



The Recording Industry in Japan
-Statistics, Analysis, Trends-
RIAJ Yearbook 2001

English edition

RIAJ
Recording Industry Association of Japan

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1. Overview of Record Production in Japan in 2000

The total production of audio and video recordings by the 24 member companies of the Recording Industry Association of Japan (RIAJ) was 480.3 million units (100% vs. previous year) and 677.4 billion yen in value (100% vs. previous year) from January 2000 to December 2000. In terms of both units and value, production remained at the same level as the previous year.

Audio recordings, including compact disks (CDs), analog recordings, and cassette tapes totaled 433.1 million units (97% vs. previous year) and 539.8 billion yen in value (95% vs. previous year). For the second consecutive year, neither unit nor value achieved the level of the previous year, reflecting the severe market conditions.

Production of CDs, the main audio format, fell to 414.1 million units (98% vs. previous year) and 523.9 billion yen in value (95% vs. previous year). In both unit and value terms, production was lower than that of the previous year.

The breakdown within the CD format showed a drastic drop in production of 3" CD singles to 33.1 million units (38% vs. previous year) and 15.0 billion yen in value (28% vs. previous year). However, 5" CD singles production increased dramatically to 104.6 million units (171% vs. previous year) and 82.4 billion yen in value (176% vs. previous year). The transition of CD singles from the 3" to the 5" format showed rapid progress.

Production of 5" CD albums maintained the same level as the previous year at 276.3 million units (100% vs. previous year), but the value fell to 426.4 billion yen (95% vs. previous year).

Production of video recordings was 47.2 million units (136% vs. previous year) and 137.6 billion yen in value (126% vs. previous year). Both units and value significantly exceeded the previous year.

Within this category, although laser disk (LD) and video tape production decreased, the rapid increase of DVD production at 23.0 million units (364% vs. previous year) and 55.8 billion yen in value (358% vs. previous year) contributed to significant growth of overall video production.

[Production of Audio and Video Recordings in 2000]

Item		Units (millions)	Share (%)	% vs. previous year	Value (billions of yen)	Share (%)	% vs. previous year
Audio	3" CDs	33.1	7	38	15.0	2	28
	5" CD singles	104.6	22	171	82.4	12	176
	5" CD albums	276.3	58	100	426.4	63	95
	CD total	414.1	86	98	523.9	77	95
	Analog	1.9	0	64	2.1	0	58
	Cassettes	17.2	4	98	13.9	2	94
	Total	433.1	90	97	539.8	80	95
Video	DVDs	23.0	5	364	55.8	8	358
	LDs, VHDs	3.2	1	69	6.3	1	56
	Tapes	20.9	4	88	75.5	11	91
	Total	47.2	10	136	137.6	20	126
Grand Total		480.3	100	100	677.4	100	100

[Reference]

CD derivative audio - visual recordings	176.0	-	106	19.8	-	85
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- Notes:
1. Above figures include OEM production by RIAJ members for non-RIAJ members.
 2. Figures are rounded, hence possible difference between breakdown and total.
 3. Above figures include recordings imported by RIAJ members.

2. Major Issues For the Japanese Recording Industry

In 2000, the recording industry in Japan was confronted with severe economic circumstances including sluggish individual consumption and price deflation for the first time in the post-War period.

Besides the prolonged economic slump, there were other factors that adversely affected the industry. The youth demographic, a major consumer of music recordings, decreased, and competition from other information and telecommunication services such as mobile phones increased. Such an environment resulted in the second consecutive annual decrease in the production value of audio recordings in 2000.

On the other hand, production of video recordings increased dramatically due to the rapid growth of the DVD format. In unit terms, the production ratio of video disks rose to 56% to overtake that of video tape at 44%, resulting in values of 45% and 55% respectively. 2000 was an impressive first year for DVDs.

Meanwhile, after a 10-year appeal by the industry to keep the “Resale Price Maintenance System” on copyrighted materials, on March 23, 2001 the Fair Trade Commission announced the final decision to maintain the system for the foreseeable future. The recording industry voluntarily continues to employ the system in a flexible way for the benefit of consumers.

Due to the current rapid advancement of digital technologies and diversifying use of recordings including the digital downloading business, the current Copyright Law cannot sufficiently protect owners of neighboring rights. Therefore it is essential to work in various arenas to reinforce the Copyright Law and other regulations.

With this background, the major issues to be tackled by the recording industry can be outlined as follows:

Extend the rights and interests of record producers

- Establish exclusive rights of public transmission and the right of transfer of ownership without international exhaustion (the right of importation)

Cope with issues caused by the expansion of IT usage

- Establish a system to protect rights of owners in next-generation audio formats
- Establish security technologies for digital distribution of music contents

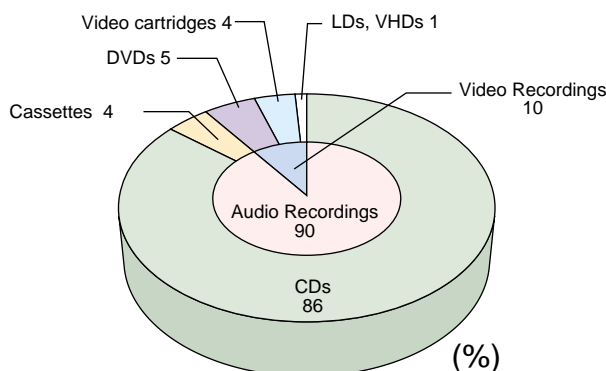
Conduct various measures to expand demand

