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Arts and Cultural Industries

# Canada's International Business Strategy

1996-1997



Team Canada - Equipe Canada

# Canada's International Business Strategy

is made up of an **Overview** highlighting Canada's international business development priorities, and a series of **Industry Sector Strategies**, which include lists of planned international activities.

The following documents are available:

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**For information on how to receive the Overview, or additional Industry Sector Strategies, please call: 1-800-267-8376.**

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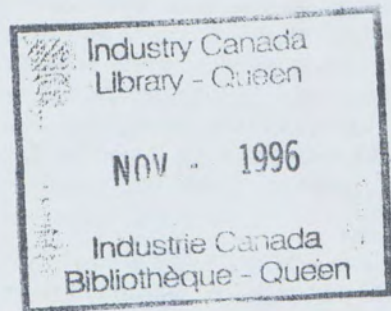
*Aussi disponible en français sous le titre Arts et industries culturelles.*

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**T**he arts and cultural industries consist of the visual and performing arts, publishing, sound recording, film and television production and distribution, broadcasting and programming services, and the emerging new media/multimedia industry.

### Canadian Position

The direct economic impact of the arts and cultural industries sector in Canada, in terms of gross domestic product (GDP), was almost \$14 billion in 1992-93; when both direct and indirect economic impact are taken into account, it is over \$20 billion.<sup>1</sup> The sector's labour force has grown by 122 percent in the past decade, double the rate of growth of the overall labour market in Canada. In 1992-93, the sector created 440 000 jobs directly and 478 000 directly and indirectly combined.<sup>2</sup>

Although the Canadian market is considerable at some \$14 billion a year, Canadian-owned and -controlled companies have only a small share, particularly in book publishing, sound recording and feature films, because of the high cost of operating in the Canadian market. For instance, foreign-owned multinationals earn 88 percent of all theatrical film distribution revenues and collect 86 percent of all revenues from the retail sale of tapes and compact discs (CDs) in Canada.<sup>3</sup> While this does not diminish the sector's contribution to the Canadian economy, it is of considerable concern from a cultural and national identity standpoint, given that these foreign-owned companies produce only about 25 percent of all Canadian-content sound recordings and produce and distribute virtually no Canadian-content films.

The importance of the cultural industries goes beyond job creation and prosperity. Whereas it is preferable to be primarily a producer and exporter, rather than a net importer, in other sectors of the economy, it is absolutely indispensable in the cultural industries — to be simply a consumer of someone else's culture, rather than a producer

of one's own, is unacceptable. The cultural industries are crucial agencies of cultural expression and national debate essential to Canada's national goals and objectives, and, as such, cannot be left to market forces alone. This is why the Canadian government conceived Canadian Broadcasting Corporation (CBC) radio in the 1930s, the National Film Board (NFB) in the 1940s and CBC television in the 1950s, and by the 1960s and 1970s began a partnership with an emerging private broadcasting and culture sector.

The success enjoyed by Canada's cultural industries, both domestically and in foreign markets, over the past 10-15 years is due in large measure to this partnership. Direct financial assistance and tax incentives have helped to offset costs of development and production of original material. Regulatory intervention such as broadcast quotas for Canadian content has helped to create domestic demand for Canadian-made material and attract advertisers to Canadian broadcasters and magazine publishers. Government assistance for export activities has further helped Canadian film and television, publishing, and sound recording companies to enter foreign markets.

The future success of the Canadian arts and cultural industries will continue to depend on this relationship. The domestic success of Canada's cultural industries advances the Canadian government's goal of fostering a strong and vibrant Canadian culture and identity at home and abroad. This has been reaffirmed by the Special Joint Committee Reviewing Canadian Foreign Policy, which identified the promotion of Canadian culture abroad as one of the three pillars of Canada's foreign policy.

<sup>1</sup> Source: Statistics Canada. These figures exclude Canadian heritage institutions and libraries which contributed, directly and indirectly, an additional \$2.8 billion and created an additional 168 000 jobs in 1992-93.

<sup>2</sup> Ibid.

<sup>3</sup> These figures are for all of Canada, but it should be noted that the situation is significantly different in Quebec. For instance, multinationals earn only 25 percent of revenues from the sale of tapes and CDs in Quebec, in contrast to 86 percent of revenues from the entire Canadian market, according to *A Study of the Canadian Sound Recording Industry: Phase I - Industry Description*, by Ernst & Young, March 1995.

## International Environment

Despite the cultural industries' historical reliance on government policies and programs to improve their share of the Canadian market, future growth depends on the ability to exploit opportunities offered by the international marketplace and new technologies, particularly in the face of intense global competition. Historically, only multinationals had the ability to amortize the cost of development, production and much of advertising and promotion over a larger market than the Canadian market alone. Only in the past 10 years or so has the Canadian cultural sector, especially film/television, begun to make any significant inroads into foreign markets. For instance, in 1993-94, Canadian television producers earned almost half of their total revenues abroad, while Canadian songwriters and music composers earned more money abroad than in Canada.

Exports of cultural goods and services, which include royalty payments and revenues from the licensing of rights, were estimated at some \$774 million in 1991<sup>4</sup> and have been growing rapidly in recent years. For instance, Canada's book exports more than tripled between 1989 and 1994, and its sound recording exports quadrupled between 1988 and 1992. In some subsectors, such as music publishing, Canada now earns more revenues abroad than it does domestically.<sup>5</sup>

Underlying the rapid evolution of these markets is the technological and commercial convergence of broadcasting, communications and computing into the emerging multimedia sector. This convergence entails a global realignment of these industries, which will have a direct impact both on industry structures and access to cultural products, providing the consumer with access to anything, anywhere, anytime. This is already presenting substantial trade and regulatory challenges to Canada, but also will bring with it new international export opportunities.

## Main Challenges

- Since Canada's cultural imports still exceed its exports by a ratio of 3 to 1, it is important to ensure that its cultural industries have access to a reasonable share of the domestic market by holding the line in the face of pressure from the United States and maintaining existing support measures (and even introducing new ones where required).
- Increase the cultural industries' presence in foreign markets to capitalize on opportunities offered by new geographic markets. Consolidating Canada's presence in the traditional markets of the U.S. and Western Europe continues to be a challenge, as is establishing a presence in the emerging markets of Asia-Pacific, Latin America and Central Europe.
- An emerging market for new media is posing its own challenges and opportunities, both domestically and internationally. Here again, the main challenges will be to ensure that Canadian producers have access to the new distribution systems both domestically and internationally, and that the high cost of producing quality new media content does not prevent Canadian voices from having a significant presence on the information highway.
- Make available better statistical data on the arts and cultural industries, especially on their export and foreign sales revenues, to better evaluate the success of existing and new initiatives.
- Ensure that Canada's extensive network of missions abroad works effectively for the industries through knowledgeable, trained personnel equipped with an understanding of and access to information about Canada's cultural industries. The challenge is to ensure that they can promote Canadian cultural goods and services, gather market intelligence for Canadian companies and help them make contacts with their counterparts abroad.

