisation was established at the end of 2002 as an export group of 12 companies. The mission of the group was to initiate and facilitate the marketing, promotion and selling of Finnish popular music outside Finland. In January 2005 the export group was restructured and as a result, a new association was established. The members of the association are the key stakeholders of the Finnish music industry. They are IFPI Finland, Finnish Independent Record Producers Association IndieCo, Finnish Musicians Union, Finnish Composers Copyright Society (Teosto) / Finnish Music Information Centre (Fimic), Finnish Composers and Lyric Writers Association (ELVIS), Copyright Society of Performing Artists and Phonogram Producers in Finland (GRAMEX), and The Finnish Music Publishers Union.

Music Export Finland operates on both the domestic and the international market. The organisation initiates and facilitates joint-marketing and showcase productions at trade fairs and other pivotal music capitals, carries out networking events both in Finland and abroad and conducts market research. Additionally, the association

¹ Finnish Music Information Centre, www.fimic.fi, 2006

² Music Export Finland, 2006

produces joint promotional campaigns and communicates news from Finnish music makers and companies to international industry professionals.

The projects conducted by Music Export Finland, are eligible for support from The Ministry of Trade and Industry, which covers a part of artist travel expenses and promotional compilations. Also some other Ministries provide funding for the organisation. The majority of export funding, however, still comes from the individual companies within the music industry.

3.2.6 (MMFF) Music Managers' Forum Finland¹

Music Managers' Forum Finland is a Finnish member association of the International Music Managers' Forum, IMMF. MMFF promotes and protects the interests of the Finnish professional managers and management companies both nationally and internationally. The MMFF also supports networking between their members worldwide.

3.2.7 CIAPC (Copyright Information and Anti-piracy Centre)²

Established in 1979, the Copyright Information and Anti-piracy Centre is a non-profit organisation, which operates against piracy within the creative industries, including music, films and games.

The main functions of the CIAPC are to monitor the copyright both on physical and digital products, support copyright law enforcement, educate people about copyright and prepare and distribute information on copyright.

The member organisations of the CIAPC represent the creative industries comprehensively, and therefore the operations conducted by CIAPC are effective and beneficial for all involved. CIAPC is financed by its members, the Motion Picture Association and the Ministry of Education.

4. The Recording Industry

4.1 General Information and Characteristics

The total value of record sales in Finland for the year 2005 was €106 million, which is more than double the value in 1980. At its peak in 2001, the market was valued at €130 million, but following the global trend, sales have fallen since then. Distinctively, when in 2003, the global market saw a heavy decline in record sales, the sales figures in Finland increased from €122 million to €125 million. However, the sales came down €17 million (13,5%) the year after. The Finnish music market is currently ranked 25th in the global chart, in terms of market value.³

¹ International Music Managers' Forum, www.immf.net, 2006

² Copyright Information and Anti-piracy centre, www.antipiracy.fi, 2006

³ International Federation of the Phonographic Industry (IFPI) "Global Recording Industry in Numbers", 2006

Not taking into account the majors, the record companies mainly release Finnish material, and only a few companies have licensed records or signed artists from abroad. Furthermore, most of the exporting activity is done by licensing, as Finnish record companies have not set up any subsidiaries or offices abroad. However, in some export cases a record is put on the market by a local distributor, while the public relations and marketing are taken care of by a local PR company.

The level of physical piracy is currently between 10-24%, although according to recent studies, physical piracy is in heavy decline, as illegal downloading has become a common way for people to obtain music.

Top 8 company market shares in Finland (2005)¹:

<i>Company</i>	<i>Market Share</i>
Sony BMG	24,80 %
EMI	18,60 %
Universal Music	17,90 %
Warner	17,40 %
Edel Records	10,80 %
Bonnier Amigo	3,70 %
Fg-Naxos	2,70 %
Johanna Kustannus	1,70 %

The best selling international artists in 2005²:

	<i>Artist</i>	<i>Album</i>	<i>Producer</i>	<i>Units</i>
1	Robbie Williams	Intensive Care	EMI	61.366
2	Il Divo	Il Divo	Sony BMG	56.080
3	Il Divo	Ancora	Sony BMG	52.916
4	Crazy Frog	Crazy Hits	Bonnier Amigo	42.328
5	Madonna	Confessions on a Dancefloor	Warner Music	37.640
6	Various artists	NRJ Hits 6	JV/Universal	30.066
7	Coldplay	X&Y	EMI	28.750
8	Kate Bush	Aerial	EMI	23.811
9	System of a Down	Mezmerize	Sony BMG	22.525
10	System of a Down	Hypnotize	Sony BMG	21.605

¹ IFPI Finland, www.ifpi.fi, 2006

² IFPI Finland, www.ifpi.fi, 2006

The best selling national artists in 2005¹:

	<i>Artist</i>	<i>Album</i>	<i>Producer</i>	<i>Units</i>
1	Nightwish	Highest Hopes	Spinefarm	65.219
2	Yö	Kuolematon	Poko	60.458
3	Maija Vilkkumaa	Se ei olekaan niin	Warner Music	47.160
4	PMMP	Kovemmat kädet	Sony BMG	46.985
5	Various artists	Tilkkutäkki	Warner Music	44.821
6	Ella ja Aleks	Lenni Lokinpoikanen	Warner Music	42.404
7	Aki Sirkesalo	Sanasta miestä	EMI	39.684
8	HIM	Dark Light	HMC/Heartagram	38.720
9	Smurffit	Super-Hyper hitit Vol. 13	EMI	34.743
10	Antti Tuisku	Antti Tuisku	Sony BMG	34.382

4.2 Formats²

The Finnish music market is, as everywhere else, dominated by CDs. Singles have never been sales successes - they are primarily bought by enthusiastic fans and DJs. During the recent years, DVDs have become more and more popular, and there is a continuing upward trend in DVD sales.

