



The Daily

Statistics Canada

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Releases

Film, video and audio-visual production

2004

The financial picture for the nation's 688 film, video and audio-visual producers improved in 2004 despite a substantial decline in production revenues.

Total revenues for the industry amounted to \$2.9 billion, a 10.9% increase from 2001. The gain was largely due to growth in non-production activities such as broadcasting and film distribution.

Expenses did not rise as quickly as revenues due to falling interest charges, and stable levels of depreciation and other expenses. As a result, the profit margin for the industry was 4.6% in 2004, well above the margin of 1.2% three years earlier.

Revenues from film and video production, a key source for producers, fell 10.6% between 2001 and 2004 to just under \$1.5 billion. In 2004, production accounted for only 52% of total revenue, down from 65% in 2001.

Type of film production revenue

	2001	2004	2001 to 2004 % change
Number of firms	728	688	...
Production revenue (\$ millions)	1,673	1,496	-10.6
Non production revenue (\$ millions)	912	1,372	50.5
Exports	662	704	6.4
Total revenue (\$ millions)	2,586	2,869	10.9
Total operating expenses (\$ millions)	2,555	2,735	7.1
Profit margin (%)	1.2	4.6	...

... not applicable

This decline was due to falling domestic demand, since film exports increased 6.4% to \$704.3 million. Exports accounted for 47% of the nation's film production revenues in 2004, up from 40% in 2001.

Closures of some large production houses, consolidations and scaled-back production activity by others likely contributed to the decline in earned production revenue.

In addition, Canadian households are spending less on video rentals on average, according to data from the Survey of Household Spending. Movie theatre attendance has also gone down from 2002 to 2004. Perhaps these indicators of sluggish consumer demand give some insight into why production revenue fell in 2004.

Note to readers

This release presents results from a 2004 census of film, video and audio-visual producers in Canada. To be included, a production company had to satisfy one of the following criteria: receive revenue from a current or previous year's production; start or complete a film, video or audio-visual production; or receive rental revenue from its production facilities.

Data for this survey are reported for the province in which the headquarters of the producer is located. Provincial government agencies, however, report production revenue based on activity in that province. Given this, comparisons between this survey and provincial film data are not advised.

Data do not include location shooting by foreign film producers, productions for other producers and by government agencies or departments.

Autonomous subsidiaries operating in Canada reported separately to the survey within the province in which they operate, while foreign subsidiaries were not included. Data for the territories are combined with British Columbia in order to protect confidentiality.

Exports consist of revenues received from foreign clients for current and previous years' productions, including license fees and royalties, outright sales and rentals, contracts, sponsors' payments and remittances from distributors after their expenses. Sales to foreign markets through Canadian distributors were not included in foreign sales.

All data are in current dollars. The survey was not conducted in 2002 and 2003.

Revenues from television productions falls, but still dominates

Revenues from television productions declined in 2004, but they still dominated total production revenue.

Film and video producers reported television sales worth \$1 billion in 2004, down 10% from 2001. With overall production revenues falling by the same degree, television productions maintained their two-thirds share of total production revenue in 2004.

Increased competition from other entertainment sources, as well as increased viewing time on lower-cost variety and game shows (including reality) may have had an impact on television production revenues. This is especially the case for costly productions, such as movies-of-the-week.

In addition, producers earned \$209.6 million in sales to advertising agencies in 2004, the highest amount ever recorded by this survey since its inception in 1972. This was an increase of 20% from 2001. As a result, the share of production revenue earned from advertising agencies rose to 14.0% from 10.2%.

Theatrical feature film revenue grew in 2004, and its share of production sales climbed to 6.2% from 4.5%.

The five largest producers earned 42.5% of all production revenues in 2004, down from 47.8% in 2001. This reduced concentration was due to scaled-back production activities by some producers, while others got out of production altogether.

More full-time employees, but firms relying more on freelancers

Employment in the industry fell 3.6% in 2004, entirely the result of a 16.3% decline in the number of part-time employees. The number of full-time employees increased 6.8%.

As a result, full-time employees accounted for nearly 61% of all workers in 2004, up from 55% three years earlier. This contrasts with the national labour force trend, as full-time employees constituted a marginally lower share of all employees in 2004 (82.0%) than in 2001 (82.3%).

The number of freelance workers hired rose by a strong 18.8% over this period to almost 31,000.

Companies paid \$771 million in wages, freelance fees and benefits in 2004, up 29.3% from 2001. Fees to freelancers accounted for 47% of the total, up from 43% in 2001.

