

PROFILE | 2019

ECONOMIC REPORT ON THE SCREEN-BASED
MEDIA PRODUCTION INDUSTRY IN CANADA

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MEDIA PRODUCTION INDUSTRY IN CANADA

Prepared for the Canadian Media Producers Association, Department of Canadian Heritage,
Telefilm Canada and Association québécoise de la production médiatique

Production facts and figures prepared by Nordicity Group Ltd.

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The report provides an analysis of economic activity in Canada's screen-based production sector during the period April 1, 2018 to March 31, 2019. It also provides comprehensive reviews of the historical trends in production activity between fiscal years 2009/10 to 2018/19.



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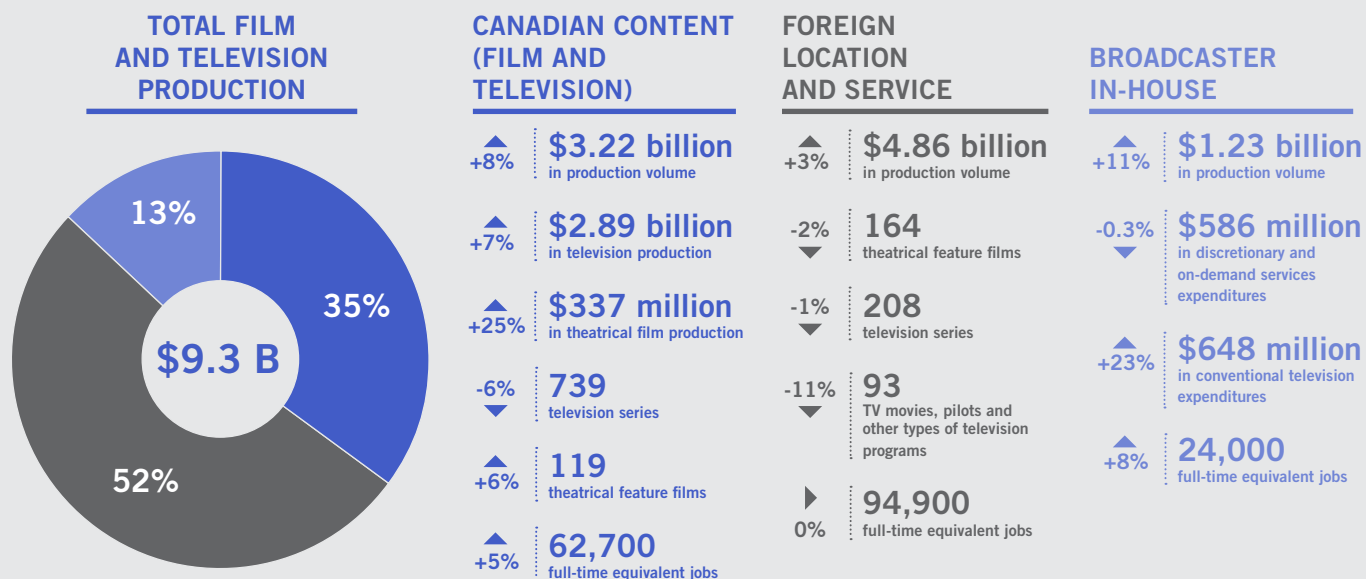
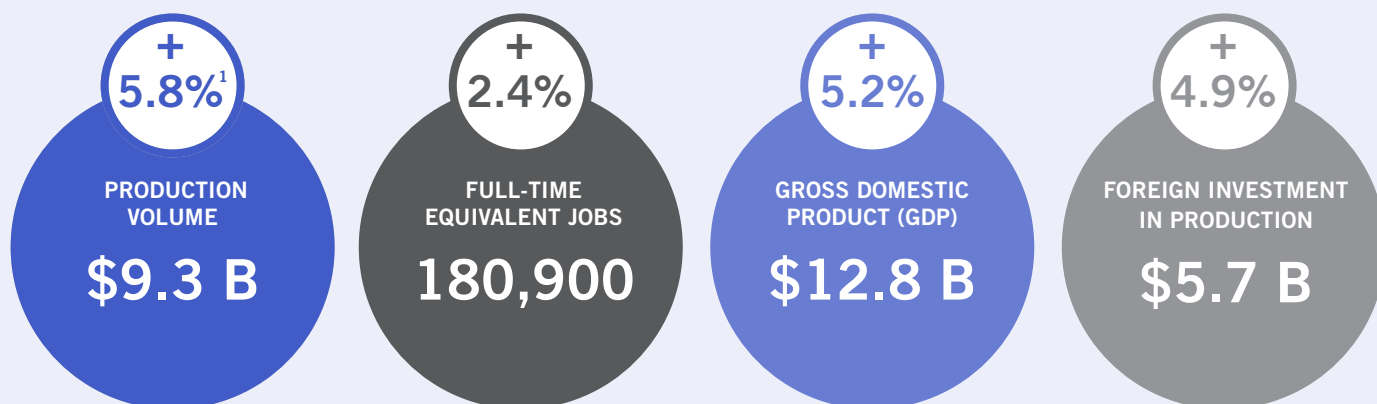
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AT A GLANCE

Total Film and Television Production in Canada



Sources: **Canadian content:** Estimates based on data collected from the Canadian Audio-Visual Certification Office (CAVCO) and CRTC. **Foreign location and service:** Association of Provincial Funding Agencies (APFA). **Broadcaster in-house:** Estimates based on data from CRTC and CBC/Radio-Canada.

1. Throughout this report, "volume" or "total volume" refers to the sum of production budgets.

2. Prior to 2017/18, mini-series were included as part of the TV-Other category. Beginning in 2017/18, the statistics for mini-series have been collected in the TV series category. For this reason, the year-over-year growth in TV series production in 2017/18 is slightly overstated. However, the vast majority of production in the TV series category is still likely comprised of TV series rather than TV mini-series.

1. Overview of the screen sector in Canada

The film and television production sector in Canada consists of four key segments:

1. The *Canadian television production* segment includes television programs made largely by independent production companies, but also includes television programs made by production companies affiliated with Canadian broadcasters. All of these television programs are certified as Canadian content by the Canadian Audio-visual Certification Office (CAVCO) of the Department of Canadian Heritage, or the Canadian Radio-television and Telecommunications Commission (CRTC).
2. The *Canadian theatrical feature film production* segment includes feature-length films made by independent production companies that were certified as Canadian content by CAVCO.
3. The *foreign location and service (FLS) production* segment largely consists of feature films and television programs filmed in Canada by foreign producers or by Canadian service producers. For the majority of FLS projects, the copyright is held by non-Canadian producers; however, for approximately 5% to 10% of projects, the copyright is held by Canadians.
4. The *broadcaster in-house production* segment includes television programs made by Canadian television broadcasters in their own facilities as opposed to being made by an external production company that is either independent or affiliated with the broadcaster. Broadcaster in-house production primarily comprises news, sports and current affairs programs.

Highlights from 2018/19



- The total volume of film and television production in Canada increased by 5.8% to \$9.32 billion in 2018/19.
- FLS production increased by 3.2% to \$4.86 billion.
- Canadian television production increased by 6.5% to \$2.89 billion.
- Canadian theatrical feature film production increased by 24.8% to \$337 million.
- Broadcaster in-house production increased by 10.7% to \$1.23 billion.
- The value of foreign investment in production (FIIP) in Canada increased by 4.9% to \$5.69 billion in 2018/19.
- The total employment impact (including direct and spin-off impacts) of film and television production in Canada increased by 2.4% to 180,900 full-time equivalent jobs (FTEs) in 2018/19.
- The total GDP impact of film and television production in Canada increased by 5.2% – from \$12.14 billion to \$12.78 billion in 2018/19.



- The entire screen sector value chain (including film and television production, distribution, exhibition, television broadcasting and broadcasting distribution) generates an estimated 270,900 FTEs of employment, \$16.16 billion in labour income and \$23.66 billion in GDP, including direct and spin-off impacts.

The total volume of film and television production in Canada increased by 5.8% to \$9.32 billion, with every segment contributing to this growth (Exhibit 1-1). The largest contribution came from the Canadian television segment, which grew by \$176 million, or 6.5%, to reach \$2.89 billion. This segment's growth was largely due to higher average spending on the production of fiction television series – as opposed to a higher number of television series being produced. Higher spending on budgets (on an hourly basis) across all genres and language markets – except English-language and French-language VAPA – also made a significant contribution to the increase.

The FLS production segment continued to grow in 2018/19, as well. It grew by \$151 million, or 3.2%, and hit a new all-time high of \$4.86 billion (Exhibit 1-1). Outside of British Columbia, the gains in FLS production were broad-based, with every province or territory that hosted FLS production in 2017/18 experiencing an increase in 2018/19 (Exhibit 6-4). In 2017/18, Canada's FLS segment experienced an unprecedented \$1 billion increase in television series production (Exhibit 6-1). In 2018/19, the volume of television series levelled off – declining by 1.8% – but feature film production rebounded strongly, growing by \$245 million or 15.7%.

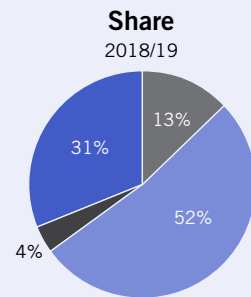
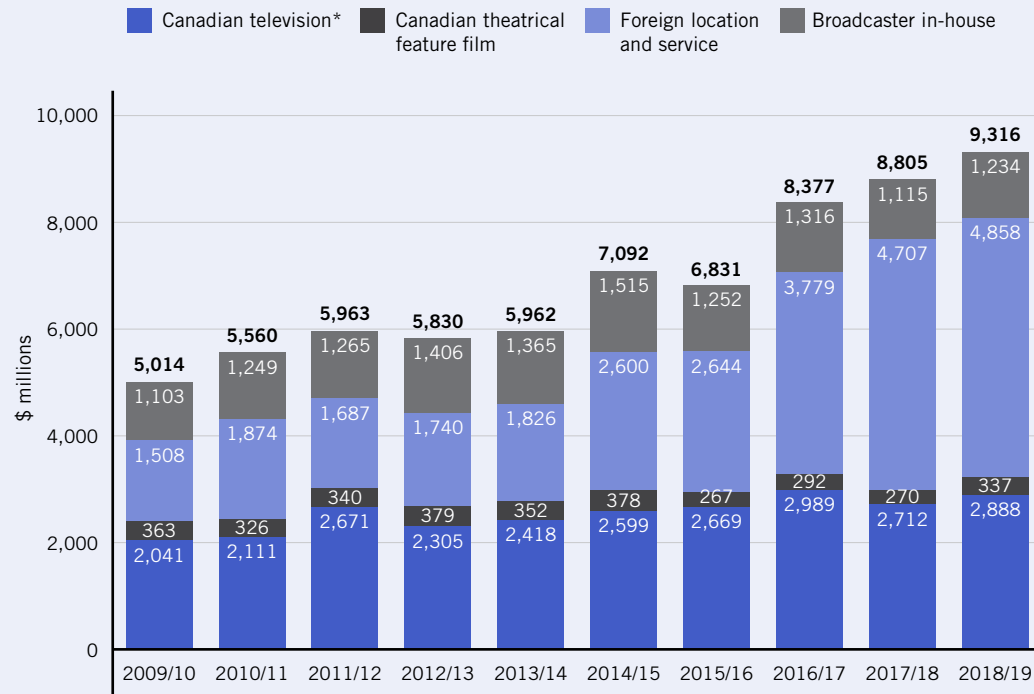
In 2018/19, the Canadian theatrical feature film segment had its best year of growth in the past decade. Its volume increased by \$67 million, or 24.8%, on account of higher average budgets in the French-language market and the higher output of the number of films in the English-language market (Exhibit 4-1 and Exhibit 4-2).

In the broadcaster in-house segment, production increased by \$119 million, or 10.7%. Approximately two-thirds of the increase was due to higher spending on sports programming by CBC/Radio-Canada on account of its broadcasting of the PyeongChang 2018 Olympic Winter Games and the FIFA World Cup (Russia). The other one-third of the increase was in the production of news programming, which was bolstered by the launch of the Independent Local News Fund (ILNF) by the CRTC in September 2017.

While the growth in Canada's film and television production sector was very much diversified across all its segments in 2018/19, the longer-term trend has been less balanced. When viewed over the past five or ten years, it is clear that the FLS segment has been the key driver of sector growth (Exhibit 1-3). Between 2013/14 and 2018/19, FLS production accounted for 88% of growth (\$3.03 billion of \$3.46 billion). Between 2009/10 and 2018/19, FLS production accounted for 76% of growth (\$3.35 billion of \$4.40 billion).

FILM AND TELEVISION PRODUCTION IN CANADA

Exhibit 1-1 Total volume of film and television production in Canada



Annual average growth rate

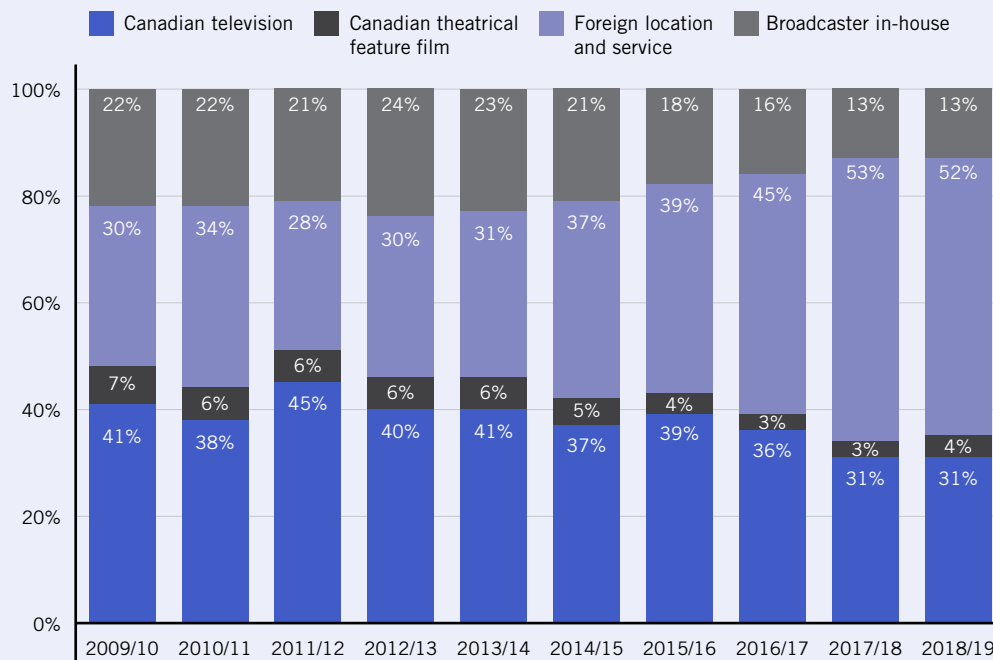
Sector	2018/19	2009/10–2018/19
Canadian television*	6.5%	3.9%
Canadian theatrical feature film	24.8%	(0.8%)
Foreign location and service	3.2%	13.9%
Broadcaster in-house	10.7%	1.3%
Average: all sectors	5.8%	7.1%

Sources: Estimates based on data collected from the Canadian Audio-Visual Certification Office (CAVCO), the Canadian Radio-television and Telecommunications Commission (CRTC), CBC/Radio-Canada and the Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding.

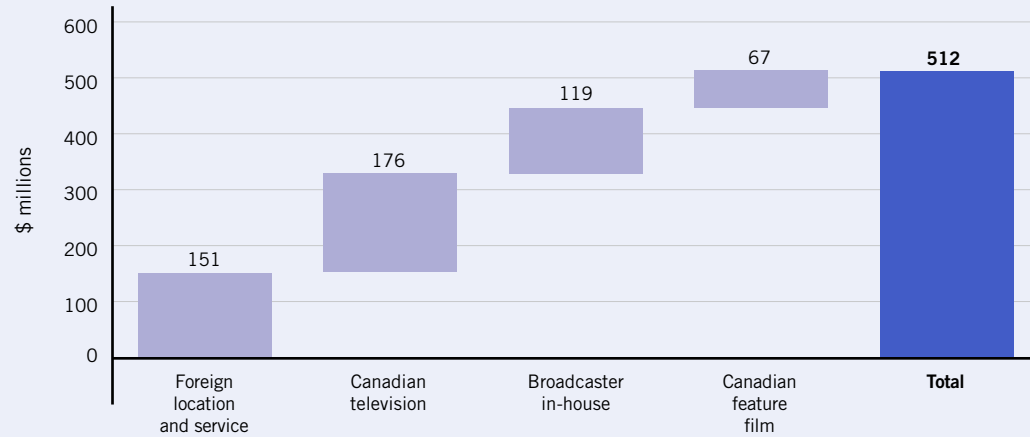
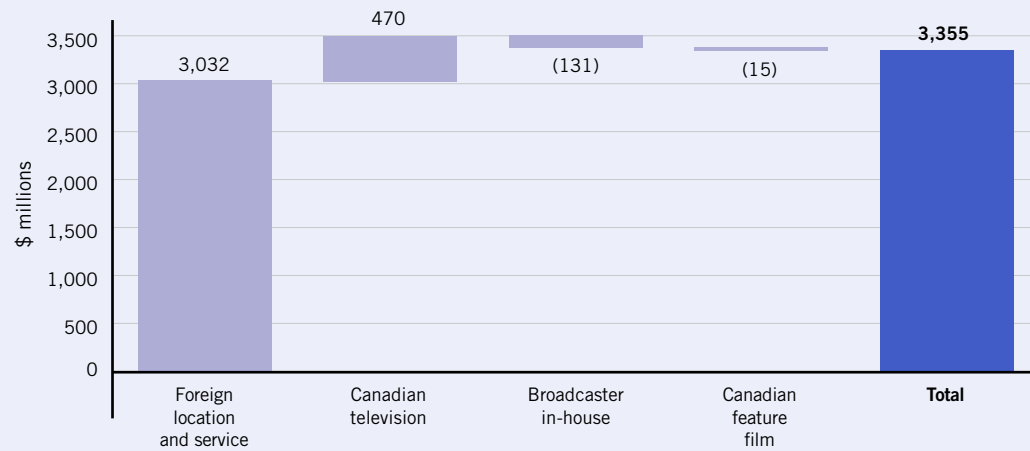
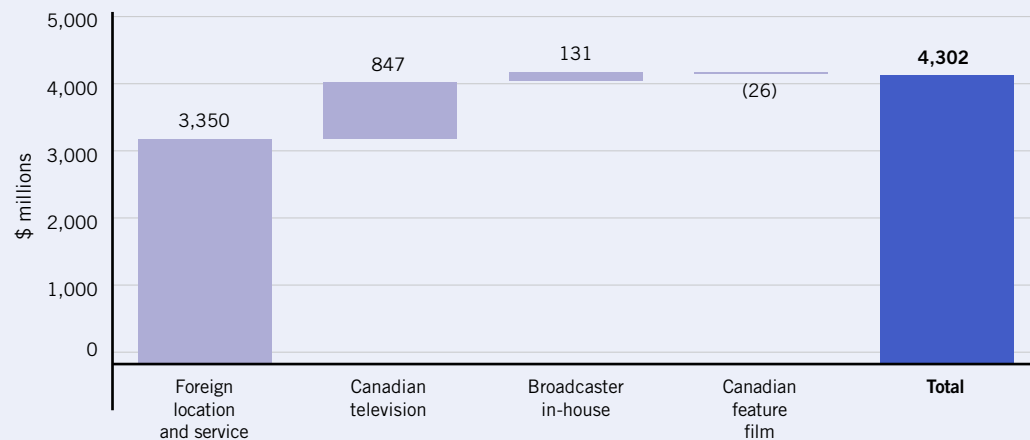
* Includes linear audiovisual content made primarily for an online service but also being shown on a more traditional platform such as broadcast television; and 'online-only' audiovisual content that, in the two years after completion, was only released in Canada on an acceptable online service pursuant to CAVCO Public Notice 2017-01. CAVCO reports that the total volume of online-first production was \$100 million in 2018/19.

