



CULTURE

Quarterly Bulletin from the Culture Statistics Program CANADA

Catalogue no. 87-004-XPB

Autumn 1998

Vol. 10, No. 3

International Trade in Cultural Commodities

Joanna Copeland, Culture Statistics Program

Trade in commodities, including selected cultural commodities (see box below), involves an interplay of factors such as price, exchange rates, product quality, and consumer preference, which are not always evident in an examination of economic data. In fact, consumer preference may play a somewhat larger role in the complex interplay of these factors for cultural commodities than for other commodities.

As difficult as it is to interpret the impact of these factors, data on international commodity transactions are important for tracking the performance of industries trading commodities internationally. Data on changing trade patterns for selected cultural commodity imports are indicators of foreign competition in the domestic marketplace, while trends in commodity exports are indicators of domestic producers' international competitiveness.

Selected Cultural Commodities

Cultural Commodities are defined as the main physical outputs of the industries and activities identified through the framework for cultural statistics. These commodities are unique, but not necessarily exclusive to, the cultural sector (i.e. these commodities are defined as cultural, irrespective of the industry producing the commodity). Here is a list of those commodities which we will be including in this paper:

Books and Printing Services
Newspapers and Periodicals
Other Written Material
Music, Video, Software
And Other Recordings
Printed Music

Visual Art
Architectural Plans
Design-related Goods
Advertising Material
Photographs and Mass-Produced Art

At Statistics Canada, internationally traded commodities are classified through Harmonized System codes (HS Codes), which is an international standard commodity description and coding system that grew out of the need to simplify and expedite trade documentation on an international basis. The categories used above reflect the groupings used in the system. To implement the HS, each country signs the International Convention on the Harmonized Commodity Description and Coding System, binding itself to adopt the descriptions and codes of the HS and the rules governing its application for customs tariffs and import and export statistics. Canada adopted the system in January 1988.

However, as each code includes a roll up of similar commodities which may come from a variety of producers, any individual HS code may cover cultural commodities as well as one or more non-cultural commodities. For example, the category "music, video, software and other recordings" covers a variety of recorded formats such as tape, gramophone record, and laser disc. The format, and not the content of the recording determines whether or not the item is included in this category. In fact, these formats can be used for a wide variety of cultural and non-cultural applications from commercial sound recording, to film and video, to computer software. Every effort has been made to minimize the impact of such code mismatches, and aggregations presented in this article reflect the best possible representation of cultural commodities, given the limitations of the HS codes.

In addition, commodity trade statistics are also useful for tracking the impact of economic globalization, which is leading to the development of large trading blocks, with few impediments to trade, and guaranteed access to the domestic markets of member nations. Increased access to markets under such agreements as NAFTA and the Maastricht Treaty¹, influences the trade volumes for internationally competitive commodities, while at the same time exposing these same commodities to the volatility of the international marketplace. The recent economic events in Asia and Russia are good examples of the international factors affecting trade in commodities. The economic downturn and currency value decline in Asia and Russia have had a detrimental impact on the price of many commodities, and as a result this has a detrimental impact on the economies of the exporting nations that rely on these markets.

¹ The Maastricht Treaty is the agreement that specifies the conditions under which countries can become members of the European economic union.

In This Issue...

International Trade in Cultural Commodities	1
Sport and Recreation Taking a Smaller Share of Consumer Spending: 1986 to 1996	5
Highlights of the 1996-97 Data on Movie Theatres and Drive-ins	7
Children's Publishing	7
Highlights of the Fall 1997 Data on Radio Listening	9

The primary purpose of this article is to examine the movement over the past seven years² in the export and import of selected cultural commodities³. This article begins by presenting data on the major movements in the exports of selected Canadian cultural commodities, followed by a similar presentation on imports, and concludes with an examination of Canada's major cultural trading partners.

International demand for selected Canadian cultural commodities continues to grow

During the last few decades cultural industries and activities have become a more important part of the Canadian economy. In the last 10 years or so the Canadian cultural sector, especially film and video production and the recording industry, has been able to make an increasing impact upon foreign markets. In 1997, the export of selected cultural commodities, which is a growing subset of all commodities, amounted to 0.5% of Canada's total exports. The dollar value of these exports went from \$741 million in 1991 to \$1.5 billion in 1997, with an average annual increase of 12.5% during this period (see Table 1).

² The Culture, Trade and Investment Project commodity data base currently has data for seven years, 1991 to 1997. More data will be added to this database as they become available.

³ Refer to the side box for a listing of these selected commodities. Throughout the rest of this article, it is only these selected items that will be considered.

International Trade in Cultural Intellectual Property

International trade in intellectual property (IP) and services is also an important component of cultural trade. Transactions in cultural products include those commodities identified in the main body of this article, but theoretically should also include those creative products of cultural endeavors that cannot be dropped on your foot. These intellectual property products can be defined as an intangible good to which ownership rights apply, and payments (or royalties) are paid for the use or redistribution of the product.

