BULGARIAN MUSIC ECOSYSTEM

and the music rights economy

BAMP

PROPHON

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Introduction

This report aims to provide a fresh view of the Bulgarian music ecosystem with a focus on the music rights industry – those earning most of their revenue from exploiting copyright or neighbouring rights, including artists, creators, producers (owners of master rights), distributors, Collective Management Organisations (CMOs), and music publishers. This report evokes the ecosystem concept to describe the complex and interconnected nature of the music sector. It's useful to better make sense of the diverse actors, their multi-layered motivations, interactions, and environment in context. Such context-sensitive analysis can help identify the necessary leverage points for effective policy making and collective action.

The data sources used in this report include: data collected by the Bulgarian Association of Music Producers (BAMP), data collected by the CMOs and published in their annual reports, and national statistics gathered in Bulgaria by the National Statistical Institute (NSI). While there are challenges with combining all these sources, to some degree, a more comprehensive overview of the music economy is possible. For the contextual understanding, the report relies on expert interviews as well as available reports, policy documents and other written sources.

Making sense of how music works

Music industry analysis has traditionally presented the sector as three distinct value chains, each focused on creating and monetising linked kinds of value:

- The musical work, protected by copyright and represented by music publishers and authors' rights organisations;
- The recording, produced and distributed by record labels or by self-producing artists;
- Live performance, involving the complex system of venues, festivals, promoters, bookers, agents, and ancillary services.

It can be increasingly convincingly argued that this classic image misses a fourth element:

- The artist as a brand, encompassing distinct revenue streams from brand deals to fan subscriptions, deeply integrated with the artist's musical career and identity.

What is a Music Ecosystem?

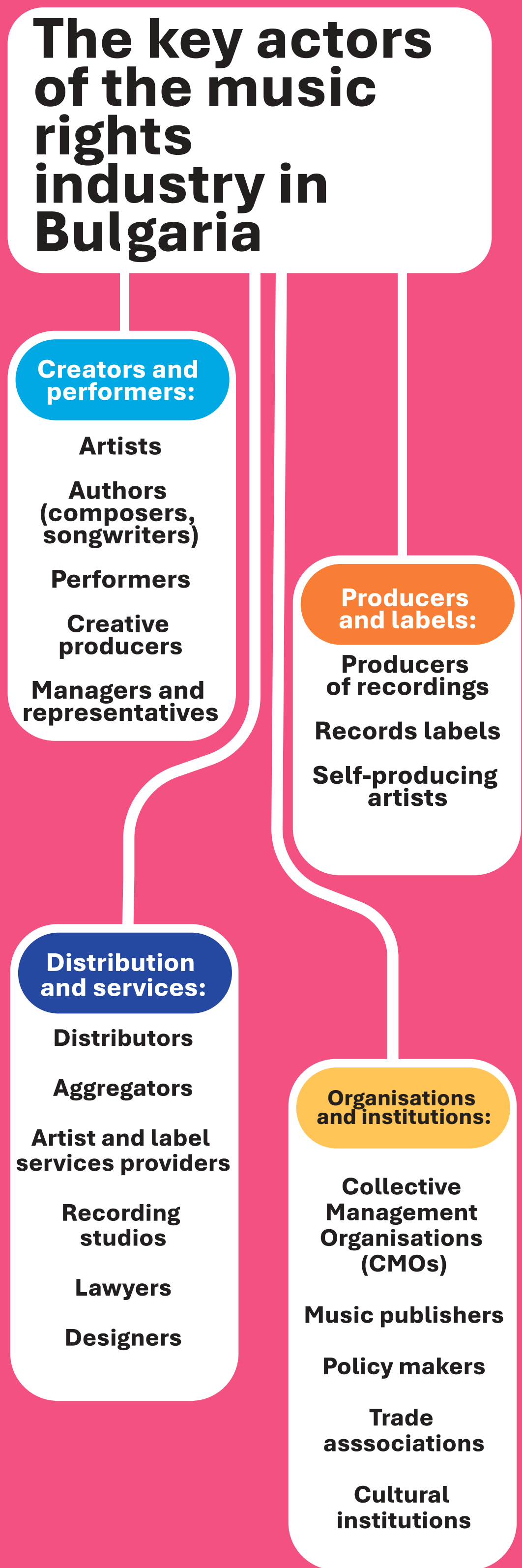
A recent European Commission paper defined the music ecosystem as a "network of music sector actors, their environment, their interdependencies and interactions through the production, distribution and consumption of music so that value is created for the system itself, and for the systems it is part of". Beyond purely economic data, applying this framework aims to provide contextual insights about key actors and their interactions.

Describing the music rights industries

The music rights industry refers to those actors earning most of their revenue from exploiting copyright or neighbouring rights, including artists, creators, producers (owners of master rights), distributors, Collective Management Organisations (CMOs), and music publishers.

The key actors of the music rights industry in Bulgaria are artists and creators, including performers, artists and their representation (i.e. managers), authors, creative producers; producers of recordings, often record companies, but also self-producing artists; artist and label service providers; distributors and aggregators; and CMOs. Naturally, there are also various service providers, such as recording studios, lawyers, designers, etc. Additionally, policy makers, trade associations and cultural institutions, such as the National Culture Fund, play a role.

Applying the ecosystem's focus on actor complexity is crucial here. Terms like "artist" and "producer" are broad categories. In the context of rights, an "artist" (often the public-facing persona) might simultaneously be an author (songwriter, composer), performer, and even the producer (master rights owner) of their own recordings. These different roles involve distinct rights (author's, performer's, producer's), and understanding these combinations is vital when analysing, for example, artist success in the digital era.



The term “producer” (of phonograms) encompasses diverse entities. A common categorisation distinguishes "majors" (large, globally integrated groups like Universal, Sony, Warner) from "indies" (everyone else). To illustrate how categories might adapt to specific contexts, the Bulgarian scene, for instance, could be understood through functional roles like:

- monetising back catalogues;

- investing in new artists/catalogues;

- providing label services;

- self-producing artists.

