BRIDGE Regional Report – Latin America

This report describes the main trends in relation pain points, barriers, and structural constraints encountered by independent music companies operating in the Latin American digital ecosystem. It builds from research conducted in 2025 as part of the BRIDGE project covering Argentina, Brazil, Chile, Colombia, Mexico, and Paraguay[1].

Shared Regional Context and Diverging National Dynamics

Latin America's music sector is expanding rapidly, standing out as the most dynamic region worldwide. Regional revenues grew by 17.1% in 2025, marking the industry's **16th consecutive year of growth**. Streaming remains the main driver, accounting for 88.1% of recorded music income in the region, compared with 69.6% globally[2].

Data from the sample of countries highlights some underlying positive trends, with the region boasting a **young population** (median age 33[3]), high internet penetration (86%[4]), and the **highest rates of weekly music streamers** (84.4% vs 75.6% worldwide), **monthly paid music streamers** (31.5% vs 22.0% worldwide) and **time spending listening to music** (9 h 25 m per week vs 4 h 58 min worldwide)[5], among the studied regions, underscoring a strong growth potential.

Yet, research shows that artists and companies still struggle to benefit fully from this growth, highlighting issues such as a **lack of investment** in digital infrastructure, **limited knowledge** of distribution chains, and an excessive dependence on revenues from live performances[6]. This challenge is exemplified by **yearly digital music spends** per user ($17.4 vs $35.1 worldwide) that rank as the lowest regional average in our global BRIDGE sample, significantly limiting monetization despite strong audience engagement.

Within this broader context, while two Latin American markets (Brazil and Mexico) are now in the global Top 10[7], national markets across the region show distinct trajectories that highlight both strengths and enduring challenges. **Brazil**, with sophisticated infrastructure and strong domestic consumption, grew by 14.1% in 2025 which resulted in the market moving up a spot in the global rankings to number 8[8]. **Mexico** grew by 13.3%[9], boosted by the highest rate of weekly music streamers (91.6%) and recorded revenues coming from streaming (94.5%) in our sample[10]. Even though concerns about financial capacity of smaller players and persisting fraudulent practices remain, it entered the global top 10 in 2025[11]. Despite the low prices of music streaming subscriptions, such as Spotify's USD $2.36 price, which is roughly half of the BRIDGE sample average, **Argentina** showed an impressive increase in recorded revenues of over 70% in 2025[12]. Although access to skills and services remains limited, **Chile** stands out for its digital dynamics, with our sample's highest internet penetration (96%) and time spending listening to music (11 h 32 min per week), as well as strong public-private initiatives supporting production and export. **Colombia**, facing structural inequalities and financial barriers, as well as the lowest level of yearly digital music spend per user in our sample ($11.49) continues to enjoy significant international visibility, with five artists featured in Chartmetric's global top 100[13]. Finally, **Paraguay** is still in the early stages of development as a new market with a similarly young population – the youngest in our sample, with an average age of just 27.3 years[14].

Key Takeaways – Overly low pricing from digital service providers, combined with excessive reliance on ad-supported models and persistent piracy remain the main challenges in Latin American markets. This has a clear direct impact on local independent businesses, for which financing is the main barrier to accessing the digital market, encompassing limited access to capital for expanding operations or investing in artist development, as well as limited marketing capacity. In terms of digital distribution, local players are unable to compete with major distributors, and unfavorable terms are sometimes offered by international distributors.

Streaming Platform Strategies Significantly Reducing Revenue Potential

Across the region, music **streaming pricing** significantly limits revenue potential. Subscription rates in sampled markets average just $4.74[15], below global benchmarks. At the same time, ad-supported platforms dominate user behavior with **piracy** cited as a justification for maintaining the status quo. This, combined with dissatisfying monetization policies, including the introduction of new **streaming thresholds**, leave smaller players with limited revenue generation opportunities, despite strong user penetration overall. A recent report revealed that, although Latin America accounts for 21% of streaming volumes, it only generates 7% of streaming revenue[16]. Other issues besides monetization hinder effective engagement with streaming platforms. The **absence of local offices** or editorial team limits playlist placements and tailored promotions, resulting in concentrated attention on mainstream regional genres. The exclusion of smaller players from enhanced tools and support, as well as concerns over AI-generated content, are also cited.