Although incomplete data exist on the trade of intellectual property and services, (the Culture Statistics Program is currently working to close many of the data gaps), these areas should not be overlooked. Some cultural activities, such as film, have a very large intellectual property component, and in fact, most of the value associated with international trade would be in the form of intellectual property payment. For example, the intellectual property export of film production companies has grown dramatically in recent years, reaching a high of \$205 million in 1995-96. As intellectual property transactions, this amount does not appear in this analysis, while at the same time, it was felt that it would be misleading to include the data on the tangible product of unexposed celluloid film as it crosses the border, as that dollar amount is not a reflection of the true value of film transactions.

Exports of virtually all commodity categories on the rise

Rapid growth in Canadian cultural commodities is diversified and is taking place in almost all major sectors. International trade data indicate that from 1991 to 1997 all the commodity groups listed in our selection experienced a positive average annual increase.

The commodity category with the largest increase in export value was "Printed Music" which climbed from \$168,000 in 1991 to \$912,000 in 1997, an increase of 443%. This category also had the largest average annual increase among Canada's exports in selected cultural commodities, at 32.6%.

The second largest increase in the value of selected cultural commodity export was for "Design-Related Goods" which includes postcards, calendars, collector coins and stamps, etc. This category increased from \$24.2 million in 1991 to \$123.6 million in 1997, an increase of 411%.

Although there was very significant growth in the above two cultural commodity categories, their combined value of just 8.3% of cultural commodity exports was too small to have a strong influence on the trend for all cultural commodities in our selection.

Table 1
Canada's Exports of Selected Cultural Goods, \$'000

	1991	1992	1993	1994	1995	1996	1997		% Change	% Change	Annual
							value	per cent	1996-97	1991-97	Average Increase
Print and Music	582,191	787,229	976,457	1,015,049	934,426	1,038,415	929,756	62.0	-10.5	59.7	8.1
% of total	78.6	81.4	77.5	75.3	70.4	69.1	62.0		-10.3	-21.1	
Books & printing services	281,095	364,204	441,613	449,143	247,321	270,198	332,595	22.2	23.1	18.3	2.8
Newspapers, periodicals	130,483	142,732	209,402	181,078	203,746	187,348	172,277	11.5	-8.0	32.0	4.7
Other written material	11,685	13,614	18,015	26,175	24,843	30,688	32,411	2.2	5.6	177.4	18.5
Music, video, software & other recordings	158,760	266,466	307,017	358,393	457,928	549,959	391,561	26.1	-28.8	146.6	16.2
Printed music	168	213	410	260	588	222	912		310.8	442.9	32.6
Other Selected Cultural Goods	158,439	179,385	283,680	332,803	392,477	463,373	569,961	38.0	23.0	259.7	23.8
% of total	21.4	18.6	22.5	24.7	29.6	30.9	38.0		23.2	77.7	
Visual art	39,966	39,747	50,611	41,148	44,670	45,318	59,726	4.0	31.8	49.4	6.9
Architectural plans	3,082	3,728	4,226	7,473	4,261	3,923	12,365	0.8	215.2	301.2	26.1
Design-related goods	24,205	27,404	34,350	54,224	73,270	95,787	123,588	8.2	29.0	410.6	31.2
Advertising material	62,632	68,160	97,055	127,883	199,381	219,011	258,225	17.2	17.9	312.3	26.6
Photographs & mass-produced art	28,554	40,346	97,438	102,075	70,895	99,334	116,057	7.7	16.8	306.4	26.3
Total	740,630	966,614	1,260,137	1,347,852	1,326,903	1,501,788	1,499,717	100.0	-0.1	102.5	12.5

Source: Statistics Canada, Culture, Tourism and the Centre for Education Statistics Division.

Changing profile of Canadian cultural commodity exports

Over the years from 1991 to 1997 the relative distribution of cultural commodity exports has changed dramatically. Exports of books and printing services, periodicals and music commodities were 79% of the cultural commodity exports as recently as 1991⁴. However, the dominance of print and music exports has since been eroded - reaching a low of 62% in 1997 - by the rapid growth of other cultural commodity exports.

This is not to say that there has been a decline in the value of print and music exports. In fact, exports of these commodities have continued to grow at an average annual rate of 8.1%. This is an indication of some comparative advantage for print and music commodities, although whether as a result of competitive pricing or consumer preference is difficult to say. It is possible that internationally competitive pricing may be less important for foreign consumption of print and music products than the demonstration of high artistic and creative quality. This could also be true of visual art, where the value of exports is growing steadily (annual average increase of 6.9%) and where the price may well be less important than the artistic presentation.

⁴ *Print and music commodities include the following commodity groups: books and printing services; newspapers and periodicals; other written material; music, video, software and other recordings; and printed music.*

The commodities gaining an increasing share of the export market include architectural plans, design-related goods, advertising material, and photographs and mass-produced visual art. The export value of these commodities is growing at better than 25% per year, with the smallest annual average increase being reported by architectural plans (26.1%), and the largest by design-related goods (32.2%). Since this period of rapid growth between 1991 and 1997 has occurred during a decline in the Canadian dollar, it may indicate that the value of these commodities in Canadian dollars is a key factor in determining the commodities' exportability.

Imports

The importation of cultural goods continues to grow at a slower pace than exports. Over the seven-year period between 1991 and 1997, exports of selected cultural commodities grew by 102.5% compared to imports of these same commodities which grew by 69.6%. However, the actual value of these imports increased from \$2.8 billion to \$4.7 billion (an annual average increase of 9.2%) and Canada continues to be one of the largest importers of cultural products in the world as our bookstores, newsstands, record shops, cinemas and television screens attest to.