<i>Format</i>	<i>Share of Value</i>
CD Album	90 %
DVD	7, %
Digital (online, mobile)	1 %
Other (physical singles, LP, MC, VHS)	2 %

4.2.1 Digital Music Sales

The digital music sales figures in Finland are below the European average. The low sales are a result of numerous factors, the most significant of which are digital piracy, the low sales of mp3 players and the digital retailers' hesitation towards entering the risky market. The situation is, however, currently changing, moving towards a healthier digital market, which will hopefully overtake illegal downloading during the coming few years.

4.3 Record Companies

4.3.1 Majors

The four majors - Universal Music, SonyBMG, Warner Music and EMI - are the market leaders in Finland. Although the companies are called the 'majors', they

¹ IFPI Finland, www.ifpi.fi, 2006

² International Federation of the Phonographic Industry (IFPI) "Global Recording Industry in Numbers", 2006

are actually all labelled under 'small and medium sized enterprises (SMEs)' as their turnover and number of employees are relatively low when compared with major players in other industries.

The major companies' artist rosters are not bound to any specific genre, and the companies also release plenty of domestic material. Most of the domestic music released can be labelled under mainstream, and risk-taking is perhaps more rare than at the independent companies. The majors run big campaigns and need liquidity, which cannot be obtained without putting out a large number of releases and investing large amounts of money on quality and marketing. This endless wheel does not roll without putting mainstream records on the market.

4.3.2 Indies

The Finnish independent record companies have always been active and capable of creating success stories. There are currently many new companies emerging, meaning that even more new artists get a chance to release a record. Furthermore, many of the new companies have been established by previous major company employees, who already have all the contacts and experience, which helps in establishing new artists.

A current trend among the independent companies is to run a so called '360 model', meaning that they offer the whole spectrum of music industry services under the same roof. These services can include, for instance, management, publishing, booking or promoting.

The indies have also been the most active in exporting music, which has resulted in a number of international breakthroughs.

4.4 Distribution

4.4.1 Physical Distribution

The Finnish music distribution network is versatile and effective. It has developed a lot during the recent years, while new companies have entered the market.

EMI Finland, Universal Music Finland and Sony BMG Finland own a joint venture distribution company called 'PEC-musiikkitutku', which executes the physical distribution of all the three companies.

The independent distributors have also managed to fit in the market very well; they often concentrate either on specific genres or have operational principles that they share with the independent record companies. The independents are active and when all the companies are taken into account, they cover the whole musical spectrum in its entirety.

Some independent distributors operating in Finland:

Edel: Besides operating as a record company, German Edel handles distribution to a number of other labels including, for example, the Finnish labels Kenola Music,

Rowan3 and UHO Production as well as the international labels Sanctuary and Simplyred.com. All genres are applicable.

Kråklund: Kråklund is a small Finnish record label and distributor. Apart from distributing their own releases, the company's catalogue includes labels such as Fullsteam Records, Longplay Music and Propaganda Records. Kråklund concentrates on punk and rock.

Playground Music Scandinavia: Playground actively operates in Finland, although the company headquarters is in Sweden. Playground has a versatile distribution catalogue of many Finnish and international independent labels.

Supersounds Music: Supersounds is a relatively new Finnish distribution company, but has, in a short space of time, managed to collect a catalogue of a number of respected Finnish and international labels. Supersounds handles the distribution for Finnish labels such as Bad Vugum/BV2, Next Big Thing and Dynamic Arts Records. It also handles international labels like Demolition Records, Drakkar, F-Communications, Ministry of Sound, PIAS, Secretly Canadian, Sub Pop and WARP.

Töölön Musiikkitukku: Töölön Musiikkitukku's versatile catalogue includes mainly jazz, world and rhythm music from a number of Finnish and international labels, as well as from their own label Texicalli.

4.4.2 Digital Distribution¹

The legal digitalisation of music began in Finland a few years after the first steps were taken in major European music markets, such as the United Kingdom and Germany. The reasons for the delay lie in the cautiousness of the Finnish music industry towards the possibilities of creating revenue from digital music, as well as in the difficulties with the high saturation of the illegal hubs and peer-to-peer networks.

There are currently 17 digital retailers, and the number is growing steadily, as new companies start entering the e-tailing business.