<sup>4</sup> Source: Statistics Canada, "Selected Canadian Cultural Indicators: Balance of Trade of the Culture Sector," supplement to *Focus on Culture*, September 1993. This figure is the total of the exports and monetary payments abroad in the areas of film and broadcasting, print media, recordings and visual arts.

<sup>5</sup> *Canada's Foreign Policy: Principles and Priorities for the Future*, p. 67.

## Strategic Direction

The Government, in co-operation with the industries, will:

- Undertake an effective cultural advocacy campaign in the U.S., Europe and at home to ensure that Canada's policies for the cultural industries are understood and are supported (Department of Foreign Affairs and International Trade [DFAIT], Department of Canadian Heritage [DCH]).
- Given that participation in key international fairs, festivals and markets offers the most effective way to promote Canadian cultural products, gather market intelligence and establish contacts with foreign business partners, ensure not only that it does not diminish, but that it increases wherever possible (DFAIT, DCH).
- Through appropriate training programs, ensure that Canada's foreign service officers and trade commissioners abroad are able to adequately promote Canadian arts and culture and provide export assistance to Canadian companies (DFAIT/missions).
- Extend export and financial assistance, tax incentives, Canadian-content requirements and international co-production agreements to new media content to ensure that Canadian voices are not excluded from the information highway and that the industries can effectively compete in this important new market (DFAIT, DCH).
- Gather better statistics on this sector, especially with regard to foreign revenues and sales (DFAIT, DCH, Industry Canada [IC], Statistics Canada).

The following pages provide brief sketches of each of the key industries that make up the sector and their specific challenges and strategic directions.

**T**he visual arts sector includes visual artists in different fields and media, as well as art dealers, curators and gallery administrators. Production includes paintings, drawings, sculptures, carvings, printmaking, photography, tapestries, multimedia installations, video, performance art, and craft.

## Canadian Position

According to 1992-93 Statistics Canada data, the direct economic impact of the visual arts was about \$678 million; direct and indirect impact combined was \$928 million. The jobs directly created by this sector numbered almost 36 000 in 1992-93, while direct and indirect jobs combined was almost 42 000.

The visual arts are an anomaly in the cultural industries, in that their access to the domestic market is less dominated by foreign imports than other sectors. While art sales have dropped in the 1990s, Canadian collectors and galleries remain committed to Canadian artists, particularly those with local or regional significance. The 1990-91 *Canadian Arts Consumer Profile* reported that 24 percent of the general public surveyed had bought an original artwork within the past year.

Although the precise sizes of the Canadian visual arts sector and market are unknown, one can extrapolate a market of at least \$260 million in retail sales of original artworks in 1990-91.<sup>6</sup> Since this figure does not include sales to corporations and public galleries and commissions as part of building projects, it is assumed that the real market was considerably higher. The market for crafts is even more difficult to estimate, but a recent study assessed the Quebec market alone at about \$250 million in 1983.<sup>7</sup>

Several public policy and regulatory factors have hampered increased exports of visual arts. Decreased public support to encourage international promotion of the visual arts and to offset the high cost of exhibiting at international art fairs (ranging from \$20 000 to \$40 000 per fair), the lack of comprehensive benchmark statistics to measure industry performance, and the inhibiting

effect of the Goods and Services Tax (GST) are negatively affecting penetration of foreign markets.

The collection of the GST on consigned artwork entering Canada is creating problems and expenses for Canadian art dealers, and at the same time provides no financial benefits for the Canadian government. Canada does not want to be seen as a country dealing in "regional work." One cannot expect international dealers to represent Canadian artists if Canada is not prepared to show their artists' work.

Canada does not have a major international art fair that would bring collectors, critics and dealers from around the world, and promote its visual arts industry. Such a fair could also be used to promote Canadian venues as cultural destinations. In addition, cultural industries, such as commercial theatre, and the non-profit sector, such as galleries and museums, would benefit from the presence of fair participants with cultural interests. Participation of provincial and municipal governments in making the marketing link to cultural tourism would be beneficial.

## International Environment

Statistics are scarce on the size of the international market for the visual arts and on Canada's share of it. A 1994 survey by the Professional Art Dealers Association of Canada (PADAC) of its 65 members showed that the 30 respondents cumulatively sold \$21.5 million internationally in the previous year.

Even in the absence of precise statistical data, there is no doubt that an increased presence abroad of Canadian visual artists and art dealers can only enhance Canada's share of this market.

<sup>6</sup> *Work in Progress: Human Resource Issues in the Visual Arts and Crafts*, prepared by Price Waterhouse for Human Resources Development Canada, 1994, p. 11.

<sup>7</sup> *Ibid.*

Participation in international art fairs is the key to familiarizing international art collectors, dealers, curators and critics with Canadian work. These fairs are held annually in venues representing prime markets for Canadians, such as New York, Chicago, Cologne, Basel, Hong Kong and Tokyo. The availability of catalogues is also indispensable in this regard, as they play a key role in the promotion of Canadian artists and their work.

In addition to participation in international art fairs, maintaining a presence in New York is particularly important, since it represents the world's most important art market. Links with New York galleries give Canadian artwork access not only to important New York critics and buyers, but to the international arts scene. Exhibitions of Canadian art outside of the country are another important means of promoting internationally.

Canadians in the visual arts, like their global counterparts, have been slow to harness new technologies to advance export sales. However, computer networking, databases and multimedia present great opportunities to market Canadian artwork abroad.

## Main Challenges

The main challenges facing the Canadian visual arts industry include:

- increasing participation at international art fairs in key markets;
- eliminating the GST on consigned art from abroad;
- harnessing new technologies to advance export sales and increasing the availability of information about Canadian visual arts abroad;
- developing an international art fair located in Canada;
- increasing international exposure of Canadian exhibits organized by Canadian public galleries and museums;
- helping Canadian private gallery owners to strengthen their affiliations with galleries abroad to increase the exposure of Canadian artists through exchange, exhibition and sales;
- providing better statistical data on the sector and on its export performance.

## Strategic Direction

The Government, in co-operation with the industry, will:

- Review the Program for Export Market Development (PEMD) to help offset the cost of participation at international art fairs (DFAIT, DCH).
- Co-operate with the visual arts industry in designing an ongoing promotional campaign in New York to highlight the accomplishments of Canadian artists known internationally, and to introduce dealers, collectors, critics and media to new Canadian artwork. Provided that galleries and agents will assume a major share of the costs associated with the exhibitions, DFAIT will provide limited funds to co-ordinate and promote such projects (DFAIT, DCH).
- Collect better statistics on this sector and on its revenues from international sales to set more precise export development targets in the future (DFAIT, DCH, Statistics Canada).



**T**he sector includes performing artists working in different fields and media, as well as managers, presenters, agents, impresarios and promoters. (Statistics Canada figures on the sector are limited to not-for-profit professional theatre, dance and opera companies and classical music orchestras and ensembles.) Performing arts production includes dance, theatre, opera and live music in the form of individual performances, season programs, tours and festivals. The sector does not, however, include performances by popular recording artists.