- Enhance experimental listening systems and promote music gift cards

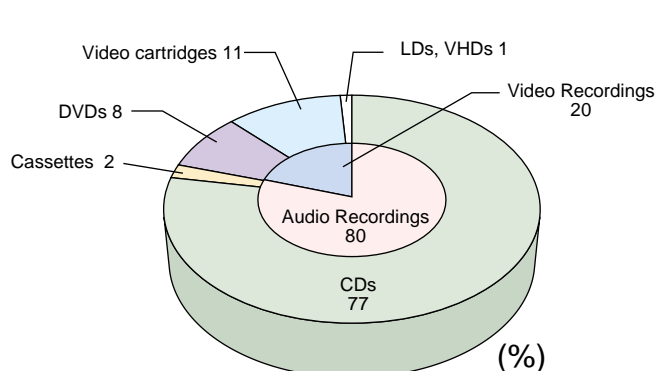
Strengthen measures to solve problems concerning infringement of rights

- Eliminate piracy, illegal distribution via the internet, sales of sample products, etc

Production share in units in 2000
Share by format
Production (units)



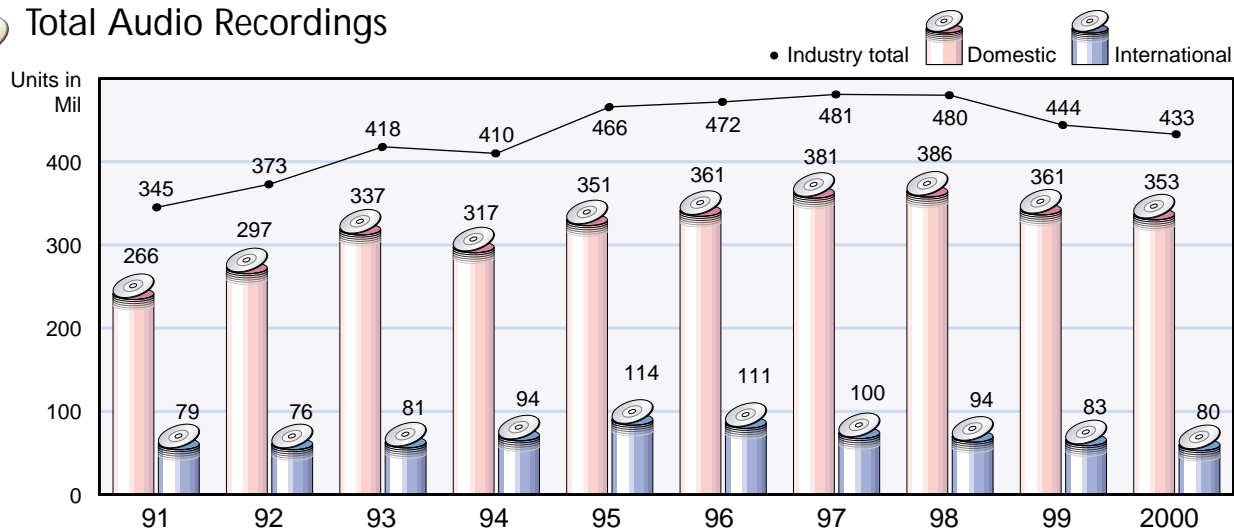
Production share in value in 2000
Share by format
Production (value)