Limited Financial Capacity Stays the Main Barrier to Market

Financing is the primary barrier to accessing the digital market, leading to depressed digital marketing capacity, restricted artist development, and slow company scaling. A general structural trend of **undercapitalization** of independent companies, scarce local investment ecosystems, and limited recognition of music assets by financial institutions prevails. Combined with limited access to competitive licensing solutions like Merlin, this results in costly **reliance on international intermediaries**. Besides financial hurdles, knowledge gaps in digital rights management and licensing limit participation, with **unprepared and understaffed teams** slowing execution and scarce training opportunities outside major hubs. Cultural differences and communication barriers are also cited when working with international distributors that do not grasp local priorities. Market saturation and high baseline performance standards make breakthrough difficult, even where digital engagement is advanced (such as Brazil).

Unfavorable Distribution Deals and Scarce Independent Competitors

In terms of digital distribution, reliable local players are scarce and **unable to compete** with major-owned ones who provide more advances, marketing tools, and technology, leading to high dependency on foreign intermediaries and infrastructure. Further complicating the situation, the terms offered by these international distributors are reportedly worse than those in other regions, including **longer contract durations and higher commissions**. With often no local offices and standardized offering, these global players fail to adapt to local business practices. Even well-funded local distributors eventually lose artists to international players after a certain stage. This creates a structural disadvantage for independent companies in the context of growing **market consolidation**[17].

Enduring Piracy and Complex Licensing Remain Structural Challenges

Piracy remains a structural obstacle across several markets, undermining revenue streams. Other harmful practices, such as **chart manipulation** that favors larger players, are also reported. Additional burdens include **taxation and payment processing issues** on international transactions and complex licensing frameworks with ongoing reforms and uncertainties around the application of performers' rights in streaming across the region. Intense competition among major labels, distributors, and marketing firms creates a **highly concentrated environment** dominated by global platforms. Finally, delayed access to innovation and new tools further limits opportunities for independents.

[1] BRIDGE, *Main challenges facing independent music businesses in the digital space* (December 2025). https://winformusic.org/bridge/reports/
[2] IFPI, *Global Music Report* (2026) https://www.ifpi.org/wp-content/uploads/2026/03/GMR2026_SOTI.pdf
[3] UN, Median age of population. Consulted in April 2026 https://population.un.org/dataportal/home?df=b1069bb0-7e55-44c3-8175-2890ea260d2f
[4] ITU, Individuals using the Internet. Consulted in April 2026 https://datahub.itu.int/data/?i=11624
[5] Data Reportal, *Digital 2026: Global Overview Report* (2025). https://datareportal.com/reports/digital-2026-global-overview-report
[6] OLMI, *La música independiente en latinoamérica: Cadena de valor y distribución digital (*2025). https://winformusic.org/mp-files/olmi-informe-2023-2024.pdf/
[7] IFPI, ibid
[8] IFPI, ibid
[9] IFPI, ibid
[10] Data Reportal, ibid
[11] IFPI, ibid
[12] CAPIF, *Informe de Música Argentina 2025* (2025) https://drive.google.com/file/d/1vime4tS1I1FQvY5Zg0uLdrJvgE-bEG6l/view
[13] Chartmetric, *Country Analysis: Chartmetric Rank*. Consulted in November 2025.
[14] UN, Ibid
[15] Spotify, *Premium plans*. Consulted in April 2026.
[16] Pivotal Economics, *Global Value of Music Copyright* (2025) https://pivotaleconomics.com/undercurrents/music-copyright-2025
[17] OLMI, ibid