In 1997, imports of selected cultural commodities accounted for 1.7% of all commodity imports into Canada. Table 2 includes a list of the ten selected

cultural commodity groupings (more detailed data are available upon request).

Imports of selected cultural commodities are dominated by two categories

Even with the dramatic increases in the export of cultural commodities, Canada is still a net importer of selected cultural commodities. The majority of these imports are in two categories, "Music, Video, Software, & Other Recordings", and "Books and Printing Services", which combined accounted for 62% of the imports of selected cultural goods in 1997.

The commodity category with the largest value of imports in 1997 was "Music, Video, Software, & Other Recordings," at 33.4% of Canada's total cultural imports. This is an increase from 1991 when this category held 26.5% of Canada's total cultural imports. In fact, since 1993, imports of this commodity type have been larger than all others in our selection. This change has been caused, in part, by a subset of the category, "Sound, Image, Other", which had the largest average annual increase in the value of imports from 1991 to 1997 (32.3%).

The commodity category "Books and Printing Services" reported high values of imports for 1997, accounting for 29% of the value of all selected cultural commodity imports, although this represents a drop of almost four percentage points from 1991.

Table 2
Canada's Imports of Selected Cultural Goods, \$'000

	1991	1992	1993	1994	1995	1996	1997		% Change 1996-97	% Change 1991-97	Annual Average Increase
							value	per cent			
Print and Music	2,333,609	2,624,408	3,022,746	3,542,008	3,759,064	3,572,586	4,008,138	84.4	12.2	71.8	9.4
% of total	83.4	84.8	86.3	86.5	84.8	84.7	84.4		-0.4	1.3	
Books & printing services	914,019	1,027,475	1,116,196	1,212,427	1,276,946	1,226,654	1,377,068	29.0	12.3	50.7	7.1
Newspapers, periodicals	651,544	683,222	732,486	839,312	876,582	879,681	946,429	19.9	7.6	45.3	6.4
Other written material	19,015	19,284	25,642	61,881	98,649	93,272	81,553	1.7	-12.6	328.9	27.5
Music, video, software & other recordings	740,600	884,316	1,135,562	1,414,734	1,493,079	1,360,212	1,588,331	33.4	16.8	114.5	13.6
Printed music	8431	10111	12860	13654	13808	12767	14757		15.6	75.0	9.8
Other Selected Cultural											
Goods	465,985	469,447	479,202	554,411	676,123	643,414	740,417	15.6	15.1	58.9	8.0
% of total	16.6%	15.2%	13.7%	13.5	15.2	15.3	15.6		2.2	-6.3	
Visual art	67,881	72,558	68,544	64,402	70,403	69,919	90,945	1.9	30.1	34.0	5.0
Architectual plans	5,348	4,482	5,332	4,782	5,130	4,099	3,035	0.1	-26.0	-43.2	-9.0
Design-related goods	83,692	85,551	90,119	101,583	188,096	203,749	247,691	5.2	21.6	196.0	19.8
Advertising material	124,316	157,693	169,568	171,062	189,759	176,399	197,083	4.2	11.7	58.5	8.0
Photographs & mass-produced art	184,748	149,163	145,639	212,582	222,735	189,248	201,663	4.2	6.6	9.2	1.5
Total	2,799,594	3,093,855	3,501,948	4,096,419	4,435,187	4,216,000	4,748,555	100.0	12.6	69.6	9.2

Source: Statistics Canada, Culture, Tourism and the Centre for Education Statistics Division.

Profile of Canadian Commodity Imports

The distribution among selected cultural commodity imports has remained constant between 1991 and 1997, with print and music commodities continuing to represent at least 83% of the imports during this period. The only commodity grouping with a decline in annual average change between 1991 and 1997 was Architectural Plans (at -9.0%).

The commodities gaining an increasing share of imports include Other Written Material, and Design-related goods. These commodity groups have achieved high annual import growth rates of 27.5% and 19.8% respectively, despite unfavourable exchange rates for the Canadian dollar.

Trading Partners - United States major player in trade market

Canada continues to have a heavy dependence upon a single trading partner, the United States. They are overwhelmingly our most important export market for cultural commodities, and were the export destination for 89% (or \$1.3 billion) of exports of selected cultural commodities in 1997, an increase from 64% in 1991. In fact, 99% of newspaper and periodical

exports were destined for the United States in 1997.

The same is true for Canada's import market, where the United States is the main source of imported cultural commodities. At least 85% of the imported value of selected cultural commodities came from the United States in 1997, up one percentage point from 1991. In 1997, the value of imported cultural commodities from the United States was \$4.1 billion.

There are many factors that may contribute to the high proportion of Canadian imports coming from the United States such as proximity, exposure to American television stations, news, films and literature, as well as American technological leadership and aggressiveness. Similar factors exist for Canadian exporters who may be influenced by the need to minimize transportation costs, free trade agreements, and similarities in consumer tastes and language, when selecting trading partners.