### Canadian Position

According to 1992-93 Statistics Canada data, the direct economic impact of the performing arts industry is about \$530 million; direct and indirect impact combined is almost \$800 million. Jobs directly created by this sector numbered almost 89 000 in 1992-93, while direct and indirect jobs combined added up to 115 500.

There were 435 performing arts companies in Canada in 1992, with total revenues of \$407 million from all sources, including ticket sales, federal, provincial and municipal government grants and contributions, and private donations and sponsorships. Approximately \$204 million or 50 percent of those revenues were earned at the box office and from merchandising. However, it should be noted that this figure would probably double if commercial theatre box office revenues were included.<sup>8</sup>

Performing arts festivals play a key role in attracting international visitors to Canada and in generating revenues from tourism for both industry and governments. For instance, the Stratford Festival attracted 466 000 visitors during its 27-week season in 1994, and generated \$17.3 million in box office revenues, some 35 percent of which came from visitors from the United States. It is estimated that the Stratford Festival generated some \$25 million in taxes for the different levels of government, and that its overall economic impact was about \$100 million in 1994.<sup>9</sup>

### International Environment

Although statistics on the international market for the performing arts are virtually nonexistent, what information there is suggests much room for growth. For instance, Statistics Canada figures show that in 1992-93, only 92 of the 435 performing arts companies active in Canada toured internationally (41 in the U.S., 36 in Europe, 5 in Asia and 10 elsewhere outside Canada). However, even in the absence of precise statistical data, there is no doubt that an increased presence of Canadian performing artists and presenters abroad can only enhance Canada's share of this market.

Participation in international performing arts markets and events, such as the Association of Performing Arts Presenters (APAP) market and Canada's own CINARS market, is also essential to international success. CINARS, for instance, which is held every year in Montreal, brings together the performing arts professionals from around the world to promote and market the performing arts. It includes a trade show, with professional development and marketing seminars and performances showcasing artists and arts groups from around the world.

Key problems faced by the performing arts sector include: reduced public support for touring, both in Canada and abroad; lengthy delays at points of entry and stringent visa requirements, both for Canadian artists touring abroad and for foreign artists visiting Canada; and the absence of comprehensive statistics to measure industry performance abroad.

<sup>8</sup> See *Staging the Future: Human Resource Issues in the Audio-Visual and Live Performing Arts*, prepared by Ekos Research Associates for Human Resources Development Canada, 1994, p. 6.

<sup>9</sup> Source: Stratford Festival Facts Page, 1994.

The most significant foreign revenues generated by the performing arts sector come not from touring abroad but from foreign tourists visiting Canada to attend Canadian festivals and events. According to Tourism Canada, several segments in Canada's primary foreign travel markets (United States, United Kingdom, Germany, France and Japan) view festivals and events as an important part of an international trip.

## Main Challenges

The main challenges facing Canada's performing arts industry include:

- increasing the international touring and foreign revenues of Canadian performing arts groups;
- ensuring that Canadian performing artists and groups have reasonable access to short-term work permits in foreign markets, especially in the United States;
- harnessing new technologies to advance export sales and increasing the availability of information about Canadian performing arts abroad;
- improving the marketing of Canadian arts festivals and events abroad, especially in the U.S., the U.K., Western Europe, France and Japan, to attract a greater number of international tourists;
- providing better statistical data on the sector and on its export performance.

## Strategic Direction

The Government, in co-operation with the industry, will:

- work to identify priority markets for Canadian performing arts and to promote Canadian performing artists abroad (DFAIT, DCH);
- collect better statistics on the sector and its revenues from international touring to set more precise export development targets in the future (DFAIT, DCH, Statistics Canada);
- continue to develop the performing arts information network within the context of CultureNet (DFAIT, DCH);

- monitor the provision of short-term work permits applicable to Canadian artists and groups seeking entry to foreign markets, especially the U.S. (DFAIT, DCH);
- seek opportunities for enhanced promotion of major festivals and cultural events as part of the promotion of culture-related tourism in Canada (DFAIT, DCH).

**T**he publishing sector includes the full range of book and periodical publishing. This strategy, however, deals almost exclusively with the book sector because periodicals are not a significant export item at this time, although the Canadian periodical market is valued at \$1.5 billion annually. Export sales represented only \$100 000 or 4 percent of total revenues in 1991-92, while imports accounted for 45 percent of periodical sales in Canada during the same period.

### Canadian Position

The book publishing industry in Canada, which consists of 360 companies including exclusive agents, generated \$1.7 billion in 1993-94 and close to 7000 full-time jobs. Exports tripled between 1989 and 1994, from \$38.6 million to \$115.6 million and now represent over 7 percent of total 1993-94 revenues, compared to 3 percent in 1989-90. Canadian-controlled companies accounted for 98 percent of these exports.

The sector produces titles across the entire spectrum of categories from trade/text books and children's books to books on art and photography, in both English and French, and has a special expertise in developing didactic materials for teaching English and French as second languages. The quality of Canadian books is recognized internationally and compares advantageously to those produced by Canada's main competitors.

Today, the Canadian publishing industry is a leader among Canadian cultural industries in "export sales," along with the television industry. In the past, publishers' export efforts have focussed primarily on such markets as the U.S. (\$120 million in export sales in 1993-94) and Western Europe (\$26 million). However, other markets for Canadian books are now opening up in Latin America (Argentina alone accounted for export sales of \$3.2 million in 1993-94), in the Caribbean (Barbados, \$3.1 million), Eastern and Central Europe (Poland, \$1.6 million), Asia (Hong Kong, \$1.4 million), as well as in Africa.<sup>10</sup>

While the success of Canadian publishers is due primarily to their own investment in exporting and the knowledge and experience gained in

international markets, it is also due to the support provided by the government of Canada for the industry's export activities. The bulk of this support is channelled through the Association for the Export of Canadian Books (AECB), which organizes and co-ordinates Canada's presence at international book fairs, conducts market research and provides export development support to Canadian publishers. For example, AECB's recent agreement with the Canadian International Development Agency (CIDA) to establish the International Publishing Partnership Program (IPP) to develop business partnerships and joint publishing projects between Canadian publishers and their counterparts in Africa, Asia and South America.

### International Environment

The market for books in most developed countries is mature and has shown little growth in real terms over recent years, although the sizable number of adults in these countries who neither read nor buy books suggests room for growth. On the other hand, the competition from electronic and information media will continue to grow in all of the fields where publishing operates, including entertainment, information and education. In most developing countries, book buyers are in the minority and the potential for market growth is limited by high rates of illiteracy.

