

Book Publishers

2006



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Book Publishers

2006

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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 *Statistics Act*
- E use with caution
- F too unreliable to be published

Table of contents

| | |
|--|----------|
| Highlights | 5 |
| Analysis | 6 |
| Industry concentrated in Ontario and Quebec | 6 |
| Varying dependence on own title and agency title sales | 6 |
| Canadians still buying books | 7 |
| Related products | 8 |
| Statistical tables | |
| 1 Selected financial statistics for the book publishing industry | 10 |
| 2 Book publishing in Canada | 11 |
| 2-1 Operating revenues – Entire industry | 11 |
| 2-2 Detailed financial statistics – Surveyed portion of industry | 11 |
| 3 Book publishing industry for the Atlantic Region | 12 |
| 3-1 Operating revenues – Entire industry | 12 |
| 3-2 Detailed financial statistics – Surveyed portion of industry | 12 |
| 4 Book publishing industry for Quebec | 13 |
| 4-1 Operating revenues – Entire industry | 13 |
| 4-2 Detailed financial statistics – Surveyed portion of industry | 13 |
| 5 Book publishing for Ontario | 14 |
| 5-1 Operating revenues – Entire industry | 14 |
| 5-2 Detailed financial statistics – Surveyed portion of industry | 14 |
| 6 Book publishing for the Prairie Region | 15 |
| 6-1 Operating revenues – Entire industry | 15 |
| 6-2 Detailed financial statistics – Surveyed portion of industry | 15 |
| 7 Book publishing industry for British Columbia | 16 |
| 7-1 Operating revenues – Entire industry | 16 |
| 7-2 Detailed financial statistics – Surveyed portion of industry | 16 |

Table of contents – continued

| | | |
|---|--|----|
| 8 | Book publishers specializing in English books | 17 |
| 8-1 | Operating revenues – Entire industry | 17 |
| 8-2 | Detailed financial statistics – Surveyed portion of industry | 17 |
| 9 | Book publishers specializing in French books | 18 |
| 9-1 | Operating revenues – Entire industry | 18 |
| 9-2 | Detailed financial statistics – Surveyed portion of industry | 18 |
| 10 | Profile of Canadian-controlled establishments in Canada | 19 |
| 10-1 | Entire industry | 19 |
| 10-2 | Surveyed portion of industry | 19 |
| 11 | Profile of foreign-controlled establishments in Canada | 20 |
| 11-1 | Entire industry | 20 |
| 11-2 | Surveyed portion of industry | 20 |
| Data quality, concepts and methodology | | |
| Data sources, definitions and methodology | | 21 |

Highlights

- Operating revenues for the book publishing industry in Canada edged down 1.2% to \$2.1 billion in 2006 after increasing 3.2% in 2005, according to data from the Survey of Book Publishers.
- Growth in operating revenue was flat across most of the country in 2006, except for British Columbia, where revenues fell 17% following a peak the previous year, and Alberta, where revenues rose 12%.
- The decline in operating revenues accompanied a 0.9% increase in operating expenses. As a result, the operating profit margin for the industry dropped to 10.3% in 2006 from 12.1% the year before.
- Spending on salaries, wages and benefits, which account for roughly 20 cents of every dollar spent by the industry, rose 2.0%.

Analysis

Industry concentrated in Ontario and Quebec

The Canadian book publishing industry is dominated by firms in Ontario and Quebec. Collectively, they accounted for 91% of industry operating revenues in 2006: Ontario's share was 63% and Quebec's 28%. These two provinces also accounted for 95% of industry operating profits. British Columbia was the third largest contributor, generating 6% of industry revenues, followed by Alberta at 2%.

Ontario and Quebec were also home to all of Canada's foreign-controlled book publishers. Although small in number, their share of industry operating revenues rose to 41.7% in 2006 from 40.4% in 2004.

These foreign-controlled firms were also more profitable, despite being ineligible for the subsidies and tax credits available to Canadian-owned firms. In 2006, the operating profit margin for foreign-controlled firms was 13.3% compared with 8.1% among Canadian-owned firms. In all regions outside Ontario and Quebec, industry operating profits were less than the dollar value of grants, subsidies and tax credits.