In sharp contrast, the second largest consumer of Canadian exports was Western Europe, which as an economic region, imported 6% of

selected cultural exports from Canada in 1997, down from 9% in 1991. Three of Canada's top five trading partners (the United Kingdom, France and Germany) are from this economic region (see Table 3). Within Western Europe, the United Kingdom and France were the largest trading partners in 1997, accounting for 2% and 1% respectively, of selected cultural exports from Canada.

Western Europe is also Canada's second largest source of imports. In 1997 the value of cultural commodity imports coming from Western Europe accounted for 9% of Canada's total imports of selected cultural commodities, down from 1991, when the value stood at 12%. Again, within Western Europe, the United Kingdom and France were the largest trading partners in 1997, each accounting for 3% of selected cultural imports into Canada (see Table 4).

One factor affecting this changing trade profile is Western Europe's move towards economic union, where some impediments to trade have been reduced, thus creating added incentives to trade within the region rather than with external partners such as Canada.

Table 3
Canada's Total Exports of Selected Cultural Goods, by Country, (\$'000)

Exports by Country	1991	1992	1993	1994	1995	1996	1997		% Change 1996-97	% Change 1991-97	Annual Average Increase
							value	per cent			
Total Exports	740,630	966,615	1,260,136	1,347,852	1,326,904	1,501,787	1,499,719	100.0	-0.1	102.5	12.5
United States of America	475,040	628,952	856,072	941,037	1,103,662	1,290,353	1,337,524	89.2	3.7	181.6	18.8
United Kingdom	14,821	21,933	21,182	22,363	33,360	33,048	31,453	2.1	-4.8	112.2	13.4
France	17,173	17,255	24,340	17,519	30,693	22,187	17,251	1.2	-22.2	0.5	0.1
Japan	5,379	4,486	6,414	9,282	12,631	9,921	14,608	1.0	47.2	171.6	18.1
Germany	10,363	19,328	39,926	27,176	23,330	25,776	11,010	0.7	-57.3	6.2	1.0
All other countries	217,855	274,662	312,203	330,475	123,228	120,503	87,873	5.9	-27.1	-59.7	-14.0

Source: Statistics Canada, Culture, Tourism and the Centre for Education Statistics Division.

Table 4
Canada's Total Imports of Selected Cultural Goods, by Country (\$'000)

Imports by Country	1991	1992	1993	1994	1995	1996	1997		% Change 1996-97	% Change 1991-97	Annual Average Increase
							value	per cent			
Total Imports	2,799,593	3,093,853	3,501,948	4,096,418	4,435,187	4,216,001	4,748,557	100.0	12.6	69.6	9.2
United States of America	2,343,288	2,615,528	2,979,095	3,528,817	3,809,942	3,608,602	4,052,230	85.3	12.3	72.9	9.6
United Kingdom	97,591	98,874	100,978	119,435	135,584	127,325	162,002	3.4	27.2	66.0	8.8
France	124,834	121,107	125,196	136,102	148,697	135,871	152,697	3.2	12.4	22.3	3.4
Japan	21,546	25,207	29,382	27,854	30,983	29,776	42,222	0.9	41.8	96.0	11.9
Germany	21,512	21,719	25,854	29,198	32,866	32,393	31,296	0.7	-3.4	45.5	6.4
All other countries	190,823	211,418	241,443	255,012	277,115	282,033	308,109	6.5	9.2	61.5	8.3

Source: Statistics Canada, Culture, Tourism and the Centre for Education Statistics Division.

Methodology**System of Trade**

Canadian trade statistics are compiled according to the general system of trade as defined by the United Nations Statistical Office. This system, in principal, accounts for all goods entering the country (imports) and all goods leaving the country (exports).

Data Collection (Custom-based)

Commodity trade data are compiled at Statistics Canada by the International Trade Division mainly from administrative records collected by the Customs and Excise Department of Revenue Canada. When goods are imported into or exported from Canada, declarations must be filed with Customs giving such information as description and value of the goods, origin and port of clearance and the mode of transport.

Unit of Measurement

There are two types of units used to measure international commodity trade: volume and value. The value of commodity trade is the focus of this article.

Commodity Coverage and Data Gaps

There are several aspects of international commodity trade that are not or cannot be adequately covered by a Customs based administrative database.

- Mail Order Items - Sufficient detail is not available on the value of the international transaction of cultural commodities through mail order to satisfy the CTI Projects needs.
- Another area where loss of commodity coverage occurs is purchases made by foreign travelers (exports from Canada) and purchases made by Canadians travelling abroad (imports into Canada). Individual commodity detail is not captured or estimated and is therefore not included in the commodity trade figures.
- Some unwanted commodities have been included in order to maintain a balance of commodities between imports and exports. There are several cases where unwanted commodities that could be filtered out on the import side are kept in because such commodities cannot be filtered out on the export side.
- Canadian content: There is no way to separate cultural commodities into those created by Canadian artists and those created by foreign artists.
- A loss of detail occurs when commodities are manufactured on contract in Canada but were created outside Canada. These commodities cannot be separated from similar commodities that are both created and manufactured in Canada.

