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Web piracy hits music sales

by Owen Gibson

1 - Music sales in the UK, which up until now have survived the global collapse in sales due to increasing internet piracy, slumped 3.7% during the last year. The figures come just weeks after the singer Robbie Williams declared piracy was "great" and there was "nothing anyone can do about it".

5 - Despite the death of Napster, millions of music fans have turned to "peer to peer" networks such as Kazaa and Gnutella to download free music. Because they connect together millions of computers across the globe rather than operating from a central server, they are virtually impossible to control. The proliferation of CD-burning technology, which allows computer users
 10 - to copy music from their computers to CDs, has also been blamed by record companies for declining sales.

In 2001, the success of artists such as Coldplay, Robbie Williams and U2 helped the British industry counter the worldwide gloom, generating a 5.3% rise in sales. But this year, according to figures from the British
 15 - Phonographic Industry, sales had fallen to £1.19bn as music fans turned their back on singles and turned to the web instead.

Last month culture minister Kim Howells accused Robbie Williams of assisting international vice gangs who use music piracy to launder profits by describing the copyright fraud industry as "great". Mr Howells said music
 20 - piracy amounted to "going into a record store and shoplifting the material on sale".

However, the BPI said there were several other factors leading to the sales decline, with piracy not the only culprit. The other factors include intense competition from other areas of the entertainment sector such as computer
 25 - games and DVDs, increasing economic uncertainty which affected high street spending in the Christmas period, and the ongoing problem of illegal copying of recorded music," said a spokesman.

Single sales spiralled 11% lower to £97.2m or 52.5 million units in 2002, returning to levels last seen 10 years ago. Cassette sales also slumped,
 30 - falling 67%, as the format becomes obsolete. Album sales fell only 0.1 percent but pressure on prices forced revenues down 3% to £1.09bn. CD sales, which make up the bulk of album sales, fell 2%.