In general, music companies can perform multiple roles, and the digital shift has seen a notable trend towards providing services or artists self-producing due to the perceived risks of traditional A&R investment.

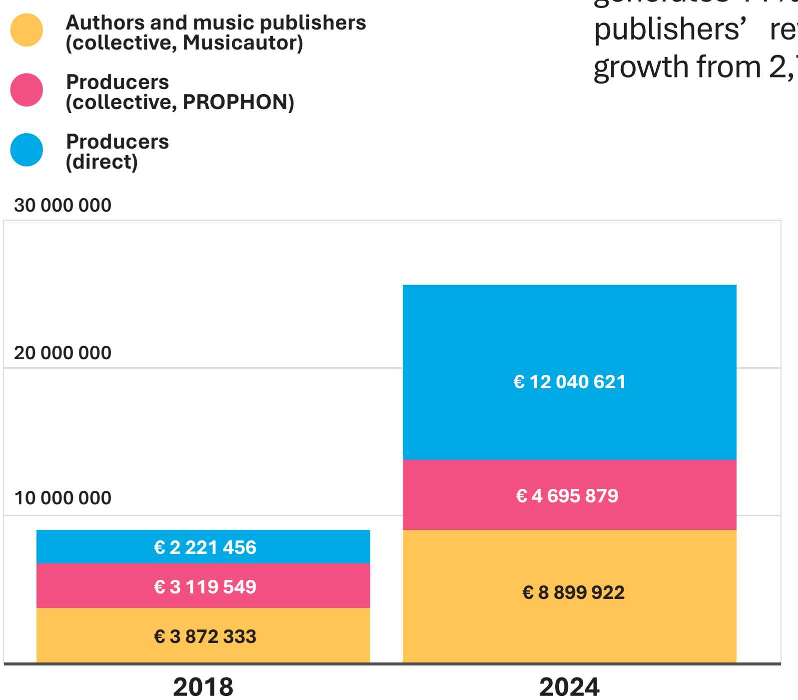


Figure 1a. Music rights revenue in Bulgaria (in EUR), 2018-2024.
Sources: Musicautor, PROPHON, BAMP, own calculations

The music rights economy in Bulgaria – the revenues in the Bulgarian music rights sector

The total music rights revenue in Bulgaria has grown significantly, from more than €9.2 mln in 2018 to €25.6 mln in 2024. A total growth of 180% and CAGR of 18.7%.

This growth has been mostly driven by producers’ direct revenues (up 454% over the past 7 years), making up 47% of the total music rights revenues in 2024 (up from 23,7% share in 2018). Also, the authors’ and music publishers’ revenues collected by Musicautor have grown nearly 130% and the neighbouring rights revenue collected by PROPHON 50% over this period. This growth, as can be seen below, is largely driven by digital use of music. This is certainly the case for the producers and, to some degree, also for Musicautor. Though digital use still only generates 11% of the authors’ and music publishers’ revenue, it’s a significant growth from 2,7% in 2018.

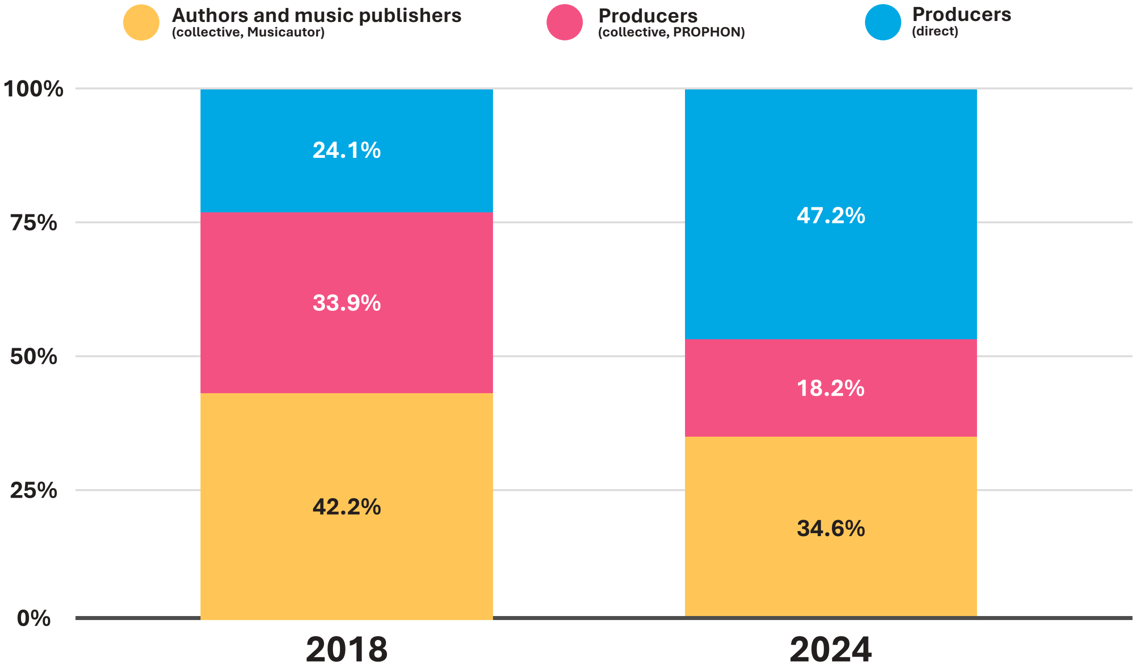


Figure 1b. The structure of music rights revenue from 2018 to 2024 in relative terms.
Sources: Musicautor, PROPHON, BAMP, own calculations

The growth of recorded music revenue for producers over the past 7 years has been significant, from €5.4 mln to €16.8 mln in total, with a total growth of 215% and CAGR of 21.1%.

The main source of this growth is revenue from digital platforms, including subscription and ad-supported audio streams as well as video streams. In total, digital revenue across these three sources has grown from €1.3 mln in 2018 to €10 mln in 2024, a staggering 600% total growth over the seven years.