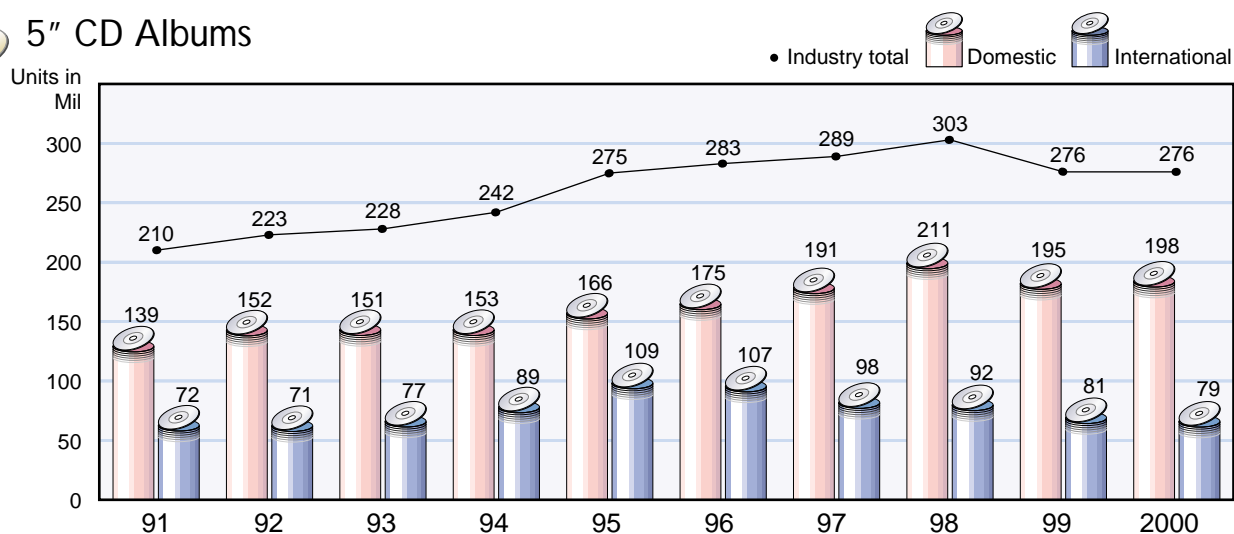
3. Production Trends by Format

A. Audio Recordings – Unit Basis

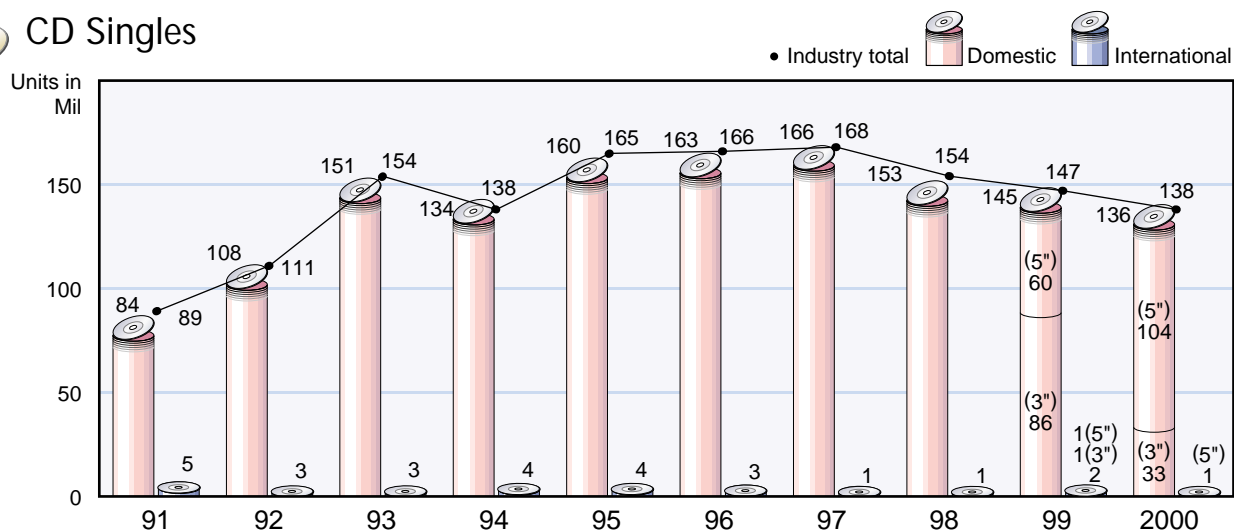
1 Total Audio Recordings



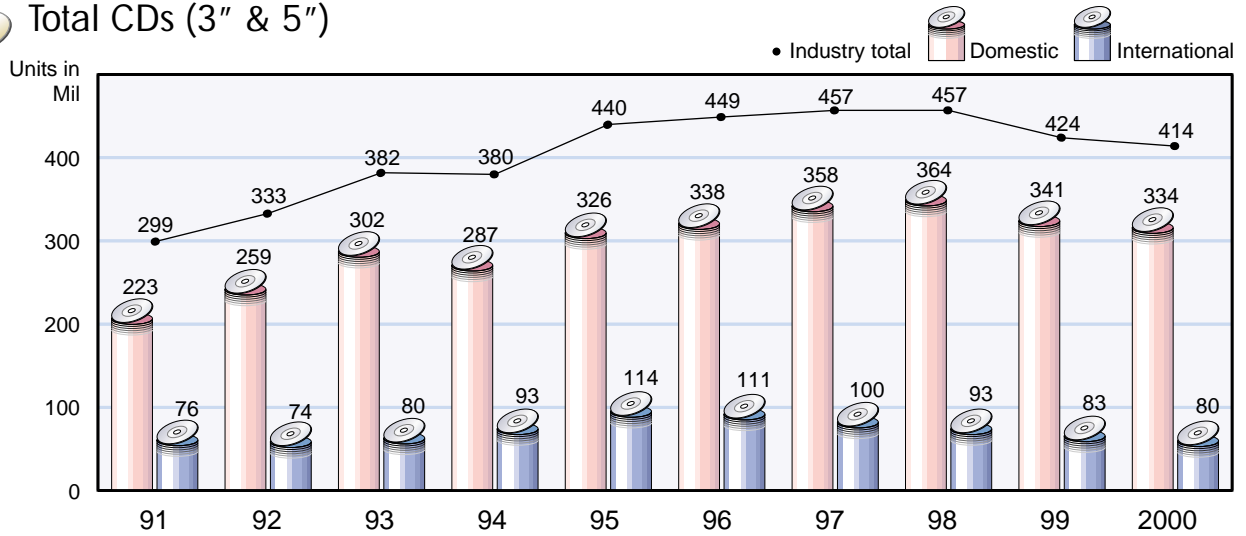
2 5" CD Albums



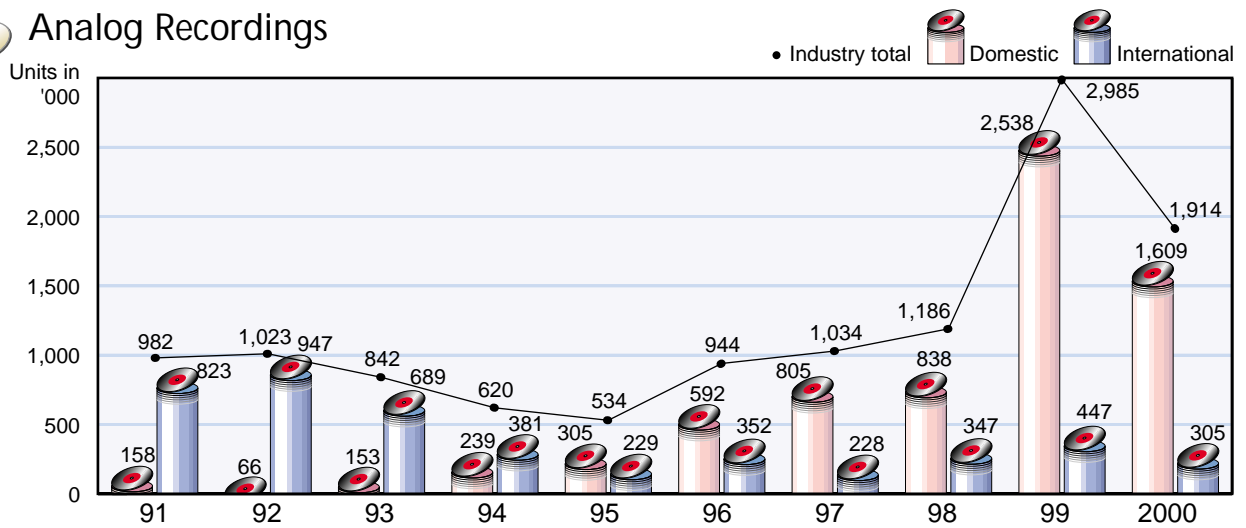