Exhibit 1-2 Total volume of film and television production in Canada, share by segment



Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding.

Exhibit 1-3 Sources of growth in the total volume of film and television production in Canada**2018/19****2013/14 to 2018/19****2009/10 to 2018/19**

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.
 Note: Some totals may not sum due to rounding.

REGION

Exhibit 1-4 Total volume of film and television production in Canada, by province and territory

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19 share of total
British Columbia*	1,399	1,729	1,578	1,605	1,618	2,243	2,133	2,958	3,577	3,406	37%
Ontario	1,910	2,077	2,586	2,439	2,439	2,769	2,750	3,036	2,855	3,174	34%
Quebec	1,274	1,321	1,316	1,351	1,280	1,582	1,429	1,757	1,781	2,044	22%
Alberta	153	148	167	155	274	254	231	248	223	256	3%
Manitoba	72	69	79	76	100	84	92	130	157	253	3%
Nova Scotia	107	99	104	98	124	69	102	138	101	100	1%
Saskatchewan	33	49	54	35	47	30	30	28	27	27	<1%
Newfoundland and Labrador	40	43	42	42	46	31	40	39	64	21	<1%
New Brunswick	19	19	27	21	24	19	13	15	14	19	<1%
Territories**	4	5	6	6	8	9	8	25	5	15	<1%
Prince Edward Island	1	2	4	2	2	2	2	2	1	1	<1%
Total	5,014	5,560	5,963	5,830	5,962	7,092	6,831	8,377	8,805	9,316	100%

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2019*. Please see Notes on methodology for additional information. Some totals may not sum due to rounding.

* Production activity levels in 2018/19 were likely comparable to 2017/18, as suggested by Creative BC's published statistics that are based on tax credit certification rather than the year of principal photography. For further information, see Chapter 6 and the *Reconciliation with statistics published by provincial funding agencies* section of Notes on Methodology.

** Yukon, Nunavut and Northwest Territories.

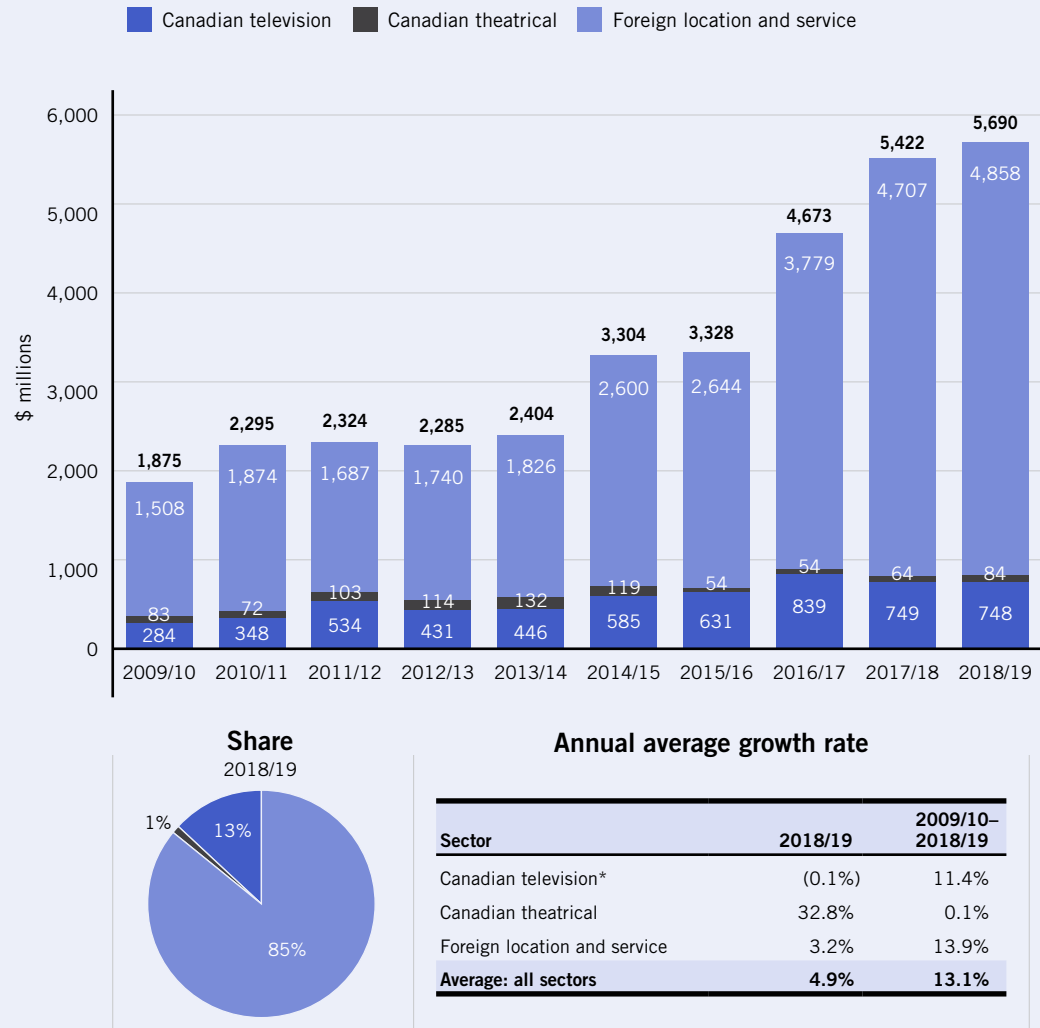
FOREIGN INVESTMENT IN PRODUCTION

FIIP tracks the value of international financial participation in the film and television production sector in Canada. It includes foreign presales and distribution advances for all projects certified by CAVCO; estimates of presales and distribution advances for non-CAVCO-certified productions; and the total value of FLS production in Canada.¹

FIIP in Canada increased by \$268 million to an all-time high of \$5.69 billion in 2018/19.

FIIP excludes the amount of revenue earned from the distribution of completed Canadian films and television programs to foreign broadcasters and distributors. However, data published by Statistics Canada (and found in Section 8) indicates that these sales of completed content generated an additional \$174 million in 2017 (Exhibit 8-2).

¹ In the case of treaty coproductions, the data used to estimate FIIP includes only the financing of the Canadian budget. As a result, the foreign budgets for treaty coproductions do not directly contribute to FIIP. Treaty coproductions contribute only to FIIP if the financing of the Canadian budget includes a foreign presale or distribution advance.

Exhibit 1-5 Foreign investment in production in Canada

Sources: Estimates based on data collected from CAVCO and the Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding. See Notes on methodology for the definition of FIIP. Excludes Canadian online production.

EMPLOYMENT AND ECONOMIC CONTRIBUTION

Exhibit 1-6 Number of FTEs generated by film and television production in Canada

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Canadian television production										
Direct jobs	19,900	20,200	24,600	21,200	22,500	24,200	26,000	28,700	25,600	26,400
Spin-off jobs	28,700	29,000	35,400	29,400	29,200	29,500	29,500	32,600	28,800	29,700
Total	48,600	49,200	60,000	50,600	51,700	53,700	55,500	61,300	54,400	56,100
Canadian theatrical feature film production										
Direct jobs	3,500	3,100	3,100	3,500	3,300	3,600	2,600	2,800	2,600	3,100
Spin-off jobs	5,100	4,500	4,500	4,800	4,300	4,400	2,900	3,200	2,900	3,500
Total	8,600	7,600	7,600	8,300	7,600	8,000	5,500	6,000	5,500	6,600
FLS production										
Direct jobs	14,700	17,900	15,600	16,000	17,000	24,600	25,700	36,200	44,400	44,400
Spin-off jobs	21,200	25,700	22,400	22,200	22,100	30,000	29,200	41,200	50,000	50,000
Total	35,900	43,600	38,000	38,200	39,100	54,600	54,900	77,400	94,400	94,400
Broadcaster in-house production										
Direct jobs	10,800	11,900	11,700	12,900	12,700	14,400	12,200	12,600	10,500	11,300
Spin-off jobs	15,500	17,100	16,800	17,900	16,500	17,500	13,800	14,400	11,800	12,700
Total	26,300	29,000	28,500	30,800	29,200	31,900	26,000	27,000	22,300	24,000
Grand total										
Direct jobs	49,000	53,200	55,000	53,600	55,500	67,200	66,400	80,300	83,100	85,100
Spin-off jobs	70,400	76,300	79,100	74,400	72,100	81,800	75,500	91,400	93,500	95,800
Total	119,400	129,500	134,100	128,000	127,600	149,000	141,900	171,700	176,600	180,900

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada and Conference Board of Canada.

Note: Some totals may not sum due to rounding. See Notes on methodology for a description of the job-estimation methodology.

Exhibit 1-7 Direct FTEs generated in film and television production in Canada, by province and territory

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
British Columbia*	13,480	16,540	14,770	14,800	15,110	21,280	20,700	28,380	33,620	30,840
Ontario	18,810	19,840	23,840	22,600	22,980	26,690	27,190	29,220	27,220	29,310
Quebec	12,660	13,000	12,500	12,790	12,300	15,390	14,260	17,330	17,070	18,900
Manitoba	750	710	770	730	1,010	850	950	1,310	1,530	2,420
Alberta	1,330	1,260	1,370	1,270	2,240	2,140	1,960	2,170	1,940	2,150
Nova Scotia	1,210	1,050	1,060	990	1,280	720	1,100	1,460	1,050	1,030
Saskatchewan	320	460	480	310	410	270	270	260	240	240
New Brunswick	210	200	270	210	250	200	150	160	150	190
Newfoundland and Labrador	410	420	400	380	420	290	370	370	580	180
Territories**	30	40	50	50	60	70	60	200	40	110
Prince Edward Island	10	20	50	20	20	20	20	20	10	20
Total	49,000	53,200	55,000	53,600	55,500	67,200	66,400	80,300	83,100	85,100

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, Association of Provincial Funding Agencies and Statistics Canada.

* Production activity levels in 2018/19 were likely comparable to 2017/18, as suggested by Creative BC's published statistics that are based on tax credit certification rather than the year of principal photography. For further information, see Chapter 6 and the *Reconciliation with statistics published by provincial funding agencies* section of Notes on Methodology.

** Yukon, Nunavut and Northwest Territories.

Note: Some totals may not sum due to rounding. See Notes on methodology for a description of the job-estimation methodology.

Exhibit 1-8 Total direct and spin-off FTEs generated by film and television production in Canada, by province and territory

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
British Columbia*	32,530	39,870	35,940	35,130	34,610	46,760	44,100	60,330	71,130	65,270
Ontario	40,530	42,710	51,750	47,980	47,210	52,800	52,300	56,110	52,040	56,050
Quebec	36,890	37,840	36,760	36,610	33,810	40,360	36,100	43,770	42,870	47,480
Alberta	3,650	3,460	3,800	3,430	5,820	5,310	4,690	5,200	4,620	5,110
Manitoba	1,300	1,230	1,340	1,250	1,680	1,380	1,510	2,070	2,410	3,810
Nova Scotia	2,790	2,410	2,460	2,250	2,810	1,520	2,250	2,990	2,130	2,100
Saskatchewan	730	1,050	1,100	690	880	570	550	530	480	480
New Brunswick	420	400	550	420	490	370	270	290	270	350
Newfoundland and Labrador	680	710	680	630	680	460	580	580	890	280
Territories**	60	90	100	90	120	130	110	360	80	190
Prince Edward Island	40	80	190	80	80	70	70	70	30	70
Total	119,400	129,500	134,100	128,000	127,600	149,000	141,900	171,700	176,600	180,900

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, Association of Provincial Funding Agencies, Statistics Canada and Conference Board of Canada.

* Production activity levels in 2018/19 were likely comparable to 2017/18, as suggested by Creative BC's published statistics that are based on tax credit certification rather than the year of principal photography. For further information, see Chapter 6 and the *Reconciliation with statistics published by provincial funding agencies* section of Notes on Methodology.

** Yukon, Nunavut and Northwest Territories.

Note: Some totals may not sum due to rounding. See Notes on methodology for a description of the job-estimation methodology.

Exhibit 1-9 GDP and labour income impact of film and television production in Canada, 2018/19

	Direct	Spin-off	Total
Labour income (\$ millions)			
Canadian content production			
Canadian television production	1,646	1,517	3,163
Canadian theatrical feature film production	192	179	371
Subtotal	1,838	1,696	3,534
FLS production	2,869	2,553	5,422
Broadcaster in-house production	703	603	1,306
Grand total	5,410	4,852	10,262
GDP (\$ millions)			
Canadian content production			
Canadian television production	1,704	2,260	3,964
Canadian theatrical feature film production	199	266	465
Subtotal	1,903	2,526	4,429
FLS production	2,866	3,804	6,670
Broadcaster in-house production	728	952	1,680
Grand total	5,497	7,282	12,779

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada and the Conference Board of Canada.

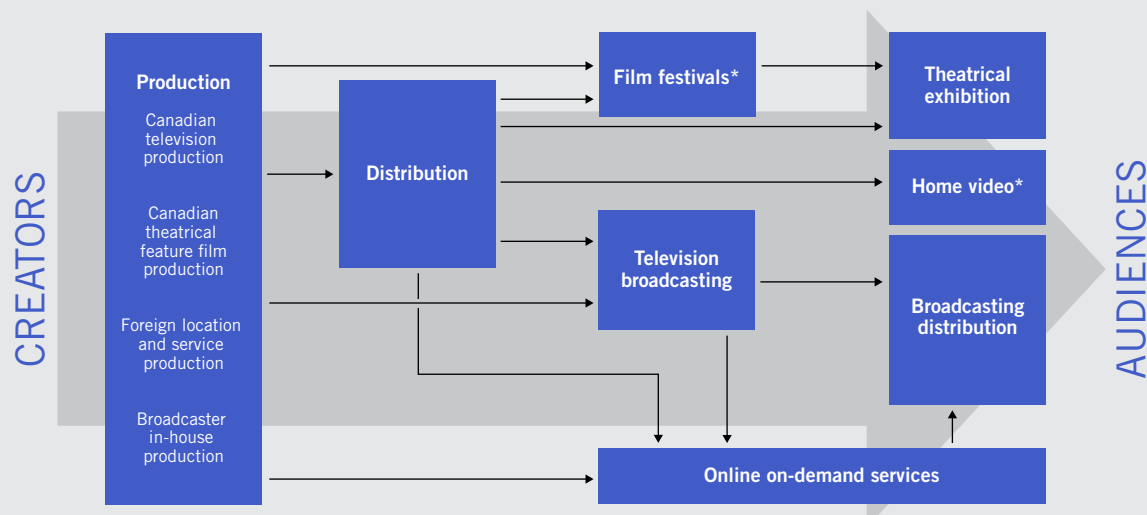
Note: See Notes on methodology for a description of methodology.

SCREEN SECTOR VALUE CHAIN SEGMENTS

While film and television production is the largest source of economic impact within the screen sector value chain, the other value chain industries also generate significant economic impacts.

- The distribution industry in Canada generated 8,160 FTEs of employment, \$438 million in labour income and \$1.09 billion in GDP in 2017.
- The exhibition industry generated 17,560 FTEs of employment, \$712 million in labour income and \$1.29 billion in GDP in 2018.
- The television-broadcasting industry generated 15,250 FTEs of employment, \$1.31 billion in labour income and \$2.8 billion in GDP in 2018.
- The broadcasting distribution undertaking (BDU) industry generated 49,030 FTEs of employment, \$3.44 billion in labour income and more than \$5.70 billion in GDP in 2018.

Box 1 Screen Sector value chain



* Estimates of the revenues and economic impact of film festivals and the home video market in Canada are not included in this report.

The screen sector value chain begins with **production**. Production converts the creative ideas of the screenwriter and director into a finished film or television program. In this report, the production segment includes pre-production (i.e. development), live-action production, animation production, post-production and visual effects production (VFX).

The production stage is followed by **distribution**. Canadian and foreign distribution companies typically control the economic rights of films and television programs, and plan and execute the release windows of these films and television programs. Distributors are a key feature of the theatrical market. In television, programs are often licensed directly by producers (or their distribution arms) to first-window broadcasters without a third-party distributor.

The evolution of the screen sector value chain is most evident in the content consumption stage. For television programming, content consumption typically begins in the **television broadcasting** industry, which includes the conventional television broadcasters, and discretionary and on-demand services licensed by the CRTC to operate in Canada.

Most films are still released first in the **theatrical exhibition** window; however, this is not always the case. Some films have their first release on **online on-demand services** such as video-on-demand (VOD), subscription VOD (SVOD), transactional VOD (TVOD) or advertising VOD (AVOD). Some films will be simultaneously released in theatres and via online on-demand services (i.e. “day and date” releases).

Film festivals are an important platform through which producers and distributors can raise awareness for their films and sell them to new territories. Film festivals can also generate significant economic benefits for their host cities.