In Bulgaria, sales of physical CDs and vinyls have been steadily on the rise again since 2020, reaching €1.7 mln in 2024. Vinyl has not yet taken over CD sales and in fact the latter has grown a bit more than the former over the last few years, but with the current overall trend continuing (CAGR 34% for vinyls and 11% for CDs over the past 7 years) will possibly do so in the coming years.

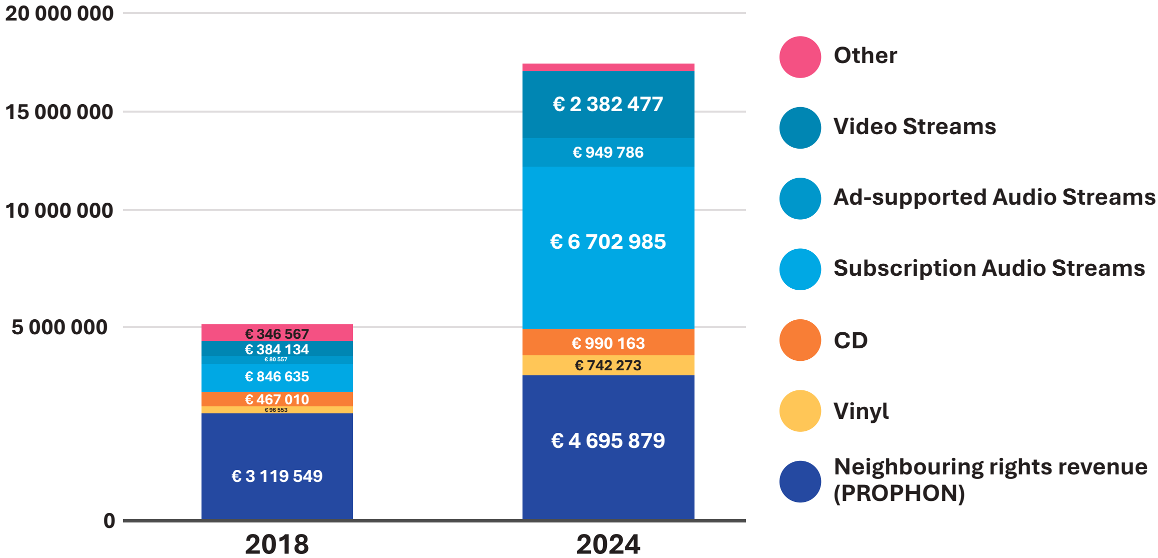


Figure 2a. A general breakdown of recorded music revenues (in EUR), 2018 to 2024, in absolute terms.
Sources: BAMP, PROPHON, own calculations.

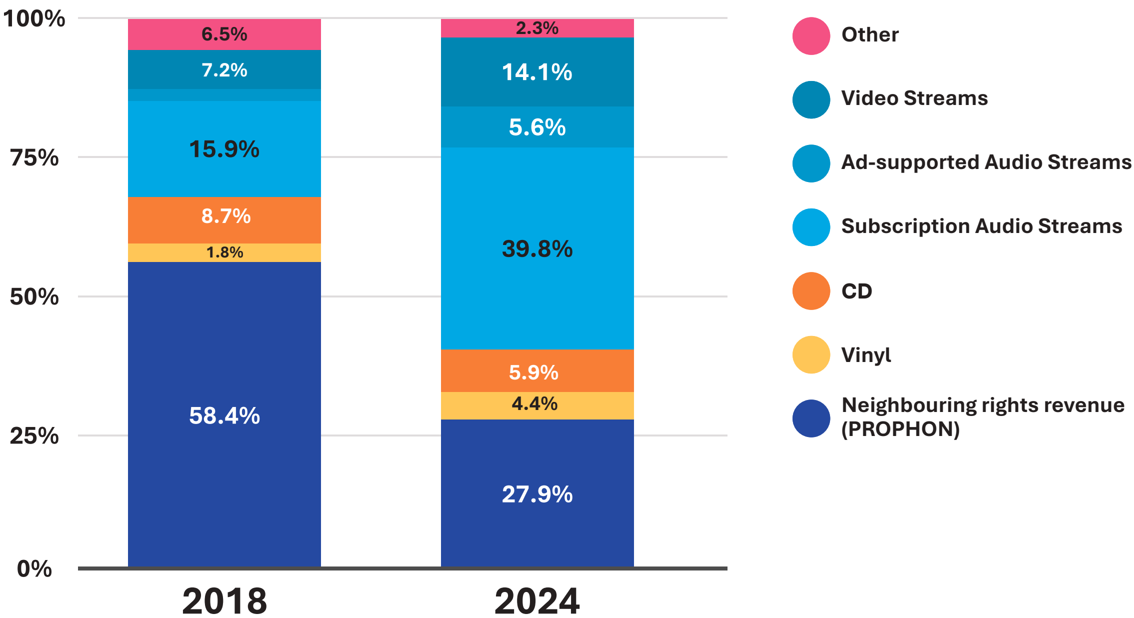


Figure 2b. The structure of recorded music revenues (in EUR), 2018 to 2024, in relative terms.
Sources: BAMP, PROPHON, own calculations.