¹ Promusic, www.pro-music.org, 2006

Examples of the Finnish digital retailers:

<i>Company</i>	<i>Content Partners</i>	<i>Minimum Songs</i>
Biisi		
City-lehti	EMI, Sony BMG and Warner	800.000
Funman	EMI, Sony BMG and Warner	600.000
Ilta-Sanomat Musiikki		
iTunes Finland	All majors and indies	700.000
MaxMusic	EMI, Sony BMG and Warner	600.000
Mediamilkshake		
MSN Music Club Finland	All majors	600.000
MTV		100.000
Musiikkilataamo		400.000
NetAnttila	EMI, Sony BMG and Warner	650.000
NRJ		
PHNet	EMI, Sony BMG and Warner	1 000.000
StreamMan		

4.5 Charts

The official sales charts are compiled by the Finnish Broadcasting Company, YLE. The Top 40 Album Chart is published weekly, as well as the Top 20 Singles Chart, the Top 5 Compilations Chart and the Top 5 Music DVD Chart. The charts and the chart histories can be found on the internet at www.yle.fi/lista.

4.6 Sales Certificates¹

The certificates for record sales in Finland are awarded by The Finnish National Group of IFPI. A Gold Album is awarded for album sales of over 15.000 copies, and Platinum for sales of over 30.000 copies. For singles, the requirements are 5.000 copies for Gold and 10.000 for Platinum. Certificates are also awarded for DVD sales. The requirements are currently 5.000 for Gold and 10.000 for Platinum.

5. Music Publishing

Music publishing has existed in Finland since the end of the 19th century. For a long time, publishers concentrated on producing sheet music and especially on attaching the works to school music books, which for long were the main source of income for many Finnish publishers. Also the catalogues of “serious music”, such as those of the classical composers, have traditionally been significant income streams for Finnish publishers, and still remain as such.

However, the publishing industry has to keep up with the changes that have affected the creative industries, and lately numerous new potential sources of income have been established. Popular music has become a significant product in the marketplace and global sales successes such as Bomfunk MC’s, HIM and The

¹ IFPI Finland, www.ifpi.fi, 2006

Rasmus have caused an upward trend in the mechanical royalties collected by publishing companies.

In the near future, the greatest growth potential is expected to be in synchronization and in music exporting. For instance games have become a significant target of synchronization, which movies and advertisements have been for some time already.

In 1999 the Finnish Music Publishers Association, Finnish Composers Association and the Finnish Composers and Lyric Writers Association concerted an agreement about 'the code of good practice in publishing'. The purpose of the agreement was to create favourable conditions for the relationship between the publisher and the author. By following the code the parties can help prevent disagreements caused by misinterpretation or unforeseen actions. In the agreement the signing parties agree that the code can be referred to, should a dispute between the publisher and the author occur.¹

6. Management Companies

It is a mutual opinion that the Finnish music industry lacks professional artist managers who would be able to guide their artists all the way from the initial stages to international success. Therefore the artists often take steps, which in the end make their, and everyone else's work more difficult.

There are many reasons behind the current situation. The most evident one is that it is really hard to make a living as a manager of a starting artist, especially when the domestic market is as small as the Finnish market is. Vice versa, many artists do not want to invest in a manager before it is absolutely inescapable, because they would have to give away a share of their small incomes. Furthermore, there have only been proper higher education courses available since the beginning of the new millennium, which obviously has been reflected in the number of young professionals looking for artists to work with.

Perhaps now, as more Finnish artists start succeeding internationally and higher education institutions produce fresh professionals, the situation might finally change. There are after all some real high-class Finnish professionals, whose footsteps are there, waiting to be followed.

7. Live Music Industry

7.1 Characteristics and General Information

The Finnish live music scene is very prominent, considering the low number of big cities and university towns. In the summertime especially, there are events and festivals taking place all over the country - even in the most northern part. Most of the clubs and live venues are located in the major cities such as the Helsinki

¹ Finnish Music Publishers Association "Musiikinkustantamisen hyvä käytäntö", 1999

region, Tampere and Turku as well as in the growth centres such as Oulu and Jyväskylä.

According to research carried out by the Booking Agencies Association, the total annual value of the agency business is approximately €75 million. This is only the booking agencies' estimated turnover, excluding the promoters' income from live events.

7.2 Promoters

Most venues in Finland tend to promote shows themselves. Furthermore, some of the larger venues are owned by non-profit organisations. As a result of this, the ticket prices are often rather low and it is quite difficult for an individual promoter to try to make profit from selling tickets alone.

The two major promoters are Welldone and Eastway. Welldone is a part of Clear Channel, so its network spans the world over. Eastway is an independently owned company and they are also one of Finland's biggest companies providing sound and lighting services.

The smaller promotion companies often specialise in a specific genre, such as punk, jazz or dance. Most of them also operate as booking agencies and sometimes management, as the industry is small and companies need to have access to as many income streams as possible.

7.3 Booking Agencies

Booking agencies have a long history in Finland. There are two representative organisations, which are The Booking Agencies Union and the Rock Agencies Union. Many agencies represent acts from various genres, and also book DJs, speakers and cover bands.

In general, recording artists are represented by agents, and acts in the earlier stages book their shows themselves. The contract, which is made with the agency, is normally not bound to any specific term but is applicable as long as the co-operation is fruitful. The agent's relationship with the artist is based on the artists' trust in the agent's ability to achieve results and also the agent's trust in the artist's ability to draw in audiences. At their best, the relationships are long-lasting, and in fact many acts are booked by the same agent for the duration of their whole career. Therefore, when an agent moves from one company to another, s/he brings his/her artist roster with him.