As noted above, audiences can also access films and television programs through **online on-demand services**. Many films and television programs use these services for secondary release windows or even first-release windows, thus bypassing the television broadcasting or theatrical exhibition industries altogether.

For the Canadian screen sector, it is also important to recognize the role of cable-television, direct-to-home satellite (DTH), Internet protocol television (IPTV) and other multipoint distribution systems (MDS). These entities comprise the broadcasting distribution industry and are referred to as BDUs and play an essential role in ensuring that Canadian audiences can reliably access the screen content from the television broadcasting industry and licensed on-demand services. Most online on-demand services, however, exhibit content directly to consumers over broadband Internet connections, thus bypassing Canadian BDUs.

Combining the estimates of economic impact for 2018/19 and for the 2018 calendar year (or the most recent year of published data) indicates that the screen sector value chain in Canada generates more than 270,900 FTEs of employment, \$16.16 billion in labour income and \$23.66 billion in GDP for the Canadian economy.

Exhibit 1-10 Economic impact of selected segments in the screen sector value chain

	Direct	Spin-off	Total
Employment (FTEs)			
Film and TV production (2018/19)	85,100	95,800	180,900
Distribution (2017*)	1,200	6,960	8,160
Exhibition (2018)	7,630	9,930	17,560
Broadcasting** (2018)	2,100	13,150	15,250
Broadcasting distribution (2018)	25,940	23,090	49,030
Total	121,970	148,930	270,900
Labour income (\$ millions)			
Film and TV production (2018/19)	5,410	4,852	10,262
Distribution (2017*)	105	333	438
Exhibition (2018)	226	486	712
Broadcasting** (2018)	564	749	1,313
Broadcasting distribution (2018)	2,198	1,238	3,436
Total	8,503	7,658	16,161
GDP (\$ millions)			
Film and TV production (2018/19)	5,497	7,282	12,779
Distribution (2017*)	508	584	1,092
Exhibition (2018)	415	873	1,288
Broadcasting** (2018)	1,604	1,193	2,797
Broadcasting distribution (2018)	3,485	2,219	5,704
Total	11,509	12,151	23,660

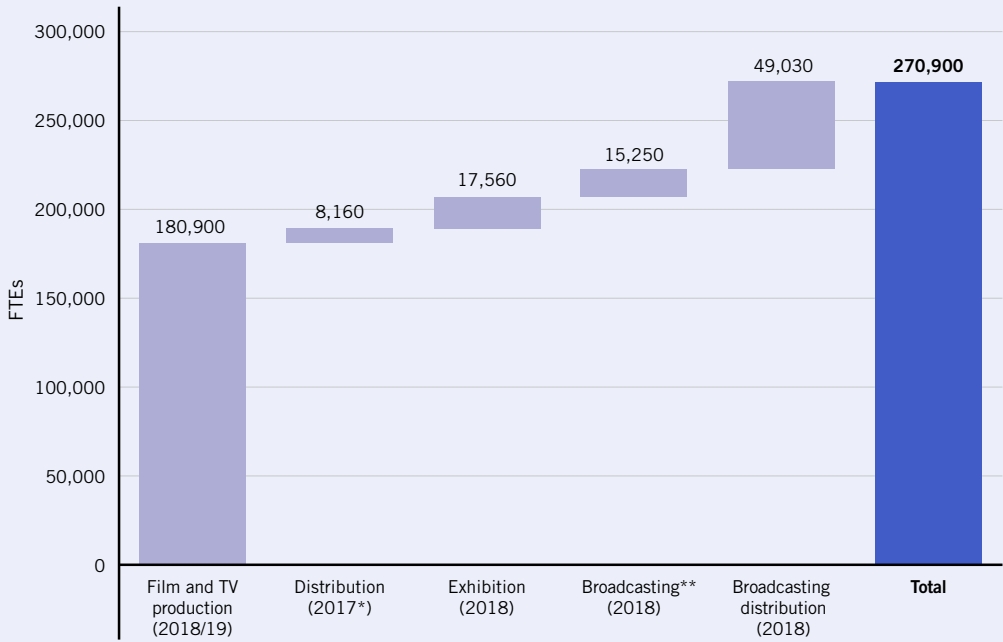
Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.

* Most recent year of published data

** Excludes in-house production, which is included in *Film and television production*

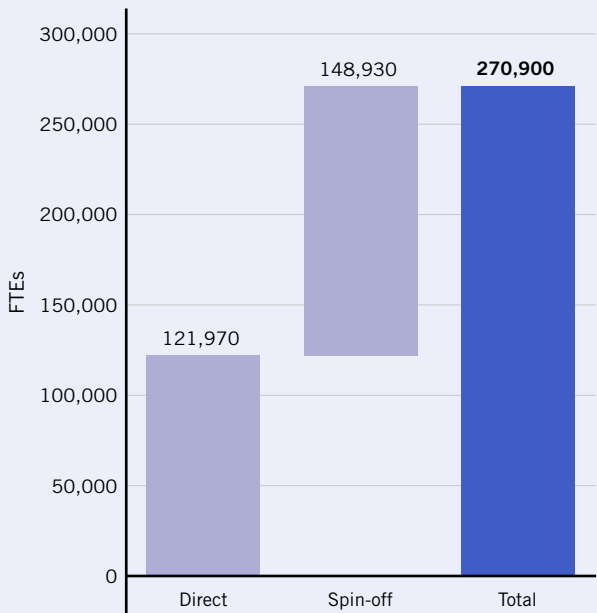
SUMMARY OF EMPLOYMENT AND GDP IMPACTS

Exhibit 1-11 Summary of total employment impact of screen sector value chain

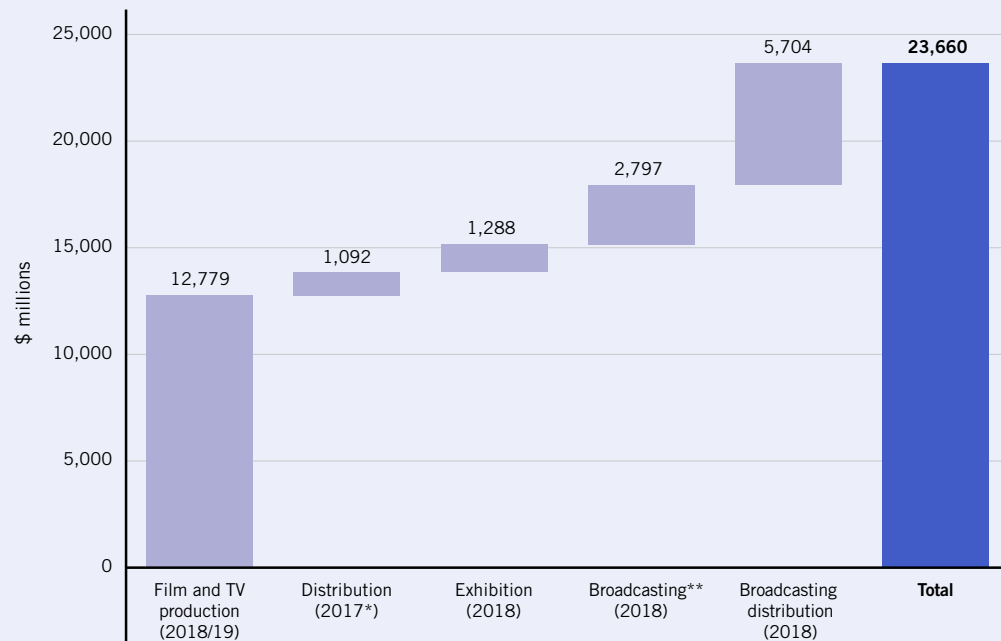


Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.
* Most recent year of published data
** Excludes in-house production, which is included in *Film and television production*

Exhibit 1-12 Direct and spin-off employment impact across screen sector value chain



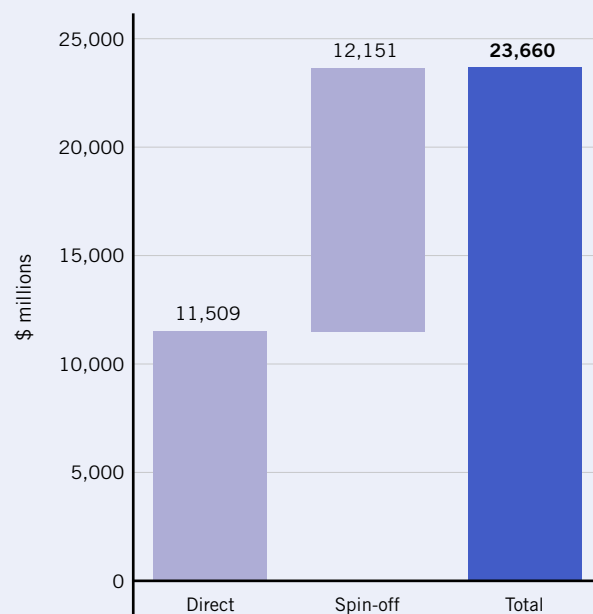
Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.

Exhibit 1-13 Summary of total GDP impact of screen sector value chain

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.

* Most recent year of published data

** Excludes in-house production, which is included in *Film and television production*

Exhibit 1-14 Direct and spin-off GDP impact across the screen sector value chain

Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.

2. Canadian content production

Canadian content production consists of all films and television programs certified as Canadian content by the Canadian Audio-visual Certification Office (CAVCO), and includes audiovisual content made for initial release on online services. Most Canadian content productions are made by independent production companies, although broadcaster-affiliated production companies² also account for some production in this segment.

The Canadian content production segment excludes broadcaster in-house and foreign location and service (FLS) production. In this section, we provide summary statistics for Canadian content production. In Sections 3 and 4, we provide more detailed statistics for Canadian television and Canadian theatrical feature film production, respectively.

Highlights from 2018/19



- Canadian content production increased by 8.1% to \$3.22 billion.
- English-language production increased by 6.0% to \$2.35 billion.
- French-language production increased by 13.6% to \$843 million.
- Bilingual production and production in other languages increased by 45.4% to \$27 million.
- Fiction production increased by 13.4% to \$1.69 billion.
- Children's and youth production increased by 8% to \$575 million.
- Documentary production increased slightly by 1.8% to \$275 million.
- Production of programs in the lifestyle and human interest genre³ increased by 6.9% to \$563 million.
- Animation production increased by 7.5% to \$344 million.



- Production in the variety and performing arts (VAPA) genre decreased by 27.3% to \$117 million.

² Affiliated production companies are production companies in which a Canadian broadcaster owns or controls at least 30% of the voting equity.

³ Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

After dipping in 2017/18, the volume of Canadian content production rose by 8.1% in 2018/19 to reach \$3.22 billion (Exhibit 2-1). All three segments – television, theatrical feature film and online – contributed to the increase in 2018/19, as did all language markets, and all genres except for the VAPA genre.

On a dollar-volume basis, the largest segment – Canadian television – led the way with an increase of \$176 million, or 6.5% (Exhibit 2-1). As discussed in Section 3 of this report, most of this increase can be traced back to higher spending on the production of fiction television series – as opposed to higher number of television series being produced. Higher production budgets (on an hourly basis) across all genres and language markets – except English-language and French-language VAPA – also made a significant contribution to the increase.

The Canadian theatrical feature film segment also had a very strong year in 2018/19. Its volume increased by \$67 million, or 24.8%. Higher average budgets in the French-language market and a higher output of films in the English-language market underpinned this increase in 2018/19 (Exhibit 4-1 and Exhibit 4-4). The growth in this segment was also supported by increased filming in bilingual format and other languages. Volume in this language grouping hit a 10-year high and accounted for \$11 million of the overall \$67 million increase in the volume of Canadian theatrical feature film production in 2018/19.

As noted above, all genres, except for VAPA contributed to the year-over-year increase in Canadian content production (Exhibit 2-3).

- The largest contribution was from the **fiction** genre, where Canadian content production rose by \$200 million, or 13.4%.
- In the **children's and youth** genre, Canadian content production increased by \$43 million to \$575 million. The growth in children's and youth production was driven by higher levels of both live-action and animation production. Live-action production increased by \$6 million, while animation production increased by \$36 million (Exhibit 2-6). Overall, Canadian animation production across all genres rose by 7.5% to an all-time high of \$344 million (Exhibit 2-7).
- **Documentary** production increased by \$4 million, or 1.8%.
- The volume of **lifestyle and human interest** production increased by \$36 million, or 6.9%, and reached a new all-time high in 2018/19.
- In the **VAPA** genre, however, production was down by \$44 million, or 27.3%.

One of the key drivers of investment in Canadian content production in recent years has been the increased demand for television and film content in markets around the globe. This financing most readily takes the form of “pre-sales” of distribution and broadcast rights to international buyers, and is reflected in the growth in financing for Canadian content production from not only foreign sources but also Canadian distributors. Between 2014/15 and 2018/19, the sum of financing for Canadian content production derived from Canadian distributors and foreign sources increased by 18.2% – from \$704 million to \$832 million (Exhibit 2-9). In fact, the aggregate financing from these sources reached a peak of \$894 million in 2016/17 – also the record year for the total volume of Canadian content production.

This trend is being compounded by a sharp decline in financing from Canadian private broadcasters. In fact, it has become increasingly difficult to secure production financing from Canada's private broadcasters. Between 2014/15 and 2018/19, the total value of licence fees paid by Canadian private broadcasters for Canadian films and television programs dropped from \$516 million to \$376 million – a decrease of 27.1% (Exhibit 2-9). Often, broadcaster financing can be highly dependent upon the producer's ability to first secure an international pre-sale to a foreign – often US-based – broadcaster. In response to this trend, Canadian TV producers now commonly seek out initial financing and market validation via international pre-sales to foreign broadcasters before approaching domestic investors.

Canadian distributors are also an important conduit for attaining vitally important international broadcast pre-sales. Though the phrase "Canadian distributors" may appear to imply that this financing type refers to sales within the domestic market as part of a third-party business relationship, this financing category should be understood to also include, in some cases, financing advances from the distribution arm of the domestic production company that is making the content. Domestic distributors – whether affiliated or non-affiliated with production companies – chiefly provide producers with a channel to sell content to international markets. Correspondingly, increases in this financing category are likely to be driven by expectations of demand in export markets.

According to research commissioned by the CMPA (in partnership with Telefilm Canada, Canada Media Fund [CMF], and the Association québécoise de la production médiatique [AQPM]), between 2005/06 and 2015/16, Canadian feature films funded by Telefilm Canada achieved total international sales of \$670 million.⁴ Over half of this amount, \$370 million, was in the form of pre-sales that directly financed production costs.⁵ Furthermore, statistics for the period, 2012/13 to 2014/15, suggest that approximately half of international pre-sale financing of Canadian feature films originates from foreign broadcasters.⁶

A companion study looking at CMF-funded television programs reveals that these domestic productions generated \$314 million in international pre-sales between 2006/07 and 2015/16.⁷ These pre-sales represented over 16% of the \$1.95 billion in total production financing raised for the television programs that were pre-sold in export markets. Generally, these pre-sales were for distribution rights to all platforms including for broadcast television, VOD and online platforms.

⁴ MDR Communications (2017a), *Exporting Canadian Feature Films in Global Markets: Trends, Opportunities and Future Directions*. Prepared for the CMPA, AQPM, CMF, and Telefilm Canada, p. 21.

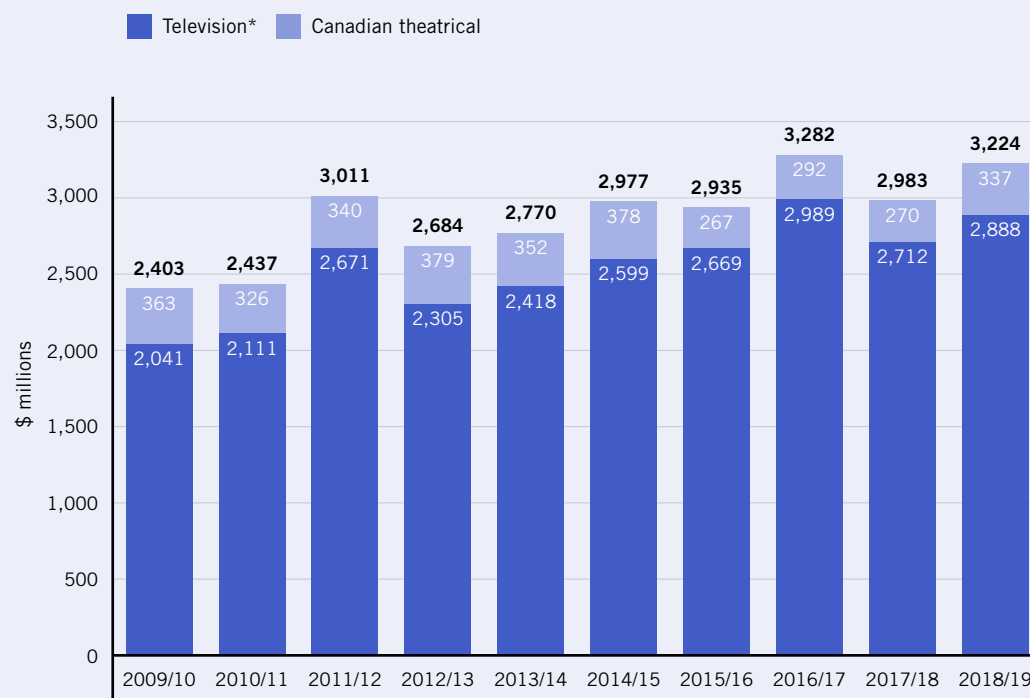
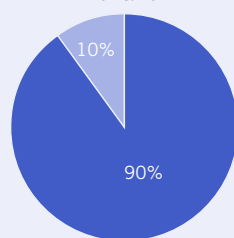
⁵ MDR Communications (2017a), p. 21.

⁶ MDR Communications (2017a), p. 32.

⁷ MDR Communications (2017b), *Exporting Canadian Television Globally: Trends, Opportunities and Future Directions*. Prepared for the CMPA, AQPM, CMF, and Telefilm Canada, p. 30.

RELEASE MEDIUM

Exhibit 2-1 Volume of Canadian content production, by release medium

Share
2018/19

Annual average growth rate

Sector	2018/19	2009/10–2018/19
Television	6.5%	3.9%
Theatrical feature film	24.5%	(0.8%)
Average: all sectors	8.1%	3.3%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes linear audiovisual content made primarily for an online service but also being shown on a more traditional platform such as broadcast television; and 'online-only' audiovisual content that, in the two years after completion, was only released in Canada on an acceptable online service pursuant to CAVCO Public Notice 2017-01. CAVCO reports that the total volume of online-first production was \$100 million in 2018/19.

