



The Daily

Statistics Canada

Monday, July 25, 2005

Released at 8:30 a.m. Eastern time

Releases

Film, video and audio-visual distribution, 2003/04

2

Canadians appeared to be more inclined to watch movies in their living rooms than in cinemas in 2003/04, according to financial data from film distributors and video wholesalers. A jump in revenues from sales of DVDs and videocassettes more than offset a drop in revenue from distributions to cinemas.

Natural gas sales, May 2005

5

Canada's international trade in services, 2004

5

Sawmills and planing mills, May 2005

5

Traveller accommodation services price indexes

6

New products

7



Statistics
Canada

Statistique
Canada

Canada

Releases

Film, video and audio-visual distribution

2003/04

Canadians appeared to be more inclined to watch movies in their living rooms than in cinemas in 2003/04, according to new financial data from film distributors and video wholesalers.

A big jump in revenues from sales of DVDs and videocassettes more than offset a sharp decline in revenues from distributions to movie theatres.

At the same time, overall spending fell for the first time in a decade while exports of Canadian films and videos soared.

As a result, total revenues hit a record high of \$3.4 billion, up 4.9% from 2002/03 when an 8.0% gain was posted.

In fact, film distributors and video wholesalers had a very profitable year, with a profit margin of 21.8% compared with 13.4% in 2002/03.

Revenue from distribution to movie theatres plunged 17.3% to \$382.7 million, the first decline since 1991/92.

At the same time, revenue from the wholesaling of DVDs and videocassettes recorded its biggest increase in five years, hitting \$1.8 billion. This was a 12.9% jump from 2002/03.

Data from the Motion Picture Theatres Survey showed that movie attendance fell in 2003/04 for the first time in more than a decade, in the wake of the SARS outbreak and a lack of blockbuster movies. In turn, this may have reduced the demand for films by movie theatres.

Foreign sales of Canadian-content films and videos hit a record \$321.0 million in 2003/04, up 23.9% from the previous year. (This figure excludes productions distributed directly to foreign clients by producers.)

Pre-recorded videos garnering more revenue

Watching pre-recorded videos, especially DVDs, has become a growing and popular pastime for Canadians.

More than one-half (53%) of the \$3.4 billion in total revenue of film and video distributors came from the wholesaling of pre-recorded videos, up from 49% in 2002/03 and less than 45% in 1997/98.

In 2003/04, DVDs accounted for 71% of the video wholesaling market. Four years earlier, their impact was almost negligible. In 2001, the earliest year for which data are available, less than 20% of Canadian

Note to readers

This release presents results from a survey of the 215 film, video and audio-visual distributors and wholesalers in Canada.

What Canadians are able to view at movie theatres and at home on their television screens depends largely on the particular interests and choices of Canadian distributors and video wholesalers.

***Film distributors** are companies engaged primarily in distributing film and video productions to motion picture theatres, television stations and commercial exhibitors. They are the film industry's intermediaries, the liaison between producers and the exhibitors. Distributors obtain the rights to market and distribute films and videos.*

***Video wholesalers** are companies primarily engaged in the wholesaling of pre-recorded videocassettes, videodiscs and DVDs to retail outlets, which in turn rent or sell these products to the public.*

***Videos** include videocassettes, videodiscs and DVDs.*

***Home-video market** refers to the rental or sale of videos for playback on household machines.*

Unless otherwise stated, revenues are in current dollars.

households had DVD players according to the Survey of Household Spending. This figure had surpassed the 50% mark by 2003, up from 36% in 2002.

Pre-recorded videos continued to garner more sales even with the advent of movies on digital-television channels.

Products with Canadian content growing in popularity

Canadian content products continued to show improved revenues in 2003/04, especially in the television and the movie theatre markets.

In the pay-TV market, Canadian content accounted for 24% of revenues, up from less than 22% in 2002/03. The same is true for conventional television, where Canadian content captured 17% of the market, up from 14%.

At movie theatres, Canadian content improved its share to more than 4%, an increase from about 3% in the previous year and less than 2% in 2000/01. The increase in share at the movie theatre market was driven mainly by Quebec movies.

Higher levels of profitability

Film and video distributors and video wholesalers reported total spending of \$2.7 billion in 2003/04, down 5.3% from 2002/03. This was the first decline in expenses in more than a decade.