Some Finnish booking agencies also make exclusive booking contracts for Finland (including or excluding e.g. the Baltic countries) with foreign artists. This of course helps the artists' representative in organising the tours, as there is a local professional who takes care of the tour production.

7.4 Venues

Major concerts and events tend to take place at stadiums and ice hockey halls, as the actual live venues in Finland are often mid-sized or small. The capacities of clubs and bars vary from approximately 200 to 500 people, and some of the venues with a separate live music hall can draw in up to 1.200 customers. Most of the venues that regularly present live music have a good quality fixed PA system. However, it is always wise to check with the technical manager that all the necessary equipment is in place. Some venues have their technical riders posted on their websites, so it is worth having a look at them as well.

The backstage areas and dressing rooms of the venues are almost without exception small and often equipped only with a toilet and if you are lucky, a shower. However, the hospitality tends to be good and the artists, as well as the crew are taken care of properly.

The showtimes have lately been a big topic within the Finnish music industry. The audience have requested earlier showtimes, but many venues still stick with late schedules due to their desire to make more money on the bar during the evening. Currently the headliner generally starts around midnight, and sometimes even later. However, some venues have now taken action and re-scheduled their evenings so that the headlining act starts at 10PM, and the night continues as a club night with DJs after the show.

As mentioned earlier, most of the venues have an in-house promoter, and many of the bigger venues are also used by other promoters.

Most live shows take place in the biggest cities - Helsinki, Tampere and Turku - all of which are also university cities with lively city centres. In all of these three cities, there is a large selection of venues, and something for every genre of music.

Helsinki: The most famous venue for pop and rock in Helsinki is Tavastia, which has been a home to numerous big-name acts during its years of existence. Also Nosturi, UMO Jazz House, Virgin Oil Co. and On the Rocks are proper venues, all with a capacity of over 400 people. There are also plenty of smaller venues, of which Semifinal and Kuudes Linja are the best known. Semifinal is in the same building as Tavastia and promoted by the same company.

Tampere: The most well-known venues are Pakkahuone, Klubi and Yo-talo. Pakkahuone and Klubi are located in the same building and promoted by the same company. A smaller and a rather new venue in Tampere is Vastavirta, which is especially a venue for upcoming alternative/punk acts. Also Telakka - located close to Klubi and Pakkahuone - is a small, nice and intimate venue.

Turku: One should target venues such as Klubi (the same promoter as in Tampere), Kären and TVO, as well as Dynamo for indie and electronic music.

Of the smaller cities, the liveliest is perhaps Jyväskylä, where the main venue for live music is Lutakko. The capacity of the venue is 530 people. Also Oulu, which is

located in north-western Finland, is a fast-growing university city with a lot of activity.

7.5 Festivals

Most of the Finnish music festivals take place during the summer season, between June and the end of August. There is a huge variety of festivals offered in almost all possible genres and sizes. The smallest of the festivals gathers an audience of a few hundred spectators, while the largest attracts tens of thousands.

Especially at the smaller-scale festivals, the line-up is often local or domestic, but already many of the mid-sized events bring in annual performers from abroad. In addition to this are the major festivals with a line-up of globally renowned artists and bands.

The biggest Finnish festivals are Helsingin Juhlaviikot, Raumanmeren Juhannus, Provinssirock, Ruisrock, Ilosaarirock, Pori Jazz and Ankkarock.

7.6 Ticket Prices

Ticket prices vary depending on the city and the type of venue. New and upcoming bands can generally be seen for €5 in Helsinki, but often even less outside the capital area. The price for more established local artists is often around €10 outside Helsinki, and about €15 in Helsinki. International acts are generally priced from €10 to €50, depending on the artist and the venue.

Festival tickets range from €50 to €90. Some festivals like Pori Jazz and Helsingin Juhlaviikot sell separate tickets for each concert and they cost approximately €20 to €60.

8. Music Awards

8.1 The Emma Awards¹

The Emmas are the Finnish equivalent to Sweden's Grammis and the Grammy's in the USA. The awards are handed out annually by the Finnish IFPI to the most successful artists and industry professionals. The awards gala takes place annually at the beginning of the year.

The first Emmas were awarded in 1983 and until 1991, the Finnish IFPI chose the winners of the award. Since 1992 the award nominees have been shortlisted by the Finnish IFPI, but the winners have been selected by a group of independent critics and music professionals.

¹ IFPI Finland, www.ifpi.fi, 2006

8.2 The Janne Awards¹

The Janne Awards are awarded annually by the Finnish IFPI to the most significant classical music phonogram productions. The winners are chosen by a jury of selected classical music experts.

8.3 The Muuvi Awards²

The Muuvi Awards are given annually to the best music video productions by the Finnish IFPI.

8.4 The Femma Awards³

The Femmas are sort of a counter-strike to the Emma Awards. The purpose of the Femma is not to award the artists that sell the most records, rather the focus is on artistic features and talent. Therefore the Femma Award can be considered as an indie alternative to the Emmas.

The first Femmas were awarded in 2004, and the gala takes place annually. The members of the jury are recognised music journalists and music business professionals.