Sport and Recreation Taking a Smaller Share of Consumer Spending: 1986 to 1996

**Lucie Ogrodnik, Research Analyst,
Culture Statistics Program**

Canadians' spending patterns changed between 1986 and 1996 (refer to Table 1). According to the Survey of Household Spending¹, the first part of this ten year period - 1986 to 1992 - saw average annual household expenditures increase by 4% while the latter half of the period (1992 to 1996) saw a much slower rise at only 1.5%. This shrinking expenditure base seems to have had an impact on the nature of household spending as well.

While the relative share of their budgets that Canadians spent on shelter rose by 7%, on security premiums by 15%, on charitable donations by 3%, and on education by 20% between 1986 and 1992, cuts were made with respect to relative allocations to food (-10%), clothing (-21%), transportation (-4%), and sport and recreation (-9%). Further tightening of the household budget was experienced for the remainder of the ten year period, when spending on shelter, food, clothing,

tobacco and alcohol was further reduced (refer to Table 1).

This article provides an overview of the major trends in consumer spending on selected sport and recreational products and services². Sport and recreational expenditures (see box for definition) as a proportion of total spending, have declined slightly over the past decade, and there has been a shift in the type of sport and recreation products and services which Canadians are purchasing. Explanations for these changes may lie in a number of areas including changing demographics, decreased amount of leisure time, increasing cost of some sport and recreation activities, economic pressures and changing consumer tastes.

Canadians are spending more on athletic and sporting equipment

Not only has the proportion of total household spending allocated to sport and recreation decreased over the past

¹ Formerly called the Survey of Family Expenditures or FAMEX.

² The United Nations Educational, Scientific and Cultural Organization (UNESCO) includes Sports and Games in its framework for cultural statistics. Following this lead, Statistics Canada and Sport Canada started work in 1996-97 on a new multi-year national sport statistics program. Hence the interest in the CSP in sport data.

Table 1
Distribution of Canadian Household Expenditures as a Proportion of Total Expenditures (after personal taxes), 1986, 1992 and 1996

Category of expenditure	1986 %	1992 %	% change 1986 to 1992	1996 %	% change 1992 to 1996	% change 1986 to 1996
Shelter ¹	29.6	31.7	7.1	31.4	-1.0	6.1
Food	17.5	15.7	-10.3	15.6	-0.6	-10.9
Transportation	16.2	15.6	-3.7	15.8	1.3	-2.5
Clothing	7.7	6.1	-20.8	5.5	-9.8	-28.6
Security premiums ²	5.5	6.3	14.6	6.8	7.9	23.6
Health and personal care	4.7	4.7	0.0	4.8	2.1	2.1
Gifts and charitable contributions	3.9	4.0	2.6	4.4	10.0	12.8
Tobacco and alcohol	3.9	3.9	0.0	3.0	-23.1	-23.1
Sport and recreation³	2.3	2.1	-8.7	2.1	0.0	-8.7
Education	1.0	1.2	20.0	1.4	16.7	40.0
Miscellaneous ⁴	7.7	8.6	11.7	9.2	7.0	19.5
Total average annual household expenditure⁵	100.0	99.9		100.0		

¹ Includes principal accommodation, home furnishings and household operation (two new items were included within this category in the 1996 survey - expenses related to cellular telephone, and Internet services).

² Includes personal insurance, pension and retirement payments.

³ Includes sporting and athletic equipment, recreational vehicles, and recreational services (live sport spectacles and use of recreational facilities).

⁴ Includes home entertainment equipment, cablevision rental, computer equipment, photographic equipment, travel tours, reading materials, legal services, games of chance, musical instruments, toys, games, hobby equipment, live staged performances and other miscellaneous items.

⁵ Calculations are based on expenditures averaged over all households (includes households that reported buying an item as well as those that did not). In 1986 average household expenditures were \$28,689; in 1992, \$36,170; and in 1996 they were \$38,322.

Source: Survey of Household Spending (FAMEX), Statistics Canada.

Defining Sport and Recreation

The Sport and Recreation category used throughout this article is a sub-set of the larger FAMEX grouping entitled 'Recreation'. While our sub-set includes sporting and athletic equipment, recreational vehicles, and recreational services (live sport spectacles and the use of recreational facilities), it excludes many other items (i.e., playground equipment, toys, games, hobby equipment, photographic goods and services, musical instruments, home entertainment equipment and services, cablevision rental, travel tours and other miscellaneous items). Thus, a comparison between this article and the lead article appearing in the summer 1998 issue of *Focus on Culture* is not possible; this latter article provided a look at recreation more from a cultural perspective than the sport perspective adopted here.

decade, the actual dollar amount spent per household, when adjusted for inflation, also decreased, from an average of \$634 in 1986 to \$594 ten years later³. In actual fact, Canadian households spent an average of about \$160 more per year in 1996 than in 1986, but inflation, especially in the first half of the ten year period, accounts for all of this increase and more.

Of the money spent on sport and recreation, the largest share (about 45%) has typically gone towards buying various recreational vehicles such as bicycles, travel trailers, motorcycles, snowmobiles, boats, etc. Another third of household sport and rec budgets goes to purchasing sport and recreational services (live sporting events and use of recreational facilities). The proportion allocated to both of these categories has remained relatively stable over the past ten years.