This decline followed two years of increasingly slower growth in expenses. In 2002/03, growth in expenses slowed to 4.8% from a rate of 9.8% in 2001/02.

The result was higher profits, the third increase in five years. In 2003/04, profits represented 21.8% of total revenues compared with 13.4% the year before and 10.8% in 2001/02.

Licensing and royalty payments fell 13% from the previous year. Of the \$838.8 million in total licensing fees and royalties paid out, 11% were for Canadian products, down from 12% in the previous year.

Available on CANSIM: tables 501-0001 to 501-0007.

Definitions, data sources and methods: survey number 2414.

Selected details from the Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey in table format (87F0010XIE, free) are now available online. Data from the survey are also available by province and territory. Users can request special tabulations on a cost-recovery basis.

To obtain more information, order data or enquire about the methods, concepts or data quality of this release, contact Client Services (1-800-307-3382 or 613-951-7608; fax: 613-951-9040; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

□

Film, video and audio-visual distribution and videocassette and DVD wholesaling by primary market¹

	1999/00	2000/01	2001/02	2002/03	2003/04
	\$ million				
Revenue:					
Domestic distribution	965.6	1,070.9	1,211.7	1,292.8	1,194.5
Movie theatres	360.5	390.6	403.1	462.6	382.7
Pay TV	68.7	81.2	110.5	112.4	105.6
Conventional TV	369.3	409.6	465.5	471.3	433.6
Home video	147.6	165.8	213.0	227.0	244.9
Other (educational institutions, governments, etc.)	19.5	23.7	19.6	19.5	27.7
Foreign distribution	187.3	222.3	204.7	259.0	321.0
Total distribution revenue	1,152.9	1,293.1	1,416.3	1,551.8	1,515.5
Wholesaling videocassettes and DVDs	1,252.1	1,399.4	1,508.3	1,608.0	1,816.1
Other revenue	82.5	120.6	112.0	118.7	106.1
Total revenue	2,487.5	2,813.1	3,036.6	3,278.4	3,437.6
Expenses:					
Licensing costs (rights, royalties and other fees)	791.3	806.7	857.0	965.7	838.8
Videocassette and DVD wholesaling costs	640.3	660.7	776.8	724.6	745.1
Salaries and benefits	135.5	144.6	172.0	147.6	153.2
Other costs	648.9	853.9	901.8	1,000.0	950.0
Total expenses	2,216.0	2,465.9	2,707.6	2,837.9	2,687.1
Profit (% of total revenue)	10.9	12.3	10.8	13.4	21.8

1. Figures may not add to total due to rounding.

Canadian and foreign content share of revenue in the domestic market¹

	2002/03			2003/04		
	Canadian content	Foreign content	Total	Canadian content	Foreign content	Total
	%					
Domestic distribution	9.2	90.8	100.0	11.1	88.5	100.0
Movie theatres	3.1	96.9	100.0	4.2	95.8	100.0
Pay TV	21.7	78.3	100.0	24.0	76.0	100.0
Conventional TV	14.0	86.0	100.0	17.2	82.8	100.0
Home video	3.4	96.6	100.0	3.3	96.7	100.0
Other (educational institutions, governments, etc.)	34.8	65.2	100.0	30.3	69.7	100.0
Domestic wholesaling of videocassettes and DVDs	2.1	97.9	100.0	2.4	97.6	100.0

1. Figures may not add to total due to rounding.

Natural gas sales

May 2005 (preliminary)

Natural gas sales totalled 4 859 million cubic metres in May, up 0.8% from May 2004. Higher sales (+2.6%) in the industrial sector (including direct sales) were moderated by weaker volumes of sales in the residential (-3.1%) and the commercial (-2.8%) sectors. The decreases were a reflection of warmer weather conditions in western Canada.

Year-to-date sales at the end of May were up 0.1% from the same period of 2004. The residential (+1.0%) and the commercial (-1.5%) sectors posted offsetting changes, while use of natural gas by the industrial (including direct sales) sector has edged up 0.1% so far this year.