8.5 The Industry Awards⁴

The Industry Awards are presented by the Finnish music industry to its members for their achievements behind the scenes. The awards gala takes place annually at the Music & Media conference

The awarded categories are: Journalist of the Year, Radio Journalist of the Year, Head of Music Media of the Year, Radio Channel of the Year, Music Media of the Year, Club of the Year, Promoter of the Year, Manager of the Year, Event of the Year, Record Store of the Year, Marketing Manager of the Year, A&R of the Year, Sales Manager of the Year, Independent Record Company of the Year and Record Company of the Year.

9. Subventions and Grants

9.1 ESEK (The Finnish Performing Music Promotion Centre)⁵

One of the main supporters of the Finnish music industry is ESEK, the Finnish Performing Music Promotion Centre. ESEK was established in 1983, and it operates as an individual unit of Gramex (II chapter 3.1.2). The three main areas eligible for support are Finnish phonogram production, live music projects of Finnish artists in

¹ IFPI Finland, www.ifpi.fi, 2006

² IFPI Finland, www.ifpi.fi, 2006

³ Femmagaala, www.femmagaala.fi, 2006

⁴ Suomen Musiikki & Media Tapahtumat S.M.M., www.musiikkimedia.fi, 2006

⁵ The Finnish Performing Music Promotion Centre, www.esek.fi, 2006

Finland and abroad and audiovisual productions with Finnish artists or composers. ESEK provides funding for music productions regardless of the type or style of music. The funding is collected from the remunerations of performers and phonogram producers as well as from the levy on private copying.

9.2 LUSES (The Foundation for the Promotion of Finnish Music)¹

LUSES was established in 1970 as a foundation, whose main interest was to distribute grants in order to support and promote Finnish music. Until 1994, LUSES maintained the Finnish Music Information Centre (II chapter 3.2.4), but has since concentrated on distributing grants.

The grants are awarded for record productions, record marketing, concerts, travelling, publication and marketing of sheet music, the working on and commissioning of musical work. All productions must include music of Finnish origin in order to be eligible for LUSES grant.

9.3 The Finnish Cultural Foundation²

The Finnish Cultural Foundation awards grants for both, Finnish and foreign applicants. The foundation's aim is to promote and develop cultural and economic life in Finland. Activities eligible for applying support are post-graduate and post-doctorial studies in sciences and arts, artistic work and work promoting culture in Finland. However, the Finnish Cultural Foundation does not support mere business activities.

10. Music Industry Studies in Finland

Courses on music industry management are relatively new in the Finnish schools of higher education. There is currently only one higher education institution that offers a full degree (BA) in music management, while students enrolled in only a few educational institutions can choose music management as one subject of their degree.

Jyväskylä University of Applied Sciences is the only Finnish school of higher level education offering a degree in music industry management. The points value of the degree on the European University Credits system is 270 ECTS points, and it takes approximately four and a half years to graduate from the programme. The course is planned and executed with European co-operative institutions, which currently are InHolland University in the Netherlands and Hedmark University College in Norway. All the students studying in the programme are expected to complete a one year exchange in one of the partner institutions.³

Sibelius Academy has offered an Arts Management Master's Programme since 1997. One can complete the programme either in Helsinki or Kuopio, the latter of which is offered in Finnish. The Master's degree can be completed in about two and a half

¹ The Foundation for the Promotion of Finnish Music, www.luses.fi, 2006

² Finnish Cultural Foundation, www.skr.fi, 2006

³ Jyväskylä University of Applied Sciences, www.jamk.fi, 2006

years. Additionally, Sibelius Academy offers a course in Folk Music Management. The course is targeted at music business professionals who want to broaden their knowledge in music management within the context of world music.¹

At the University of Jyväskylä, students can minor in Music Management. The purpose of the programme is to provide music students with practical and theoretical abilities to work in various sectors of the music industry, and to understand the basics of the music business framework.

11. Media

11.1 Overview

Taking into consideration the small population of Finland, the local media is creditably aiming at providing diversity. However, it is most often hard to live up to these ideological goals, as keeping up the business often requires appealing to the mass instead of the niche markets. Therefore the majority of the content is compiled to satisfy the needs of the mainstream, which appears to be the situation in almost every western European country.

Nevertheless, the National Broadcasting Company (YLE) is mainly funded by the public in the form of a television licence fee. Therefore the content YLE provides is self-sufficient, and at least on paper should not be affected by the pressure of commercialism.

The Finnish media is commonly regarded as uncorrupted and unaffiliated. Also the media representatives acknowledge their position and generally do their best to stay unaffected by external agents.

11.2 Radio

The Finnish radio network is overseen by the Finnish Communications Regulatory Authority (FICORA), which controls the use of radio frequencies with the aim of ensuring the equal availability of frequencies.²

The National Broadcasting Company (YLE) operates 13 radio stations altogether, of which six can be listened to nationwide on FM frequencies. These six stations are YLE Radio 1, YLEX, YLE Radio Suomi, YleQ, YLE Radio Extrem and YLE Radio Vega. The list below briefly describes the most popular YLE channels.

YLE Radio 1 is a station for culture, art and intelligent speech. The music broadcasted ranges from classical music to jazz and religious music.