The 10 largest book publishers earned 62% of industry operating revenues in 2006, up marginally from 61% in 2005.

Results in the remainder of this release are based on establishments whose combined revenues accounted for about 95% of the industry's total revenues in 2006 and 91% in 2004, the last year for which industry-specific characteristic information was collected by the survey.

Varying dependence on own title and agency title sales

The Canadian book publishing industry earned three-quarters of its operating revenue from domestic sales of the publishers' own titles and their exclusive agency titles (titles published by another firm for which the agent has purchased exclusive distribution rights).

Exports of books and other foreign book sales contributed an additional 12% in 2006. Other sources of revenue for book publishers include grants, sales of rights, book wholesaling, and marketing and fulfillment services.

Sales of publishers' own titles in Canada generated \$943 million in 2006, with textbooks accounting for 48% of the total, up from 46% in 2004. Trade books (adult fiction and non-fiction) made up 44% of domestic own title sales with children's books accounting for the remaining 8%.

Exclusive agency book sales by publishers in Canada were also a significant source of revenue, generating \$559 million in 2006. Of this total, trade books represented 40%, textbooks 38% and children's books 22%.

Children's books were the only category in 2006 in which publishers earned more from sales of exclusive agency titles (\$122 million) than from own title sales (\$75 million).

In comparison with foreign-controlled publishers, Canadian-controlled publishers earned greater shares of title sales in Canada from sales of their own titles, and less from exclusive agency titles. For foreign-controlled book publishers, own title sales represented 47% of their title sales in Canada in 2006, while the share for Canadian-controlled publishers was 78%.

Note to readers

Data for the Survey of Book Publishers are collected using a sample and represent approximately 95% of total revenues earned by the book publishing industry. Administrative data are used to account for the smallest firms.

The survey collects financial data on an annual basis and industry-specific characteristic information in alternating years, including 2006.

Data for 2004 and 2005 were revised.

The survey frame is based on a central Statistics Canada database of businesses that have been classified through the use of the North American Industry Classification System (NAICS). Self publishers, vanity publishers and print-on-demand publishers were not previously considered as book publishers, but have been included in the survey according to NAICS since 2004.

In addition, exclusive agents are included in the survey only if their revenue from book publishing exceeds 10% of their total revenues, while pure exclusive agents are excluded. Comparisons should not be made between results of this survey and the former Survey of Book Publishers and Exclusive Agents (conducted prior to 2004) due to differences in survey frames.

Book publishers are establishments primarily engaged in carrying out various design, editing and marketing activities necessary for producing and distributing books of all kinds, such as text books; technical, scientific and professional books; and mass market paperback books. These books may be published in print, audio or electronic form. Some publishers also act as exclusive agents.

Exclusive agents distribute and sell works (agency titles) published by another firm, by acting as its sole representative.

Canadians still buying books

While factors such as the availability of free information on the Internet may have affected Canadians' willingness to pay for content, evidence from the Survey of Household Spending suggests book publishers may be faring better than other corners of the publishing industry.

In contrast to steady declines in household spending on newspapers, magazines and periodicals, average household spending on books rose from \$86 in 1998 to \$111 in 2005. In 2006, it had eased to \$108.

Residents of Alberta, British Columbia and Ontario were the most avid book buyers, as spending on books exceeded the national average in all three provinces.

Related products

Selected CANSIM tables from Statistics Canada

| | |
|----------|---|
| 361-0007 | Book publishers, summary statistics, by North American Industry Classification System (NAICS), annual |
|----------|---|

Selected surveys from Statistics Canada

| | |
|------|--|
| 3105 | Annual Survey of Service Industries: Book Publishers |
|------|--|

Selected summary tables from Statistics Canada

- *Net sales of own and exclusive agency titles of publishers and exclusive agents, by language of the book*
- *Profile of book publishing and exclusive agency, for English language firms*
- *Profile of book publishing and exclusive agency, for French language firms*

