Apple launches iTunes Store in Lat Am

STAN LEHMAN - Associated Press - Associated Press

Apple has launched its iTunes store in Brazil and 15 other Latin American countries, the company said Tuesday, making available for sale more than 20 million songs in a region where music piracy is rampant.

One top Brazilian music industry official said he thinks the launch of the online iTunes store, along with expectations that Taiwanese manufacturer Foxconn will soon produce iPods, iPads and iPhones in Brazil, will put a dent in piracy in Brazil.

"For 15 years there have been immeasurable losses to pirated CDs, and for 10 years to piracy carried out on the Internet," said Paulo Rosa, president of the Brazilian Association of Record Producers. "The more legal alternatives there are for the consumer, the better it is for the market. Unquestionably, this will help music sales at the expense of piracy."

Rosa didn't offer specifics on his forecasts for how sales might improve, and it remains unclear how consumers will embrace the service, given how widespread piracy of music and videos have become in Brazil and most other Latin American nations. The 16 Latin American nations where the iTunes store is being launched rank among the worst in the world when it comes to pirated entertainment.

The 2011 International Property Rights Index report from the Washington-based Property Rights Alliance group ranked Venezuela last of all 129 nations examined in terms of piracy of intellectual property. All the other nations where iTunes is launching in Latin America, except for Chile, were also ranked among the worst for piracy.

Consumers in Brazil and elsewhere with broadband connections easily download music for free, and those without Internet connections can buy the latest pirated music and films on virtually any corner of major cities for $2 or less.

Brazil is one of the markets "with the highest number of users accessing unlicensed services," the London-based International Federation of the Phonographic Industry says in its 2011 Digital Music Report. It said 45 percent of Brazilian Internet users download music illegally in a single month.

"Sixty-five percent of the music market (in Brazil) is dominated by pirated CDs and illegally downloaded music," said the website of the Cinema and Music Anti-Piracy Association, a watchdog group.

The iTunes store could become an effective anti-piracy tool in Colombia, said Adrian Restrepo, a director of the Society of Colombian Authors and Composers.

"It is an opportunity to combat piracy," Restrepo said. "People will stop buying

pirated goods because they will have access to songs they can buy easily and economically."

Paul Lee, an 18-year-old law student in Sao Paulo, chuckled when asked if he would pay for music through the iTunes store.

"Brazilians have been downloading music for free for so many years, it's part of the culture. Nobody expects to pay for music," said Lee, who was listening to music on his iPhone during a smoke break between classes. "I've been getting my music for free off the Internet for a decade, and I'm not going to stop."

In Rio de Janeiro, 23-year-old video editor Carlos Cavalcanti said the iTunes service could help less famous artists distribute their music.

"The store will be a boon to local talent," Cavalcanti said. "Sometimes newer musicians who aren't as well known might have trouble selling a CD, but through iTunes, listeners can now purchase a single song."

In a country where piracy is rampant, Cavalcanti said he would use the iTunes store because of the trust he has in the quality of Apple products.

"I've got an iPod, an iPad, a Mac, and with iTunes, I can download music into all of them, and I know it's safe," he said. "I know I'm not going to ruin my gadgets."

The launch of iTunes in Brazil comes as Foxconn is expected to begin producing products by tech giant Apple Inc. at a plant in Brazil.

Brazil's Minister of Science and Technology Aloizio Mercadante and other top Brazilian officials have repeatedly said such production is imminent. Neither Apple nor Foxconn responded to requests for comment.

In its statement about the iTunes store launch, Apple said most of the songs are priced at 99 cents and most albums cost $9.99.

The Latin American iTunes stores offer music from major labels such as EMI Music, Sony Music Entertainment, Universal Music Group and Warner Music, the statement said. Calls to the Brazilian offices of the labels and the Brazilian Union of Music Publishers were not immediately returned. The Brazilian Association of Record Producers said it had no immediate comment.

According to Apple's statement, the new iTunes store also offers over a thousand movies to rent or purchase from major studios such as 20th Century Fox, Paramount Pictures, Sony Pictures Home Entertainment, Universal Pictures, The Walt Disney Studios and Warner Bros. Pictures.

The service is simultaneously being launched in Argentina, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru and Venezuela.

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Associated Press writers Bradley Brooks in Sao Paulo, Juliana Barbassa in Rio de Janeiro and Cesar Garcia in Bogota, Colombia, contributed to this report.

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