3 CD Singles



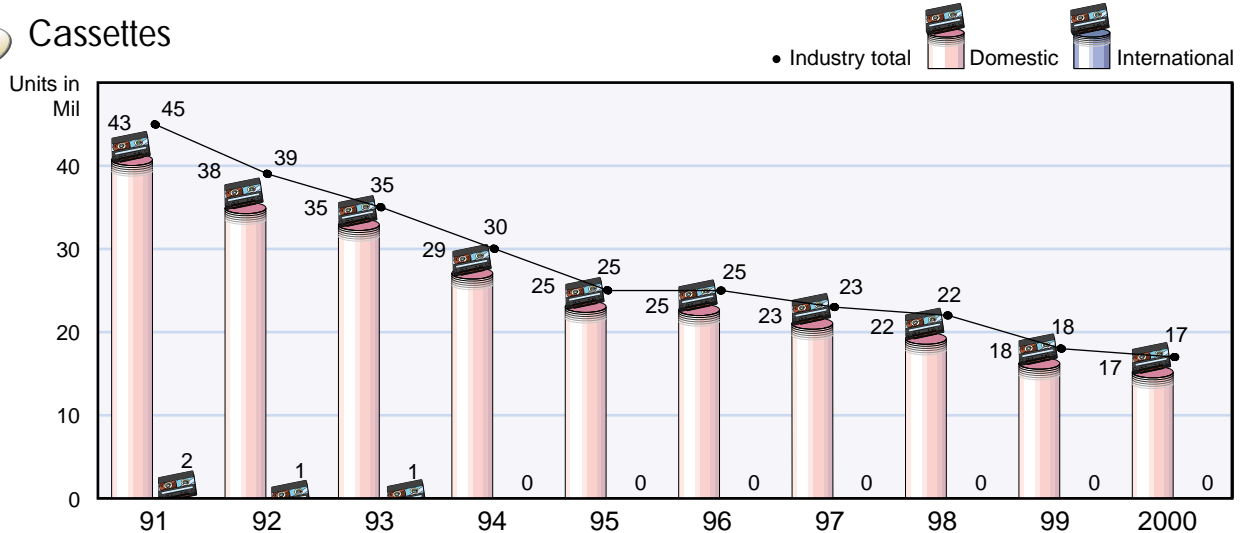
4 Total CDs (3" & 5")



5 Analog Recordings



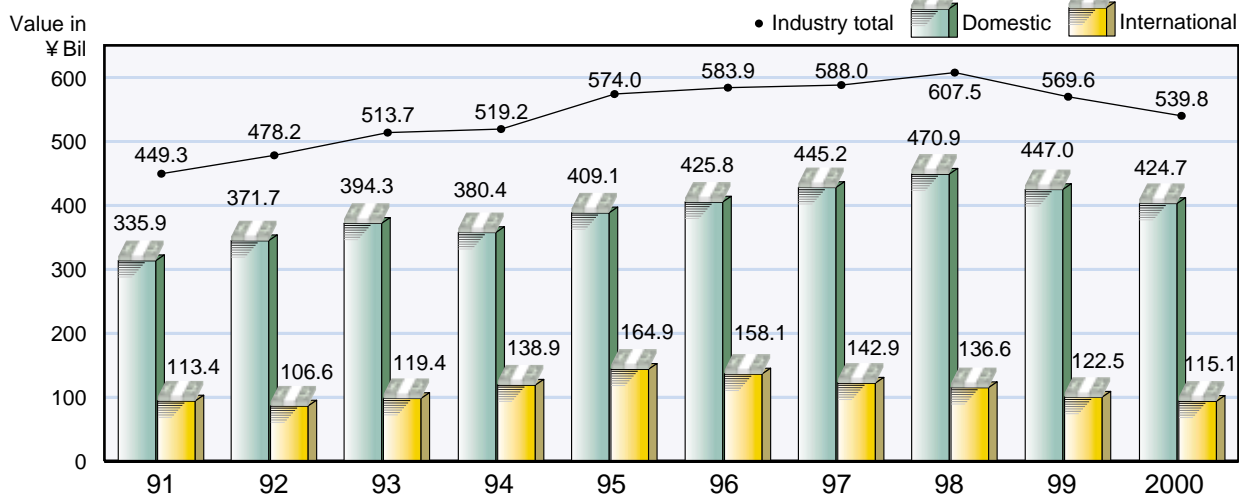
6 Cassettes



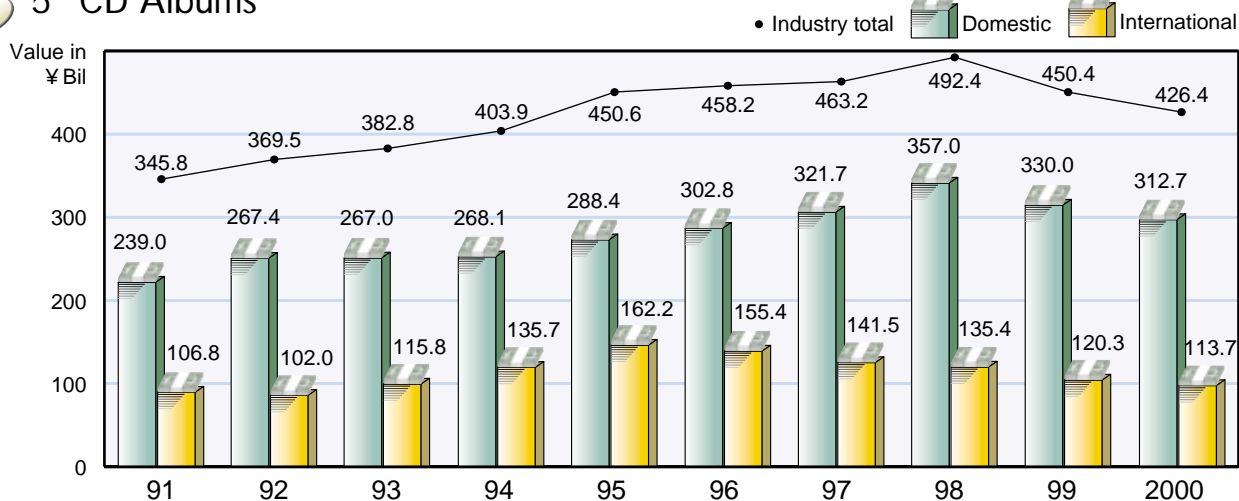
3. Production Trends by Format (con't.)