Statistical tables

Table 1
Selected financial statistics for the book publishing industry

| | Newfoundland and Labrador | Prince Edward Island | Nova Scotia | New Brunswick | Quebec | Ontario | Manitoba | Saskat- chewan | Alberta | British Columbia | Territories ¹ | Canada |
|-------------------------------------|---------------------------------|----------------------------|----------------|------------------|---------|-----------|----------|-------------------|---------|---------------------|--------------------------|-----------|
| thousands of dollars | | | | | | | | | | | | |
| Operating revenue | | | | | | | | | | | | |
| 2006 | 2,081 | x | 6,014 | 4,654 | 580,014 | 1,331,282 | 6,069 | x | 49,456 | 116,564 | x | 2,097,392 |
| 2005 r | 2,247 | x | 5,999 | 4,832 | 582,991 | 1,332,048 | 6,122 | 2,076 | 44,225 | 141,008 | x | 2,121,989 |
| 2004 r | 2,362 | x | 6,060 | 5,340 | 555,915 | 1,318,284 | 5,771 | 1,656 | 44,395 | 115,337 | x | 2,055,559 |
| Operating expenses | | | | | | | | | | | | |
| 2006 | 2,034 | x | 5,569 | 4,474 | 534,197 | 1,172,036 | 5,913 | x | 45,912 | 110,174 | x | 1,881,819 |
| 2005 r | 2,071 | x | 5,648 | 4,779 | 512,268 | 1,157,758 | 6,271 | 2,100 | 42,362 | 131,285 | x | 1,864,919 |
| 2004 r | 2,191 | x | 5,507 | 5,537 | 507,671 | 1,149,358 | 5,836 | 2,190 | 44,814 | 112,580 | x | 1,836,119 |
| Salaries, wages and benefits | | | | | | | | | | | | |
| 2006 | 637 | x | 1,057 | 1,980 | 89,704 | 232,890 | 1,386 | x | 12,625 | 26,650 | x | 367,401 |
| 2005 r | 726 | x | 1,106 | 1,828 | 94,458 | 221,515 | 1,594 | 464 | 13,342 | 25,283 | x | 360,339 |
| 2004 r | 910 | x | 1,022 | 1,962 | 85,644 | 210,276 | 1,552 | 407 | 14,295 | 23,717 | x | 339,837 |
| Operating profit | | | | | | | | | | | | |
| 2006 | 47 | x | 445 | 180 | 45,817 | 159,246 | 156 | x | 3,545 | 6,390 | x | 215,573 |
| 2005 r | 176 | x | 351 | 53 | 70,723 | 174,290 | -149 | -24 | 1,862 | 9,723 | x | 257,070 |
| 2004 r | 171 | x | 553 | -197 | 48,243 | 168,926 | -64 | -534 | -418 | 2,757 | x | 219,439 |
| percent | | | | | | | | | | | | |
| Operating profit margin | | | | | | | | | | | | |
| 2006 | 2.3 | x | 7.4 | 3.8 | 7.9 | 12.0 | 2.6 | x | 7.2 | 5.5 | x | 10.3 |
| 2005 r | 7.8 | x | 5.9 | 1.1 | 12.1 | 13.1 | -2.4 | -1.2 | 4.2 | 6.9 | x | 12.1 |
| 2004 r | 7.2 | x | 9.1 | -3.7 | 8.7 | 12.8 | -1.1 | -32.3 | -0.9 | 2.4 | x | 10.7 |

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

Note(s): See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, numbers may not sum exactly to totals.