Box 2 Online-first production

Prior to 2017, Canadian producers only received the Canadian Film or Video Production Tax Credit (CPTC) for audiovisual content that was certified by CAVCO and shown in Canada on a licensed Canadian broadcaster, in a movie theatre, or by release on Blu-ray or DVD. With the proliferation of online on-demand services in recent years, however, many Canadian producers have been increasingly premiering their films and television programs on online platforms.

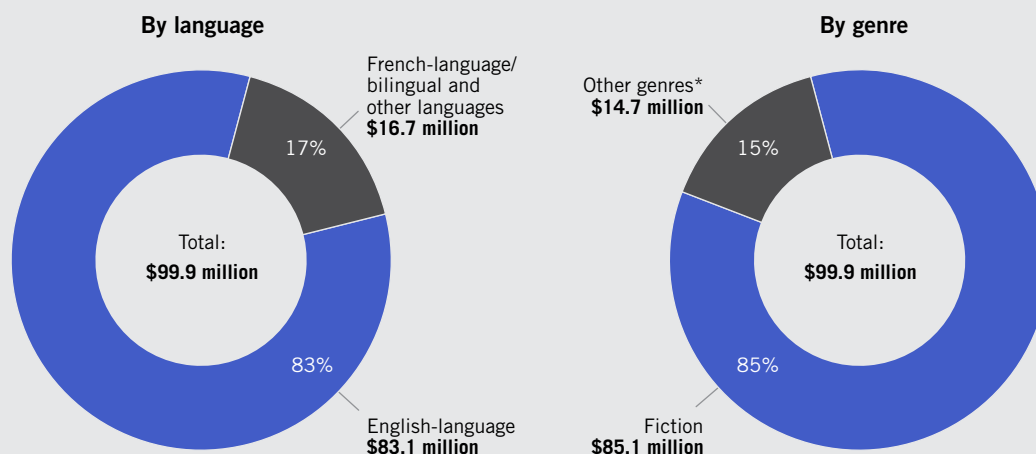
This type of audiovisual production may be referred to as “online-first” production. “Online-only” production is a subset of online-first production and includes audiovisual content that, during its first two years after completion, is only released in Canada on one of the many online platforms on CAVCO’s list of acceptable online services pursuant to [CAVCO Public Notice 2017-01](#). As of September 26, 2019, this list includes 16 websites of CRTC-licensed broadcasters (e.g. CBC Gem [previously known as CBC TV app], ICI Tou.tv, aptn.ca and VRAK.tv), two Hybrid Video-on-Demand services (Club illico and CraveTV), and 27 other online video services (including Netflix Canada and 11 separate CAVCO-approved YouTube channels).

Volume and number of Canadian online-first audiovisual content

	2017/18	2018/19
Volume (\$M)	55.5	99.9
Number of projects	95	108
Average budget (\$000s)	583	925

Source: Estimates based on data collected from CAVCO.

Volume of Canadian online-first audiovisual content, 2018/19

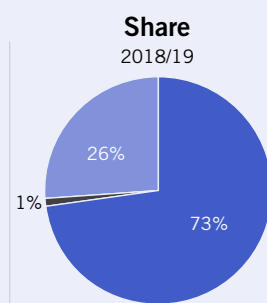
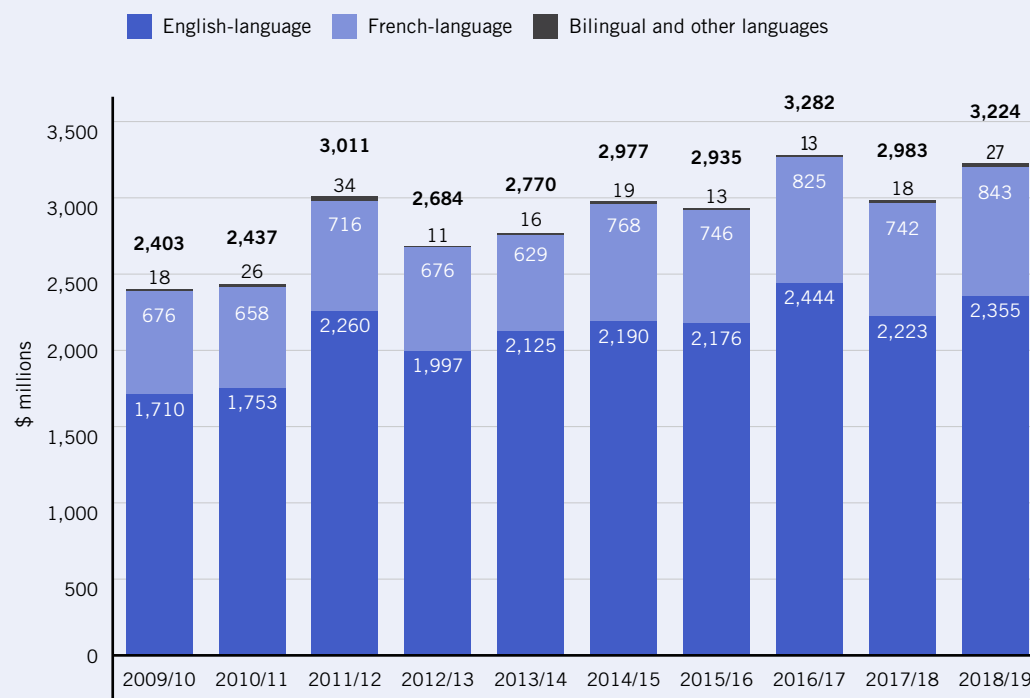


Source: Estimates based on data collected from CAVCO.

* Projects in other genres have been combined to avoid disclosure of amounts for individual projects.

LANGUAGE

Exhibit 2-2 Volume of Canadian content production, by language



Annual average growth rate

Language	2018/19	2009/10–2018/19
English-language	6.0%	3.6%
French-language	13.6%	2.5%
Bilingual and other languages	45.4%	4.7%
Average: all languages	8.1%	3.3%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

GENRE

Exhibit 2-3 Volume of Canadian content production, by genre and release medium

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Fiction										
Television	879	890	1,225	1,096	1,093	1,226	1,188	1,569	1,289	1,417
Theatrical feature film	305	291	277	357	314	295	179	248	205	277
Total	1,183	1,181	1,502	1,453	1,407	1,521	1,366	1,817	1,494	1,694
Children's and youth										
Television	379	348	438	322	419	467	552	494	482	535
Theatrical feature film	40	22	45	14	29	74	76	29	50	40
Total	419	370	483	336	448	541	628	523	532	575
Documentary										
Television	345	335	373	370	311	248	274	249	256	258
Theatrical feature film	18	9	14	7	8	7	10	15	15	17
Total	363	344	387	377	319	255	284	264	271	275
Lifestyle and human interest*										
Total	282	369	478	395	478	542	553	556	527	563
VAPA										
Total	157	173	161	122	118	118	104	122	160	117
Grand total	2,404	2,436	3,011	2,683	2,769	2,976	2,935	3,282	2,983	3,224

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 2-4 Number of Canadian content projects, by genre and release medium, 2018/19

	Fiction	Children's and youth	Documentary	Lifestyle and human interest*	VAPA	All genres
Number						
Television programming	260	177	348	379	67	1,231
Theatrical feature films	94	9	11	0	5	119
Total	354	186	359	379	72	1,350
Share of total						
Television programming	73%	95%	97%	100%	93%	91%
Theatrical feature films	27%	5%	3%	0%	7%	9%
Total	100%	100%	100%	100%	100%	100%

Source: Estimates based on data collected from CAVCO.

Note: Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 2-5 Volume of Canadian content production, by genre and language, 2018/19

	Fiction	Children's and youth	Documentary	Lifestyle and human interest*	VAPA	All genres
\$ millions						
English-language	1,340	433	213	306	64	2,355
French-language	350	139	53	254	47	843
Bilingual and other languages	5	3	11	3	4	27
Total	1,695	575	277	563	115	3,224
Share of total						
English-language	79%	75%	77%	54%	56%	73%
French-language	21%	24%	19%	45%	41%	26%
Bilingual and other languages	<1%	<1%	4%	<1%	3%	1%
Total	100%	100%	100%	100%	100%	100%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 2-6 Volume of Canadian children's and youth production, by language and category

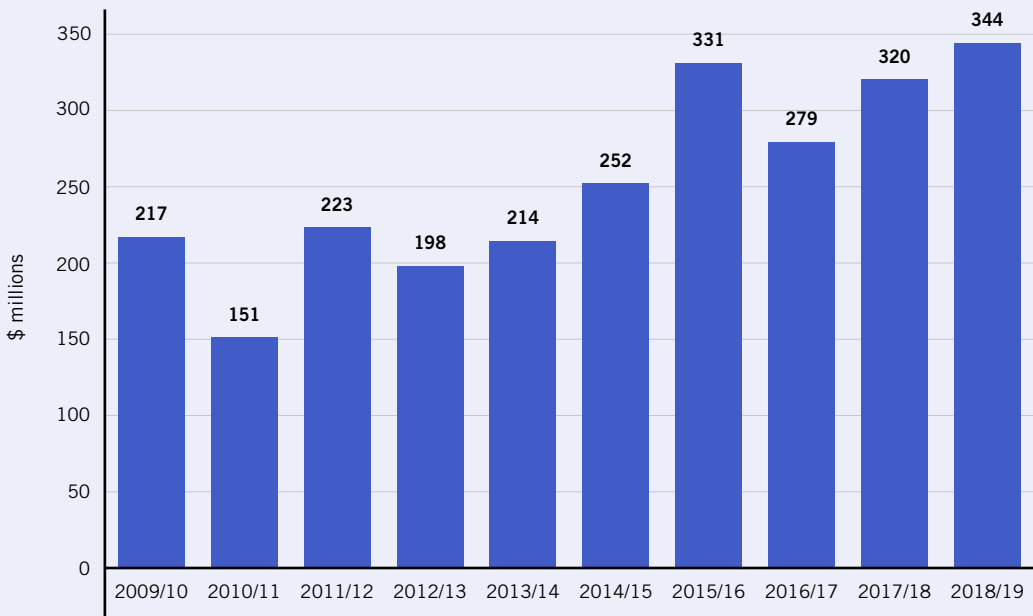
	Live Action	2017/18 Animation	Total	Live Action	2018/19 Animation	Total
\$ millions						
English-language	151	260	411	145	288	433
French-language	91	29	120	104	35	139
Bilingual and other languages	1	1	2	0	3	3
Total	243	290	532	249	326	575

Source: Estimates based on data collected from CAVCO.

Note: Some totals do not sum due to rounding. Data includes an estimate of CRTC-certified television production.

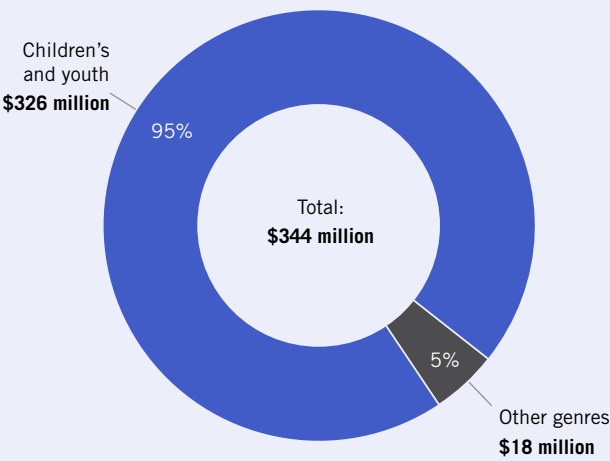
ANIMATION

Exhibit 2-7 Volume of Canadian animation production*



Source: Estimates based on data collected from CAVCO.
Note: Data includes an estimate of CRTC-certified television production.
* Includes television and theatrical production.

Exhibit 2-8 Volume of Canadian animation production, by genre, 2018/19*



Source: Estimates based on data collected from CAVCO.
Note: Data includes an estimate of CRTC-certified television production.
* Includes television and theatrical production.

FINANCING

Exhibit 2-9 Financing for Canadian film and television production

	2014/15		2015/16		2016/17		2017/18		2018/19	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	516	17%	525	18%	458	14%	366	12%	376	12%
Public broadcaster licence fees	236	8%	247	8%	320	10%	358	12%	386	12%
Federal tax credit ¹	298	10%	298	10%	333	10%	305	10%	318	10%
Provincial tax credits ¹	572	19%	540	18%	580	18%	540	18%	576	18%
Canadian distributors ²	348	12%	336	11%	507	15%	350	12%	421	13%
Foreign ³	356	12%	348	12%	387	12%	462	16%	411	13%
Canada Media Fund	286	10%	286	10%	278	8%	260	9%	262	8%
Telefilm Canada	58	2%	54	2%	69	2%	67	2%	70	2%
Other public ⁴	92	3%	84	3%	140	4%	116	4%	207	6%
Other private ⁵	215	7%	217	7%	209	6%	158	5%	198	6%
Total	2,977	100%	2,936	100%	3,282	100%	2,983	100%	3,224	100%

Sources: Estimates based on data obtained from CAVCO, CMF and Telefilm Canada.

Notes: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

¹ Canadian production companies receive federal and provincial tax credits based on their eligible expenditures, and, in almost all cases, invest their tax credits directly into their film and television projects, in order to complete their project financing.

² Canadian distributors' financing includes minimum guarantees and advances invested in television programs and theatrical feature films in exchange for rights to market, license and exhibit the audiovisual productions in Canada, unsold territories outside of Canada or on global distribution platforms.

³ Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organizations based outside of Canada.

⁴ 'Other public' includes financing from provincial governments, and other federal government departments and agencies; excludes federal and provincial tax credits, Canadian public broadcasters' licence fees and funding from Telefilm Canada.

⁵ 'Other private' includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Financing from Canadian production companies

Federal and provincial tax credits represent part of a Canadian production company's contribution in film and television projects. Canadian production companies receive tax credits based on their eligible labour expenditures. In almost all cases, the amount of tax credits received by the producer for a specific project is invested directly into that project, in order to complete the financing for that project.

After taking into account provincial and federal tax credits and production-company financing, the producer's contribution to a production budget is, at a minimum, between 25% and 35% of the budget in most instances. Producers also organize domestic and foreign distribution, as well as arrange bank financing.

Many producers also point to the emergence of a "new normal" that sees production companies take on greater financial risks in developing film or television projects prior to obtaining production financing. In part, industry consolidation among Canadian broadcasters (i.e. the primary buyers of Canadian content), and a subsequent strengthening of their market power in the television content commissioning market has contributed to this new normal.

3. Canadian television production

Canadian television production includes the production of television series, mini-series, TV movies, single-episode television programs and television pilots. It consists of productions that are certified as Canadian content by either the Canadian Audio-visual Certification Office (CAVCO) or the Canadian Radio-television and Telecommunications Commission (CRTC).

Television production is produced across various genres, including fiction (i.e., drama and comedy), children's and youth, documentary, lifestyle and human interest, and variety and performing arts (VAPA). This segment excludes broadcaster in-house production, such as news, sports and public affairs programs produced by Canadian broadcasters.⁸

Highlights from 2018/19



- Canadian television production increased by 6.5% to \$2.89 billion.
- The volume of Canadian television series production increased by 8.8% to \$2.52 billion, although the number of series produced decreased from 786 to 739.
- English-language television production increased by 5.2%; French-language television production increased by 10.8%.
- The volume of Canadian television production was higher across multiple genres, including fiction (which saw an increase of 10.0%), children's and youth (10.9%), documentary (1.1%), and lifestyle and human interest (6.9%).
- In both language markets, average hourly budgets were higher in the fiction, children's and youth, documentary, and lifestyle and human interest genres.
- Canadian television animation production increased by 20.2% to \$333 million.
- The Canada Media Fund's (CMF) financial contributions to Canadian television increased to \$262 million and supported \$1.27 billion in television production volume.



- The volume of Canadian television production in the VAPA genre decreased by 28.1%.
- The financial leverage of CMF's funding declined to \$3.84 of third-party financing for every dollar of CMF funding.

⁸ Statistics for the volume of broadcaster in-house production can be found in Section 7 of this report.

After dipping in 2017/18, Canadian television production rebounded in 2018/19. Overall, Canadian television production increased by 6.5% to \$2.89 billion, and was just \$102 million off the all-time record of \$2.99 billion reached in 2016/17 (Exhibit 3-1).

This rebound in Canadian television production was entirely due to the production of higher-budget television series. Even though the number of series dipped by 6%, from 786 to 739 (Exhibit 3-2), total volume increased by 8.8% to \$2.52 billion – just shy of the record \$2.57 billion achieved in 2016/17. With project activity and volume moving in opposite directions in 2018/19, the average size of Canadian television projects rose by 15.7%, from \$2.9 million to a record high of \$3.4 million.

A closer examination of the data indicates that, although the majority of the increase in the volume of Canadian television production was concentrated in English- and French-language fiction, greater spending on the production of children's and youth television series, and lifestyle and human interest television series also contributed to the increase in production volume (Exhibit 3-8).

- English-language **fiction** production rose by 5.9%, or \$64 million. French-language fiction production rose by even more – \$67 million or 34.3%.
- Production of **children's and youth** programming increased by \$53 million, or 10.9%. Approximately 60% of the increase was in the English-language market, with French-language production accounting for the vast majority of the other 40%. In fact, French-language children's and youth programming recorded its fifth consecutive increase in volume and reached a 10-year high of \$125 million in 2018/19.
- A \$4 million decline in English-language **documentary** production and a \$2 million decline in documentary production in bilingual format and other languages were offset by an \$8 million increase in French-language documentary production in 2018/19. As a result, documentary production rose by only \$3 million, or 1.1%.
- In the **lifestyle and human interest** genre, English-language production volume rose by 8.4%; French-language production volume rose by 4.3%. All told, the volume of production in this genre increased by 6.9% to a record high of \$563 million.
- The **VAPA** genre was the only one to record a year-over-year decrease in 2018/19. Its volume dropped by \$45 million, or 28.1%. Approximately three-quarters of the drop was in the French-language market. Since the average hourly budget was virtually unchanged in the French-language market (–0.4%), the overall drop in production volume was due to fewer hours of VAPA programming produced. In the English-language market, a combination of lower average hourly budgets (decrease of 6.2%) and fewer hours produced (decrease of 6.5%) led to the overall drop in production volume.