Opportunities for companies that publish in languages that are used widely outside their home countries, such as English and French, are far greater than those that publish in other less popular languages. The marketing advantage that this

<sup>10</sup> Source: Statistics Canada, *Export by Commodities*, 1994. These figures refer not only to "exports" (physical goods exported across the Canadian border, which amounted to \$115.6 million in 1993-94) but to exports and "foreign sales" (books normally printed abroad and delivered to a foreign address from a foreign base, usually the location of the printer) combined. They are referred to as "export sales," and accounted for \$344 million in 1993-94.

represents for publishers in the U.K., the U.S., and to a lesser extent in France, is immeasurable. However, the long-standing division of the world between British and American publishers is gradually disappearing. This, coupled with the continuing growth in the use of English around the world, is creating new opportunities for publishers from such English-language countries as Canada, Australia and New Zealand.

Although Spanish is the next most important international language, French as a second language is also important but is still a long way behind English. Canadian Francophone publishers, therefore, have a stake in French-as-a-Second-Language (FSL) markets around the world and in Francophonie markets.

The U.S. and Western Europe are the two largest book markets in the world. Among the most important emerging markets are Asia-Pacific and, to a lesser extent, Latin America, both of which have enormous populations, are experiencing strong economic growth and have high literacy rates. Central and Eastern Europe, including the former Soviet Union (FSU), is another growing market. The region's highly literate and educated population has a great interest in popular paperback fiction from the West, books in English on technical and scientific subjects such as economics, business, management and marketing, and books on English as a Second Language. India, China and Africa also offer great potential in the long term, especially for English-language books.

Attendance at international book fairs is essential for the industry's export business, and is the most cost-effective and profitable means of selling books internationally. New and established companies take advantage of these fairs to introduce themselves to foreign book markets, establish contacts and partnerships, develop co-publishing projects, sell both rights and finished products, and enter into other business arrangements with foreign counterparts.

The Frankfurt International Book Fair is the largest and most important fair for the international book business, attracting some 6000 publishers from around the world each year. For children's book publishers, the Bologna International Children's Book Fair is essential to their export efforts.

Other key international book fairs include: the American Booksellers' Association annual convention (better known as the ABA) for publishers

wishing to export to the United States; the London International Book Fair and the Salons du livre held each year in Paris, Brussels and Geneva for export to Europe; and the Guadalajara International Book Fair for the Mexican and Latin-American markets. As well, other fairs are becoming increasingly important, including: the Sydney International Book Fair for the Australian market; the Warsaw International Book Fair for Central and Eastern Europe; the biannual Beijing International Book Fair for China; and the Dakar International Book Fair and the Salon du livre de Tunis for Africa.

## Main Challenges

The main challenges facing the Canadian publishing industry include:

- consolidating Canadian publishers' presence in traditional export markets, notably the U.S. and Western Europe;
- establishing a presence in such emerging markets as Asia-Pacific, Latin America and Central and Eastern Europe;
- finding ways to effectively exploit new media and communications technologies not only as international distribution and marketing tools, but also as emerging markets for publishers;
- obtaining better market intelligence and analysis on both established and emerging foreign markets;
- ensuring that international agreements regarding intellectual property are respected.

## Strategic Direction

The Government, in co-operation with the industry, will:

- give priority to supporting the AECB's efforts to organize and co-ordinate Canadian publishers' participation in major international book fairs in key regions of the world (DFAIT, DCH);
- encourage and assist Canadian publishers to establish an ongoing presence in target foreign markets by participating in trade missions and undertaking regular business trips abroad, and by bringing foreign buyers to Canada where appropriate (DFAIT, DCH);

- provide improved market intelligence and analysis on key foreign markets to help publishers develop more effective international marketing strategies (DFAIT, DCH);
- take a leadership role in negotiating international agreements on intellectual property and in monitoring developments in or infractions of international copyright conventions (DFAIT, IC, DCH).

**T**he Canadian music industry includes composers, recording artists, sound recording production companies, recording studios, management companies, booking agents, concert promoters, music publishers and rights collection agencies.

## Canadian Position

The music industry in Canada employs approximately 18 000 people, as well as over 30 000 members of the Musician's Union who earn part or all of their income through the creation and performance of music. Recorded music retail sales exceeded \$1 billion in 1993-94, and the industry has been growing at a rate of about 15 percent annually for the past five years.

More than 200 independent Canadian sound recording companies produced about 70 percent of all Canadian content recordings in 1993-94. Many of these companies are small, and often have difficulty obtaining successful distribution of their products. The output of Canadian independents, other than those based in Quebec, is commonly distributed through large multinationals that operate national distribution systems in Canada. Although this system gives the independents good access to the Canadian market, the multinationals benefit much more from the distribution of independent labels than do the independents. This allows the majors to be far more profitable than the Canadian independents, as evident from the fact that they collectively produce and/or distribute some 85 percent of all recordings sold in Canada, and earn some 80 percent of the record industry's total Canadian revenues.

The production and marketing of CDs and cassette tapes is the driving force of the music industry, generating revenues for sound production companies and recording artists. Each release also generates other royalties, including mechanical royalties (payable to the publisher and songwriter for the sale of recordings) and performance royalties (payable to the publisher and songwriter for public performance of their works). In addition, the licensing of sound recordings for synchronization in films, TV shows, videos and multimedia applications also generates revenues and royalties. Finally, new releases are often supported by live concert tours and the sale of souvenir merchandise, both of which may generate substantial revenues, as well as promoting sales of the recorded product.

The Quebec industry is more integrated, both vertically and horizontally, than the English-Canadian industry, and Quebec firms control a substantial part of distribution and retailing. The industry in Quebec benefits from a 65-percent French-language radio play quota, is better financed by the federal and provincial governments, and receives additional support from the Quebec government. It also has some inherent protection from most foreign competition due to language differences. On the other hand, opportunities for most Quebec artists outside their native province are restricted by the small size of the international Francophone market.

Canada's aboriginal community has become a force in the Canadian music industry with more than 200 albums of aboriginal music, and more artists attracting better distribution and promotion.

Canadian-content and French-language requirements for Canadian radio, first introduced by the Canadian Radio-television and Telecommunications Commission (CRTC) in the 1970s, have been effective in increasing exposure of Canadian artists. Their success at home has, in turn, enhanced their sales abroad. In addition to these regulatory requirements, the industry receives a small amount of financial assistance under the Sound Recording Development Program (SRDP). Administered through the Department of Canadian Heritage, the program has been successful in helping to increase the quality of Canadian recordings and their marketing both at home and abroad.

Because of the relatively small size of the Canadian market, it is increasingly important that Canadian companies expand into international markets, and that the Canadian industry continues to make important gains in this direction. Canada's exports of recorded music more than quadrupled between 1988 and 1992, from \$64.4 million to \$266 million. In 1993, the Society of Composers, Authors and Music Publishers Association of Canada (SOCAN) reported that, for the first time, Canadian songwriters earned more money abroad than they did in Canada.

As for all cultural industries, the industry's participation in key international trade fairs such as MIDEM and, more recently, MIDEM-Asia, is crucial to making business contacts, selling rights and establishing international partnerships. Canadian artists' participation in key international festivals, such as the Edinburgh International Festival in the U.K. and the FrancoFolies de La Rochelle Festival in France, is also important to their international success.

