

THE MUSIC INDUSTRY IN HAMBURG

EXECUTIVE SUMMARY

OCTOBER 2023

Value added

1.03bn €

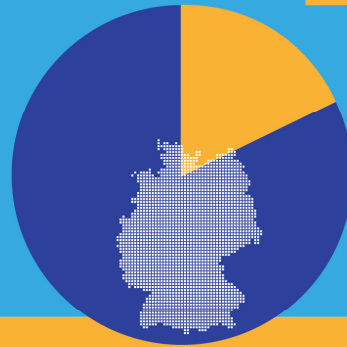
Gross value added by the music industry in Hamburg



Nationwide share

Hamburg's share of Germany's total gross value added generated by the music industry

20%



Employment

16.041

Total number of jobs associated with the music industry in Hamburg



Fiscal contribution

Total tax revenues associated with the music industry in Hamburg

591m €

For comparison:
Total tax revenue of the City of Hamburg: 12.9bn €

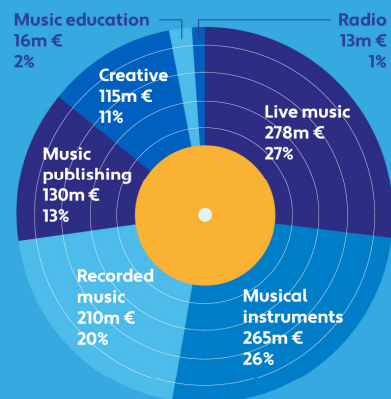


Music tourism

Revenue linked to music tourism in Hamburg

Ranking based on the number and expenditures of domestic music-related trips.

1. Hamburg
2. Berlin
3. München



Industry segments

Comparison of size/share of gross value added by the industry segments

EXECUTIVE SUMMARY

This report quantifies the impact of the music industry on gross value added, employment and tax revenues for the Hamburg region¹ in 2019². The study was commissioned because the music industry, like other sectors of the creative industries, is insufficiently covered by the data of the national statistical authorities. This report is intended to better inform music businesses, policy makers and other stakeholders about the economic importance of the music industry in the Hamburg region, both in absolute terms and compared to other industries.

The key measure analysed in this report to estimate the impact of the music industry is the **contribution of gross value added (GVA) to gross domestic product (GDP)**, which is the value of the goods or services produced minus the value of the materials and services used to produce them. Calculating the industry's GVA guarantees that the actual economic contribution to GDP is measured – something that is not achieved by adding the industry's turnover, for example. Accordingly, the total revenue or turnover of the industry is not presented in the context of this study.

To produce this report, Oxford Economics assessed the economic impact of the music industry in the Hamburg region. This involved analysing the impact of the economic activity of the industry itself, the procurement of goods and services from suppliers in the Hamburg region, and the payment of wages both by the industry itself and along its regional supply chain. Estimates of the industry's impact are made for three metrics:

- the contribution of gross value added to the gross domestic product,
- employment, and
- tax revenue.