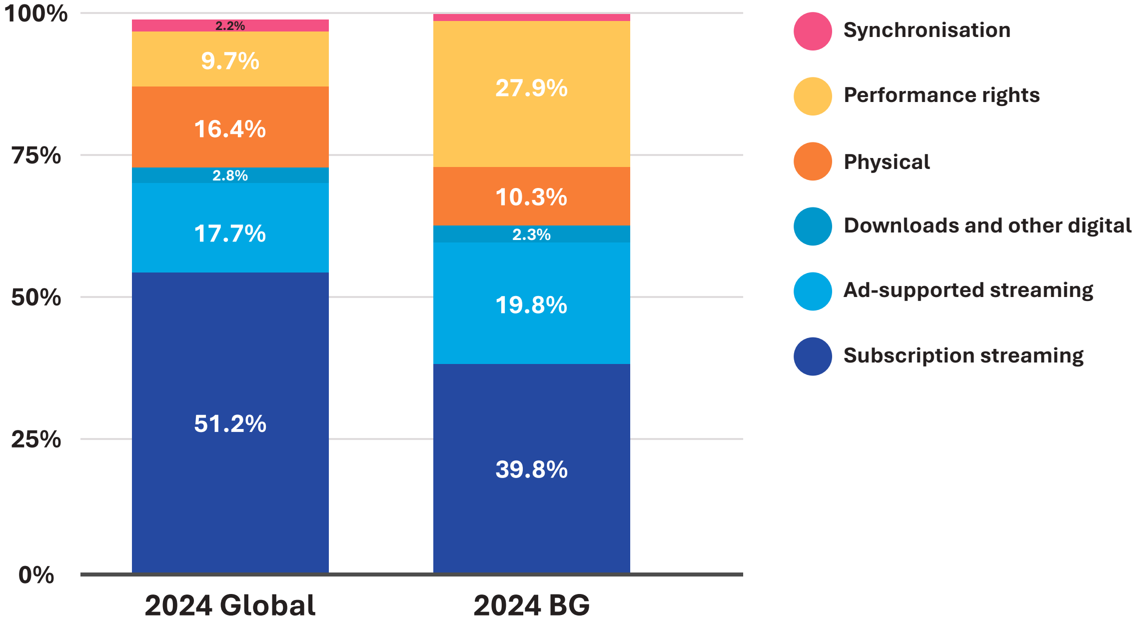


Figure 3. A general breakdown of recorded music revenues globally vs in Bulgaria in 2024 in relative terms.

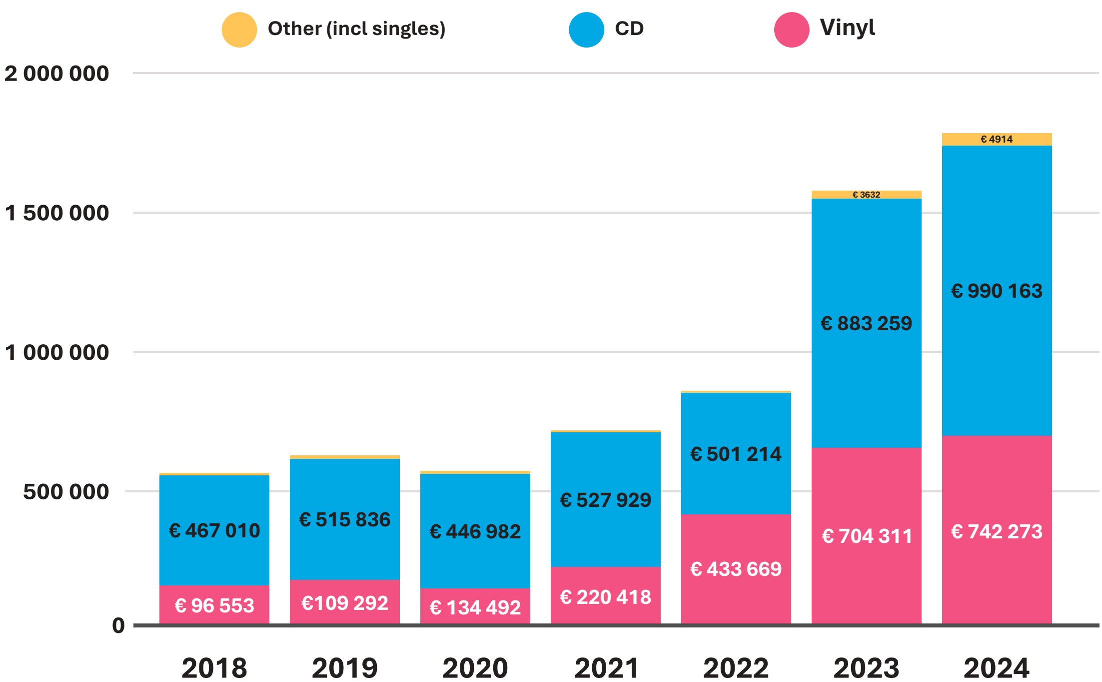
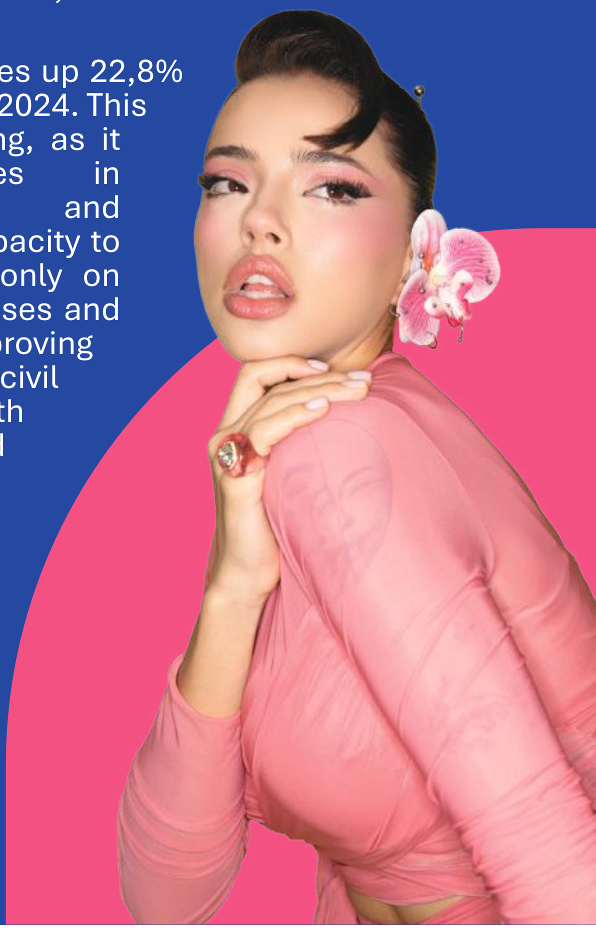


Figure 4. Physical sales in Bulgaria (in EUR) in 2018-2024. Source: BAMP.