## International Environment

The world market for recorded music in 1994 was estimated at some US\$35 billion, with the three biggest markets, the United States, Europe and Japan, accounting for 86 percent of total spending. Canada was the sixth-largest market in the world with only a 2.7-percent share of the global market. As a world supplier, Canada is the second-largest producer of French-language recordings after France, and the third-largest producer of English-language recordings behind the United States and the United Kingdom. Competitively, the international environment is dominated by six multinational companies (EMI, MCA, BMG, Sony, Warner, PolyGram), which also dominate the Canadian market.

The U.S. and Europe remain the key foreign markets for the Canadian music industry. Since the industry is based on effective management and exploitation of intellectual property rights in sound recordings, markets with well-established copyright regimes provide greater protection against piracy and the attendant loss of sales and profits. However, due to improving copyright protection and the growing popularity of Western music in Asia-Pacific and India, Asian markets are beginning to represent significant new export opportunities for the Canadian recording industry. For example, China, South Korea, India and Taiwan, among others, are expected to experience fivefold increases in music sales during the next six years.

The usual route to establishing a presence in foreign markets is by entering into licensing arrangements with local distributors. These distributors are given exclusive license to reproduce master recordings and distribute copies in their geographic territory in exchange for a specified percentage of revenues. Although a Canadian company may bear a significant portion of the costs for marketing, promotion and touring in support

of the recording, it benefits from the partner company's own funding and its distribution, marketing and promotion expertise in its home market.

Participation at key international trade fairs, where contacts with foreign distributors and music publishers are made and rights are bought and sold, is essential, although costs are significant. Indeed, these costs, and those associated with foreign marketing, promotion and touring, constitute a major barrier to success in foreign markets for Canadian music companies.

## Main Challenges

The main challenges facing the Canadian music industry include:

- promoting copyright reform, both in Canada and abroad;
- ensuring that Canadian content levels are maintained on radio and in music videos on specialty services such as Much Music, and extended to the information highway so Canadian audiences have the opportunity to "choose Canadian";
- accurately assessing the potential of various foreign markets for Canadian recordings and developing effective marketing strategies for the most important markets;
- monitoring developments in electronic marketing, such as the Internet, and making use of all available delivery systems;
- encouraging successful Canadian artists to stay with Canadian labels and music publishers instead of signing with multinationals, given that income flows to where the rights are controlled;
- expanding the market for Canadian music by licensing more Canadian music video specialty channels;
- ensuring that domestic policies in areas ranging from taxation to broadcast regulation encourage foreign exports and international business;
- improving the financial base of Canadian independent music companies.

## Strategic Direction

The Government, in co-operation with the industry, will:

- work toward increasing Canadian participation in major international trade fairs and music festivals and on government-supported trade missions where international licensing opportunities arise (DFAIT, DCH, IC);
- developing and implementing a program to educate and sensitize all relevant government departments, and DFAIT's Trade Commissioner Service in particular, on intellectual property issues and on the importance of adequate copyright protection both in Canada and abroad (DFAIT/missions, DCH, IC);
- improving market intelligence in order to identify priority foreign markets, and developing more effective marketing strategies for target markets (DFAIT/missions, DCH, IC).



**T**his sector includes independent film, video and television production as well as conventional, pay and specialty broadcasting or programming services. Foreign distribution and programming services, as well as investment in these services are also included in this sector. Film and video production consists of theatrical and non-theatrical films, sponsored production, advertising, and programs destined for television. Programming services include television broadcasting delivered by conventional cable and satellite delivery systems.

### **Canadian Position**

The direct economic impact of the Canadian independent film, video and television production industry was about \$837 million in 1991-92; indirect impact was about \$1.8 billion. The industry has long been characterized by a large number of relatively small companies (743 in 1993-94), although seven are now large enough to be publicly listed on the stock exchange.<sup>11</sup> Together, these companies generated about \$734 million in revenues in 1993-94, an increase of 47 percent over 1989-90, with export revenues totalling \$149 million. Approximately 30 000 jobs were generated directly by this sector in 1991-92, and when indirect employment is included, the total rises to over 50 000 jobs. However, to obtain a true estimate of the sector's economic importance, the revenues and jobs generated by in-house production of news, current affairs, sports and other programming by Canadian broadcasters and specialty programming services would also have to be included.

Non-theatrical production, which includes production for the advertising, government, educational and industrial markets, accounted for \$288 million or 39 percent of total revenue in 1993-94; production for the television market accounted for \$260 million or 35 percent; and theatrical films accounted for \$3.7 million or less than 1 percent. Although non-theatrical production still accounts for the greatest share of the sector's revenues, it has been declining since the late 1980s relative to television production. Feature film production has also been declining relative to television during the past 10 years; whereas in 1986, 42 percent of investment in

certified Canadian productions went to theatrical feature films, by 1993 this had fallen to 22 percent.

Both the domestic and global market for feature films is dominated by multinational conglomerates. This is due to their long-standing strength in international distribution and their ability to treat Canada as part of their own domestic market for distribution and marketing purposes. Canadian feature films are typically made on modest budgets of \$1.5 million to \$3 million, and normally do not enjoy sufficient marketing budgets to sustain their presence in theatres domestically, let alone internationally. While many Canadian feature films have received critical acclaim, and some have been made on larger budgets, significant commercial success at home and abroad, especially of English-Canadian films, is rare. Quebec films, however, are generally more successful in their home market, and often in foreign Francophone markets as well.

Television production is not only the fastest-growing component of independent production in terms of revenues, which saw close to a sevenfold increase between 1989 and 1994, but also in terms of exports, which increased by 80 percent in the same period, accounting for \$121 million or 81 percent of the sector's total exports in 1993-94. The growth in television production export revenues is due to the emergence, in the 1980s and 1990s, of a multiplicity of new cable and pay cable services in the U.S., and of commercial television in Western Europe. This resulted in new demand for programming whose production costs could be amortized over several different territories, thereby reducing the cost to individual broadcasters. These new broadcasters

<sup>11</sup> Allance Communications Corporation, Atlantis Films Limited, Cinar Productions Inc., Malofilm Production Inc., Paragon Entertainment Corporation, Nelvana Limited and Coscient Inc.

acquired exclusive rights to foreign programming in their home markets in exchange for critical pre-sale commitments to complete the financing of these programs. Canadian independent television producers were well-positioned to take advantage of these developments due to their ability to produce programs that could compete in the U.S. market, their expertise in putting together financing from various sources, and their experience in working with foreign partners within the framework of Canada's international co-production agreements.

The argument could be made that foreign revenue guarantees, be they pre-sales to broadcasters or advances from distributors, should be added to the foreign revenues tracked by Statistics Canada, as should all foreign equity investment, to give a more accurate picture of the industry's involvement in foreign markets. In 1992, revenue guarantees that were certified by the Canadian Audio-Visual Certification Office (CAVCO), alone, amounted to \$154 million, which was presumably in addition to the \$132 million in export revenues reported by Statistics Canada.