B. Audio Recordings – Value Basis

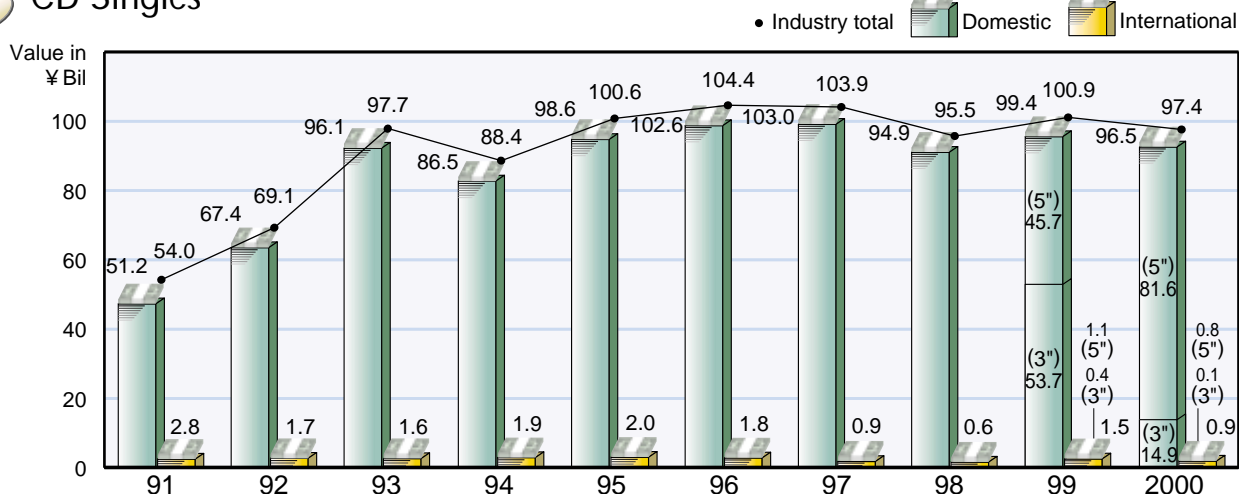
1 Total Audio Recordings



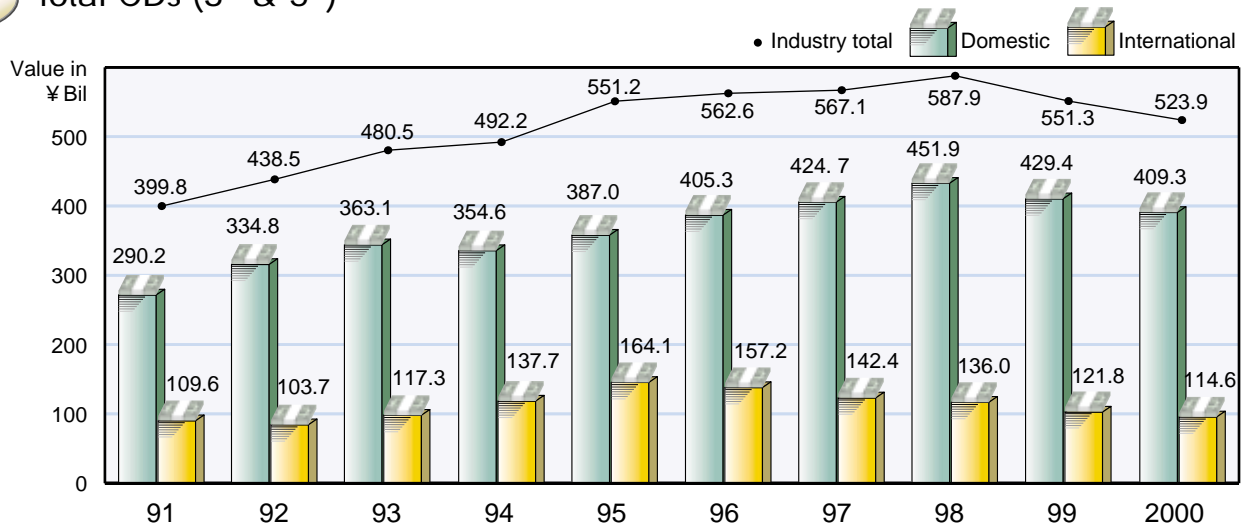
2 5" CD Albums



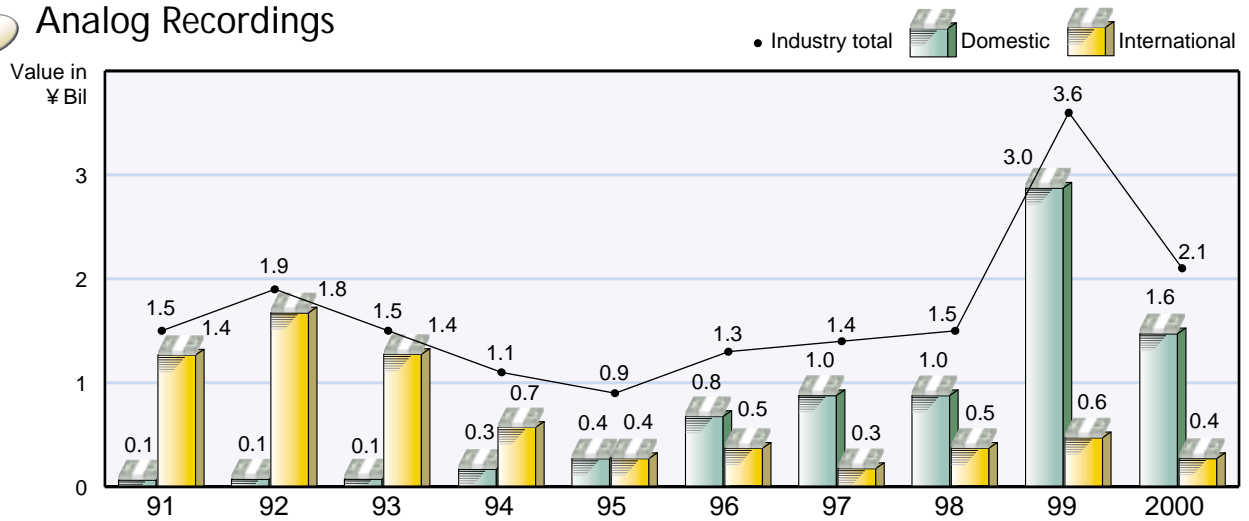