YleX is targeted at a younger audience, and their ambition is to present new, popular music. YleX is the channel, which often playlists new music first of all the channels in Finland.

¹ Sibelius Academy, www.siba.fi, 2006

² Finnish Communications Regulatory Authority, www.ficora.fi, 2006

YLE Radio Suomi is an adult-orientated station, broadcasting a lot of older domestic hits as well as nostalgic pop and rock. Radio Suomi also provides regional news and broadcasts.

YLE Radio Extrem is a Swedish-language station for a younger audience. The playlist includes mainly new pop and rock music.

The commercial radio stations have expanded their reach to the whole country as well. The biggest stations are Radio Nova, NRJ and UusiKiss. They all concentrate on mainstream chart music, although Radio Nova is targeted at a slightly older audience.

One of the rare non-programmed channels is Radio Helsinki, which can only be listened to in the capital area. A newcomer in the radio network is Bassoradio, which is a channel concentrating on urban and electronic music. Bassoradio will start all-day broadcasting on FM frequency in the capital area on January 1, 2007.

11.3 TV

The Finnish TV network is on the verge of change, as all broadcasts will switch to digital on October 31, 2007. Digital TV transmissions started in Finland on October 27, 2001, and in November 2004 the government made a decision of completely switching over to digital broadcasting.

Currently, in addition to the two public TV channels owned by the National Broadcasting Company (YLE TV1 and YLE TV2), there are two commercial TV channels, which are MTV 3 and Nelonen. These four channels can be watched without a cable or a digital transceiver.

In addition to these four channels a number of additional channels can be accessed through the cable network or satellite.

11.4 Print Media

11.4.1 Newspapers

Finnish people love their newspapers, which have become a reliable and unaffiliated information source for Finnish people, who are known as avid newspaper readers. There are over 200 papers to choose from, many of which are published either provincially or locally. Every province has its own leading provincial daily, and there is actually only one national newspaper, which is Helsingin Sanomat, being also the biggest Finnish newspaper. Of the 22 provincial dailies nine have a circulation, which is over the average circulation of dailies in Finland. There are also newspapers published in Swedish, out of which the biggest is the chain of Helsinki's Hufvudstadsbladet with its three affiliated provincial dailies.¹²

¹ Statistics Finland "Culture and the Media", www.stat.fi, 2006

² Jyrkiäinen, J. "The Finnish Media: outlets increase, audiences diversify", 2004

Unlike in many other countries, 88% of the newspaper sales in Finland are based on subscriptions and only 12% on single copy sales. The Finns often read their newspapers at home in the morning, and the publishers know this - 80% of the papers are delivered to people's homes before 6.30am. ¹

The ten biggest Finnish newspapers by circulation are (year 2005): ²

	<i>Name</i>	<i>Circulation</i>
1.	Helsingin Sanomat, Helsinki	430.785
2.	Iltasanomat, Helsinki (tabloid)	195.673
3.	Aamulehti, Tampere	136.743
4.	Iltalehti, Helsinki (tabloid)	130.290
5.	Turun Sanomat, Turku	111.547
6.	Kaleva, Oulu	82.005
7.	Kauppalehti, Helsinki	81.006
8.	Keskisuomalainen, Jyväskylä	75.865
9.	Savon Sanomat, Kuopio	65.053
10.	In Swedish: Hufvudstadsbladet, Helsinki	51.012

11.4.2 Music Magazines

Due to the fairly small size of the domestic market and therefore a relatively small number of potential readers, the Finnish music press is not very diverse. There are however music magazines in many different styles and targeted at various reader groups.

Basso is a magazine concentrating on urban music, culture and lifestyle. The style of the magazine is youthful and slightly provocative. Basso comes out five times a year. The magazine is part of the same group as Bassoradio. The circulation is approximately 5.000.

Inferno is a magazine concentrating on rock and metal music. The magazine's sections include stories, interviews and reviews.

Rondo is a monthly magazine on classical music. It is targeted at both, the classical music buying audience and classical musicians. Besides classical music, Rondo also features jazz and world music, and occasionally popular music. The style of the magazine is professionally journalistic, but still flowing and entertaining. With a circulation of 8.250 it is the leading classical music magazine in Finland.

Rumba is a bi-monthly pop and rock magazine with news and stories as well as record and live reviews. The magazine's aim is to be on the cutting edge of new

¹ Jyrkiäinen, J. "The Finnish Media: outlets increase, audiences diversify", 2004

² Statistics Finland "Culture and the Media", www.stat.fi, 2006

music and the musical phenomena. Rumba is one of the most read music magazines in Finland.

Rytmi is the oldest music magazine in Finland. It is targeted at a slightly older audience, and includes high profile stories, interviews and reviews of high quality. The style is relaxed, but firm.

Soundi is, with a monthly circulation of 25.000-40.000, one of the major music magazines in Finland. It is a magazine concentrating primarily on pop, rock and metal. The main sections in Soundi include features, articles, interviews and reviews.

Sue is a free monthly music magazine distributed in all the major cities in Finland. With a circulation of 50.000-55.000 it is a significant media in terms of potential exposure. The magazine concentrates primarily on indie, rock, punk and metal music.