Canada's international co-production agreements with some 30 countries are particularly important in opening doors for Canadian producers to foreign markets outside North America, notably in France and in other European countries. In 1994 alone, these agreements generated co-production activity valued at \$291 million, 57 percent or \$165 million of which was with France. From 1990 to 1994, total co-production activity was valued at more than \$1.1 billion, 66 percent or \$747 million with France. Other key partner countries during this period were the U.K. (\$209 million), New Zealand (\$46 million), Germany (\$39.6 million), Mexico (\$37 million), Israel (\$27 million), Australia (\$21 million) and the Netherlands (\$14 million).

Participation in key international markets and festivals such as MIP-COM, MIP-TV, the Cannes International Film Festival, the Berlin International Film Festival, and the National Association of Television Production Executives (NATPE), remains an essential way of making sales, finding co-production and co-financing partners and promoting Canadian products. Participation in the four main international festivals held in Canada — the Montreal, Toronto and Vancouver international film festivals and the Banff International Television Festival — will

be essential in 1996-97. Other cable/satellite/conventional television markets will also be important in developing export opportunities.

An important Canadian export is the filming of foreign, particularly U.S., productions in Canada, mainly in Ontario and British Columbia (\$304 million in B.C. alone in 1994). Although recognition of the value of Canadian infrastructure and the quality of Canadian services is growing, foreign production fluctuates depending on the value of the Canadian dollar.

The direct economic impact of the Canadian broadcasting industry was \$2.8 billion in 1991-92, while direct and indirect impact combined was some \$4.3 billion. The industry generated over 38 000 direct jobs and over 32 000 indirect jobs. Private broadcasters and pay and specialty programming services also generated some \$1.96 billion in revenues in 1994, and showed a combined pre-tax profit of \$161.3 million.

Canadian broadcasting companies and programming service providers are beginning to participate in the integration of production and programming, and to invest abroad. In the context of globalization, the Canadian broadcasting and cable television industry must broaden its revenue base to remain competitive. The increasing consolidation of the Canadian market and the rise in programming costs have spurred broadcasters to find new business opportunities, notably in foreign markets. For example, Canwest/Global has acquired commercial television properties in Australia, New Zealand and Chile; Much Music has entered the U.S. and is going into other markets; and CBC/Power's Trio and Newsworld services are being distributed in North America on Hughes DirecTV DBS service. In fact, there are up to a dozen Canadian television programming service holdings that could become quite active in the international market over the next few years.

## International Environment

The international market for theatrical feature films, including the huge U.S. market, is dominated by Hollywood-based multinationals, leaving little room for Canadian films or those from other countries to compete, even in their home markets. The international television market is quite different. The U.S. market itself opened up for Canadian producers in the 1980s, and it has become the most important export market for

English-language Canadian television production. The deregulation and privatization of European television in the 1980s turned Europe, especially France, into a crucial market for Canadian television production, creating further export and co-production opportunities. As a result, Canadian television earned 46 percent (\$121 million) of its total 1993-94 revenue of \$260 million in foreign markets, according to Statistics Canada export figures, and probably significantly more if pre-sales to and investment by foreign broadcasters are included.

The international market in programming services is dominated by a few powerhouses, which are actually highly vertically integrated entertainment conglomerates. Rupert Murdoch's NewsCorp, Time Warner/Turner, TCI/Liberty, Viacom/Blockbuster/Paramount, and a dozen others of somewhat lesser stature are involved in this competition. Fortunately, there is also room for strong niche players, bolstered by joint ventures with other companies and countries that want to reduce U.S. influence. One example is the Australian Broadcasting Corporation's news programming joint venture with China.

The increasing availability of satellite television is causing many countries to open up their own markets to new programming services, primarily for satellite and cable delivery. The explosion of cable services in Korea and Taiwan is typical of this, leading to new markets for a variety of types of programming. U.S. and other established programming services (like Discovery, Nickelodeon, MTV, and CNN) are aggressively penetrating foreign markets by "branding" their offerings, which builds a distribution base for their program suppliers.

## Main Challenges

The main challenges facing this sector include:

- fostering the sector's export and international business development efforts through domestic regulatory and financial assistance;
- producing, despite declining government financial support, high-quality feature films and television programs that are distinctively Canadian and have universal appeal;
- attracting greater private-sector and foreign investment through co-production and co-financing partnerships with other producers, broadcasters and distributors, both in Canada and internationally;
- ensuring that government policies take into account the fact that Canadian companies must compete against integrated production/broadcasting/distribution companies in foreign markets;
- improving access for Canadian theatrical feature films to their own domestic market, and ensuring that Canadian television programs continue to have a reasonable share of that market through the CRTC's content regulations and the CBC's commitment to Canadian programming;
- diversifying into new markets, both geographic and those created by new technologies and new market segments, to ensure a healthy share of these growing markets;
- ensuring that Government domestic programs, policy and legislation contribute to the industry's export development goals;
- taking advantage of institutional infrastructure in labour relations, training and policy development to encourage the adoption of Canadian models, thereby strengthening Canadian commercial ties with foreign markets.

## Strategic Direction

The Government, in co-operation with the industry, will:

- facilitate international partnerships, especially through participation in key international film and television festivals, and through international co-production agreements, and promote Canadian participation in a broader range of international trade shows such as that of the National Cable Television Association (NCTA) and other foreign cable/satellite conventions (DFAIT/missions, DCH);
- help Canadian programming services to establish a presence in foreign markets to ensure broad distribution of Canadian programming (DCH);
- endeavour to raise awareness of this sector among Canada's trade representatives abroad, to promote Canadian products and services in target markets and to gather information on how foreign industries are being structured for use by Canadian companies (DFAIT/missions, DCH);
- improve the gathering and analysis of statistical data to measure the true dimensions of the sector and its contribution to the Canadian economy (DCH, Statistics Canada).

*The rapidly approaching integration of hardware and the blurring of distinctions among different types of media is having a profound effect on the cultural industries. The computer, satellite, television, radio, stereo system, telephone, wireless communication, VCR and cable link are being integrated to create a system for the home and office that will provide a complete range of entertainment, business, medical, education and information services. At the same time, on the content side, the melding of text with music, live action video, animation and information has created a new multimedia industry.*

*The emerging technology requires and facilitates new forms of expression. What distinguishes the new media is the fact that the content, whether delivered on a CD-ROM, CD-I, floppy disk or over a high-speed, broadband network, must be processed by a computer before it can be put to use. Multimedia, which typically combines text, pictures, sound, music, graphics, data, animation and full motion video, encourages or requires the user to interact with the material in a manner not permitted by the "old media." The consumer has a range of options as how to use the material, instead of proceeding (either forward or in reverse) along a predetermined path.*

*The developing information highway, an interactive network of networks that will link Canadian homes, businesses, governments and institutions to a wide range of interactive services from entertainment, education, cultural products and social services to data banks, computers, electronic commerce, banking and business services, can also be considered part of the new media industry.*

## **Canadian Position**

The sales of CD-ROM software in Canada were estimated at \$370 million in 1994, the bulk of which were sales of video games and software bundled with sales of CD-ROM drives. Currently, approximately 2.6 million Canadian households are equipped with personal computers (many more are in offices), and current computer sales surpass sales of television sets. Perhaps 5 percent to 15 percent of these computers have CD-ROM capability, but growth is expected to be rapid over the next two to four years as personal computer manufacturers make multimedia and CD-ROM capability standard equipment.