Table 2-1
Book publishing in Canada — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 2,055,559 | 100.0 | 2,097,392 | 100.0 |
| Survey portion | 1,958,986 | 95.0 | 2,001,938 | 95.0 |
| Non-survey portion | 96,573 | 5.0 | 95,454 | 5.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 2-2
Book publishing in Canada — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|------------------|
| Number of establishments | 324 | 293 |
| | thousands of dollars | |
| Total operating revenue | 1,958,986 | 2,001,938 |
| Sales in Canada | 1,454,531 | 1,502,170 |
| Of publishers' own titles | 888,701 | 943,495 |
| Educational | 405,212 | 452,507 |
| Children's books | 74,347 | 74,619 |
| Other trade, all formats | 279,540 | 286,085 |
| Other ¹ | 129,602 | 130,285 |
| As exclusive agents | 565,829 | 558,675 |
| Educational | 235,603 | 213,597 |
| Children's books | 129,581 | 122,252 |
| Other trade, all formats | 175,092 | 190,709 |
| Other ¹ | 25,553 | 32,116 |
| Exports and other foreign sales | 234,428 | 233,699 |
| Other revenue ² | 270,027 | 266,068 |
| Total operating expenses | 1,743,685 | 1,791,553 |
| Cost of titles sold | 775,660 | 847,541 |
| Other operating expenses | 968,025 | 944,012 |
| Operating profit | 215,300 | 210,384 |
| | percent | |
| Operating profit margin | 11.0 | 10.5 |
| Proportion of establishments with an operating profit | 67.7 | 77.0 |
| | thousands of dollars | |
| Salaries, wages and benefits | 324,753 | 349,582 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 3-1
Book publishing industry for the Atlantic Region — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 13,995 | 100.0 | 12,825 | 100.0 |
| Survey portion | 13,261 | 95.0 | 12,253 | 96.0 |
| Non-survey portion | 734 | 5.0 | 572 | 4.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 3-2
Book publishing industry for the Atlantic Region — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|---------------|
| Number of establishments | 21 | 17 |
| | thousands of dollars | |
| Total operating revenue | 13,261 | 12,253 |
| Sales in Canada | 10,002 | 9,220 |
| Of publishers' own titles | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| As exclusive agents | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| Exports and other foreign sales | 262 | 202 |
| Other revenue ² | 2,996 | 2,831 |
| Total operating expenses | 12,955 | 11,606 |
| Cost of titles sold | 6,442 | 5,718 |
| Other operating expenses | 6,513 | 5,888 |
| Operating profit | 306 | 647 |
| | percent | |
| Operating profit margin | 2.3 | 5.3 |
| Proportion of establishments with an operating profit | 71.4 | 70.6 |
| | thousands of dollars | |
| Salaries, wages and benefits | 3,917 | 3,603 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 4-1
Book publishing industry for Quebec — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 555,915 | 100.0 | 580,014 | 100.0 |
| Survey portion | 520,036 | 94.0 | 534,295 | 92.0 |
| Non-survey portion | 35,879 | 6.0 | 45,719 | 8.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 4-2
Book publishing industry for Quebec — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|----------------|
| Number of establishments | 125 | 97 |
| | thousands of dollars | |
| Total operating revenue | 520,036 | 534,295 |
| Sales in Canada | 322,959 | 352,748 |
| Of publishers' own titles | 277,110 | 297,326 |
| Educational | 107,898 | 118,712 |
| Children's books | 25,751 | 29,292 |
| Other trade, all formats | 79,497 | 83,121 |
| Other ¹ | 63,965 | 66,200 |
| As exclusive agents | 45,849 | 55,422 |
| Educational | 12,143 | 12,350 |
| Children's books | 12,209 | 15,251 |
| Other trade, all formats | 16,659 | 18,186 |
| Other ¹ | 4,839 | 9,635 |
| Exports and other foreign sales | 32,040 | 37,669 |
| Other revenue ² | 165,038 | 143,879 |
| Total operating expenses | 478,448 | 491,090 |
| Cost of titles sold | 193,333 | 198,516 |
| Other operating expenses | 285,116 | 292,574 |
| Operating profit | 41,588 | 43,206 |
| | percent | |
| Operating profit margin | 8.0 | 8.1 |
| Proportion of establishments with an operating profit | 70.0 | 84.5 |
| | thousands of dollars | |
| Salaries, wages and benefits | 81,883 | 81,543 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5-1