The amount we spent in 1996 on sporting and athletic equipment, such as golf clubs, skates, skis and home exercise equipment, was an increase of 16% (after adjusting for inflation) over a decade earlier. In 1996, we spent \$119 of our after-tax household budget on such equipment, up from \$103 in 1986. Perhaps we are tending to spend more of our leisure time now

³ As a point of reference, Canadian households spent more in 1996 on alcohol and tobacco products (\$1,146) and personal care (\$835) than on sport and recreation (\$793).

Table 2**Average Annual Household Spending on Sport and Recreation Goods and Services between 1986 and 1996**

	1986 \$	1992 \$	1992 in 1986\$ ¹	1996 \$	1996 in 1986\$	% change 1986 to 1996	% change 1986 to 1996 in 1986\$
Sporting and athletic equipment	103	126	101	153	119	48.5	15.5
Live sports spectacles	26	36	23	37	20	42.3	-23.1
Use of recreational facilities	168	208	136	240	140	42.9	-16.7
membership fees	92	120	N/A	122	N/A	32.6	N/A
single usage	76	88	N/A	118	N/A	55.3	N/A
Other recreation ²	32	29	23	5	4	-84.4	-87.5
Recreational vehicles ³	305	365	292	358	242	17.4	-20.7
Total	634	764	617	793	594	25.1	-6.3

¹ 1992 and 1996 dollar values are adjusted to 1986 dollars based on the Consumer Price Index for either the overall recreation category or selected recreation goods or services, as appropriate.

² Other recreation includes fishing and hunting licenses and guide services, other rental of sport facilities.

³ Includes recreational vehicles such as bicycles, travel trailers, tent trailers, motorcycles, snowmobiles, motor homes, truck campers, boats, outboard motors and personal watercraft.

Source: Survey of Household Spending (FAMEX), Statistics Canada.

in personal or family recreational pursuits which require personal equipment, combined with an increased concern over health and fitness.

The other two major categories of "use of recreation facilities" and the purchase of recreation vehicles both saw real increases in expenditures convert to decreases of more than 15% each when inflation over the ten years was factored in.

Per cent of Canadian households reporting spending on sport and recreation goods and services declined between 1986 and 1996

We have seen how the proportion of household spending allocated to sport and recreation has declined, as well as the actual amount spent by households, but so also has the proportion of households reporting spending on most sport and recreation categories. Again, it is only sporting

and athletic equipment that registered a small increase.

More changes yet to come

Given the pace of technological advancements, the aging of our population, evolving social trends, variable economic conditions and changing consumer preferences, it is difficult to predict future consumption patterns. However these factors all play their part in influencing how we spend our discretionary dollar. As we move into the next century, further shifts in consumer spending will inevitably occur as large numbers of baby boomers retire and must decide on the type of lifestyle they will adopt as seniors.

The challenge ahead lies in being able to understand and anticipate some of these changes, and then to market those sport and recreation products and services which the new emerging market will demand.

Table 3**Per cent of Canadian households reporting spending on sport and recreation goods and services declined between 1986 and 1996**

	1986 %	1992 %	1996 %	% Change
Sporting & athletic equipment	44.5	43.0	45.5	2.2
Live sports spectacles	27.4	25.7	22.3	-18.6
Use of recreational facilities	64.9	61.0	60.5	-6.8
Membership fees	30.6	28.7	25.4	-17.0
Single usage	42.9	39.0	42.9	-
Other recreation	13.6	7.6	4.3	-68.4
Recreational vehicles	36.1	32.3	31.6	-12.5

Source: Survey of Household Spending (FAMEX), Statistics Canada.

Did you know...? Highlights of the 1996-97 Data on Movie Theatres and Drive-ins

Attendance at movie theatres and drive-ins reached a 14 year high of 91.8 million in 1996-97, up 4% from the previous year, and the fifth straight yearly increase. Increased attendance translated into bigger revenues, both at the box office and at the refreshment bar. The industry reported an increase in admission receipts of 4% to \$440.8 million, while confectionery revenue was up 9% to \$175.7 million. The film exhibition industry reported a total profit of \$64.7 million, a 3% increase from the preceding year. In 1996-97, residents of British Columbia and Alberta were Canada's most avid moviegoers, while Newfoundland had the lowest average attendance per person.

Movie theatres (excluding drive-ins)

Movie theatres, excluding drive-ins, recorded a total attendance of 89.4 million in 1996-97, up 4% from the year before. Attendance increased most in Manitoba (+19%), whereas the largest decline occurred in the Yukon (-6%), followed by Saskatchewan and Nova Scotia.

Although the number of seats in theatres has remained almost unchanged since 1991-92, the number of movie theatres has decreased by about 7% to 587 over that same period, while the number of screens has grown by 14%. In 1996-97, metropolitan locations had an average of 4.1 screens per movie theatre while theatres in small towns and rural areas averaged 2.5 screens per theatre. On a per-theatre basis, movie theatres in metropolitan areas had an average annual attendance of 241,420 compared with 93,240 for theatres in small towns and rural areas. Labour costs for movie theatres paralleled attendance growth, increasing 4% from 1995-96. Part-time employment at movie theatres declined by 4% to 7,926 while full-time staff increased by 22% to 1,246.

In 1996-97, movie theatres earned total profits of \$62.2 million, a 3% increase from the previous year. The average annual profit of movie theatres located in metropolitan areas was \$171,100 (up 7%) compared to \$62,660 for theatres in small towns and rural areas (down by 2%).

