

Amazon set to launch streaming music service

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The Amazon logo is seen at a press conference in New York, September 28, 2011

US online giant Amazon is preparing to launch a streaming music service as early as this week, the New York Times reported Wednesday.

The report, citing unnamed sources, said the service would have a more limited catalogue than some rivals but would be offered free and without

advertising for customers of Amazon Prime—a subscription service that includes free delivery, access to online movies and books and other advantages.

The Times said Sony and Warner Music had agreed to terms with Amazon but that no deal had been reached with the other major music publisher, Universal Music Group, which carries artists such as Lady Gaga and Katy Perry. The report also added that some newer hit songs may be excluded from the Amazon service.

Amazon has been rumored for months to have been working on a [music service](#) but talks appear to have been bogged down over royalties and licensing fees.

According to the daily, Amazon is offering small labels shares of a \$5 million royalty pool, and bigger labels and distributors were offered larger one-time payments for access to certain titles.

The music could be an added bonus for customers of Amazon Prime, the annual fee for which was hiked to \$99 from \$79 earlier this year.

The move comes after Apple agreed to pay \$3 billion for Beats Music to boost its streaming service and compete with the likes of Spotify and Pandora.

Amazon meanwhile is widely believed to be preparing to launch its own smartphone that would tie in with its Kindle tablet computers.

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