

Service bulletin

Film, Television and Video Production

2006



Highlights

- Businesses classified to the film, television and video production industry earned \$3.3 billion in operating revenues and generated an operating profit margin of 2.3% in 2006.
- Firms located in Ontario accounted for 46% of operating revenues earned, followed by those located in Quebec (25%) and British Columbia (20%).
- Results in the remainder of the release are based on establishments whose combined revenues account for about 75% of the industry's total revenues.
- Revenues from productions generated 82% of operating revenues earned while royalties and licensing fees generated 16%.
- Television productions (56%) accounted for the majority of production revenues, followed by commercials (22%) and feature films (15%).

Note: Data from the 2006 Annual Survey of Service Industries: Film, Television and Video Production should not be compared with previously published data because significant changes were made to the survey.



Statistical table

Table 1
Summary statistics for the film, television and video production, 2006

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percentage
2006				
Newfoundland and Labrador	5.0	5.7	0.6	-14.7
Prince Edward Island	2.1	2.2	0.5	-3.3
Nova Scotia	35.7	35.5	6.1	0.6
New Brunswick	19.0	19.8	3.9	-4.5
Quebec	834.3	816.2	180.9	2.2
Ontario	1,523.3	1,480.7	217.2	2.8
Manitoba	53.2	56.9	14.0	-6.9
Saskatchewan	47.7	42.9	5.0	10.0
Alberta	126.0	118.4	20.4	6.0
British Columbia	677.0	669.4	171.6	1.1
Territories ¹	x	x	x	x
Canada	3,325.3	3,250.4	620.5	2.2

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 512110). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Production revenue for the film, television and video production industry, by type of production, Canada, 2006

	2006
	thousands of dollars
Total in-house production revenue by type of production	
Feature films	303,031
Television productions	1,148,871
Commercials	443,712
Corporate/industry videos	78,599
All other ¹	82,036
Total production revenue	2,056,249
Total operating revenue	2,499,837
Total royalty and licensing fee revenue	398,797
Total operating expenses	2,439,765
Total salaries, wages and benefits	513,529
Total operating profit	60,072

1. All other includes music videos, educational videos, videos for government boards, agencies, departments or crown corporations and all other.

Note(s): According to the North American Industry Classification System (NAICS 512110). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Industry estimates are based on the surveyed portion and are augmented by administrative data for establishments that were too small to be eligible for sampling. The surveyed portion includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion represents approximately 75% of total industry revenue. Due to rounding, components may not add to total.

Data sources, definitions and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the film, television and video production industry in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the film, television and video production industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Target population

The target population consists of all statistical establishments classified to the Film, Television and Video Production industry (NAICS 512110) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in producing, or producing and distributing, motion pictures, videos, television programs or commercials.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2006 was 562 collection entities.

Definitions

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan and Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Data quality

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 51%. CVs were calculated for each estimate and are available upon request.

Related products**CANSIM**

Available on CANSIM: table 361-0016, Film, television and video production, summary statistics, by North American Industry Classification System (NAICS).

Syrvy(s)

Definitions, data sources and methods: survey number 2413, Annual Survey of Service Industries: Film, Television and Video Production.

Publications

Service Industries Newsletter, Catalogue no, 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no, 63F0002XIB.

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Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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