Drive-ins

The 69 drive-in theatres left in Canada reported a total attendance of 2.4 million in 1996-97. While this represented a 2% drop in attendance from the preceding year and was the second consecutive year of decline, the number of drive-ins fell by 8% over the same period. Over the year, full-time staff at drive-ins was reduced by 9% (to 149) and part-time staff by 10% (to 790). Drive-in theatres earned total revenues of \$21.6 million and reported a profit of \$2.5 million in 1996-97, up 3% from 1995-96.

Children's Publishing - An Overview of the New Data Available for 1996-97

David Coish, Project Manager, Book Publishing

For the first time in 1996-97, respondents to the Survey of Book Publishers and Exclusive Agents were asked to report on the publication and distribution of children's books. These are defined as books published for the child and young adult (up to age 14) markets, including picture books but excluding those primarily intended as textbooks.

Although more than one in five (21%) earned some revenue from the sale of books for young audiences, just 6% of publishers operating in Canada in 1996-97 earned most of their revenue from the sale of children's books. This article provides a brief introduction to these specialized publishers.

Children's publishing dominated by specialized small and medium-sized firms

The 1996-97 survey of publishers revealed that while the 25 largest publishers in Canada accounted for three quarters of all publishing revenues, when it came to children's books these large companies were responsible for less than one quarter of all sales. In fact only four among the top 25 earned any revenue from the sale of children's books and this comprised just 1% of their revenue from publishing sales.

The 31 small and medium-sized companies identified as children's publishers (companies with 50% or more of their publishing revenue from this market) earned 60% of the sales revenue from children's books and were responsible for 58% of the new and reprinted titles. These companies tend to be very focussed and earned 96% of their revenue in this specialized market (see Table 1).

Methodology

The top 25 firms, based on publishing revenues, were examined as a separate group to see if they dominated children's publishing in Canada. For analytical purposes in this article, the remaining small and medium-sized publishers (SMP) were split into two groups:

- *those which earned 50% or more of revenues from the sale of children's books (referred to as children's publishers); and*
- *those who earned none or no more than 50% of their revenues from the sale of books for children (referred to as Other SMP).*

Children's publishers' revenue per title was 15% lower than that of other small and medium-sized publishers, but because they put out over 50% more titles, the publishing sales revenue averaged 40% above that of their

counterparts (\$798,000 vs. \$571,000 (see Table 2)).

Children's publishers were also less likely to combine publishing with exclusive agency. Only 10% had agency revenue, while 18% of other SMP earned revenue by distributing books on an exclusive basis for other publishers. As a result, when all publishing-related revenues (including exclusive agency and other activities) are compared, children's publishers earned 6% less than other small and medium-sized publishers.

Differences can also be seen in the makeup of the workforce. Children's publishers averaged five full-time staff compared to six for other SMP and the full-time salaries paid per company reflect this. However, both the part-time salaries and contractual fees were significantly higher than for other SMP. Overall, the average total wage bill of children's publishers was about 4% lower than for other SMP.

Children's publishers somewhat less profitable

Small and medium-sized publishers, as a group, were not profitable in 1996-97 although overall they averaged a loss of only 0.3% of total revenue. Children's publishing appears to be slightly more perilous; overall losses amounted to 1.9% of total revenue and over 60% of the companies reported losses compared to 48% for other SMP.

Losses for the SMP sector would have been greater if it had not been for grants. Seven per cent of total income came from grants with over half of the publishers (56%) reporting this type of income. In children's publishing, this support played a more significant role with over two-thirds (68%) of respondents reporting grants and the total amount accounting for 10% of revenues.

Table 1
Small and Medium Publishers Produced 87% of all New Children's Titles, 1996-97

	Top 25 Publishers	Children's Publishers	Other SMP*	Total
Number of publishers	25	31	455	511
Children's titles published	133 (13%)	606 (58%)	298 (29%)	1,037 (100%)
Children's titles reprinted	186 (22%)	492 (58%)	176 (21%)	854 (100%)
Children's publishing sales revenues (\$'000)	7,601 (19%)	23,715 (60%)	8,337 (21%)	39,654 (100%)
Total publishing revenues (\$'000)	844,593 (75%)	24,743 (2%)	259,741 (23%)	1,129,077 (100%)
Children's publishing revenues as a percentage of total revenues	1	96	3	4

* SMP= Small and Medium-sized Publishers.

Table 2
Comparison of Children's and Other Small and Medium-sized Publishers, 1996-97

	Children's Publishers	Other SMP*	Total SMP
Number of publishers	31	455	486
Average publishing sales revenue (\$'000)	798	571	585
Average total publishing-related revenue (\$'000)	1,035	1,099	1,095
Average profit/loss (\$'000)	-19	-2	-3
Profit as a percentage of total revenue	-1.9	-0.1	-0.3
Percentage of companies reporting a profit	39	52	51
Total grants (\$'000)	3,064	32,913	35,977
Average grants (\$'000)	99	72	74
Grants as a percentage of revenue	10	7	7
Percentage of companies reporting grants	68	55	56
Average number of titles published	20	13	13
Average number of titles reprinted	16	9	10
Average earned publishing revenue per title	22,535	26,445	25,857
Average number of full-time employees	5	6	6
Average number of part-time employees	1	2	2
Average full-time salaries paid	155,028	186,771	184,746
Average part-time salaries paid	24,938	14,766	15,415
Average freelance and other contract fees	41,285	28,974	29,759
Average total salaries and fees	221,252	230,511	229,920

* SMP= Small and Medium-sized Publishers.