The neighbouring rights revenue collected by PROPHON for both producers and performers amounted to €4.7 mln in 2024 and has been growing gradually and at a modest pace across all revenue streams (CAGR 6% between 2018-2024). The biggest source of revenue is TV broadcasting (43.4%, over €2 mln.), mainly from using recorded music in TV programmes as background music or sound design. This is followed by radio (29.2%, €1.4 mln. in 2024).

Public performance of recorded music makes up 22,8% of revenues and amounted to €1.7 million in 2024. This is a relatively challenging area for licensing, as it involves thousands of businesses in Bulgaria—shops, cafes, bars, and restaurants—using recorded music. The capacity to increase this revenue is dependent not only on PROPHON's ability to license more businesses and provide high-quality service, but also on improving enforcement mechanisms, streamlining civil means for protecting rights and dealing with infringement and refusal to pay, and changing the law on tourism to include a music license as a necessary requirement for categorization.



As opposed to authors and music publishers who license digital platforms and other uses collectively (via Musicautor), the producers do it directly via digital distributors and aggregators. PROPHON, therefore, is not participating in the steep increase of digital revenues for the producers.

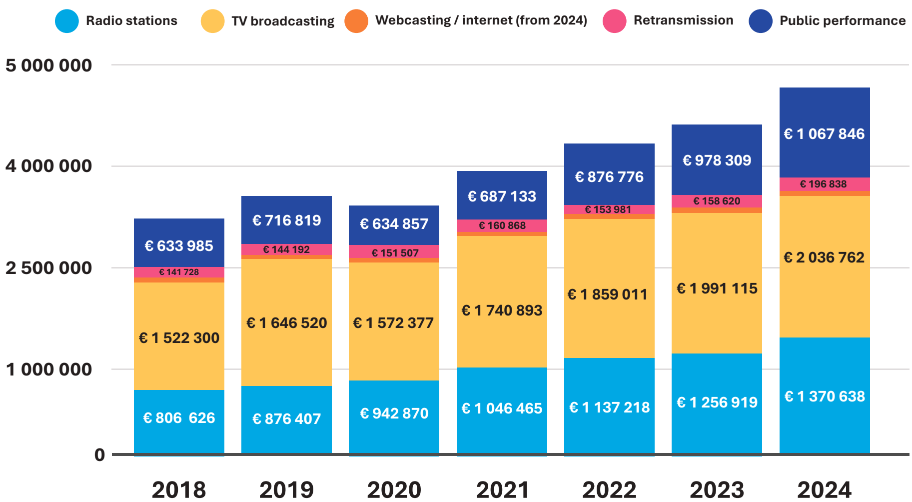


Figure 5. PROPHON’s revenues (in EUR) between 2018-2024. Source: PROPHON transparency reports.

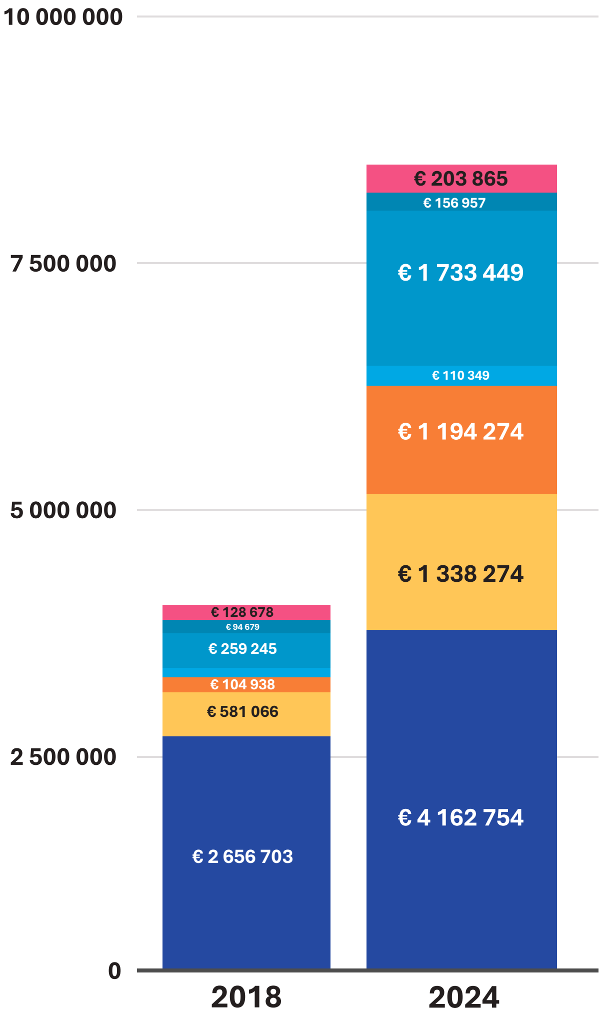
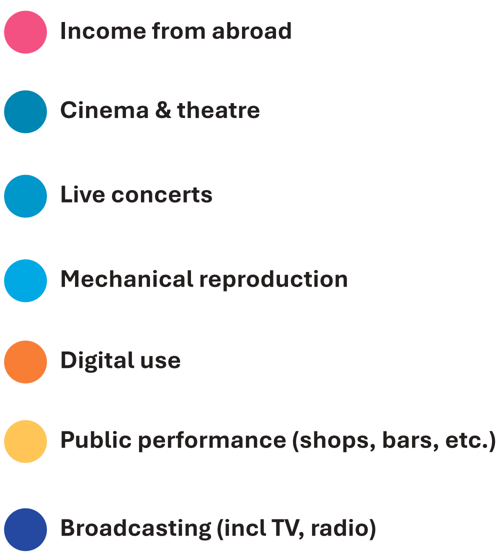


Figure 6. Authors' and music publishers' revenue collected by Musicautor (in EUR) from 2018 to 2024 in absolute terms.
Sources: Musicautor, own calculations.