Natural gas sales

	May 2005p	May 2004	May 2004 to May 2005
	thousands of cubic metres		% change
Natural gas sales	4 859 470	4 822 876	0.8
Residential	874 560	902 606	-3.1
Commercial	672 499	692 045	-2.8
Industrial	1 589 279	1 539 310	2.6
Direct	1 723 132	1 688 915	
	year-to-date		
	2005 ^p	2004	2004 to 2005
	thousands of cubic metres		% change
Natural gas sales	36 210 704	36 187 209	0.1
Residential	10 335 755	10 230 097	1.0
Commercial	7 327 936	7 436 782	-1.5
Industrial	8 503 288	8 424 835	
Direct	10 043 725	10 095 495	0.1

^p Preliminary figures.

Definitions, data sources and methods: survey number 2149.

For more information, or to order data, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

Canada's international trade in services 2004

Detailed data on international trade in services for 2004 are now available. Data by country, geographical and economic areas for commercial

services, travel, transportation and government services are available up to 2003. Imports and exports of commercial services by category and industry based on the North American Industrial Classification System (NAICS) 2002 have been updated from 1999 to 2003.

The services trade deficit increased by \$1.3 billion to \$12.7 billion in 2004. Growth in imports of services outpaced the rise in exports leading to the highest deficit in services since 1993.

Most of the variation in 2004 came from commercial services where the deficit rose by almost \$1.0 billion. Exports of commercial services were lower in 2004, notably in management services and in insurance services, while imports did not change.

Travel deficit remained high in 2004. Revenues rebounded after the substantial drop of 2003 but this was offset by larger expenses as more Canadians travelled abroad in 2004.

Note: Trade in services covers transactions in travel, transportation, a range of business and professional services referred to as commercial services, and government services.

Available on CANSIM: tables 376-0031 to 376-0033, 376-0036 and 376-0062.

Definitions, data sources and methods: survey number 1536.

The 2004 issue of *Canada's International Trade in Services* (67-203-XIE, \$35) should be released in September.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Denis Caron (613-951-1861; denis.caron@statcan.ca) or Nicole Charron (613-951-3789; nicole.charron@statcan.ca), Balance of Payments Division. ■

Sawmills and planing mills

May 2005

Data on sawmills and planing mills are now available for May.

Available on CANSIM: table 303-0009.

Definitions, data sources and methods: survey numbers, including related surveys, 2134 and 2135.

The May issue of *Sawmills and Planing Mills*, Vol. 59, no. 5 (35-003-XIB, \$10/\$93) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Traveller accommodation services price indexes

Statistics Canada today publishes monthly indexes for the second quarter of 2005 that measure price movements of accommodation services. These indexes reflect changes in room rates, excluding all indirect taxes, for overnight or short stays with no meals or

other services provided. The indexes are available by province and by territory, for Canada, by major client group.

Available on CANSIM: table 326-0013.

Definitions, data sources and methods: survey number 2336.

For more information on these indexes, contact Prices Division (613-951-9606; 1-866-230-2248; infounit@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Anne Williamson (613-951-0708; anne.williamson@statcan.ca), Prices Division. ■

New products

Sawmills and Planing Mills, May 2005, Vol. 59, no. 5
Catalogue number 35-003-XIB (\$10/\$93).

Retail Trade, May 2005, Vol. 77, no. 5
Catalogue number 63-005-XIE (\$18/\$166).

Film, Video and Audio-Visual Distribution: Data Tables, 2003/04
Catalogue number 87F0010XIE
(free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

How to order products

To order by phone, please refer to:

- The title
- The catalogue number
- The volume number
- The issue number
- Your credit card number.

From Canada and the United States, call:

1-800-267-6677

From other countries, call:

1-613-951-7277

To fax your order, call:

1-877-287-4369

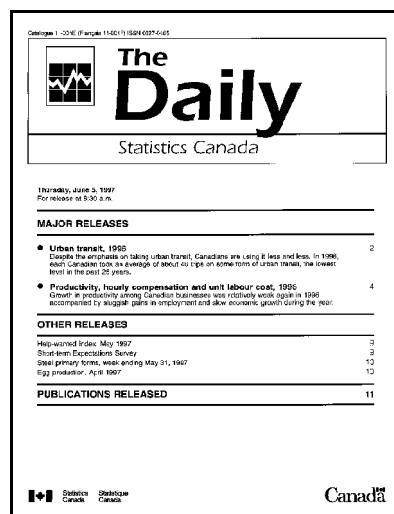
For address changes or account inquiries, call:

1-800-700-1033

To order by mail, write to: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet, write to: infostats@statcan.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.