Book publishing for Ontario — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 1,318,284 | 100.0 | 1,331,282 | 100.0 |
| Survey portion | 1,271,558 | 96.0 | 1,296,803 | 97.0 |
| Non-survey portion | 46,726 | 4.0 | 34,479 | 3.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5-2
Book publishing for Ontario — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|------------------|
| Number of establishments | 53 | 81 |
| | thousands of dollars | |
| Total operating revenue | 1,271,558 | 1,296,803 |
| Sales in Canada | 1,021,230 | 1,036,586 |
| Of publishers' own titles | 549,609 | 574,179 |
| Educational | 288,444 | 322,988 |
| Children's books | 43,192 | 40,071 |
| Other trade, all formats | 174,611 | 173,638 |
| Other ¹ | 43,362 | 37,482 |
| As exclusive agents | 471,622 | 462,407 |
| Educational | 222,063 | 201,231 |
| Children's books | 90,260 | 91,248 |
| Other trade, all formats | 139,520 | 148,345 |
| Other ¹ | 19,779 | 21,583 |
| Exports and other foreign sales | 174,542 | 163,493 |
| Other revenue ² | 75,785 | 96,723 |
| Total operating expenses | 1,100,834 | 1,137,340 |
| Cost of titles sold | 535,803 | 598,448 |
| Other operating expenses | 565,031 | 538,892 |
| Operating profit | 170,723 | 159,463 |
| | percent | |
| Operating profit margin | 13.4 | 12.3 |
| Proportion of establishments with an operating profit | 62.2 | 77.8 |
| | thousands of dollars | |
| Salaries, wages and benefits | 201,579 | 225,603 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 6-1
Book publishing for the Prairie Region — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 51,823 | 100.0 | 56,674 | 100.0 |
| Survey portion | 47,644 | 92.0 | 50,850 | 90.0 |
| Non-survey portion | 4,179 | 8.0 | 5,824 | 10.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 6-2
Book publishing for the Prairie Region — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|---------------|
| Number of establishments | 58 | 42 |
| | thousands of dollars | |
| Total operating revenue | 47,644 | 50,850 |
| Sales in Canada | 31,999 | 37,272 |
| Of publishers' own titles | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| As exclusive agents | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| Exports and other foreign sales | 6,023 | 6,075 |
| Other revenue ² | 9,622 | 7,503 |
| Total operating expenses | 48,182 | 48,338 |
| Cost of titles sold | 16,905 | 18,235 |
| Other operating expenses | 31,277 | 30,103 |
| Operating profit | -538 | 2,512 |
| | percent | |
| Operating profit margin | -1.1 | 4.9 |
| Proportion of establishments with an operating profit | 65.9 | 70.1 |
| | thousands of dollars | |
| Salaries, wages and benefits | 15,490 | 13,589 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 7-1
Book publishing industry for British Columbia — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 115,542 | 100.0 | 116,597 | 100.0 |
| Survey portion | 106,487 | 92.0 | 107,736 | 92.0 |
| Non-survey portion | 9,055 | 8.0 | 8,861 | 8.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 7-2
Book publishing industry for British Columbia — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|----------------|
| Number of establishments | 66 | 56 |
| | thousands of dollars | |
| Total operating revenue | 106,487 | 107,736 |
| Sales in Canada | 68,340 | 66,344 |
| Of publishers' own titles | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| As exclusive agents | x | x |
| Educational | x | x |
| Children's books | x | x |
| Other trade, all formats | x | x |
| Other ¹ | x | x |
| Exports and other foreign sales | 21,561 | 26,259 |
| Other revenue ² | 16,586 | 15,133 |
| Total operating expenses | 103,266 | 103,179 |
| Cost of titles sold | 23,178 | 26,624 |
| Other operating expenses | 80,088 | 76,555 |
| Operating profit | 3,221 | 4,557 |
| | percent | |
| Operating profit margin | 3.0 | 4.2 |
| Proportion of establishments with an operating profit | 68.0 | 69.6 |
| | thousands of dollars | |
| Salaries, wages and benefits | 21,884 | 25,244 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 8-1
Book publishers specializing in English books — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | | | | |
| Survey portion | 1,597,151 | .. | 1,635,248 | .. |
| Non-survey portion | .. | .. | .. | .. |