While **Musicautor** collects royalties on behalf of authors and music publishers for a wide range of uses of music works, the vast majority of the authors' revenue from rights comes from the use of recorded music. This includes the use of music in TV, radio and other broadcasting formats, public performance of recorded music, as well as digital use. Musicautor also collects royalties from mechanical reproduction (producing recordings of musical work), the screening of films in cinemas and the use of music in theatre plays – also mostly in recorded form.

The biggest segment is still broadcasting (including TV, radio and other forms), making up nearly half of the revenue collected by Musicautor in 2024, growing from €2.7 mln in 2018 to €4.2 mln in 2024. Other significant sources are public performance (€1.3 mln, 15% from the total revenue in 2024), live concerts (€1.7 mln, 19,5% from the total revenue in 2024) and digital use (€1.2 mln in 2024), with the latter segment having grown with a sharp increase in 2021.

According to BAMP data for Bulgaria, producers' synchronisation revenues represent a relatively lower share of the market. While reaching 3,1% (€165 251) in 2018, this figure had fallen to 0,6% by 2023 (€88 116) and stayed there for 2024. Synch income is notoriously fickle. Direct, one-off deals can be substantial but often lack regularity.

Future

In his recent presentation in Bulgaria, Will Page made estimations about streaming platforms’ total addressable market (TAM) and the number of current users. He estimates there are currently only 300 000 subscribers in Bulgaria, compared to 4.3 million free YouTube users. Page estimates the Subscriber Addressable Market to be 3.8 million people, or 57% of the population (compared to the currently <5% actually attained), which, if fully realised, could produce approximately €42.4 mln revenue yearly

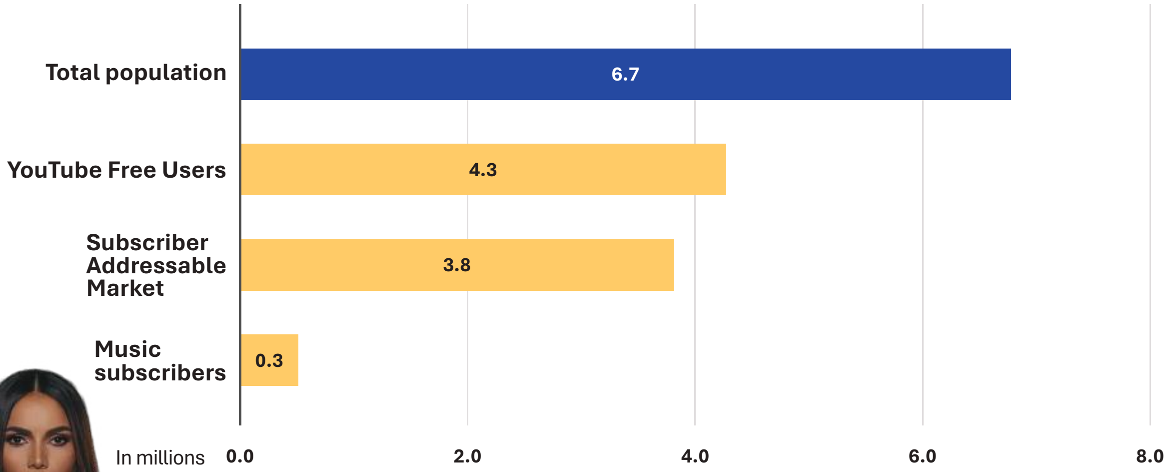


Figure 7. Current and addressable subscriber market compared to population. Source: Will Page's presentation to BAMP members (2023).

Music consumption

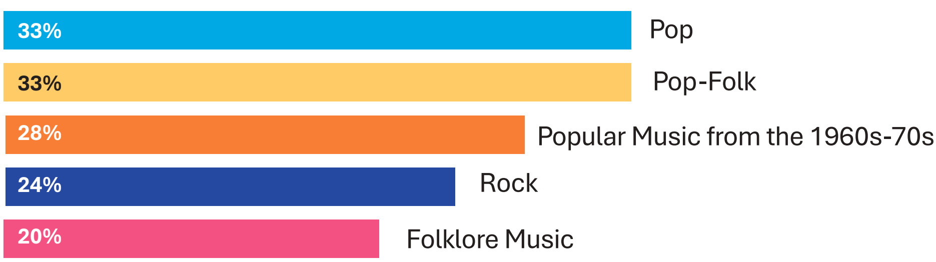
Music scenes and genres

According to a recent survey, conducted by BAMP, the most popular genres in Bulgaria are pop (33%) , pop folk (33%), popular music from the 1960s-70s ("stage" music, 28%), rock (24%), and folk music (20%).

Ways and habits of listening

Preferences vary by demographics and regionality. A significant majority (88%) of Bulgarians aged 16-64 listen to music at least weekly, and nearly half (46%) listen daily, but many respondents admit they would give up listening to music if they had to pay. The most preferred locations to listen to music are at home and in the car, and from the radio and TV.

YouTube is a widely used platform, but only about a fifth use streaming services, with less than 5% paying for subscriptions. Digital piracy remains a significant issue, with BitTorrent sites being the primary method of accessing pirated music. This is seen as a challenge to the growth of paid legal music services.



Bulgarian vs international repertoire

According to the BAMP study, 40% listen mainly or entirely to Bulgarian music, while 27% listen mainly or entirely foreign artists and repertoire. Preference for international music grows among those living in urban centres.

It is interesting to note that the majority of respondents (79%) think Bulgarian music should be heard more often on the radio and television. However, this does not mean they only want to listen to local performers, as 83% value the quality of the music over its origin. Therefore, calling for a higher representation of Bulgarian artists can be seen as a form of support and solidarity with Bulgarian artists.

The problem of digital piracy

Alongside legal ways of consuming music detailed above, accessing music through unlicensed online sources remains a significant issue in Bulgaria, as highlighted by recent research from BAMP. Their 2023 study reported 135,6 million visits to pirate sites from Bulgarian territory during the year, equating to over 11 million monthly visits, primarily for accessing music. While this represents a minimal decrease from the 150 million visits estimated in 2022 – possibly linked to the growing availability of legal streaming options – it emphasises that piracy has merely shifted online from older physical formats like counterfeit CDs, becoming a less visible but persistent threat.