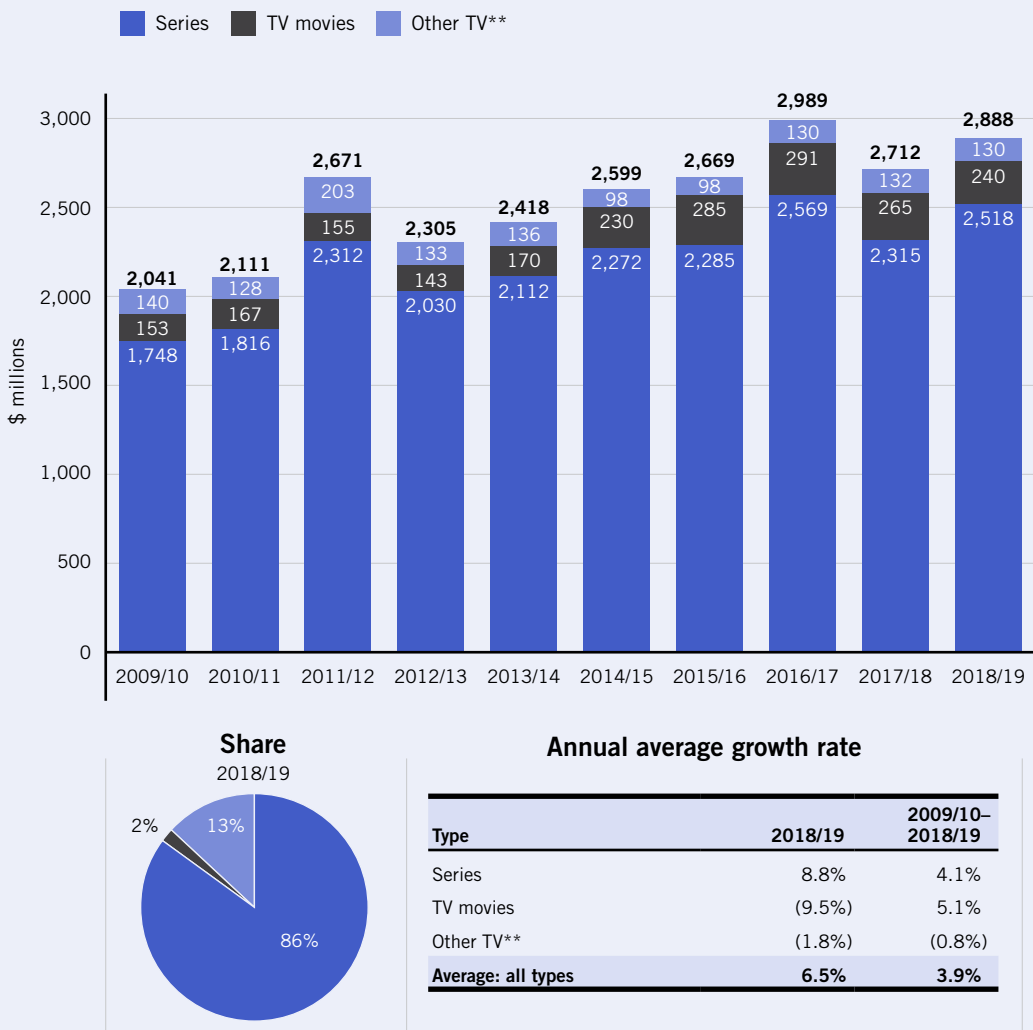
Not only were television series projects larger in terms of spending (i.e. volume) in 2018/19, but, outside of the VAPA genre, average hourly budgets were higher in every single genre in both language markets (Exhibit 3-9). In English-language fiction production, the average budget rose by 4.5% to \$1,471,000 per hour. In French-language fiction production, the average budget rose by 10.7% to \$571,000 per hour. Other notable increases in average budgets occurred in the English-language lifestyle and human interest genre, where a 35.9% increase raised the average budget to a record \$405,000 per hour. In the French-language children's and youth genre, the average budget increased by 34.1% to a record \$330,000 per hour.

Animation accounts for a large share of children's and youth production, so it was not surprising that the growth in the latter genre was accompanied by growth in animation production for television. It rose by 20.2% to a 10-year high of \$333 million in 2018/19 (Exhibit 3-10).

The CMF continued to be a major player in the Canadian television segment. Although its revenue from the broadcasting distribution undertaking (BDU) industry is trending downwards, the federal government has committed to offsetting the shortfall in this revenue source. With the additional support from the federal government, the CMF was able to increase its contributions to television projects in 2018/19 to \$262 million, and reverse two years of year-over-year decline. This CMF funding supported a total volume of \$1.27 billion (Exhibit 3-13). In other words, the CMF played an important financing role in over 40% of all Canadian television production in 2018/19.

TYPE

Exhibit 3-1 Volume of Canadian television* production, by type



Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes 'online-first' audiovisual content that was first released on an online service; and 'online-only' audiovisual content that, in the two years after completion, was only released in Canada on an acceptable online service pursuant to Public Notice CAVCO 2017-01. CAVCO reports that the total volume of online-first production was \$100 million in 2018/19.

** Other TV category includes single-episode television programming and television pilots.

Exhibit 3-2 Number of television projects, by type

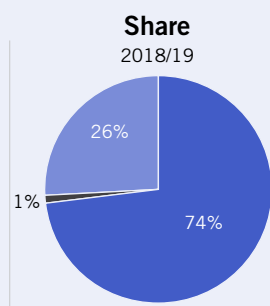
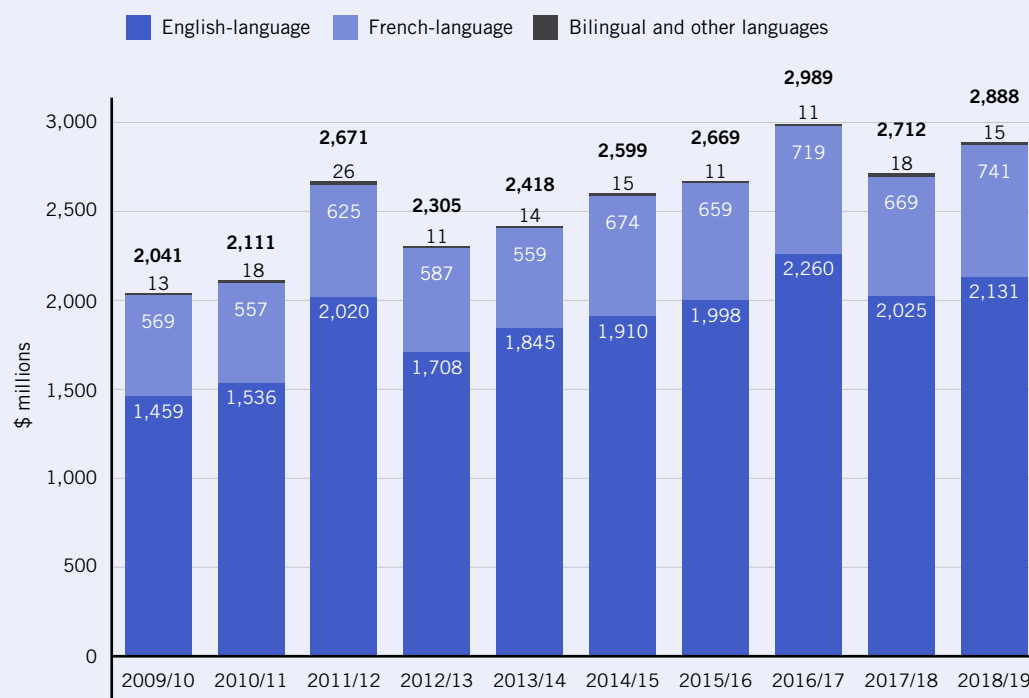
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Series	690	693	786	751	725	813	836	826	786	739
TV movies	109	116	103	102	127	151	170	154	129	118
Other TV*	372	306	385	330	339	300	297	316	291	241
Total	1,171	1,115	1,274	1,183	1,191	1,264	1,303	1,296	1,206	1,098

Source: Estimates based on data collected from CAVCO.

Note: Data includes an estimate of CRTC-certified television production.

* Other TV category includes single-episode television programming and television pilots.

LANGUAGE

Exhibit 3-3 Volume of Canadian television production, by language**Annual average growth rate**

Language	2018/19	2009/10–2018/19
English-language	5.2%	4.3%
French-language	10.8%	3.0%
Bilingual and other languages	(14.8%)	2.1%
Average: all languages	6.5%	3.9%

Source: Estimates based on data collected from CAVCO.

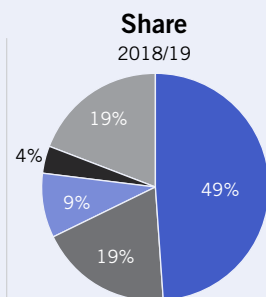
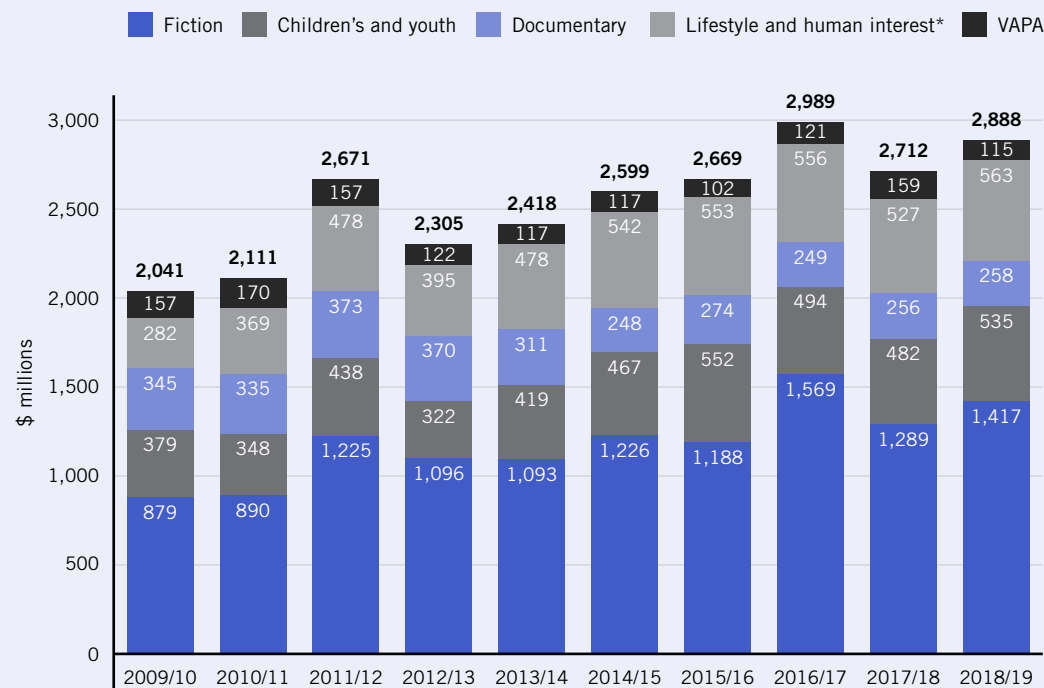
Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

Exhibit 3-4 Number of Canadian television projects, by language

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English-language	685	660	721	665	689	661	706	682	644	548
French-language	469	440	535	499	485	587	583	605	550	537
Bilingual and other languages	17	15	18	19	17	15	15	9	12	13
Total	1,171	1,115	1,274	1,183	1,191	1,263	1,304	1,296	1,206	1,098

Source: Estimates based on data collected from CAVCO.

GENRE

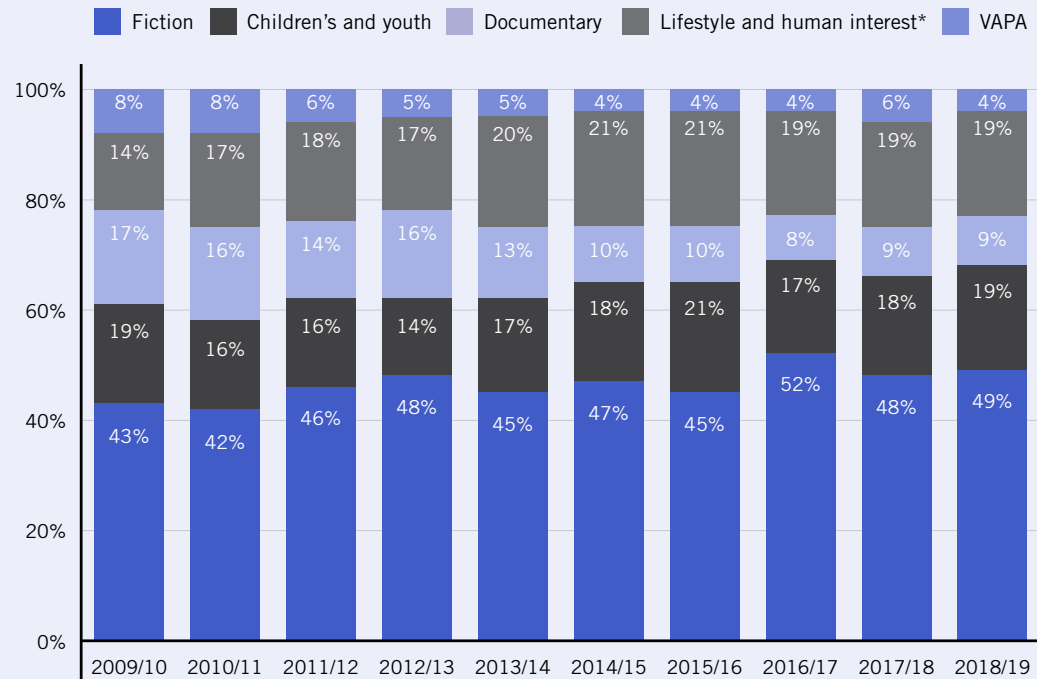
Exhibit 3-5 Volume of Canadian television production, by genre**Annual average growth rate**

Genre	2018/19	2009/10–2018/19
Fiction	10.0%	5.5%
Children's and youth	10.9%	3.9%
Documentary	1.1%	(3.1%)
Lifestyle and human interest*	6.9%	8.0%
VAPA	(28.1%)	(3.4%)
Average: all genres	6.5%	3.9%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 3-6 Shares of total volume of Canadian television production, by genre

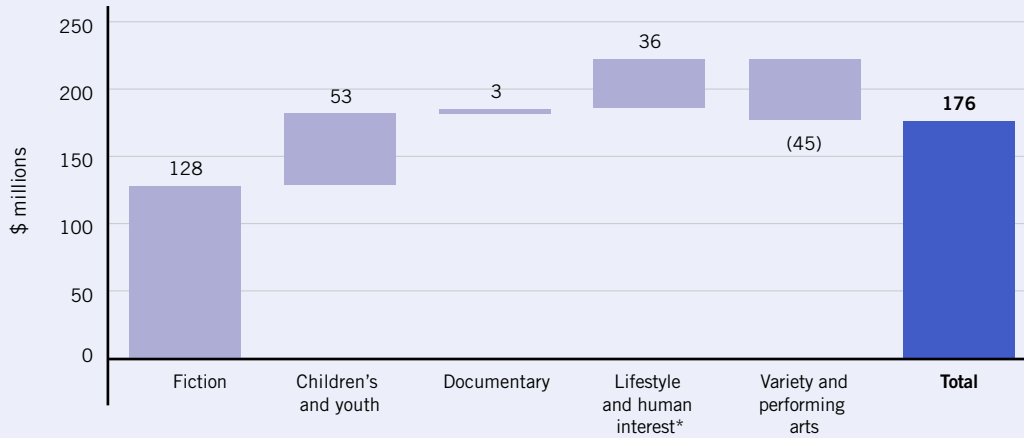
Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

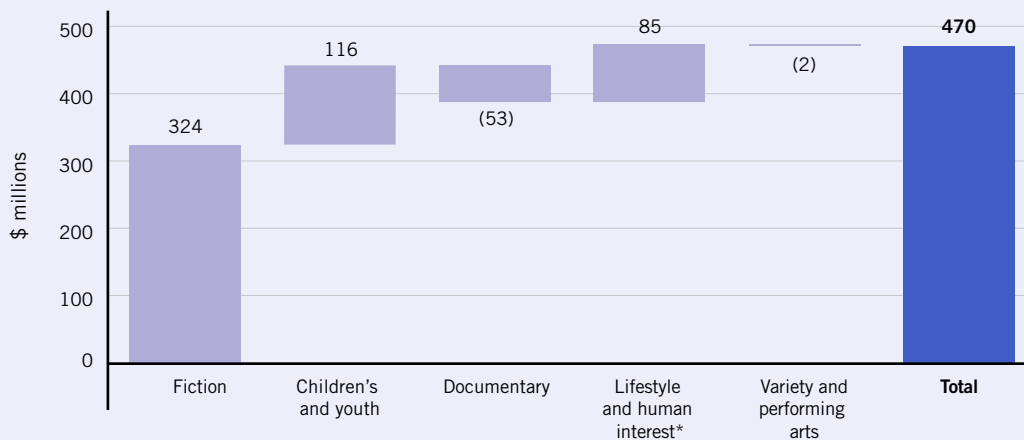
* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 3-7 Contribution to growth in volume of production, by genre

One-year (2017/18 to 2018/19)



Five-year (2013/14 to 2018/19)



Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

Exhibit 3-8 Volume of Canadian television production, by genre and language

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Fiction										
English-language	695	690	1,035	896	903	996	987	1,312	1,084	1,148
French-language	183	198	190	195	184	223	200	256	196	264
Bilingual and other languages	1	1	1	5	6	7	1	2	8	5
Total	879	890	1,225	1,096	1,093	1,226	1,188	1,569	1,289	1,417
Children's and youth										
English-language	299	294	331	247	348	385	463	402	376	408
French-language	76	52	97	74	65	78	84	90	104	125
Bilingual and other languages	4	2	10	2	6	5	5	2	1	2
Total	379	348	438	322	419	467	552	494	482	535
Documentary										
English-language	252	248	286	278	235	159	194	179	210	206
French-language	90	85	84	89	73	85	79	67	43	51
Bilingual and other languages	2	1	4	3	3	3	1	2	3	1
Total	345	335	373	370	311	248	274	249	256	258
Lifestyle and human interest*										
English-language	136	230	297	246	327	333	328	314	282	306
French-language	146	130	174	149	151	209	224	242	244	254
Bilingual and other languages	0	9	7	0	0	0	1	0	1	3
Total	282	369	478	395	478	542	553	556	527	563
Variety and performing arts										
English-language	76	74	72	42	32	37	26	52	73	64
French-language	75	91	80	81	85	79	73	64	81	47
Bilingual and other languages	6	5	4	0	0	0	3	5	5	4
Total	157	170	157	122	117	117	102	121	159	115

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

BUDGET

Exhibit 3-9 Average budgets, by genre

English-language production

\$ 000s per hour	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Fiction										
Average	1,323	1,232	1,700	1,304	1,220	1,240	1,298	1,470	1,408	1,471
Median	1,367	1,207	1,470	1,308	1,150	1,231	1,269	1,478	1,488	1,495
Children's and youth										
Average	788	863	854	711	867	855	1,073	1,292	1,055	1,146
Median	653	500	583	512	656	764	817	741	526	859
Documentary										
Average	410	347	367	321	312	307	333	356	344	385
Median	263	286	277	292	249	253	260	322	301	300
Lifestyle and human interest*										
Average	n.a.	266	308	265	322	265	273	313	298	405
Median	n.a.	288	305	277	286	223	232	246	224	277
Variety and performing arts										
Average	367	529	556	386	461	363	424	648	694	651
Median	262	231	360	197	267	248	258	383	523	425

Production in French and other languages

\$ 000s per hour	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Fiction										
Average	520	621	517	427	402	450	553	584	516	571
Median	376	467	504	327	342	417	564	539	483	540
Children's and youth										
Average	243	233	206	313	187	220	186	203	246	330
Median	179	163	150	167	143	159	142	139	143	186
Documentary										
Average	234	228	252	212	204	222	196	181	200	213
Median	189	197	211	173	179	190	168	166	176	170
Lifestyle and human interest*										
Average	n.a.	n.a.	113	104	119	73	93	97	111	112
Median	n.a.	n.a.	83	79	63	69	84	97	94	107
Variety and performing arts										
Average	311	212	220	205	229	261	226	240	281	280
Median	168	161	163	148	166	201	150	135	197	176

Source: Estimates based on data collected from CAVCO.

