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November 7, 2008

Dear Stakeholder,

We are pleased to announce the release of an important study, entitled ***A Strategic Study for the Music Industry In Ontario***. The study was authored by Nordicity Group Ltd., in association with Cuto and FRUKT, with funding from the Ontario Media Development Corporation (OMDC) on behalf of its Music Industry Advisory Committee. The study is available on our website at [www.omdc.on.ca](http://www.omdc.on.ca)

OMDC was pleased to work with a dedicated group of music industry stakeholders in developing this study. The study notes that the music industry in Ontario faces significant challenges as traditional revenue sources diminish, but observes that there is also a tremendous opportunity to renew it by harnessing digital capabilities to generate efficiencies in creation, marketing and distribution.

The study reinforces the music industry's position as a core component of the creative sector that has strong connections with other creative industries. Music is a product in itself, but it is also an integral element of films and TV programming. Moreover, it is increasingly seen as an active component of new media (e.g., in electronic games) and as part of the growing use of video on the internet.

Of all the creative industries, music has been most profoundly affected by digital technology and its experience – both good and bad – serves as a bellwether for all creative industries. The demand for music has led to substantial technological innovation in platforms and communications – particularly in the distribution of music content, which has had a significant impact on the wider economy.

The report's recommendations provide an outline for increased cooperation between the music industry and the government in order to bring the music industry to a level where:

- the music industry is recognized as a vital part of the provincial economy and receives support accordingly;
- healthy digital entrepreneurship leads to the increased uptake of digital music revenues;
- Ontario musicians have ready access to both foreign and domestic markets;
- private investment is attracted to the music business;
- creators can enjoy a more prosperous and stable livelihood; and
- the music infrastructure in Ontario reinforces artistic expression and development as well as business success.

While the study's recommendations require more detailed examination, they provide a good starting point from which government and the industry can continue to work together towards advancing Ontario's music industry as a vital component in the future social and economic development of Ontario's promising Entertainment and Creative Cluster.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen Thorne-Stone', written in a cursive style.

Karen Thorne-Stone  
President & Chief Executive Officer, OMDC

on behalf of the Music Study Steering Committee:

Al Mair, Industry Co-Chair, OMDC Music Industry Advisory Committee  
Duncan McKie, President, CIRPA  
Catharine Saxberg, Executive Director, CMPA  
Jeffrey Remedios, President, Arts & Crafts Productions Inc.