A story to be continued in the future
This very specialized market is highly dependent on this small group of publishers. The financial data indicate

that this is not a market that is likely to produce large profits for the participants. Future data will provide us with the means to follow their story.

□

Did you know...? Highlights of the Fall 1997 Data on Radio Listening

Canadians are listening to the radio less and less. Time spent listening to the radio fell for the fourth consecutive year, dropping from 21.6 hours per week in the fall of 1993 to 19.9 hours in the fall of 1997. With this decrease, radio listening has returned to pre-1990 levels.

After conceding the highest listening rate to Prince Edward Island residents in the fall of 1996, Quebecers regained their usual top rank among all provinces, registering an average listening time of 20.8 hours per week. In second and third place were Ontario (20.4 hours per week) and Alberta (20.3 hours per week).

At the other extreme, British Columbia reported the lowest listening rate, namely 18.1 hours per week. During the past five years, the lowest listening rate in Canada has been registered by either British Columbia, New Brunswick or Newfoundland.

Canadians continue to devote the largest share of their listening (38.7%) to adult contemporary/gold/oldies/rock music. A distant second is country music (13.4%), which registered the steepest decline (8%) from the previous year; this put it just in front of the primarily talk format, which captured 13.2% of total listenership.

FM stations continue to gain popularity. In the fall of 1997, they captured nearly two-thirds of total listenership. This popularity of FM stations is evident in all age/sex groups, but especially among teens, who devote nearly 90% of their listening time to FM stations.

On average, teens (12 to 17 years of age) listen to the radio 10.7 hours per week, approximately half the levels of adults (18 years of age and over). Furthermore, teens' listening patterns differ greatly from those of adults, regardless of the day of the week or the time of day, and also in their choice of station formats.

PUBLICATIONS

87-211 Canada's Culture, Heritage and Identity:
A Statistical Perspective 1997 Edition

\$31.00

To order publications, please call toll-free 1-800-267-6677.

How to Find Out More.....

We hope you find this bulletin both informative and useful.
Please write, fax or phone us with your comments and suggestions:

Mary Cromie
Editor, *Focus on Culture*
Culture Statistics Program
R.H. Coats Building, 17 D
Statistics Canada
Ottawa, ON K1A 0T6

(613) 951-6864 (telephone) or
(613) 951-9040 (fax) or crommar@statcan.ca



For information on special data tabulations or the content of specific surveys, please contact any of the following:

Paul McPhie Assistant Director, Culture 951-9038 mcphpau@statcan.ca

Culture Surveys

Chief	John Gordon	951-1565	gordonj@statcan.ca
Book Publishing	David Coish	951-3028	coisdav@statcan.ca
Periodical Publishing	Mary Allen	951-0475	allemar@statcan.ca
Film and Video	Michael Pedersen	951-3305	pedemic@statcan.ca
Radio and Television	Lotfi Chahdi	951-3136	chahlot@statcan.ca
Motion Picture Theatres	Norman Verma	951-6863	vermnor@statcan.ca
Sound Recording	Erika Dugas	951-1568	dugaeri@statcan.ca
Performing Arts	Marie Lavallée-Farah	951-1571	lavamar@statcan.ca
Heritage Institutions	Fidel Ifedi	951-1569	ifedfid@statcan.ca
Government Expenditures on Culture	Norman Verma	951-6863	vermnor@statcan.ca

Research and Communications

Chief	Michel Durand	951-1566	duramic@statcan.ca
Consumption of Cultural Goods and Services	Mary Cromie	951-6864	crommar@statcan.ca
Economic Impact	Craig Grimes	951-1332	gricra@statcan.ca
Cultural Trade and Investment	Craig Grimes	951-1332	gricra@statcan.ca
Sport	Jackie Luffman	951-1563	luffjac@statcan.ca
Labour Market Analysis	Pina La Novara	951-1573	lanopin@statcan.ca

Focus on Culture (Catalogue 87-004-XPB) ISSN 0843-7548 is published four times a year under the authority of the Minister responsible for Statistics Canada, © Minister of Industry, 1998.

Editor: Mary Cromie, (613) 951-6864

Subscription Rates: Canada: \$9 per issue, \$27 annually. Outside Canada: US\$9 per issue, US\$27 annually. Toll-free order service in Canada: **1-800-267-6677.**

Copyright

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of Copyright Permission Officer, Marketing Division, Statistics Canada, RH Coats Building 9 "A", Ottawa, ON K1A 0T6 or fax (613) 951-1134 or telephone (613) 951-1145.

Note of Appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses and governments. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Standards of Service to the Public

To maintain quality service to the public, Statistics Canada follows established standards covering statistical products and services, delivery of statistical information, cost-recovered services and services to respondents. To obtain a copy of these service standards, please contact your nearest Statistics Canada Regional Reference Centre.

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI (Z39.48 - 1984.)