3 CD Singles



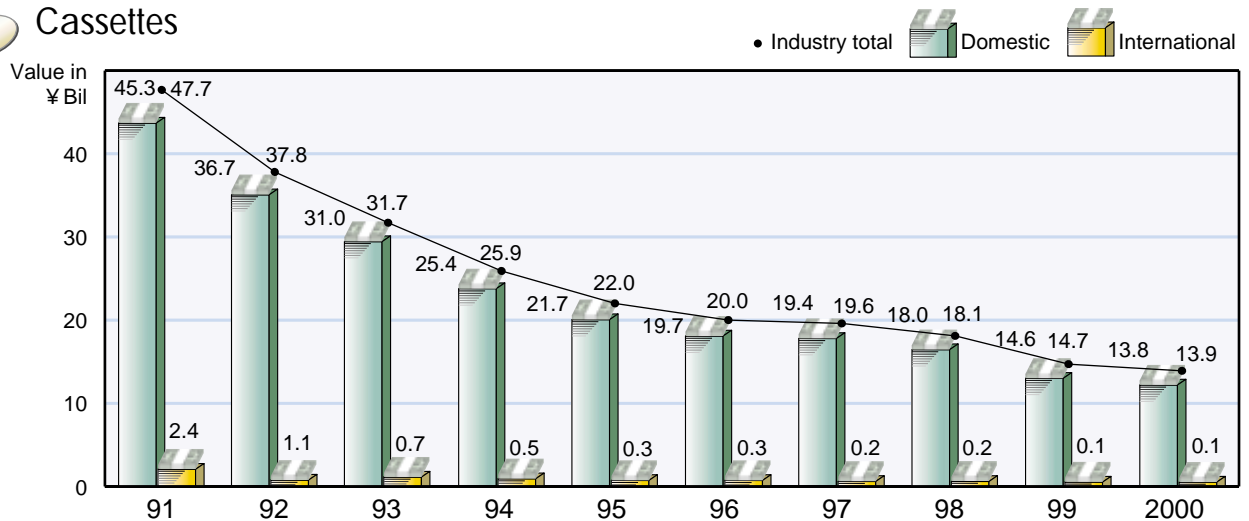
4 Total CDs (3" & 5")



5 Analog Recordings



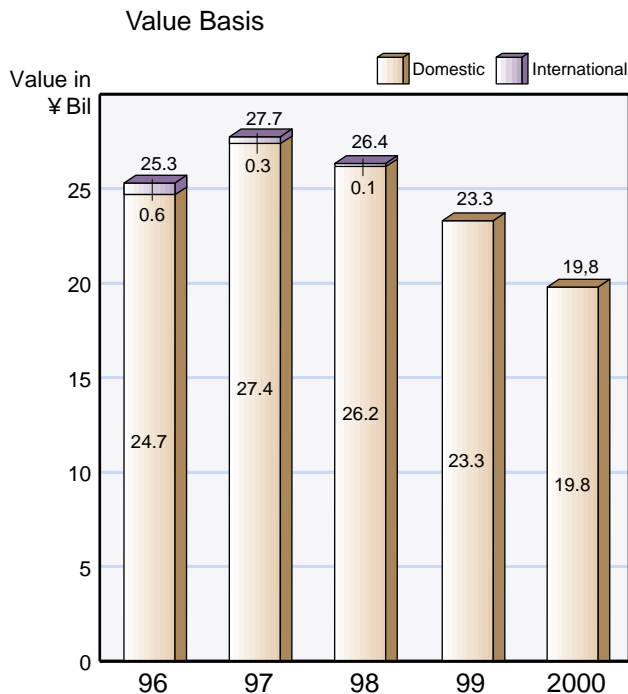
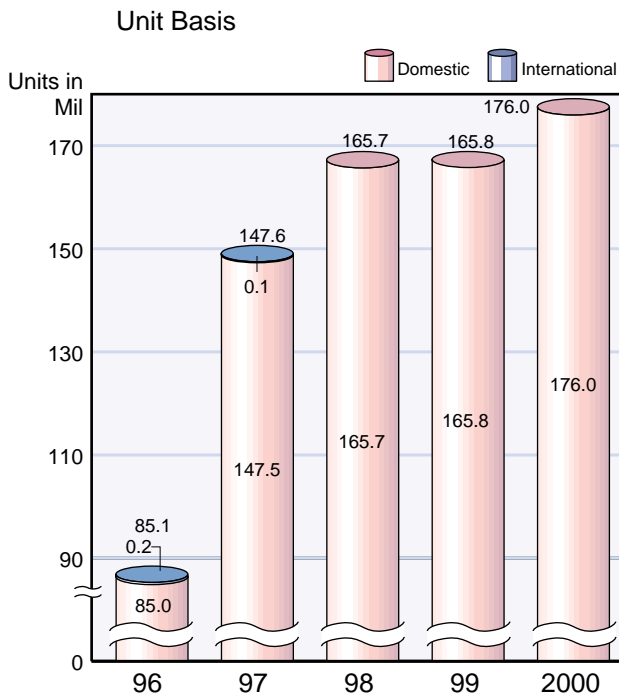
6 Cassettes