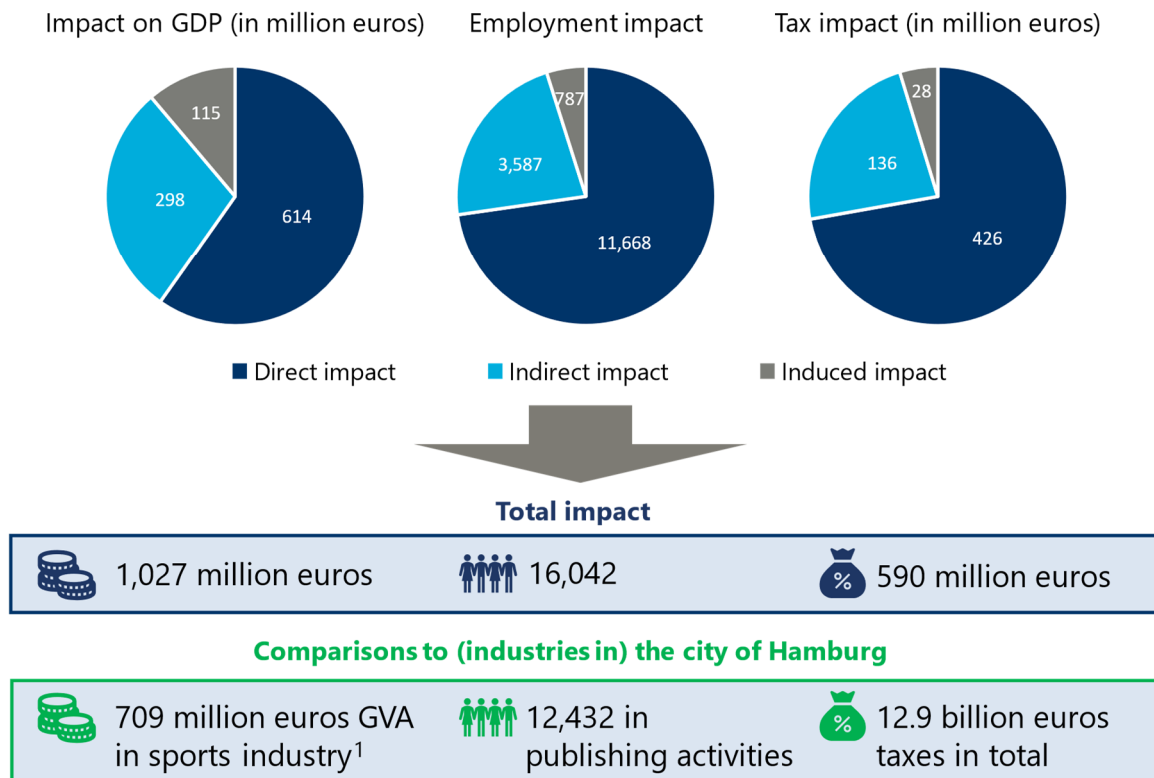
MAIN FINDINGS

- **GVA impact:** The music industry in the Hamburg region contributed **1,027 million euros** to GDP in 2019.
- The direct contribution of the Hamburg music industry to GDP amounted to **614 million euros**, the indirect contribution to **298 million euros** and the induced contribution to **115 million euros**. Thus, the GDP multiplier of Hamburg's music industry is **1.67**, which means that every euro of GVA created in the music industry supports an additional 0.67 euros of GVA in other industries.

¹ The Hamburg region is made up of the following 7 district-free cities and districts: Free and Hanseatic City of Hamburg, Herzogtum Lauenburg, Stormarn, Segeberg, Pinneberg, Harburg, and Stade.

² At the time of the study, 2019 was the last full year for which data were consistently available and not affected by the Corona pandemic (such as 2020).

- **Employment impact:** In 2019, Hamburg's music industry supported the employment of **16,041 people** in the Hamburg region, including people in full-time and part-time employment as well as the self-employed.
- The industry directly contributed **11,668 jobs** – meaning that **73 %** of the supported jobs were in the music industry itself in 2019. The procurement and wage payments of the Hamburg music industry and its supply chain supported a further **3,587 (indirect) and 787 (induced) jobs**.
- **Tax impact:** The Hamburg music industry is estimated to have supported — i.e., either contributed to or encouraged other industries to contribute to - **591 million euros** in tax revenue in the Hamburg region in 2019.
- **Music tourism:** Hamburg's music industry stimulated tourism expenditure of 914 million euros. Of this, 433 million euros was spent on music trips with overnight stays and 481 million euros on day trips with the travel motive of "visiting a special event".
- In particular, the music industry in Hamburg stimulated **above-average tourism** compared to other German cities. For instance, more music-related trips were made to Hamburg than to cities such as Berlin or Munich, with higher spending on average: **346.8 euros** per person were spent on music-related short trips to Hamburg, while only **238.1 euros** were spent in Berlin and **297.5 euros** in Munich.
- **Complementary music consumption:** Hamburg's music industry also stimulated consumer spending on loudspeakers and audio equipment and thereby further **110 million euros** in revenue in the Hamburg region and supported an additional **608 jobs**.
- The Hamburg music industry made a significant contribution to the national music industry: approximately **19.8%** of the music industry's (direct) GVA was generated in the Hamburg region in 2019.
- The high proportion of direct effects across all three metrics suggests a **vertically integrated industry**. The Hamburg music industry is therefore less dependent on other industries and contributes to Hamburg's economic output relatively independently. Particularly those industries whose structure is characterised by a strong interconnectedness of the subsectors and a comparably closed system can benefit from a holistic view as a cluster.

FIGURE 1: SUMMARY OF THE ECONOMIC CONTRIBUTION OF THE MUSIC INDUSTRY TO THE HAMBURG REGION IN 2019

¹GVA in the sports industry for 2018.

Note: For the comparisons to (industries in) the city of Hamburg, it must be taken into account that the music industry in the Hamburg region is compared with (industries in) the city of Hamburg. If the region were also considered in the respective comparisons, these figures would turn out to be higher.

Source: Umsatzsteuerstatistik (Landesamt für Statistik Niedersachsen, 2023; Destatis, 2023; Statistikamt Nord, 2023), Beschäftigungsstatistik (Bundesagentur für Arbeit, 2023), Einkommensstatistik (Künstlersozialkasse, 2023), volkswirtschaftliche Gesamtrechnungen der Länder (Destatis, 2023), Cotterell und Vöpel (2020), Structural Business Statistics (Eurostat, 2023), online survey 2023, own research, own computations by Oxford Economics

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