

## NATIONAL ASSEMBLY

### QUESTION NO.1784-2012

### FOR WRITTEN REPLY

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**“Dr H C van Schalkwyk (DA) to ask the minister of arts and culture”**

Whether a study has been done to compare the overall cost of recording a compact disc by (a) Downtown Studios Music Hub, (b) SA Broadcasting Corporation and (c) average private sector price; if not, how does his department ensure that the Downtown Studios Music Hub offers quality services at a lower rate than the SABC and private sector; what are the (i) findings and (ii) recommendations of the study?

NW2175E

### **REPLY**

A study has not been conducted, but the Downtown Music Hub has developed a business plan that proposes support for development of focused high quality South African local music content. This business plan has noted “production quality” to be at the centre of any recording. Downtown Music Hub will offer a facility and platform from which prospective musicians can record, develop, package, market and distribute music to the South African market.

Downtown Music Hub is not intending to declare a competitive price war with existing facilities such as the SABC or private sector, because that is not what it is established for, it is the aim of Downtown Music Hub to have a well thought pricing strategy that enables it to sell products at competitive prices alone as the national competitors are able to secure better deals with

performing artists. Downtown Music Hub's customer service offering is designed to offer its products at an enhanced margin. This allows both the customer and the organisation to benefit.

The mandate of the Downtown Music Hub is to create access and economic opportunities for the music role players, develop musicians, manufacturing and distribution facilities and re-align the competitive advantage of the local music sector products in global markets.

- (i) The Downtown Music Hub business plan has made the following findings: that there are barriers of entry to the industry and this relates to capital investment which limit new entrance, it has also made the observation that there is a plethora of small home-based music production studios and due to availability of recording equipment in small recording studios the production of music would seem to be in abundance, but this is still limited to a few individuals.
  
- (ii) Then to create a balance the Downtown Music Hub business plan has made the following recommendations that it must concentrate in developing the studio to becoming a state of the art digitally driven facility. It must create access to the music value chain particularly recording opportunities for South African artists, it should ensure growth of South African indigenous music, it should embrace the use of technology as the driver and enabler for industry growth and development, and therefore should focus on high-end post production, human-capital development, in both rural and urban and be at the centre of youth empowerment.