Suosikki is a music and lifestyle magazine targeted at a teenage audience. It is a legendary magazine with credibility among the younger readers. Most of the artists featured in Suosikki are international and Finnish mainstream artists. The circulation is approximately 52.000.

11.4.3 Other Print Media

Various lifestyle magazines and periodicals publish articles related to music, with many including review and interview sections about artists of the moment. There is a large variety of these magazines, targeted at a number of different audiences, including teenagers, young adults and adults.

11.5 Online Media

There are several Finnish websites and webzines that concentrate on or feature music. Most are rock or pop-orientated, and the variety is far-reaching. Below is a list of the biggest online music portals and webzines in Finland.

Desibeli.net is a webzine primarily about pop, rock and indie music. The editors also review demos as well as write stories and live reviews about bands that have not yet broken through.

Imperiumi.net is a webzine about rock and metal music. Imperiumi offers an extensive number of demo, album and live reviews as well as interviews and news from the metal scene.

Mesta.net is a web portal concentrating on music and film. The sections include news, album and live reviews, discussion and festival listings.

Meteli.net is a music portal presenting the music news as well as extensive gig listings for the whole country.

Noise.fi is a music portal concentrating primarily on independent music. The comprehensive site offers news, reviews, band biographies, an online shop and a web radio.

Plaza.fi is a portal about various interests, including film, music, sports and travelling. They mainly write stories about mainstream artists and review albums from the latest bands.

Rokkizine.com is a webzine mainly about punk, rock and metal. In addition to news and reviews the webzine offers free mp3 downloads from the current Finnish punk and rock bands.

IV. LAWS AND REGULATIONS

1. Copyright Law¹

1.1 Copyright in Finland

The purpose of copyright law is to protect intellectual creation and property. Literary and artistic works are protected by copyright and registration, notification or other measures are not needed. The Finnish copyright act protects works originating in Finland, whereas works of foreign origin are protected under international treaties (IV chapter 1.2), which are implemented in separate acts and decrees by Finland.

The Finnish copyright act came into force in 1961, after which it has been updated a total of 21 times. The latest amendments were made in 2005 and 2006 in order to meet the demands of the digital environment and the internet.

Copyright is governed in Finland by the Ministry of Education, which for instance develops the legislation, negotiates the international treaties, administers the copyright (to a certain extent), and participates in the preparation for the legislation of the European Union.

1.2 International Treaties

1.2.1 Berne Convention

Finland ratified the Paris Act of the Berne Convention in 1986. Under the Berne Convention, the signing countries agree to give the same protection of domestic works to those originating in foreign countries.

1.2.2 Rome Convention

Finland recognises the neighbouring rights and ratified the Rome Convention in 1983. The Rome Convention governs the neighbouring rights and provides national protection to works originated in the signatory countries.

1.2.3 WCT and WPPT Treaties

The 'internet treaties', WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), were ratified by Finland in 1996. These treaties were designed to shape the copyright system to meet the needs of modern communication channels and the distribution of digital content.

1.2.4 TRIPS

Finland acceded to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) in 1995. The purpose of the TRIPS treaty is to regulate the

¹ Ministry of Education "Copyright in Finland", 2006

enforcement of intellectual property rights, which include for example industrial property rights and copyright.

2. The Regulations for Visiting and Working in Finland¹

2.1 Regulations for People on a Short-term Visit

People visiting Finland for a short period as tourists or for business need a visa unless they come from a country to which the abolition of visas applies. A visa is an entry permit to the country for short-term and temporary residence which lasts for a maximum of three months.

Finland is one of the countries which have signed the Schengen Convention, and the Schengen policies are applied in Finland regarding visas. The abolition of visas is applied to citizens of all the EU member states, the citizens of the Scandinavian countries and the citizens of countries on the list of visa-free states, providing they possess other valid travel documents.

Depending on the purpose of use, the visa can be either a single-entry, multiple-entry, re-entry, transit or airport transit visa. The main travel destination determines where to apply for a visa. If the main travel destination in the Schengen area is Finland, the visa is applied for at a Finnish diplomatic mission abroad.

2.2 Regulations for People Staying in Finland Longer than Three Months

Persons intending to work in Finland for longer than three months need either to register their residence (in the case of EU citizens and citizens of Iceland, Norway and Switzerland) or apply for a residence permit.

The citizens of the European Union or the countries mentioned above may register their residence, either as an employed or a self-employed person. The registration is done at the local police department. A self-employed person must present a valid certificate of the registration of a trade.

The citizens of other countries must apply for a residence permit, which will be granted either for a specified term or as a continuing permit, depending on the nature of the work. Self-employed persons must be able to prove by reports, a business plan and possible existing contracts that their business is profitable.

2.3 Taxation of Foreign Artists Performing in Finland²

Artists who perform in Finland and earn income must pay a source tax of 15%. The tax applies regardless of the type of payment, be it a salary or another type of income. The same tax rate is effective if the payment is made to a foreign agency or some other organisation. No deductions are applicable. However, proved

¹ Finnish Directorate of Immigration, www.uvi.fi, 2006

² Verohallitus "Ulkomailta Suomeen tulevan verotus", 2006

expenses such as travelling, lodging, cargos and per diems can usually be paid tax-free on top of the performance fee.