1. Expressed as a percentage of total revenue.

Note(s): Language is determined by the language of the largest portion of book sales. Includes other languages. When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 8-2
Book publishers specializing in English books — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|------------------|
| Number of establishments | 207 | 192 |
| | thousands of dollars | |
| Total operating revenue | 1,597,151 | 1,635,248 |
| Sales in Canada | 1,191,419 | 1,207,041 |
| Of publishers' own titles | 671,438 | 703,807 |
| Educational | 296,600 | 328,352 |
| Children's books | 61,520 | 53,602 |
| Other trade, all formats | 217,743 | 226,845 |
| Other ¹ | 95,575 | 95,008 |
| As exclusive agents | 519,981 | 503,234 |
| Educational | 223,461 | 201,246 |
| Children's books | 117,373 | 107,001 |
| Other trade, all formats | 158,434 | 172,505 |
| Other ¹ | 20,714 | 22,481 |
| Exports and other foreign sales | 218,962 | 216,301 |
| Other revenue ² | 186,771 | 211,906 |
| Total operating expenses | 1,410,933 | 1,456,594 |
| Cost of titles sold | 628,212 | 666,595 |
| Other operating expenses | 782,721 | 790,000 |
| Operating profit | 186,218 | 178,653 |
| | percent | |
| Operating profit margin | 11.7 | 10.9 |
| Proportion of establishments with an operating profit | 66.7 | 72.6 |
| | thousands of dollars | |
| Salaries, wages and benefits | 261,470 | 275,763 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): Language is determined by the language of the largest portion of book sales. Includes other languages. When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 9-1
Book publishers specializing in French books — Operating revenues – Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | | | | |
| Survey portion | 361 834 | .. | 366 690 | .. |
| Non-survey portion | .. | .. | .. | .. |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 9-2
Book publishers specializing in French books — Detailed financial statistics – Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|----------------|
| Number of establishments | 116 | 101 |
| | thousands of dollars | |
| Total operating revenue | 361,834 | 366,690 |
| Sales in Canada | 263,112 | 295,130 |
| Of publishers' own titles | 217,263 | 239,689 |
| Educational | 108,613 | 124,155 |
| Children's books | 12,827 | 21,017 |
| Other trade, all formats | 61,797 | 59,240 |
| Other ¹ | 34,027 | 35,277 |
| As exclusive agents | 45,849 | 55,441 |
| Educational | 12,143 | 12,351 |
| Children's books | 12,209 | 15,251 |
| Other trade, all formats | 16,659 | 18,204 |
| Other ¹ | 4,839 | 9,635 |
| Exports and other foreign sales | 15,466 | 17,398 |
| Other revenue ² | 83,256 | 54,162 |
| Total operating expenses | 332,752 | 334,959 |
| Cost of titles sold | 147,448 | 180,946 |
| Other operating expenses | 185,303 | 154,013 |
| Operating profit | 29,082 | 31,731 |
| | percent | |
| Operating profit margin | 8.0 | 8.7 |
| Proportion of establishments with an operating profit | 69.5 | 85.1 |
| | thousands of dollars | |
| Salaries, wages and benefits | 63,284 | 73,819 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 10-1
Profile of Canadian-controlled establishments in Canada — Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 1,224,584 | 100.0 | 1,223,029 | 100.0 |
| Survey portion | 1,128,010 | 92.0 | 1,127,574 | 92.0 |
| Non-survey portion | 96,574 | 8.0 | 95,455 | 8.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 10-2
Profile of Canadian-controlled establishments in Canada — Surveyed portion of industry

| | 2004 ^r | 2006 |
|---|----------------------|------------------|
| Number of establishments | 314 | 282 |
| | thousands of dollars | |
| Total operating revenue | 1,128,010 | 1,127,574 |
| Sales in Canada | 732,441 | 765,562 |
| Of publishers' own titles | 570,794 | 595,994 |
| Educational | 223,482 | 249,378 |
| Children's books | 52,710 | 52,218 |
| Other trade, all formats | 198,248 | 201,762 |
| Other ¹ | 96,354 | 92,636 |
| As exclusive agents | 161,647 | 169,569 |
| Educational | 84,733 | 83,916 |
| Children's books | 39,566 | 30,075 |
| Other trade, all formats | 30,448 | 46,417 |
| Other ¹ | 6,900 | 9,161 |
| Exports and other foreign sales | 230,930 | 231,222 |
| Other revenue ² | 164,639 | 130,790 |
| Total operating expenses | 1,018,187 | 1,033,485 |
| Cost of titles sold | 434,108 | 503,453 |
| Other operating expenses | 584,079 | 530,031 |
| Operating profit | 109,824 | 94,089 |
| | percent | |
| Operating profit margin | 9.7 | 8.3 |
| Proportion of establishments with an operating profit | 67.0 | 76.4 |
| | thousands of dollars | |
| Salaries, wages and benefits | 199,976 | 208,135 |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 11-1
Profile of foreign-controlled establishments in Canada — Entire industry

| | 2004 ^r | | 2006 | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | thousands of dollars | percent ¹ | thousands of dollars | percent ¹ |
| Total operating revenue | | | | |
| Entire industry | 830,975 | 100.0 | 874,363 | 100.0 |
| Survey portion | 830,975 | 100.0 | 874,363 | 100.0 |
| Non-survey portion | 0 | 0.0 | 0 | 0.0 |