Employment and wages

	2001	2004	2001 to 2004 % change
Full-time employees	6,111	6,525	6.8
Part-time employees	5,058	4,234	-16.3
Freelancers	26,011	30,912	18.8
Total workers	37,180	41,671	12.1
Total wages and fees (\$ millions)	596	771	29.3

Producers in British Columbia are catching up

Film production was dominated by companies in three provinces — British Columbia, Ontario and Quebec.

Film producers headquartered in British Columbia earned \$268 million in 2004, 29.4% more revenues than in 2001. This was due to growth in existing large companies and the emergence of some new mid-sized players.

Producers based in Ontario saw their production revenues fall by 19.2% to \$748 million, while those in Quebec declined by a much smaller 2.4% to \$424 million.

Ontario's share of total production revenues fell from 55% to 50%, while Quebec's rose from 26%

to 28%. British Columbia made the most inroads with their share climbing from 12% to 18%. This does not include foreign location shooting in Canada.

Production revenue and profit margin, by province or region

	2001	2004	2001 to 2004 % change
Canada	1,673	1,496	-10.6
Atlantic	57	18	-67.2
Quebec	434	424	-2.4
Ontario	926	748	-19.2
Manitoba	4	3	-26.1
Saskatchewan	9	15	67.2
Alberta	36	20	-45.6
British Columbia	207	268	29.4

Despite this three-province concentration, Saskatchewan producers also saw substantial growth in their industry as production revenues rose 67.2% to \$15 million in 2004.

British Columbia producers saw their profit margin do an about face, rising to 5.4% in 2004 from a 7.0% loss in 2001. Ontario film producers earned a profit margin of 2.7% in 2004. Although this was comparable to what they earned in 2001, it was much lower than the 8.6% earned by Quebec producers. Profit margins are calculated including all sources of revenue earned by producers, rather than just production revenues.

Profit margin

	2001	2004
Canada	1.2	4.6
Atlantic	-2.7	-15.1
Quebec	3.5	8.6
Ontario	2.8	2.7
Manitoba	-9.3	13.2
Saskatchewan	-3.9	3.0
Alberta	-5.4	-1.0
British Columbia	-7.0	5.4

Definitions, data sources and methods: survey number 2413.

Selected information is now available in *Film, Video and Audio-visual Production: Data Tables* (87-010-XIE, free) from the *Our Products and Services* page of our website. These tables include breakdowns of data by province and region of Canada and by type of film producer.

For general information, contact Client Services (toll-free 1-800-307-3382; culture@statcan.ca). To order special or standard tables or to enquire about the concepts, methods or data quality of this release, contact David Coish (613-951-1075; fax: 613-951-1333; david.coish@statcan.ca), Culture, Tourism and the Centre for Education Statistics. ■

Crude oil and natural gas production

May 2006 (preliminary)

Provincial crude oil and marketable natural gas production data are now available for May.

Definitions, data sources and methods: survey number 2198.

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

Steel pipe and tubing

May 2006

Data on the production and shipment of steel pipe and tubing are now available for May.

Available on CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The May 2006 issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, free) will soon be available.

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

Primary iron and steel

May 2006

Data on primary iron and steel are now available for May.

Available on CANSIM: tables 303-0048 to 303-0051.

Definitions, data sources and methods: survey numbers, including related surveys, 2116 and 2184.

The May 2006 issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, free) will soon be available.

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

Industrial chemicals and synthetic resins

May 2006

Data on industrial chemicals and synthetic resins are now available for May.

Available on CANSIM: table 303-0014.

Definitions, data sources and methods: survey number 2183.

The May 2006 issue of *Industrial Chemicals and Synthetic Resins*, Vol. 49, no. 5 (46-002-XIE, free) is now available from the *Our Products and Services* page of our website.

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

New products

The Research Data Centres Information and Technical Bulletin, March 21 to June 21, 2006, Vol. 3, no. 1
Catalogue number 12-002-XIE
(free).

Industrial Chemicals and Synthetic Resins, May 2006, Vol. 49, no. 5
Catalogue number 46-002-XIE
(free).

New Motor Vehicle Sales, May 2006, Vol. 78, no. 5
Catalogue number 63-007-XIE
(free).

Canada's International Transactions in Securities, May 2006, Vol. 72, no. 5
Catalogue number 67-002-XIE
(free).

Film, Video and Audio-visual Production: Data Tables
Catalogue number 87-010-XIE
(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; -XCB or -XCE are electronic versions on compact disc and -XBB or -XBE a database.

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MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses and industry work output in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- Map-wanted index: May 1997 3
- Short-term Expectations Survey 8
- Steel primary forms, sales ending May 31, 1997 12
- Egg production: Apr. 1997 12

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