

Service bulletin

Motion Picture Theatres

2008



Highlights

- Canadian motion picture theatres continued to entertain more movie-goers in 2008. Cinemas, including indoor theatres, drive-ins and film festivals, sold 106.4 million tickets, up 1.8% from 104.5 million the year before.
- The motion picture theatre industry recorded total operating revenues of about \$1.4 billion, up 3.0% from 2007. Operating expenses increased by 4.8%.
- The largest expense reported by the surveyed theatres was film rental and royalty payments which represented 35.3% of total operating expenses. Film rental costs and royalty payments increased by 4.2% from 2007.
- Operating profits totaled \$132.6 million, down from \$149.8 million in 2007. Nevertheless, the industry posted an operating profit margin of 9.7% in 2008. Theatres in Saskatchewan and Alberta recorded operating profit margins above the national average.
- Ontario theatres earned 40% of total operating revenues in 2008, followed by those in Quebec at 18%, and Alberta and British Columbia, both with 15%.
- The top chain-operated theatres, ranked on the basis of operating revenues, dominated the industry in terms of revenues, expenses and profit but also in terms of admission receipts, concession sales and attendance.
- These large theatre chains represented 83% of the total national operating revenue in 2008, virtually unchanged from 2007.
- Operating revenues for the large theatre chains edged up 3.5% from 2007 surpassing the 0.4% increase of the rest of the industry.
- Expenses increased at about the same rate as revenues, up 3.4%, for the large theatre chains. As a result, their operating profit margins remained fairly stable at 11.4% well above the 1.6% posted by the rest of the industry.
- Box office sales (admission receipts) from the large theatre chains reached \$706.5 million, a 2.4% increase from a year earlier.
- Revenues from the sale of food and beverages followed a similar pattern. The large theatre chains saw a 5.2% rise in concession receipts from 2007 to 2008.
- Attendance levels for the large theatre chains reached 88.5 million, up from 86.7 million in 2007.

Note to readers

Data for 2007 were revised.

The Motion Picture Theatre industry comprises establishments primarily engaged in exhibiting motion pictures. To facilitate the presentation of characteristics in this release, reference to motion picture theatres includes indoor theatres, drive-ins and film festivals.

In this release, data for Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Yukon Territory, Nunavut and North West Territories have been suppressed due to Statistics Canada's requirement to ensure confidentiality of respondent data.

Statistical tables**Table 1****Summary statistics for the motion picture theatre industry, 2006 to 2008**

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	thousands of dollars			percent	number
2008 P					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	246,128	240,763	40,773	2.2	162
Ontario	546,904	499,274	76,438	8.7	216
Manitoba	x	x	x	x	x
Saskatchewan	37,475	32,179	4,753	14.1	39
Alberta	206,735	166,846	23,398	19.3	92
British Columbia	208,747	191,302	24,852	8.4	88
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,365,874	1,233,323	187,545	9.7	681
2007 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	218,507	212,905	35,070	2.6	143
Ontario	562,091	503,195	75,341	10.5	212
Manitoba	x	x	x	x	x
Saskatchewan	34,956	30,013	4,575	14.1	37
Alberta	194,777	151,789	20,955	22.1	88
British Columbia	203,974	180,268	24,697	11.6	106
Yukon Territory	x	x	x	x	x
Northwest Territories	..	..	..	..	..
Nunavut	x	x	x	x	x
Canada	1,326,627	1,176,872	176,950	11.3	672
2006					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	223,529	213,936	40,339	4.3	141
Ontario	529,096	497,882	74,186	5.9	199
Manitoba	x	x	x	x	x
Saskatchewan	32,718	27,546	4,711	15.8	38
Alberta	176,889	141,904	22,063	19.8	79
British Columbia	170,054	153,436	22,618	9.8	114
Yukon Territory	x	x	x	x	x
Northwest Territories	..	..	..	..	..
Nunavut	x	x	x	x	x
Canada	1,238,710	1,129,606	179,668	8.8	664

Note(s): Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals). Due to rounding, components may not add to total. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 2
Profile of the motion picture theatre industry,¹ by province and territories, 2006 to 2008