3. Production Trends by Format (con't.)

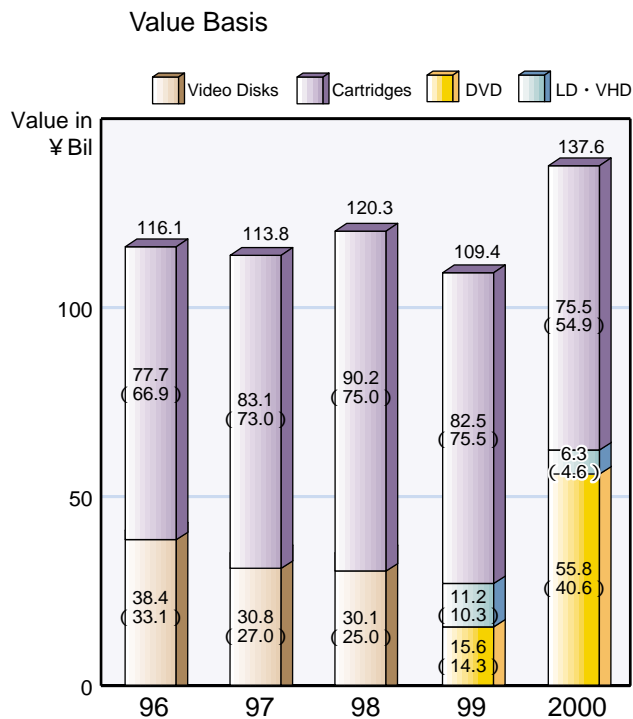
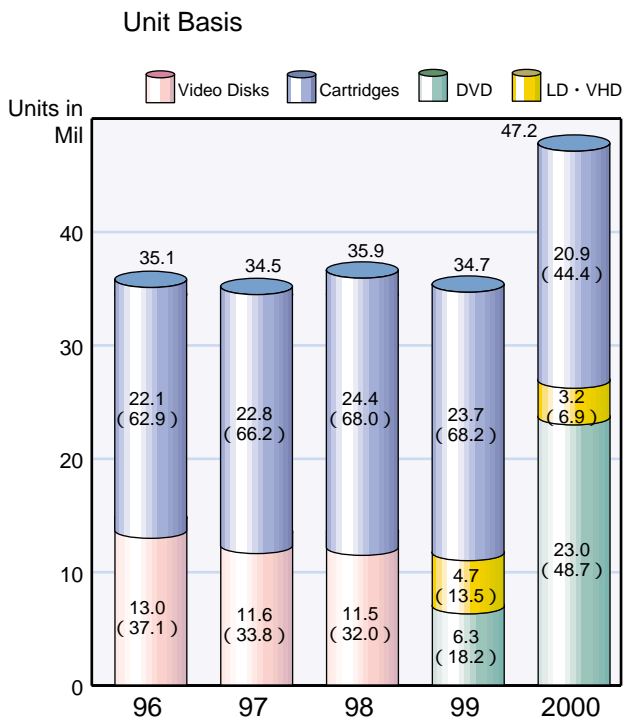
C. AV & Video Recordings – Unit and Value Bases

1 Audio/Visual CD Recordings



N.B. Figures are rounded, hence the possible difference between total and breakdown.

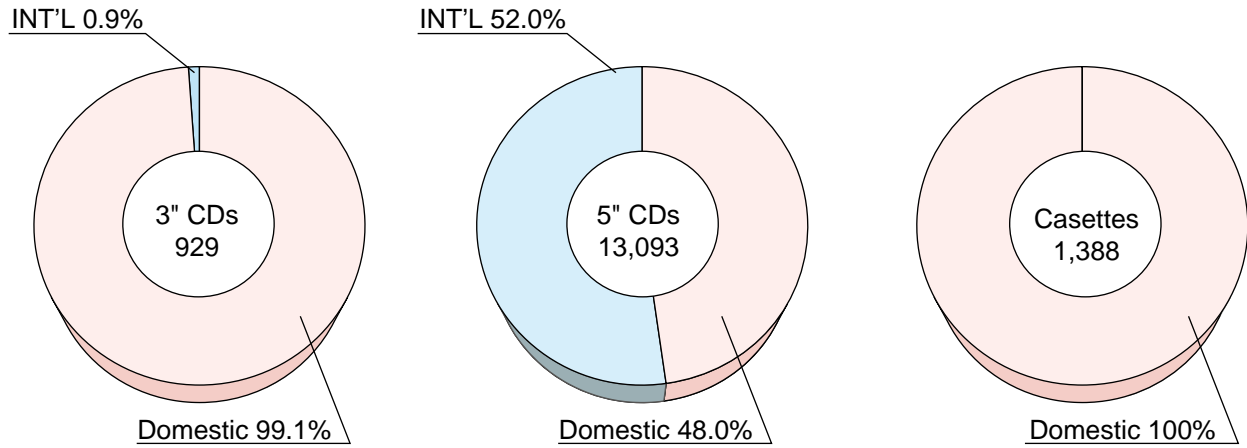
2 Video Recordings



N.B. Figures are rounded, hence the possible difference between total and breakdown. Figures in parentheses show share % of the format.

D. New Releases in 2000

1 Audio Releases



N.B. Above figures include re-issues. Multiformal releases of the same title are counted separately.