To date, the corporate sector has accounted for much of the consumption of multimedia products, but the future lies in the home entertainment and education markets. Access to these markets

is critical for success, but the software distribution channels currently being used by many multimedia producers may not be as appropriate as established retail distribution channels like bookstores, video clubs and even department stores, where consumers are more accustomed to buying or renting entertainment and education products. Blockbuster Video in the U.S. and companies such as Astral and Rogers in Canada are recognizing this, and are now providing access to these consumer markets. However, trials and pilot projects with cable television, telecommunications providers and the Internet are the only access consumers will have to multimedia services via electronic networks until the arrival of the full-fledged information highway.

Many of the multimedia producers and publishers leading the way in this sector internationally are Canadian, including DISCIS Communications

Inc., Corel Inc., Sanctuary Woods, Motion Works, Gray Matter, ON/Q and others. Traditional producers of books, records and particularly film and television programs are also beginning to move aggressively into this area, and major Canadian independent producers such as Alliance and Atlantis are either developing products or partnering with multimedia producers.

Canada is well-positioned to take advantage of the opportunities afforded by these technological developments. Canada's strength in the computing, broadcasting and telecommunications sectors, combined with a strong creative base in existing cultural industries and the country's cultural diversity, can be leveraged to make Canada a world leader in the development of programs and services for the exploding marketplace.

## International Environment

The global market for new media products is only beginning to emerge. It is estimated that the total worldwide installed base of CD-ROM drives in 1994 was 23 million. Estimates are that 30 to 40 million people worldwide are linked via the Internet. In total, there are approximately 2000 CD-ROM titles in publication worldwide. *The Wall Street Journal* has estimated that 1994 sales of CD-ROM software in the U.S. were \$3.7 billion; the market for video games may be an additional \$5 billion.

This market will grow exponentially over the next few years. John Scully, Chairman of Apple Computers, estimated that revenues generated by the converged industries could reach \$3.5 trillion by the year 2001. Ben Mair, past president of the Interactive Multimedia Arts and Technology Association in Toronto, estimates that "the potential for the multimedia products and services will be hundreds of billions of dollars."

## Main Challenges

The main challenges facing the new multimedia industry include:

- recognizing that the long-term opportunities created by the advent of the information highway lie principally in the development of content and its use;

- assisting the Canadian new media industry to gain access to distribution channels, particularly to the retail and electronic distribution channels needed to succeed in consumer markets;
- assisting the development of Canadian web sites that will provide ease of access to Canadian information and entertainment products;
- ensuring that menu and navigational systems, and the packaging of products on the Internet and the information highway prominently display Canadian content, particularly Canadian cultural products;
- ensuring that a sufficient supply of high-quality and distinctively Canadian multimedia material is produced for the consumer retail market in the short term, and for the information highway in the longer term;
- supporting the production of French-language multimedia content;
- nurturing new media creators that are able to develop compelling new concepts and original projects;
- assisting new media companies in accessing financing from independent Canadian and foreign sources to ensure that they retain control over rights to the material they develop;
- ensuring that multimedia projects are eligible under Canada's international co-production treaties and/or that separate new treaties are signed to facilitate multimedia co-production and co-operation;
- developing measures to ensure that rights holders enjoy the legal means to control the use of their property on the global information highway;
- collecting more comprehensive and more accurate statistical data on the sector.

## Strategic Direction

The Government, in co-operation with the industry, will:

- work to develop and implement a series of international pilot projects agreed to by G-7 governments at the G-7 Ministerial Conference on the Information Society held in Brussels in February 1995 (DFAIT, IC, DCH);

- attempt to increase the participation of Canadian multimedia producers in key international trade shows such as Digital World, Inter Media, the Consumer Electronics Show and others in the U.S. and Europe (DFAIT, IC, DCH);
- strive to negotiate a multimedia co-production agreement with France to facilitate the financing and international distribution of high-quality French-language content (DFAIT, DCH).

## Contacts

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# ARTS AND CULTURAL INDUSTRIES

Activity	Date	Location	Dept.	Contact
<b>Africa and the Middle East</b>				
Zimbabwe International Book Fair: National Stand	26-Jul-96	Harare	Heritage	613-562-2324
<b>Canada</b>				
Foreign Press Association: Mission	08-Jan-97	Montreal	DFAIT	613-944-6577
<b>Central/Eastern Europe and the Commonwealth of Independent States</b>				
Warsaw International Book Fair: National Stand	17-May-96	Warsaw	Heritage	613-562-2324
<b>East Asia</b>				
MIDEM-Asia: National Stand	14-May-96	Hong Kong	Heritage	416-593-1665
Beijing International Book Fair: National Stand	30-Aug-96	Beijing	Heritage	613-562-2324
<b>Japan</b>				
Japanese Producers' Mission to Canada	27-Jul-96	Montreal	Heritage	514-283-6363
Canada Trade and Tourism Promotion in Kansai	01-Nov-96	Kansai	DFAIT	613-996-2460
<b>Latin America and the Caribbean</b>				
Canada-Mexico Cultural Symposium	01-May-96	Toronto	Heritage	819-997-0011
Buyers' and Producers' Mission from Mexico to Banff TV Festival	01-Jun-96	Banff	DFAIT	613-995-8804
Guadalajara International Book Fair: National Stand	30-Nov-96	Guadalajara	DFAIT	613-995-8804
<b>Multiple Markets</b>				
Bologna International Children's Book Fair: National Stand	11-Apr-96	Bologna	Heritage	613-562-2324
MIP-TV: National Stand	19-Apr-96	Cannes	Heritage	514-283-6363
Cannes International Film Festival: National Stand	09-May-96	Cannes	Heritage	514-283-6363
Frankfurt International Book Fair: National Stand	02-Oct-96	Frankfurt	Heritage	613-562-2324
MIP-COM France: National Stand	07-Oct-96	Cannes	Heritage	514-283-6363
NATPE U.S.A.: National Stand	18-Jan-97	Las Vegas	Heritage	514-283-6363
MIDEM France: National Stand	25-Jan-97	Cannes	Heritage	416-593-1665
Berlin International Film Festival: National Stand	15-Feb-97	Berlin	Heritage	514-283-6363
Canadian Music Week: Exhibition	04-Mar-97	Toronto	Heritage	416-695-9236
<b>United States</b>				
Aboriginal Craft NEBS Mission	26-Apr-96	Denver	DFAIT	613-944-6577
Aboriginal Craft Seminar	01-May-96	Vancouver	DFAIT	613-944-6577
American Booksellers Association: National Stand	15-Jun-96	Chicago	DFAIT	613-562-2324
Canadian Exhibition of Inuit Art	01-Jul-96	Atlanta	DFAIT	613-944-6577

Note: Dates and locations are subject to change.