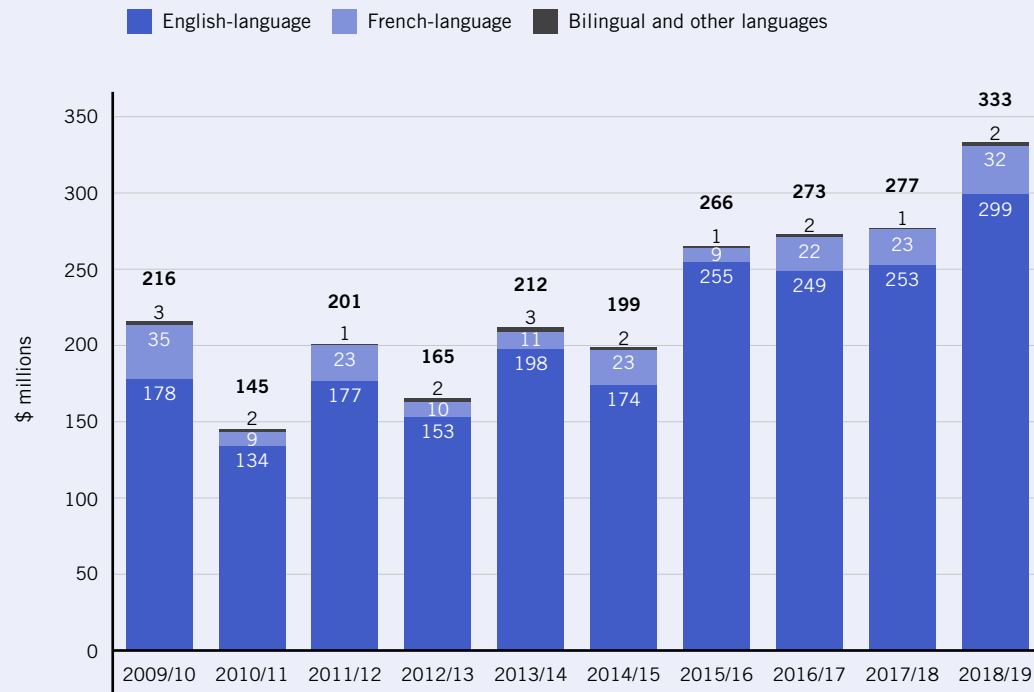
Note: The data does not include an estimate (as used in other exhibits) of CRTC-certified television production. Due to the low number of projects produced in a bilingual format or other languages, the data for this category has been combined with the data for the French-language market.

n.a.: Data not available.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

ANIMATION

Exhibit 3-10 Volume of Canadian animation television production, by language



Source: Estimates based on data collected from CAVCO.

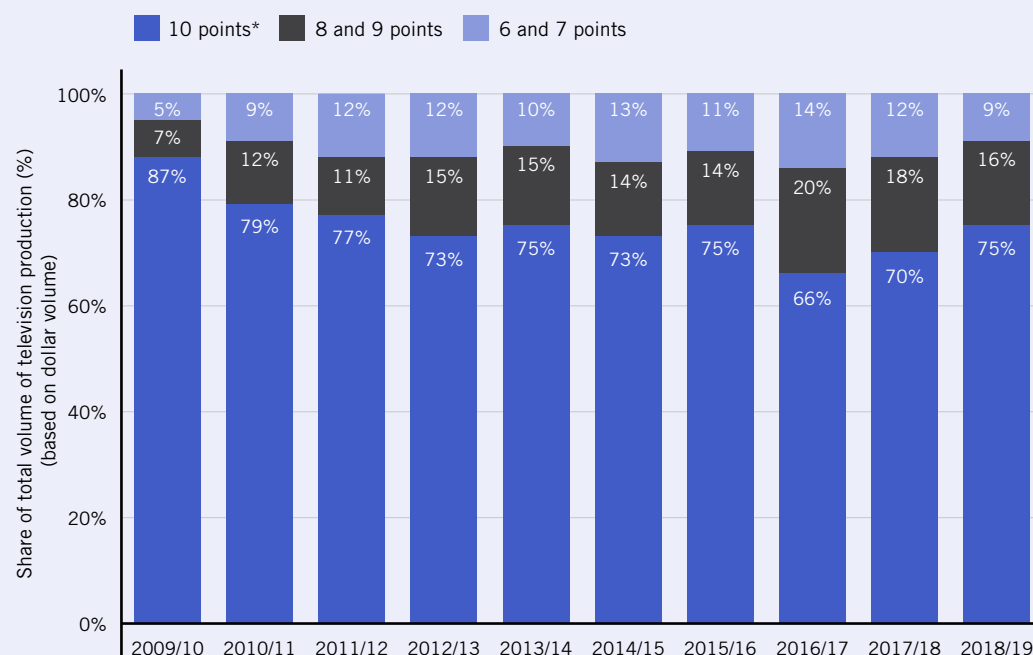
Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

CANADIAN CONTENT POINTS

To certify television programs and films as Canadian content, CAVCO and the CRTC use similar evaluation tools based on assigning points to key creative production roles. Canadian broadcasters can use these certified films and television programs to meet their Canadian television exhibition requirements. CAVCO utilizes a point scale, which assigns points to key creative production roles occupied by Canadians (in conjunction with other eligibility criteria) to determine if a film or television program is eligible to access the Canadian Film or Video Production Tax Credit (CPTC) and other funding mechanisms through Telefilm Canada and the CMF.⁹ To be certified as Canadian content, a film or television program (other than audiovisual treaty coproduction) must obtain a minimum of six points; the maximum number of points a film or television program can obtain is ten.¹⁰

⁹ For more information on the Canadian content point scale, please see CAVCO's CPTC Application Guidelines.

¹⁰ A documentary project can receive certification even if it obtains fewer than six points; however, all the filled key creative positions must be occupied by Canadians.

Exhibit 3-11 Television production by Canadian content points (excludes audiovisual treaty coproduction)

Source: Estimates based on data collected from CAVCO.

* Includes all productions (other than audiovisual treaty coproductions) for which Canadians occupied all of the key creative positions as defined by CAVCO, even if not all key creative point positions were occupied. For example, a television program with only one lead performer would receive 9 out of 9 points, rather than 10 out of 10 points. A similar mapping of points has been done to give all productions a score out of 10 points for the purposes of this exhibit. For example, a television program that receives 7 out of 9 points would be represented as an 8-out-of-10-point production. Some totals may not sum due to rounding.

REGION

Exhibit 3-12 Volume of Canadian television production, by province and territory

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19 share of total
Ontario	944	993	1,299	1,056	1,094	1,216	1,263	1,346	1,257	1,352	47%
Quebec	678	711	772	701	664	774	762	892	725	831	29%
British Columbia	196	231	367	387	417	426	429	513	441	482	17%
Alberta	80	63	67	59	91	67	100	100	111	80	3%
Nova Scotia	44	29	52	35	74	42	62	74	73	54	2%
Manitoba	44	25	40	22	30	41	15	20	38	52	2%
Newfoundland and Labrador	31	33	32	31	33	21	29	31	55	13	<1%
New Brunswick	13	8	15	7	9	7	2	5	6	10	<1%
Saskatchewan	11	16	21	5	4	3	4	4	5	6	<1%
Territories*	2	1	1	2	3	3	3	6	3	7	<1%
Prince Edward Island	0	0	3	0	0	0	0	0	0	0	0%
Total	2,041	2,111	2,671	2,305	2,418	2,599	2,669	2,989	2,712	2,888	100%

Source: Estimates based on data collected from CAVCO.

* Yukon, Nunavut and Northwest Territories.

Note: Data includes an estimate of CRTC-certified television production. Statistics published by provincial funding agencies may differ from those in *Profile 2019*. Please see Notes on Methodology for additional information. Some totals may not sum due to rounding. Historical figures for certain provinces/territories have been revised due to the re-coding of some productions to different fiscal years (in which principal photography started) and/or to different provinces/territories.

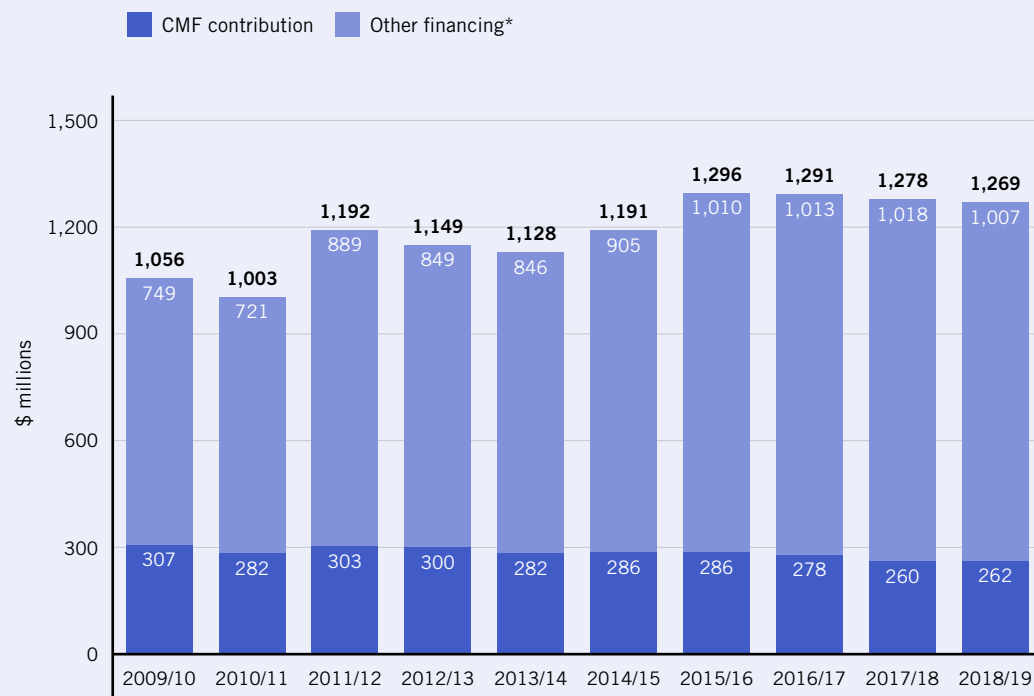
CANADA MEDIA FUND

The Canada Media Fund (CMF) is funded by the Government of Canada, and cable, satellite and IPTV service providers (also known as broadcasting distribution undertakings [BDUs]). It fosters, promotes, develops and finances the production of Canadian content and relevant applications for all audiovisual media platforms

The CMF has an overall program budget of more than \$350 million for screen-based media across two funding streams: the Convergent Stream and the Experimental Stream. The Convergent Stream provides financial support to screen-based projects with television content and content or applications for at least one additional digital media platform. The Experimental Stream funds the creation of innovative digital media content and software applications. This section provides an overview of the screen-based production supported by the Convergent Stream.

CMF funding of \$262 million supported \$1.27 billion¹¹ in television production in 2018/19 and generated 24,600 full-time equivalent jobs (FTEs). Although the total value of CMF funding was up by \$2 million in 2018/19, over the longer-term, the CMF has been experiencing downward pressure on its revenue on account of falling revenues in the Canadian BDU industry. Between 2009/10 and 2018/19, the total value of CMF fell by 14.7% – from \$307 million to \$262 million. Despite the lower levels of CMF funding available in the recent years, the CMF's rate of financial leverage has moved higher. In 2018/19, CMF-supported projects attracted \$3.84 in additional production financing, for every dollar of CMF funding. This was just shy of the 10-year high of \$3.92 achieved in 2017/18.

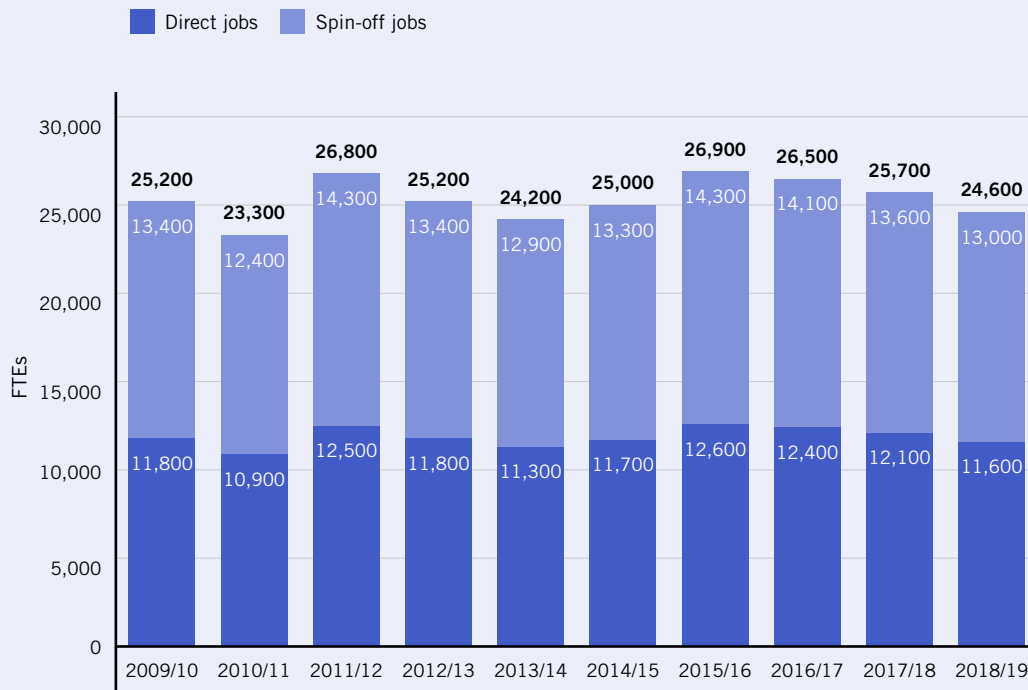
Exhibit 3-13 Volume of Canadian television production with CMF contributions



Source: CMF.

* Other financing includes contributions from production companies, broadcasters, other government sources and distributors.

¹¹ Canada Media Fund, custom tabulations. Funding and production statistics only include television-platform component of Convergent Stream projects.

Exhibit 3-14 Number of FTEs generated by CMF-supported production

Sources: Estimates based on data from the CMF, Statistics Canada and the Conference Board of Canada.
 Note: See the Notes on methodology section for a description of the job-estimation methodology.

Exhibit 3-15 Number of CMF-supported hours of television production, by genre

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Documentary	821	715	828	828	886	925	1,041	1,045	831	959
Children's and youth	639	695	812	785	712	799	763	688	697	516
Drama (i.e., fiction)	610	659	613	671	661	700	757	728	724	727
Variety and performing arts	352	422	549	404	321	354	398	418	452	393
Total	2,422	2,491	2,801	2,688	2,580	2,778	2,959	2,878	2,704	2,595

Source: CMF.
 Note: Some totals may not sum due to rounding.

Exhibit 3-16 CMF contributions to television production, by genre

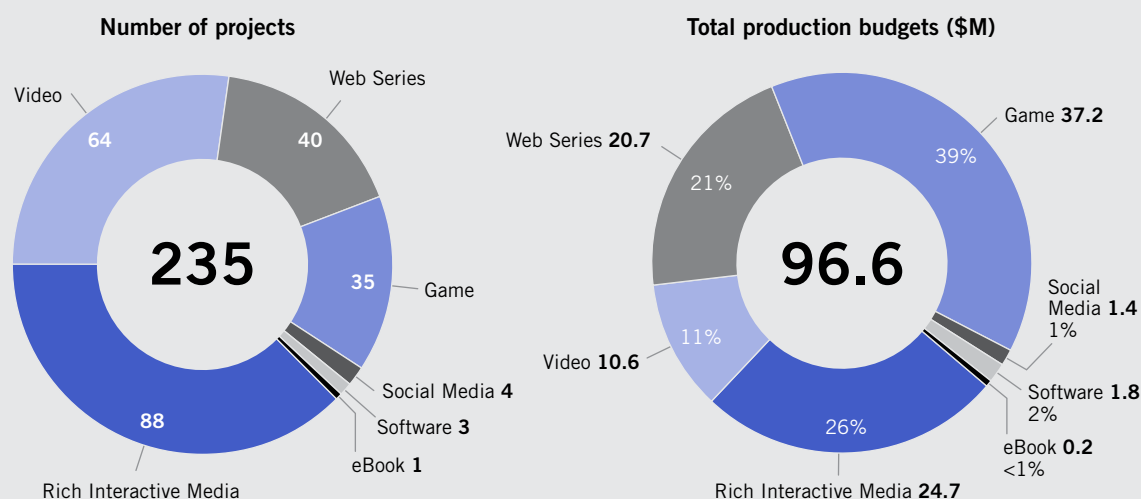
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
(\$ millions)										
Documentary	61	56	64	58	57	59	65	69	58	64
Children's and youth	55	54	57	56	56	56	54	39	37	33
Drama (i.e., fiction)	178	160	159	166	152	158	153	151	151	153
Variety and performing arts	13	13	23	18	16	13	13	19	15	13
Total	307	282	303	300	282	286	286	278	260	262
Percentage of total										
Documentary	20%	20%	21%	19%	20%	21%	23%	25%	22%	24%
Children's and youth	18%	19%	19%	19%	20%	20%	19%	14%	14%	13%
Drama (i.e., fiction)	58%	57%	53%	55%	54%	55%	53%	54%	58%	58%
Variety and performing arts	4%	5%	8%	6%	6%	5%	5%	7%	6%	5%
Total	100%	100%	100%	99%	100%	100%	100%	100%	100%	100%

Source: CMF.