3. Contracts

3.1 Characteristics

All contracts should be done in writing. Some people who have been involved in the music business for a long time tend to prefer verbal agreements, but basically everyone accepts that written contracts make the life of all the parties easier and prevent possible disagreements. This is partly a result of people becoming more aware of what to sign; it is now definitely more difficult for a company to persuade someone to sign an unfavourable agreement. Also, as more artists employ managers, they are better protected from misuse by music companies. Should a contract dispute arise, it can usually be settled without legal transactions.

The style of a contract is often rather loose, just stating the main obligations of the agreeing parties. Usually only clauses involving money are stated precisely without any possibility for misinterpretation. Basically the 'fair play' rule applies to in almost all cases; losing face in a country as small as Finland equals losing one's business.

Smaller companies are often more flexible with contracts and require less complicated statements than bigger companies, who employ the company standards and have to play within certain frames.

3.2 Recording / Licensing Contracts

When entering into a recording contract, the current owner of the master recording hands over the exclusive rights to the recording, either for perpetuity or for a specified term. If a record company licenses a record instead of acquiring the master ownership, they often try to get hold of the master for a relatively long time, in order to be able to exploit the rights for a longer period.

Recording contracts are often bound to a certain number of albums, and sometimes also to an agreed time frame. The most common deal is one album plus an option or two for the follow-ups. However, the contract details and lengths vary a lot and every case is considered separately. This applies to both the major and indie companies.

Finnish record companies do not commonly pay big advances, as the domestic market has its restrictions in terms of potential sales volume. However, this does not necessarily mean that getting an advance would be impossible. Therefore, rather than putting too much weight on the advance, one should concentrate on negotiating the other clauses so that they work as a basis of a fruitful co-operation. Some other specific things one should pay attention to before entering into a recording contract are:

Type of label - many Finnish record companies, especially indies, are concentrated in one or a couple of specific genres. The labels also differ in the way they promote

their artists. Therefore thorough investigation of the companies would be of benefit to the artist.

Term of the contract - it is worth considering which is more reasonable, aiming for a long co-operation or rather testing the ground with a shorter contract.

Territory - primarily Finnish record labels seek artists for the Scandinavian, or even only the Finnish market. It is very rare that a Finnish record company would make a worldwide contract with a foreign artist.

Royalties - if possible, one should try to find out what kind of royalties other companies are ready to put on the table. Further, it is important to ensure that reasonable royalties are also paid on digital sales. Many factors, such as division of investment and expected sales, have an effect on what the royalty rate should be. All in all, the percentages are comparable with the average in the Western European market. Securing a royalty relative to sales volume is reasonable.

Marketing commitments - optimally, the contract would also include some required marketing commitments from the record company's side. However, one cannot expect that a small indie would necessarily be able to commit to similar marketing plans to the majors.

3.3 Publishing Contracts

Similarly as recording contracts, publishing contracts vary significantly depending on the situation. The framework is most often rather uniform, but the details, such as income split and the contract term are considered separately in each case.

The Finnish Music Publishers' Association and the Finnish Composers and Lyric Writers Association (ELVIS) offer song writers and publishers a template, which can be used as a functional and fair publishing contract.

The points one should especially consider before entering into a publishing contract do not significantly differ from those associated with a recording contract. Although the rights transferred are different, clauses such as the contract duration, territories, authors' share and commitment still have a great significance.

Often publishers want to acquire the rights for perpetuity, but it is also usual to bind the contract to a specified term - or to a specified number of albums. Conversely to the Swedes, Finnish publishers have not been too active in acquiring sub-publishing rights from abroad. However, lately many companies have brightened up and started seeking more export and import possibilities.

The most traditional way of dividing the publishing income is a 30/30/30 split, where the composer, lyricist and the publisher all get an equal share. However, one should notice that also in these terms every contract is different, and should try to compare what other companies are ready to offer. Further, in return for their percentage share, the publisher should be ready to commit to actual and concrete exploitation plans. It is not favourable to either party, if the publisher is not able to get any additional exposure for the authors' material.

V. CREDITS AND ACKNOWLEDGEMENTS

This handbook gives an overview of the Finnish music industry and the framework within which the music business operates. It is not meant as an absolute information source of the music industry details, but it should help in understanding the special nature of the Finnish music market.

The handbook should also direct you to sources, where you can find more information about Finland and the music business.

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Helsinki, October 16, 2006
Tuomo Tähtinen

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VII Annex 1

<i>Pop/Rock</i>	<i>Hard Rock / Metal</i>	<i>Dance / Electronic</i>	<i>Jazz</i>	<i>Other</i>
The Rasmus 22-pistepirkko	Apocalyptica HIM	Bomfunk Mc's Darude	Trio Töykeät Nuspirit Helsinki The Five Corners Quintet	Värttinä Kimmo Pohjonen
The 69 Eyes	Nightwish Children of Bodom	Luomo	UMO Pepa Päivinen Quartet	JPP Maria Kalaniemi
The Crash	Stratovarius	Jimi Tenor		
Hanoi Rocks Leningrad Cowboys	Sentenced Amorphis Sonata Arctica Lordi Waltari	Pan Sonic Orkidea Dallas Superstars		

Table of Finnish artists that have managed to break into the international market either with global success or success in their own respective genres.