Activity	Date	Location	Dept.	Contact
Cultural Industries Regional Market Study	01-Jul-96	Minneapolis	DFAIT	613-944-6577
Performing Arts Mission from the U.S. Southwest	01-Jul-96	Vancouver/ Toronto/Montreal	DFAIT	613-944-6577
First Nations Craft Mission	30-Jul-96	Chicago	DFAIT	613-944-6577
Cultural Industries NEBS Mission	01-Aug-96	New England	DFAIT	613-944-6577
Performing Arts NEBS Mission	01-Aug-96	Boston	DFAIT	613-944-6577
Contact East: Performing Arts Buyers' Mission	01-Sep-96	Canada	DFAIT	613-944-6577
Northeast Booksellers' Association Convention: National Stand	28-Sep-96	Boston	Heritage	613-562-2324
TV Commercials, Industrial Films Mission	01-Oct-96	Chicago	DFAIT	613-944-6577
French Language Book Market Mission	01-Nov-96	Montreal	DFAIT	613-944-6577
Modern Languages Association Convention: National Stand	27-Dec-96	Chicago	Heritage	613-562-2324
WAAA Presenters/Performing Arts: Mission	06-Jan-97	Ontario/ Quebec	DFAIT	613-944-6577
Export Development Seminars for Sound Recording	10-Jan-97	Halifax/ Vancouver	DFAIT	613-944-6577
Promotion of Canadian Visual Arts: Solo Show	10-Jan-97	New York City	DFAIT	613-944-6577
<b>Western Europe and the European Union</b>				
Pop Komm Germany: National Stand	01-Aug-96	Cologne	Heritage	416-593-1665
Frankfurt Giftware Exhibition: NEXOS Mission	24-Aug-96	Frankfurt	DFAIT	416-973-6988
Frankfurt Giftware Exhibition: National Stand	24-Aug.-96	Frankfurt	Heritage	416-973-6988
Canada-European Union Co-production Partnering Forum	15-Nov-96	Glasgow	Heritage	416-927-8942
London International Book Fair: National Stand	17-Mar-97	London	Heritage	613-562-2324

*For up-to-date and detailed information on the activities in this document and those contained in other sectors, you may consult the CIBS Compendium. This on-line compilation of activities planned by the federal and provincial governments is continuously revised and is accessible via the Department of Foreign Affairs and International Trade World Wide Web site, at the following address: <http://www.dfait-maect.gc.ca>*



# Acronyms and Initialisms used in Canada's International Business Strategy

(This list does not include sector-specific references.)

		<b>DATE DUE</b> DATE DE RETOUR		
AAFC	Agriculture and Agri-Food Canada			International Business Opportunities Centre
ACOA	Atlantic Canada Opportunities Agency			Industry Canada
APEC	Asia-Pacific Economic Cooperation forum			International Development Research Centre
ASEAN	Association of South East Asian Nations			International financial institution
BBS	Business Bulletin Board System			International Standards Organization
BOOT	Build, Own, Operate and Transfer			International Trade Advisory Committee
BOSS	Business Opportunities System			International Trade Centre
CCC	Canadian Council of Ministers of the Environment			Ministry of Agriculture, Fisheries and Food of Quebec
CIBS	Canada's International Business Strategy			multilateral development bank
CIDA	Canadian International Development Agency			multinational enterprise
CIS	Commonwealth of Independent States			North American Free Trade Agreement
CSA	Canadian Standards Association			North Atlantic Treaty Organization
DFAIT	Department of Foreign Affairs and International Trade			National Research Council
DFO	Department of Fisheries and Aquaculture			Natural Resources Canada
DND	Department of National Defence			Natural Resources Canada — Canadian Forest Service
EC	Environment Canada			National Sector Team
EDC	Export Development Canada			Organization for Economic Co-operation and Development
EU	European Union			Program for Export Marketing Development
FITT	Forum for International Trade Technology			
FORDQ	Federal Office of Regional Development — Quebec			
FSU	former Soviet Union		R&D	research and development
FTA	Canada-U.S. Free Trade Agreement		S&T	science and technology
GATT	General Agreement on Tariffs and Trade		SAGIT	Sectoral Advisory Group on International Trade
GDP	gross domestic product		SME	small and medium-sized enterprise
GNP	gross national product		UNEP	United Nations Environmental Program
HRDC	Human Resources Development Canada		WED	Western Economic Diversification
			WTO	World Trade Organization

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## Acronyms and Business Strategies

(This list does not include...)

## International

AAFC	Agriculture and Agri-Food Canada	IBOC	International Business Opportunities Centre
ACOA	Atlantic Canada Opportunities Agency	IC	Industry Canada
APEC	Asia-Pacific Economic Co-operation forum	IDRC	International Development Research Centre
ASEAN	Association of Southeast Asian Nations	IFI	international financial institution
BBS	electronic bulletin board system	ISO	International Standards Organization
BOOT	build, own/operate, transfer	ITAC	International Trade Advisory Committee
BOSS	Business Opportunities Sourcing System	ITC	International Trade Centre
CCC	Canadian Commercial Corporation	MAPAQ	Ministry of Agriculture, Fisheries and Food of Quebec
CIBS	Canada's International Business Strategy	MDB	multilateral development bank
CIDA	Canadian International Development Agency	MNE	multinational enterprise
CIS	Commonwealth of Independent States	NAFTA	North American Free Trade Agreement
CSA	Canadian Standards Association	NATO	North Atlantic Treaty Organization
DFAIT	Department of Foreign Affairs and International Trade	NRC	National Research Council
DFO	Department of Fisheries and Oceans	NRCan	Natural Resources Canada
DND	Department of National Defence	NRCan-CFS	Natural Resources Canada — Canadian Forest Service
EC	Environment Canada	NST	National Sector Team
EDC	Export Development Corporation	OECD	Organization for Economic Co-operation and Development
EU	European Union	PEMD	Program for Export Marketing Development
FITT	Forum for International Trade Training	R&D	research and development
FORDQ	Federal Office of Regional Development — Quebec	S&T	science and technology
FSU	former Soviet Union	SAGIT	Sectoral Advisory Group on International Trade
FTA	Canada-U.S. Free Trade Agreement	SME	small and medium-sized enterprise
GATT	General Agreement on Tariffs and Trade	UNEP	United Nations Environmental Program
GDP	gross domestic product	WED	Western Economic Diversification
GNP	gross national product	WTO	World Trade Organization
HRDC	Human Resources Development Canada		



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