Note: Some totals may not sum due to rounding.

Box 3 CMF-supported digital media production

The CMF operates two funding streams for digital media production. The Convergent Stream provides financial support to screen-based projects with television content, and content or applications for at least one additional digital media platform. The Experimental Stream funds the creation of innovative digital media content and software applications. On a combined basis across both of these funding streams, the CMF provided \$53.4 million in funding to 235 digital media projects with total production budgets of \$96.6 million in 2018/19.



Source: CMF

FINANCING

Exhibit 3-17 Financing of Canadian television production

	2014/15		2015/16		2016/17		2017/18		2018/19	
All Canadian television production	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	513	20%	524	20%	457	15%	365	13%	375	13%
Public broadcaster licence fees	235	9%	243	9%	318	11%	355	13%	381	13%
Federal tax credit ¹	272	10%	281	11%	315	11%	289	11%	299	10%
Provincial tax credits ¹	493	19%	483	18%	526	18%	489	18%	516	18%
Canadian distributors ²	316	12%	315	12%	466	16%	315	12%	394	14%
Foreign ³	269	10%	317	12%	373	12%	434	16%	354	12%
CMF ⁴	286	11%	286	11%	278	9%	260	10%	262	9%
Other public ⁵	38	1%	59	2%	106	4%	87	3%	154	5%
Other private ⁶	177	7%	162	6%	151	5%	119	4%	154	5%
Total	2,599	100%	2,669	100%	2,989	100%	2,712	100%	2,888	100%

	2014/15		2015/16		2016/17		2017/18		2018/19	
English-language production	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	456	17%	327	16%	276	12%	213	11%	212	10%
Public broadcaster licence fees	124	5%	108	5%	159	7%	172	9%	184	9%
Federal tax credit ¹	176	10%	204	10%	233	10%	210	10%	214	10%
Provincial tax credits ¹	329	20%	378	19%	409	18%	384	19%	400	19%
Canadian distributors ²	244	16%	308	15%	457	20%	308	15%	385	18%
Foreign ³	187	14%	311	16%	367	16%	424	21%	344	16%
CMF ⁴	183	10%	185	9%	176	8%	168	8%	168	8%
Other public ⁵	3	1%	50	3%	72	3%	79	4%	124	6%
Other private ⁶	142	7%	127	6%	110	5%	67	3%	100	5%
Total	1,845	100%	1,998	100%	2,260	100%	2,025	100%	2,131	100%

	2014/15		2015/16		2016/17		2017/18		2018/19	
French-language production	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	132	24%	196	30%	182	25%	150	22%	161	22%
Public broadcaster licence fees	125	22%	137	21%	160	22%	181	27%	196	27%
Federal tax credit ¹	61	11%	75	11%	81	11%	77	12%	83	11%
Provincial tax credits ¹	91	16%	102	15%	115	16%	102	15%	113	15%
Canadian distributors ²	2	<1%	3	<1%	4	1%	5	1%	6	1%
Foreign ³	1	<1%	2	<1%	2	<1%	6	1%	7	1%
CMF ⁴	92	16%	93	14%	93	13%	83	12%	83	11%
Other public ⁵	11	2%	16	2%	42	6%	14	2%	39	5%
Other private ⁶	44	8%	35	5%	40	6%	51	8%	53	7%
Total	559	100%	659	100%	719	100%	669	100%	741	100%

Sources: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

¹ Canadian production companies receive federal and provincial tax credits based on their eligible expenditures, and, in almost all cases, invest their tax credits directly into their television projects, in order to complete their project financing.

² Canadian distributors financing includes minimum guarantees and advances invested in television projects in exchange for rights to market, license and exhibit the audiovisual productions in Canada, unsold territories outside of Canada or on global distribution platforms.

³ Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organizations based outside of Canada.

⁴ Only programming in the fiction, children's and youth, documentary and VAPA genres is eligible for CMF funding.

⁵ 'Other public' includes financing from provincial governments, and other federal government departments and agencies; excludes federal and provincial tax credits, Canadian public broadcasters' licence fees and funding from Telefilm Canada.

⁶ 'Other private' includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 3 - 18 Financing of Canadian television production, by genre, 2018/19

All languages	Fiction	Children's and Youth	Documentary	Lifestyle and human interest ¹	VAPA	All Genres
Amount of financing (\$M)						
Private broadcaster licence fees	74	41	31	205	23	375
Public broadcaster licence fees	184	46	23	94	34	381
Federal tax credit ²	144	54	25	63	12	299
Provincial tax credit ²	244	127	42	86	16	516
Canadian distributors ³	246	90	26	29	1	394
Foreign ⁴	220	84	32	16	1	354
CMF ⁵	153	33	64	0	13	262
Other public ⁶	107	13	2	29	9	154
Other private ⁷	45	47	14	42	4	154
Total	1,417	535	258	563	115	2,888
Share of financing (%)						
Private broadcaster licence fees	5%	8%	12%	36%	20%	13%
Public broadcaster licence fees	13%	9%	9%	17%	30%	13%
Federal tax credit ²	10%	10%	10%	11%	11%	10%
Provincial tax credit ²	17%	24%	16%	15%	14%	18%
Canadian distributors ³	17%	17%	10%	5%	1%	14%
Foreign ⁴	16%	16%	12%	3%	1%	12%
CMF ⁵	11%	6%	25%	0%	11%	9%
Other public ⁶	8%	2%	1%	5%	8%	5%
Other private ⁷	3%	9%	5%	7%	4%	5%
Total	100%	100%	100%	100%	100%	100%

English-language production	Fiction	Children's and Youth	Documentary	Lifestyle and human interest ¹	VAPA	All Genres
Amount of financing (\$M)						
Private broadcaster licence fees	43	25	22	110	10	212
Public broadcaster licence fees	104	16	14	29	21	184
Federal tax credit ²	115	41	21	31	6	214
Provincial tax credit ²	202	103	35	53	7	400
Canadian distributors ³	241	88	26	28	<1	385
Foreign ⁴	218	78	32	15	1	344
CMF ⁵	103	18	40	0	7	168
Other public ⁶	89	1	2	24	8	124
Other private ⁷	32	37	14	15	2	100
Total	1,148	408	206	306	64	2,131
Share of financing (%)						
Private broadcaster licence fees	4%	6%	11%	36%	16%	10%
Public broadcaster licence fees	9%	4%	7%	10%	33%	9%
Federal tax credit ²	10%	10%	10%	10%	10%	10%
Provincial tax credit ²	18%	25%	17%	17%	12%	19%
Canadian distributors ³	21%	22%	13%	9%	<1%	18%
Foreign ⁴	19%	19%	15%	5%	2%	16%
CMF ⁵	9%	4%	19%	0%	11%	8%
Other public ⁶	8%	<1%	1%	8%	13%	6%
Other private ⁷	3%	9%	7%	5%	3%	5%
Total	100%	100%	100%	100%	100%	100%

(Continued next page)

Exhibit 3 - 18 Financing of Canadian television production, by genre, 2018/19 (continued)

French-language production	Fiction	Children's and Youth	Documentary	Lifestyle and human interest¹	VAPA	All Genres
Amount of financing (\$M)						
Private broadcaster licence fees	31	15	10	92	12	161
Public broadcaster licence fees	81	30	9	64	12	196
Federal tax credit ²	29	13	6	30	5	83
Provincial tax credit ²	41	23	9	32	8	113
Canadian distributors ³	3	2	<1	1	<1	6
Foreign ⁴	0	6	1	<1	0	7
CMF ⁵	49	13	16	0	6	83
Other public ⁶	19	13	1	6	1	41
Other private ⁷	13	10	1	27	2	53
Total	264	125	51	252	47	741
Share of financing (%)						
Private broadcaster licence fees	12%	12%	19%	36%	25%	22%
Public broadcaster licence fees	31%	24%	17%	25%	26%	27%
Federal tax credit ²	11%	11%	11%	12%	12%	11%
Provincial tax credit ²	15%	19%	16%	13%	17%	15%
Canadian distributors ³	1%	1%	1%	<1%	1%	1%
Foreign ⁴	0%	5%	2%	<1%	0%	<1%
CMF ⁵	19%	10%	31%	0%	13%	11%
Other public ⁶	7%	10%	2%	2%	2%	5%
Other private ⁷	5%	8%	2%	11%	4%	7%
Total	100%	100%	100%	100%	100%	100%

Sources: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

¹ Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

² Canadian production companies receive federal and provincial tax credits based on their eligible expenditures, and, in almost all cases, invest their tax credits directly into their television projects, in order to complete their project financing.

³ Canadian distributors financing includes minimum guarantees and advances invested in television projects in exchange for rights to market, license and exhibit the audiovisual productions in Canada, unsold territories outside of Canada or on global distribution platforms.

⁴ Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organizations based outside of Canada.

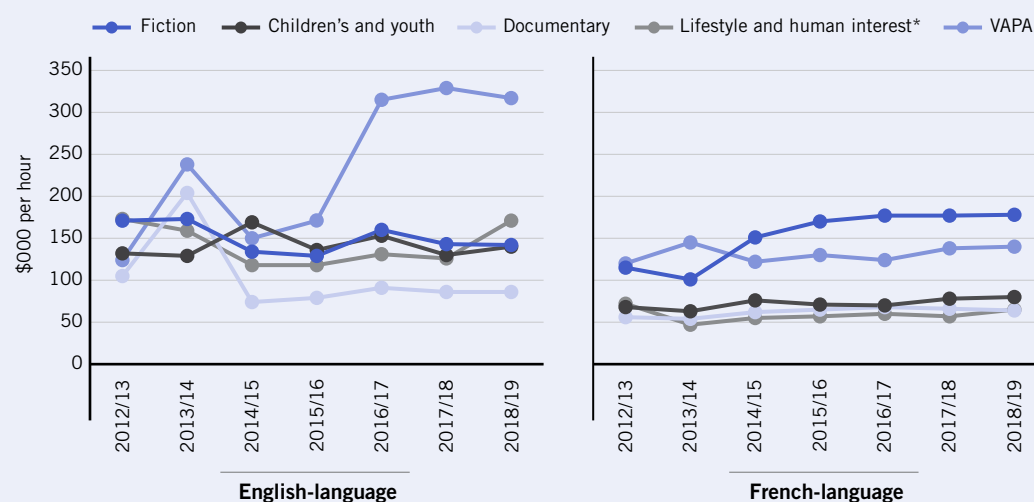
⁵ Only programming in the fiction, children's and youth, documentary and VAPA genres is eligible for CMF funding.

⁶ 'Other public' includes financing from provincial governments, and other federal government departments and agencies; excludes federal and provincial tax credits, Canadian public broadcasters' licence fees and funding from Telefilm Canada.

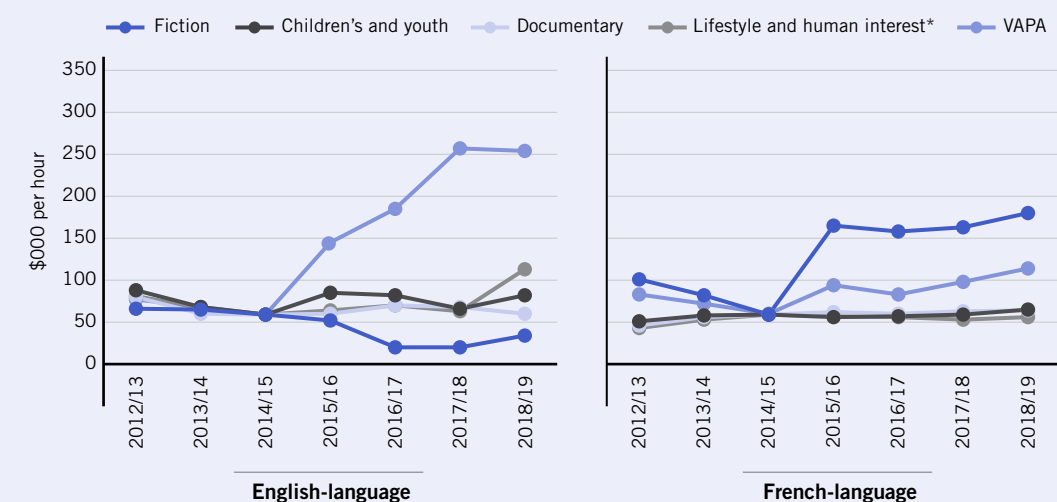
⁷ 'Other private' includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 3-19 Average and median per-hour licence fees paid by Canadian broadcasters for Canadian television programming

Average licence fees



Median



	Fiction				Children's and youth				Documentary				Lifestyle and human interest*				Variety and performing arts			
	Average		Median		Average		Median		Average		Median		Average		Median		Average		Median	
	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr	En	Fr
2012/13	171	115	66	101	132	68	88	51	105	56	80	46	173	72	81	43	124	120	77	83
2013/14	173	101	65	82	129	63	68	58	204	54	60	56	159	47	67	53	238	145	68	72
2014/15	134	151	59	59	169	76	59	59	74	62	59	59	118	55	59	59	150	122	59	60
2015/16	129	170	52	165	136	71	85	56	79	65	60	62	118	57	64	57	171	130	145	94
2016/17	160	177	20	158	153	70	82	57	91	68	70	60	131	60	70	56	315	124	185	83
2017/18	143	177	20	163	130	78	66	59	86	66	68	63	126	57	63	53	329	138	257	98
2018/19	142	178	34	180	140	80	82	65	86	64	60	64	171	65	113	56	317	140	254	114

Sources: Estimates based on data obtained from CAVCO for a sample of projects.

Note: Statistics for average and median licence fees are based strictly on CAVCO-certified projects that received a licence fee. The statistics for average and median licence fees have not been adjusted in any manner to take into account television programs that only received certification from the CRTC.

* Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

4. Canadian theatrical feature film production

The Canadian theatrical feature film segment produces feature-length films, which are intended for primary release in movie theatres.¹² Recent examples of notable Canadian theatrical feature films include *Menteur*, *The Grizzlies* and *Antigone*.

Highlights from 2018/19



- Canadian theatrical feature film production increased by 24.8% to \$337 million.
- Canadian producers made 119 theatrical feature films, up from 112 in 2017/18.
- English-language theatrical feature film production increased by 13.4% to \$224 million.
- French-language theatrical feature film production increased by 39.4% to \$102 million.
- Theatrical feature film production in other languages increased to a 10-year high of \$11 million.
- The average budget for Canadian feature films increased to \$3 million.
- The average budget for French-language fiction films increased to \$3.6 million.
- The total volume of theatrical feature film production in the fiction genre increased by 35.2% to \$277 million.
- The number of theatrical feature films in the fiction genre increased from 76 to 94.
- Foreign financing of Canadian theatrical feature film production increased from \$28 million to \$57 million and accounted for 17% of total financing.



- The share of theatrical feature films with a budget of more than \$10 million decreased to 5%.
- The average budget for English-language fiction films decreased to \$2.8 million.

¹² For this report, the feature film category includes all films 75 minutes and over in length.

After dipping to \$270 million in 2017/18, the total volume of Canadian theatrical feature film production rebounded by 24.8% to \$337 million in 2018/19 (Exhibit 4-1). At \$337 million, the total production volume in 2018/19 was just above the 10-year average of \$330 million, but below the levels of \$379 million and \$378 million recorded in 2012/13 and 2014/15, respectively. The \$67 million rebound in production volume in 2018/19 was driven by gains in all three language markets.

In the French-language market, the production of higher-budget films helped lift production volume by 39.4% to \$102 million (Exhibit 4-1). The average budget for French-language Canadian films increased from \$2.1 million to \$3.6 million in 2018/19 (Exhibit 4-4). In fact, the average budget for French-language projects was higher than that for English-language projects (\$2.8 million). The higher average budget observed in the French-language market was due to a small number of very high budget films produced in that market in 2018/19, which pulled up the overall average. The effect of this small group of very large projects was compounded by the fact that the total number of films produced in French (and in bilingual format or other languages) actually fell in 2018/19 to a 10-year low of 33 (Exhibit 4-2).

Conversely, in the English-language market, it was an increase in the number of films made in 2018/19 that helped to lift production volume (Exhibit 4-2). Although the average budget declined from \$3 million to \$2.8 million, an increase in the output of films – from 72 to 86 – lifted the volume of English-language theatrical feature film production by 13.7% to \$224 million (Exhibit 4-1).

Meanwhile, the volume of production of bilingual and other-language films increased from under \$1 million in 2017/18 to \$11 million in 2018/19 – the highest level recorded over the past decade (Exhibit 4-1). The limited statistics on the number of projects made in this language market, however, prevents any further investigation of whether the jump in production volume was due to several projects or just a small number of larger-budget projects.

Public funding continued to play an important role in the Canadian theatrical feature film segment in 2018/19. Public funding sources – including Telefilm Canada, provincial governments, and federal and provincial tax credits – combined to provide 61% of the total financing for Canadian theatrical feature film production in 2018/19 (Exhibit 4-7). This share was unchanged from 2017/18 and slightly higher than the five-year weighted average of 59% observed between 2014/15 and 2018/19.

Telefilm Canada

Telefilm Canada is a Crown corporation established by the Government of Canada in 1967, with a mandate to invest in the production of Canadian films. Today, its mission is to foster and promote the development of the Canadian audiovisual industry by playing a leadership role through financial support and initiatives that contribute to the industry's commercial, cultural and industrial success. In addition, Telefilm supports the promotion and export of Canadian content at festivals, markets and events – regionally, nationally and around the world.