	Atlantic ² provinces	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Territories ³	Canada
thousands of dollars									
Operating revenue									
Total admission receipts									
2008 ^p	x	149,599	327,888	x	20,447	124,145	132,103	x	826,072
2007 ^r	x	137,580	327,128	x	18,914	117,591	129,372	x	797,065
2006	x	136,426	324,323	x	17,840	103,426	107,997	x	752,589
Sales of food and beverages									
2008 ^p	x	58,481	158,846	x	12,577	64,740	59,593	x	394,372
2007 ^r	x	55,058	152,960	x	12,361	61,359	54,909	x	374,576
2006	x	51,665	145,558	x	11,118	57,389	45,273	x	346,157
All other operating revenue									
2008 ^p	x	28,068	48,748	x	3,224	13,519	11,994	x	112,299
2007 ^r	x	18,622	69,574	x	2,318	11,468	11,866	x	119,469
2006	x	22,456	48,861	x	2,647	11,049	10,728	x	101,450
Total operating revenue									
2008 ^p	x	236,148	535,482	x	36,248	202,405	203,689	x	1,332,743
2007 ^r	x	211,260	549,662	x	33,593	190,418	196,148	x	1,291,109
2006	x	210,546	518,743	x	31,605	171,863	163,997	x	1,200,196
Operating expenses									
Salaries, wages and benefits									
2008 ^p	x	38,225	73,585	x	4,506	22,664	23,708	x	179,822
2007 ^r	x	33,064	72,492	x	4,213	20,179	22,682	x	168,359
2006	x	37,739	71,674	x	4,456	21,207	21,171	x	171,292
Cost of goods sold									
2008 ^p	x	13,871	33,060	x	4,336	15,132	22,193	x	97,445
2007 ^r	x	14,449	35,828	x	2,713	12,418	11,234	x	84,049
2006	x	12,079	32,051	x	2,702	13,178	7,703	x	74,503
Film rental and royalty payments									
2008 ^p	x	74,658	166,900	x	10,429	63,532	70,518	x	424,097
2007 ^r	x	68,117	165,395	x	10,349	61,090	67,049	x	406,960
2006	x	66,491	164,221	x	8,782	50,587	55,322	x	378,321
All other operating expenses									
2008 ^p	x	104,073	214,590	x	11,855	61,556	70,177	x	500,019
2007 ^r	x	89,817	217,493	x	11,145	54,000	71,390	x	482,010
2006	x	85,096	219,369	x	10,636	52,238	63,372	x	467,907
Total operating expenses									
2008 ^p	x	230,827	488,134	x	31,127	162,884	186,596	x	1,201,384
2007 ^r	x	205,447	491,209	x	28,421	147,688	172,355	x	1,141,378
2006	x	201,406	487,315	x	26,576	137,210	147,569	x	1,092,023
number									
Theatre operations									
Paid admissions (attendance)									
2008 ^p	x	21,187,423	43,057,080	x	3,084,715	14,163,224	15,319,534	x	106,375,418
2007 ^r	x	20,834,987	41,032,805	x	2,954,251	14,048,615	15,652,455	x	104,464,904
2006	x	20,700,371	41,955,618	x	3,130,483	14,418,135	13,326,854	x	102,927,624
Screens									
2008 ^p	x	636	1,056	x	90	349	346	x	2,739
2007 ^r	x	579	1,002	x	86	344	359	x	2,652
2006	x	633	1,056	x	107	376	380	x	2,831
percent									
Operating profit margin									
2008 ^p	x	2.3	8.8	x	14.1	19.5	8.4	x	9.9
2007 ^r	x	2.8	10.6	x	15.4	22.4	12.1	x	11.6
2006	x	4.3	6.1	x	15.9	20.2	10.0	x	9.0

1. Industry estimates for this table are based on the surveyed portion and exclude 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 95% of total industry revenue.

2. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

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

Note(s): Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals). Due to rounding, components may not add to total. See "Data source, definitions and methodology" at the end of tables for definition of terms.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the motion picture theatre industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the motion picture theatre industry (NAICS 512130) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

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 Division 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 2008 was 158 collection entities.

Definition

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.

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 98.1%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM: table 361-0012: motion picture theatres, summary statistics, by North American Industry Classification System (NAICS), annual

Survey(s)

Definitions, data sources and methods: survey number 2416 - Annual Survey of Service Industries: Motion Picture Theatres

Publications

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

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: May 2010

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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