Notably, the primary method used in Bulgaria contrasts with global trends. While stream-ripping (downloading audio from streaming platforms) dominates elsewhere, BAMP found that BitTorrent sites accounted for the vast majority (84%) of Bulgarian music piracy visits in 2023. Stream-ripping sites (11%) and cyberlockers (5%) played smaller roles.

Market conditions and challenges

The Bulgarian music industry faces several structural challenges that hold back its overall development.

First, there is a deeply ingrained aversion to paying for music, fuelled by the perception that it should be freely available in the digital age and a general undervaluation of music as an intangible cultural product. This reluctance to pay stifles revenue generation, although recent growth in digital subscription revenue offers some hope.

Second, while radio and TV licensing appear relatively robust, the collective management of public performance rights (such as music played in cafes and shops) requires substantial improvement. Revenue from this area is estimated to be significantly under-collected due to enforcement challenges and the need for streamlined legal procedures.

Third, there's a noticeable lack of focus on promoting Bulgarian repertoire in the mainstream media, often favouring international music. Although some genres like pop-folk and hip-hop thrive, they do so independently on digital platforms, mainly YouTube. While the idea of quotas is floated, a more sustainable approach may be to invest in developing local artists to compete on quality, mirroring the "glocalisation" trend seen in other markets.

Finally, there is a marked lack of international development and music export focus. Despite the small size of the Bulgarian market necessitating international outreach, many artists and music entrepreneurs lack the necessary knowledge, experience, and ambition to work across borders. The trend towards self-management among artists, while empowering locally, hinders international growth. There's a need for more robust, long-term investment in internationalisation, including training, delegations to trade events, and funding for music export development.

Top labels (2019-2024)

ALPHA MUSIC

Alpha Music is a music company that has made significant strides in the scene in the last 5 years since its launch in 2019. They currently work with artists such as Galin, Desita, Lidia, Simona, Adam, Mirela and Ivayla.

ANIMATO MUSIC

Animato Music, founded in 2003, is a Bulgarian record company acting as a partner and licensee for major international and regional music labels within Bulgaria. Initially partnering with EMI Music, it currently partners with Universal Music Group (UMG), Beggars Music Group, Cat Music, and ToCo International.International.

ARA MUSIC

Ara Music, established in 1997 by Viktor and Nencho Kasamov, is one of the leading Bulgarian music companies managing, producing, publishing, and distributing pop-folk and folklore artists. Representing many famous Bulgarian performers in these genres, such as Nikolina Chakardakova and Emanuela, and holding large audio/video catalogues, the company collaborates internationally within the Balkans and organises numerous concerts in Bulgaria. Ara Music (together with Diapason Records) also manages several TV channels, such as Fen TV, Balkanika TV and BG Music Channel.

DIAPASON RECORDS

Diapason Records, established in 1997, again owned by the brothers Viktor and Nencho Kasamov is one of the oldest leading Bulgarian music companies, which is managing, producing, and distributing pop-folk and traditional folklore artists and content. It has launched major pop-folk stars and represents current popular names alongside respected folklore performers. It holds a large audio-visual catalogue and organises concerts in Bulgaria featuring its artists and regional stars. Together with Ara Music, it also manages TV channels such as Fen TV, Balkanika TV and BG Music Channel.

GEGA NEW

Gega New, founded in 1992, is a Bulgarian music company that focuses on recording and distributing Bulgarian music, including authentic folklore, symphonic, chamber, opera, liturgical, choral works, and children's songs, featuring both established and emerging Bulgarian artists.

HIT MIX MUSIC

Hit Mix Music, founded in late 2015 by composer Yordancho Vasilkovski - Otsko, is a Bulgarian music company specialising in producing pop-folk artists and their music videos. It also operates the Hit Mix Music TV channel, launched December 15, 2015.

MEGASTAR

Megastar is a music company investing and developing local stars in the field of pop folk. They work with artists such as Selina, Medi, Gabriella, Krissy and Sabi.

MONTE MUSIC

Monte Music, established by artist/producer Vladimir Ampov-Grafa and manager Magdalena Sotirova, operates in event management and advertising, also organising and promoting large-scale musical shows, concerts, tours, and festivals. Its artist catalogue features pop artists such as Mihaela Fileva and Grafa himself.

MY SOUND UNIVERSE

My Sound Universe is a music company focused on the Bulgarian pop artist and music producer Lubo Kirov.

ORPHEUS MUSIC

Orpheus Music, established in 1994, is a Bulgarian company focused on music creation, digital and physical distribution, marketing, and publishing. Since 1996, it has acted as the exclusive licensee for Warner Music International in Bulgaria. Orpheus Music distributes Bulgarian pop artists and pop-folk artists and has facilitated Warner Music releases for Ruth Koleva (2022), VICTORIA (2023), and Poli Genova (2023).

PAYNER

Payner, founded in 1990, is a major Bulgarian music company primarily focused on the modern folk (pop-folk) genre. It operates extensive production facilities, manages numerous popular artists, runs the "Planeta" and "Planeta Folk" television channels, and organises large national tours and a chain of nightclubs. The company controls its production cycle from recording to distribution and event management, with its headquarters in Dimitrovgrad.

SAUCE KIDS GANG

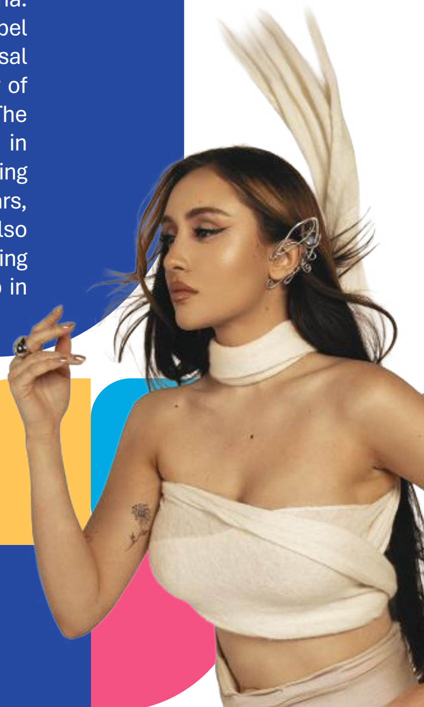
Sauce Kids Gang is a community centred around a few artists as well as offering clothing and merchandise. Managed by BLING Entertainment, it represents artists such as V:RGO, FYRE and Emil TRF.