2 Breakdown by Genre and Format

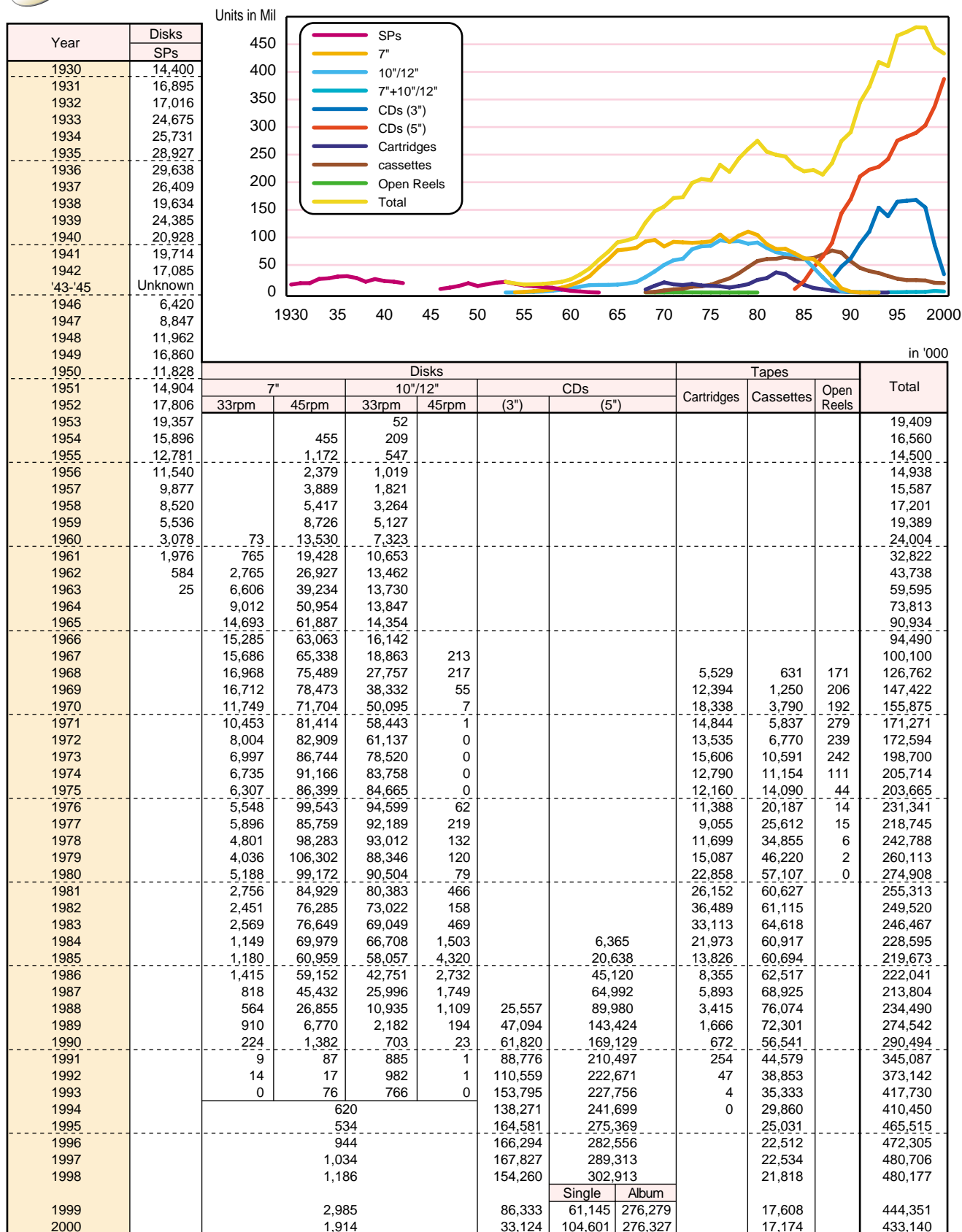
			3" CDs			5" CDs			MDs	Vinyls	Cassettes		Total	CD-derivative	
			Single	Album	Total	Single	Other	CD-G			Other				
D O M E S T I C	P O P	Enka	566	7	480	487	0	4	549	462	2,068	0	0		
		Kayoukyoku	110	362	553	915	1	62	18	16	1,122	0	0		
		New Music	113	1,096	1,872	2,968	15	188	0	9	3,293	0	0		
		Sub-total	789	1,465	2,905	4,370	16	254	567	487	6,483	0	0		
	L I G H T M U S I C	Light Music	1	12	424	436	0	0	0	8	445	0	0		
		Traditional	33	0	101	101	0	0	41	152	327	0	0		
		Children's	3	0	164	164	0	0	1	22	190	0	0		
		Anime	89	60	532	592	0	0	2	34	717	0	7		
		Classical	0	1	270	271	0	1	0	0	272	0	0		
		Karaoke	0	0	4	4	0	0	8	5	17	59	78		
Other	6	25	317	342	0	0	0	61	409	0	37				
Domestic Total		921 (52)	1,563 (162)	4,717 (91)	6,280 (102)	16 (80)	255 (83)	619 (94)	769 (101)	8,860 (92)	59 (113)	122 (88)			
I N T L	P O P	Rock/Disco	5	149	2,610	2,759	1	12	0	0	2,777	0	0		
		Jazz/Fusion	0	7	1,146	1,153	0	65	0	0	1,218	0	0		
		Pop	3	29	475	504	0	2	0	0	509	0	0		
		Screen	0	0	251	251	0	2	0	0	253	0	0		
		Other	0	5	91	96	0	2	0	0	98	0	0		
		Sub-total	8	190	4,573	4,763	1	83	0	0	4,855	0	0		
	L I G H T M U S I C	Classical	0	6	1,998	2,004	0	0	0	0	2,004	0	0		
		Other	0	1	45	46	0	0	0	0	46	0	1		
Int'l Total		8 (67)	197 (75)	6,616 (89)	6,813 (89)	1 (8)	83 (92)	0 -	0 -	6,905 (89)	0 -	1 (17)			
Grand Total			929 (52)	1,760 (144)	11,333 (90)	13,093 (95)	17 (52)	338 (85)	619 (94)	769 (99)	15,765 (90)	59 (111)	123 (85)		

N.B. Figures in parentheses: percentage against previous year.

3. Production Trends by Format (con't.)

E. Historical Trends in Format Production

1 Transition in Disk and Tape Production - Unit basis



N.B. 1. Figures are rounded, hence the possible difference between total and breakdown.
 2. Distinction between 7" and 10"/12" analog recordings eliminated since 1994.