1. Expressed as a percentage of total operating revenue.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 11-2
Profile of foreign-controlled establishments in Canada — Surveyed portion of industry

| | 2004 ^r | | 2006 | |
|---|----------------------|--|----------------------|--|
| | thousands of dollars | | thousands of dollars | |
| Number of establishments | 10 | | 11 | |
| Total operating revenue | 830,975 | | 874,363 | |
| Sales in Canada | 722,089 | | 736,608 | |
| Of publishers' own titles | 317,907 | | 347,502 | |
| Educational | 181,731 | | 203,128 | |
| Children's books | x | | x | |
| Other trade, all formats | 81,291 | | 84,323 | |
| Other ¹ | x | | x | |
| As exclusive agents | 404,182 | | 389,106 | |
| Educational | 150,870 | | 129,681 | |
| Children's books | 90,016 | | 92,177 | |
| Other trade, all formats | 144,644 | | 144,292 | |
| Other ¹ | 18,652 | | 22,955 | |
| Exports and other foreign sales | 3,498 | | 2,477 | |
| Other revenue ² | 105,388 | | 135,279 | |
| Total operating expenses | 725,499 | | 758,069 | |
| Cost of titles sold | 341,553 | | 344,088 | |
| Other operating expenses | 383,946 | | 413,981 | |
| Operating profit | 105,477 | | 116,295 | |
| | percent | | percent | |
| Operating profit margin | 12.7 | | 13.3 | |
| Proportion of establishments with an operating profit | 90.0 | | 90.9 | |
| | thousands of dollars | | thousands of dollars | |
| Salaries, wages and benefits | 124,778 | | 141,447 | |

1. Other includes scholarly, reference, professional and technical categories.

2. Other revenue includes revenue from grants, sales of rights, sales of other goods and services produced and tax credit programs.

Note(s): When making inter-year comparisons, users are advised to note changes in proportions of the industry surveyed. Results for the firms classified under code 51113 in the North American Industry Classification System (NAICS). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

The following information is to ensure a clear understanding of the basic concepts that are being measured, the underlying survey methodology (how the concepts are measured), and key aspects of data quality. This information will provide a better understanding of the strengths and limitations of the data, and of how they can be effectively analysed and used. The information may be of particular importance when making comparisons with data from other surveys or sources of information, and in drawing conclusions regarding changes over time.

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the book publishing 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 book publishing 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.

Commencing with reference year 2004, this new survey is administered by the Service Industries Program, in collaboration with the Culture Statistics Program. Historical time series data from the previous Culture Statistics Program are available in *The Guide to Culture Statistics* (online, free of charge, at catalogue number 87-008-GIE). It should be noted that data from this historical time series should not be compared with data from this new survey due to significant differences in coverage and methodology.

Since 2004, the book publishing survey covers a somewhat different set of businesses than in previous years so that data generally cannot be expected to be comparable. The list of names and addresses of businesses is now drawn from a central Statistics Canada database. In addition, a much more rigorous delineation of those companies that are considered part of the culture sector has been applied through the implementation of the North American Industry Classification System (NAICS). This industry-based classification is a departure from the activity-based classification that was used previously. In addition to these changes in coverage, commencing with 2005, the data are based on a sample of businesses.

Target population

The target population consists of all establishments classified to the book publishing industry (NAICS 511130) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in book publishing.

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 and ownership (Canadian/foreign controlled)). 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 164 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 or 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.

For this survey, the CVs are excellent (less than 5%) for operating revenue and operating expenses and wages, salaries and benefits of employees variables.

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 86.9%. CVs were calculated for each estimate and are available upon request.