STEREO ROOM

Stereo Room is a music company built around the Bulgarian pop artist Maria Ilieva.

VIRGINIA RECORDS

Virginia Records – the first legal music company in Bulgaria. Established in 1992, Virginia Records is a major Bulgarian label which for 17 years was a licensee of PolyGram and later Universal Music. Since 2010 it has been acting as the exclusive partner of Sony Music in Bulgaria and an official representative for The Orchard, managing distribution, marketing and licensing in Bulgaria. The label is heavily involved in producing and developing local artists. It has an impressive roster of Bulgarian music stars, including a lot of talent show finalists. Virginia Records also operates a creative centre with rehearsing rooms and recording studios and organises the first international songwriting camp in Bulgaria - Sofia Songwriting Camp.



Distributors and aggregators

The biggest digital distributor on the Bulgarian market in terms of the volume of tracks is a local company **KVZ Music**, founded in 2007 by Kiril Zdravkov. KVZ currently distributes around 150 000 tracks and is a member of Merlin. **Orpheus Music**, the licensee for Warner Music Group, also distributes a number of Bulgarian pop artists. **The Orchard** has been very active on the market since the beginning of the digital world, it is represented by **Virginia Records** and is distributing some of the biggest and most successful catalogues and artists on the market, offering additional services to its clients.

Believe entered Bulgaria in 2022 and has been actively developing its client base while offering also much more than just distribution, whether it's artist services & development or data analytics across music, video as well as social media platforms. Believe does work with a limited selection of local producers for longer-term talent development. Another international company **Colonise Media,** which recently renamed its European office S**top Talking Music Group,** is also active in Bulgaria, but is only working with high-value well-developed catalogues and buying them out, not investing in local talent development. There are also smaller distributors that can act as intermediaries and provide small labels and self-producing artists with small catalogues access with a reasonable deal to bigger distributors, such as **VTY Music** distributing through The Orchard.

Collective Management Organisations (CMOs)

PROPHON

PROPHON, established in 1998, is the CMO tasked with administering the related rights (often called neighbouring rights) of sound recording producers and performing artists in Bulgaria. Also operating under the Copyright and Related Rights Act and licensed by the Ministry of Culture, PROPHON focuses on managing rights related to the use of commercially published sound recordings. Its main activities involve collecting and distributing remuneration derived from the broadcasting of these recordings by radio and television, and from their communication to the public (e.g., background music in bars, restaurants, shops, hotels).

МУЗИКАУТОР

Musicautor serves as the collective management organisation for composers, authors (lyricists), and music publishers in Bulgaria. Formally established in 1993, its creation coincided with the adoption of the country's modern Copyright and Related Rights Act. Licensed by the Bulgarian Ministry of Culture, Musicautor manages the performing rights and mechanical reproduction rights associated with musical works. It collects and distributes royalties generated from the use of these works within Bulgaria and facilitates the flow of international royalties through reciprocal agreements with counterpart CMOs in other countries.

Main Recommendations for the Bulgarian Music Industry

1. Strengthen Copyright Implementation and Enforcement

Effective copyright protection and enforcement are fundamental to the economic viability of the music rights sector. To support market growth and development, it is essential to combat digital piracy, improve public performance licensing, and reform tariff-setting mechanisms. Article 26 of the Law on Copyright and Related Rights needs to be revised to establish a functional and EU-compliant private copy levy system that ensures fair compensation for rights holders. Much-needed legislative amendments and improved procedures are in the works – it is important that these be implemented as soon as possible.

2. Enhance Music Business Knowledge and Professional Skills

A stronger understanding of music business practices, copyright, and contract law is key to the professional development of all participants in the music ecosystem. To address current gaps, stakeholders should develop targeted educational resources, facilitate training and mentorship, and promote dialogue and transparency. These efforts will help individuals capitalise on opportunities, encourage new entries into the sector's workforce, and foster trust within the ecosystem.

3. Invest Strategically in Talent Development and New Bulgarian Repertoire

The long-term health and diversity of the Bulgarian music scene depend on sustained investment in nurturing artistic talent and supporting the creation of high-quality original music. To strengthen this area, it is important to increase funding for creation, support artist development pathways, and review and optimise public funding. These steps will help ensure that artists and labels across all genres have access to the resources they need.

4. Develop a Holistic Music Policy and Strategy

A national cultural strategy with a clear vision for music in Bulgaria is essential to avoid fragmented policies and missed opportunities. A more holistic, ecosystem-based approach should define a strategic vision for the Bulgarian music ecosystem, adopt a balanced policy scope, and ensure a sustainable funding framework. A commitment to data and monitoring will also support better decision-making and long-term planning. The state must act as a strategic enabler, supporting both culturally diverse grassroots scenes and a commercially viable music industry.

5. Support International Development and Music Export

Developing international career paths and business strategies is crucial for the growth and sustainability of Bulgarian artists and music labels. To strengthen this area, stakeholders should establish an export support structure, provide targeted export funding, and build international networks and capacity. These actions will help Bulgarian music reach new audiences and markets.

6. Promote the Value of Music and Combat Piracy

There is a significant cultural issue - the undervaluing music and expecting it to be freely available, which is reflected in high levels of digital piracy. To address this, the industry should enhance value awareness campaigns, engage artists and industry as advocates, and target businesses on licensing. While cultural change is complex, consistent communication and a broad-based coalition can strengthen the impact and support revenue generation across the sector.

**Scan the code
to learn more about the
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