Furthermore, Telefilm is responsible for making recommendations to the Minister of Canadian Heritage on whether projects can be recognized as audiovisual treaty coproductions, as well as administering the funding programs on behalf of the Canada Media Fund.

In 2018/19, Telefilm Canada provided a total of \$108.7 million in financial support to Canada's audiovisual sector.¹³ This included \$83.9 million in support for the development of the audiovisual industry (e.g. production, development, theatrical documentary programs, and other), and \$24.8 million in funding for promotional support.¹⁴

Although Telefilm Canada and other public sources provide a foundation for the financing of Canadian theatrical feature film production, it is market-driven sources of presale financing – namely Canadian distributors and foreign sources – that typically drive the year-to-year fluctuations in theatrical feature film production volume. In 2018/19, financing from Canadian distributors fell by \$7 million or 20.9% (Exhibit 4-7). Foreign financing, however, recorded its second consecutive annual increase: virtually doubling from \$28 million to \$57 million.

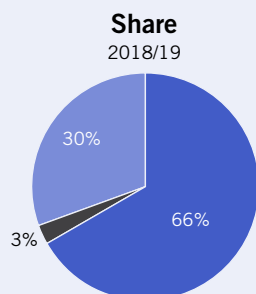
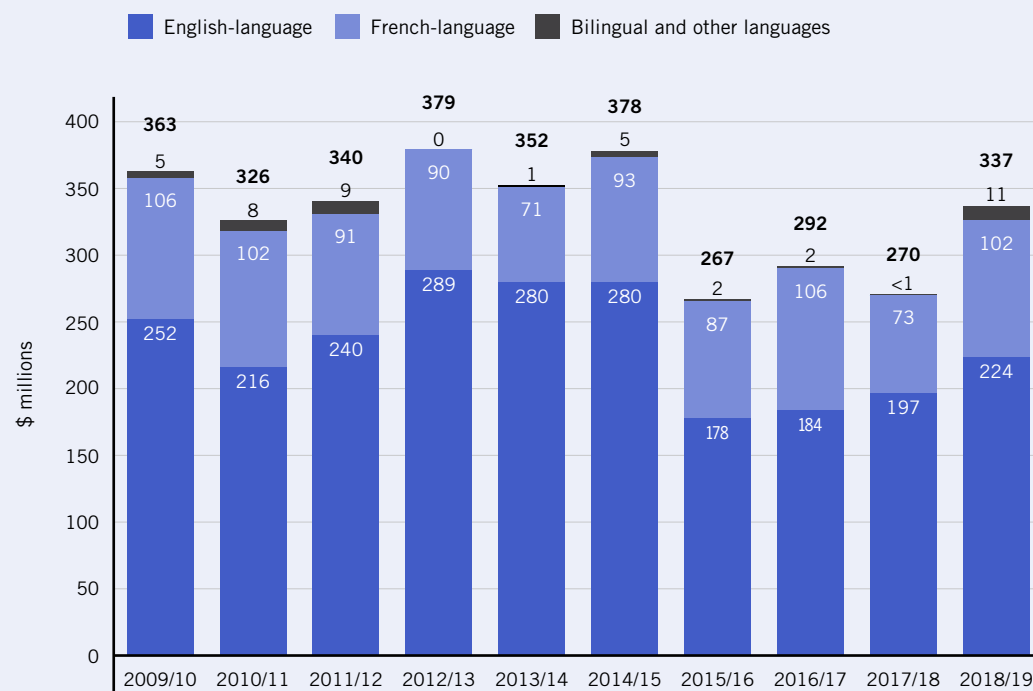
¹³ Telefilm Canada (2019), See *Bigger, New Horizons: 2018-2019 Annual Report*, p. 9.

¹⁴ Telefilm Canada (2019), p. 9.

Historically, any growth or decline in the foreign financing of Canadian theatrical feature film production has been concentrated almost entirely in the English-language market. In 2018/19, however, both language markets benefitted from increased foreign financing. The English-language market accounted for just over half of the overall growth in foreign financing in 2018/19: foreign financing in that market grew by \$16 million, or 56% (Exhibit 4-7). Meanwhile, the French-language market accounted for just under half of the overall growth in foreign financing for Canadian theatrical feature film production. In that language market, foreign financing rose from less than \$1 million in 2017/18 to \$13 million in 2018/19.

LANGUAGE

Exhibit 4-1 Volume of Canadian theatrical feature film production, by language



Annual average growth rate

Language	2018/19	2009/10–2018/19
English-language	13.4%	(1.3%)
French-language	39.4%	(0.5%)
Bilingual and other languages	55.5x*	9.8%
Average: all languages	24.8%	(0.8%)

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

* Between 2017/18 and 2018/19, the volume of bilingual and other-languages production increased from \$200,000 to \$11.2 million.

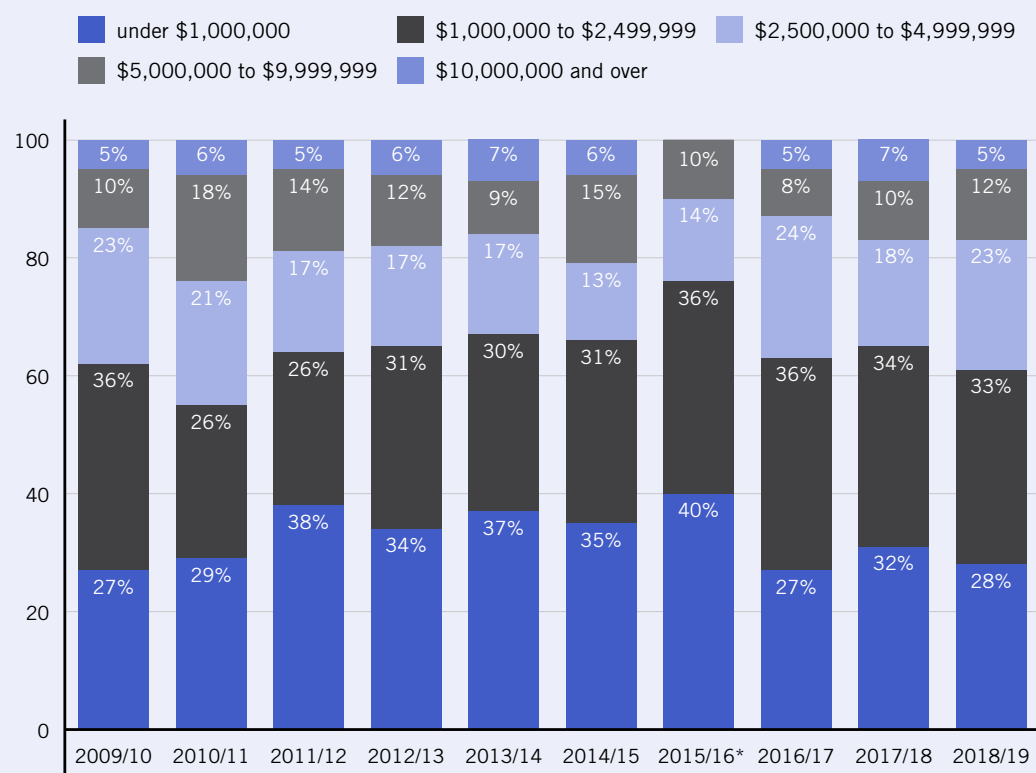
Exhibit 4-2 Number of Canadian theatrical feature films produced in Canada on an annual basis, by language

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English-language	70	66	75	90	75	89	84	76	72	86
French-language / Bilingual and other languages*	41	50	39	38	42	42	38	45	40	33
Total	111	116	114	128	117	131	122	121	112	119

Source: Estimates based on data collected from CAVCO.

* Due to the very low number of projects produced in bilingual format and other languages, the data for this category has been combined with the data for the French-language market.

BUDGET

Exhibit 4-3 Theatrical feature film projects, by budget size (fiction genre only)

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Budget calculations exclude the foreign budgets of audiovisual treaty coproductions.

* Data for the "\$10,000,000 and over" group has been combined with data for the \$5,000,000 to \$9,999,999 group.

Exhibit 4-4 Budgets of theatrical feature films (fiction genre only)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English										
Average	4.2	3.8	3.5	3.6	3.9	3.5	1.8	2.7	3.0	2.8
Median	1.4	1.8	1.2	1.3	1.3	1.4	1.0	1.6	1.8	1.7
French										
Average	2.6	2.9	3.3	2.7	2.5	2.4	2.2	3.3	2.1	3.6
Median	1.9	2.2	2.4	1.8	1.9	1.3	1.8	2.3	1.6	4.0
All languages*										
Average	3.6	3.4	3.4	3.4	3.5	3.1	2.0	2.9	2.7	3.0
Median	1.5	2.0	1.5	1.4	1.4	1.3	1.3	1.8	2.3	1.8

Source: Estimates based on data from CAVCO.

Note: Calculations exclude the foreign budgets of audiovisual treaty coproductions.

* Includes production in bilingual format and other languages

GENRE**Exhibit 4-5 Volume of Canadian theatrical feature film production, by genre**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Volume (\$millions)										
Fiction	305	291	277	357	314	295	179	248	205	277
Other genres*	58	35	63	21	38	83	88	45	65	59
Total	363	326	340	379	352	378	267	292	270	337
Number of films										
Fiction	84	85	81	107	89	94	91	85	76	94
Other genres*	27	31	33	21	28	37	31	36	36	25
Total	111	116	114	128	117	131	122	121	112	119

Source: Estimates based on data from CAVCO.

Note: Some totals may not sum due to rounding.

* Includes documentary, children's and youth, and VAPA genres.

REGION**Exhibit 4-6 Volume of Canadian theatrical feature film production, by province and territory**

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19 share of total
Ontario	91	121	176	173	131	124	113	79	117	152	45%
Quebec	229	127	136	145	178	203	107	155	133	145	43%
British Columbia	25	41	8	37	18	44	34	37	10	21	6%
Manitoba	1	14	10	7	0	3	5	12	5	8	2%
Alberta	3	2	0	1	3	4	3	6	1	6	<1%
Nova Scotia	9	11	2	8	2	0	3	3	1	3	<1%
Newfoundland and Labrador	0	0	1	2	3	0	2	0	2	1	<1%
Saskatchewan	3	11	7	4	15	0	0	0	1	0	0%
Territories*	0	0	0	0	0	0	0	0	0	0	0%
New Brunswick	1	0	0	1	2	0	0	0	0	0	0%
Prince Edward Island	0	0	0	0	0	0	0	0	0	0	0%
Total	363	326	340	379	352	378	267	292	270	337	100%

Source: Estimates based on data collected from CAVCO.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2019*. See Notes on Methodology for additional information. Historical figures for certain provinces/territories have been revised due to the re-coding of some productions to different fiscal years (in which principal photography started) and/or to different provinces/territories. Some totals may not sum due to rounding.

* Yukon, Nunavut and Northwest Territories.

FINANCING

Exhibit 4-7 Financing of Canadian theatrical feature film production

All Canadian theatrical feature film production	2014/15		2015/16		2016/17		2017/18		2018/19	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	3	1%	1	1%	1	1%	1	<1%	1	<1%
Public broadcaster licence fees	1	<1%	4	1%	2	1%	3	1%	5	1%
Federal tax credits ¹	26	7%	17	7%	17	6%	16	6%	19	6%
Provincial tax credits ¹	79	21%	57	21%	54	19%	51	19%	61	18%
Canadian distributors ²	33	9%	22	8%	41	14%	35	13%	28	8%
Foreign ³	86	23%	32	12%	14	5%	28	11%	57	17%
Telefilm Canada	58	15%	54	20%	69	24%	67	25%	70	21%
Other public ⁴	54	14%	25	9%	35	12%	30	11%	54	16%
Other private ⁵	38	10%	55	21%	59	20%	39	14%	43	13%
Total	378	100%	267	100%	292	100%	270	100%	337	100%

By language	English-language						French-language					
	2016/17		2017/18		2018/19		2016/17		2017/18		2018/19	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	1	1%	1	<1%	1	1%	<1	<1%	<1	<1%	<1	<1%
Public broadcaster licence fees	2	1%	2	1%	4	2%	1	1%	1	1%	1	1%
Federal tax credits ¹	14	7%	14	7%	14	6%	4	3%	3	4%	4	4%
Provincial tax credits ¹	33	18%	37	19%	40	18%	21	19%	14	19%	21	19%
Canadian distributors ²	33	18%	30	15%	21	9%	8	7%	5	6%	7	6%
Foreign ³	13	7%	28	14%	44	19%	1	1%	<1	1%	13	11%
Telefilm Canada	47	26%	46	23%	47	21%	21	19%	21	29%	23	20%
Other public ⁴	8	4%	11	6%	22	10%	39	36%	18	25%	33	29%
Other private ⁵	33	18%	28	14%	32	14%	15	14%	11	15%	12	10%
Total	184	100%	197	100%	224	100%	108	100%	73	100%	113	100%

Sources: Estimates based on data obtained from CAVCO and Telefilm Canada.

Note: Some totals may not sum due to rounding.

¹ Canadian production companies receive federal and provincial tax credits based on their eligible expenditures, and, in almost all cases, invest their tax credits directly into their films, in order to complete their project financing.

² Canadian distributors' financing includes minimum guarantees and advances invested in theatrical feature films in exchange for rights to market, license and exhibit the audiovisual content in Canada, unsold territories outside of Canada or on global distribution platforms.

³ Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organizations based outside of Canada.

⁴ 'Other public' includes financing from provincial governments, and other federal government departments and agencies; excludes federal and provincial tax credits, Canadian public broadcasters' licence fees and funding from Telefilm Canada.

⁵ 'Other private' includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

5. Audiovisual treaty coproduction

The Government of Canada currently has audiovisual coproduction treaties or memoranda of understanding with 59 partners.¹⁵ These treaties offer Canadian and foreign producers the opportunity to combine their creative, technical and financial resources to make audiovisual treaty coproductions that can be granted national production status in each of the partnering countries.

Audiovisual treaty coproductions that have obtained national production status are considered Canadian for the purposes of domestic incentives and broadcast quotas. They also enable foreign producers to access their own country's incentives for the foreign portion of the budget. Partnering production companies can take either a majority or minority participation position in an audiovisual treaty coproduction depending on the proportion of financing each producer brings to the project.

Note: Statistics for audiovisual treaty coproduction are now reported on a fiscal-year basis in *Profile* as opposed to the calendar-year reporting found in previous editions of *Profile*. As a result of this change in reporting, the data for the period January to March 2018, which was not captured in *Profile 2018*, is reported with 2017/18 data in *Profile 2019*.

Highlights from 2018/19



- The total number of feature film treaty coproductions increased to 34 from 20 in 2017/18.
- The median project budget for television treaty coproductions increased from \$1.3 million to \$2.7 million.
- The total budgets of Canada's feature film treaty coproductions increased by 80.9% to \$208 million.
- Canadian budgets accounted for 51.4% of total treaty coproduction budgets in 2018/19 compared to just 35% in 2017/18.



- Canada participated in 57 treaty coproductions – unchanged from 2017/18.
- France and the United Kingdom were Canada's leading coproduction partners between 2009/10 and 2018/19. The United Kingdom was the leading television treaty coproduction partner. France was the leading partner for feature films.
- Canada was a majority (or equal) partner for 43.9% of its treaty coproduction projects in 2018/19 – virtually unchanged from 42.1% in 2017/18.



- The total budgets of Canada's treaty coproductions decreased by 12.9% to \$364 million.
- The total number of television treaty coproductions decreased from 37 to 23.
- The total budgets of television treaty coproductions decreased by 48.8% to \$155 million.

¹⁵ A list of these agreements can be found on Telefilm Canada's website at <https://telefilm.ca/en/coproduction/international-treaties>.

Canada's treaty coproduction dropped to a 10-year low in 2018/19, even as its treaty coproduction film activity rebounded. On an overall basis the total volume of Canada's treaty coproduction decreased by 12.9% from \$418 million to \$364 million (Exhibit 5-1). This decrease was entirely due to a fall of nearly 50% in television treaty coproduction volume. In the television segment, the number of coproduction projects fell from 37 to 23 in 2018/19 (Exhibit 5-5). The volume of television treaty coproduction followed suit, dropping from \$303 million to \$155 million, a 48.8% decline. The Canadian budgets in the television segment also dipped – albeit at a slower rate of 18.6%.

Virtually the entire drop in television treaty coproduction in 2018/19 was concentrated in the English-language market. Production volume dropped from \$285 million to \$139 million, or 51.2% (Exhibit 5-5). The Canadian spend decreased at a slower rate, from \$90 million to \$76 million, or 15.6%. The number of English-language television treaty coproductions decreased from 21 to 17.

This drop in Canada's television treaty coproduction in 2018/19 was largely due to a steep decline in the production of English-language drama programming with treaty partners. While television treaty coproduction volume in the documentary, and children's and youth genres actually increased in 2018/19, the volume of drama programming fell by approximately three-quarters – from \$224 million to a 10-year low of \$52 million (Exhibit 5-6). Meanwhile, the number of television drama projects halved from four to two; the number of television documentary projects dropped from 27 to 16; and the number of projects in the children's and youth genre declined from 6 to 5. Overall, in the English-language market, the average project budget fell from \$8.2 million to \$6.7 million in 2018/19. This decrease suggests that Canada's television treaty coproduction projects may have consisted of fewer high budget television productions 2018/19 than the previous year.

At \$187 million, the Canadian budget share of the total volume of Canadian treaty coproductions stood at 51.4% (of \$364 million) in 2018/19 (Exhibit 5-1). This represented a recovery from the 10-year low of 35% in 2017/18 and moved the Canadian budget share above the weighted average of 45.2% observed in the previous nine years (2009/10 to 2017/18).

That recovery in Canadian budget share highlights the cyclical nature of coproduction, leaving it susceptible to significant shifts in number of projects and global budgets year-over-year.

The share of Canadian treaty coproduction volume (i.e. total global budgets) that was majority Canadian also increased in 2018/19. Majority Canadian treaty coproductions accounted for 59.3% of Canada's total treaty coproduction volume in 2018/19, up from only 26.6% in 2017/18 (Exhibit 5-2). The dollar-volume of majority Canadian treaty coproductions increased from \$111 million to \$216 million. In fact, 2018/19 was also the first fiscal year in five years where majority Canadian budgets exceeded minority budgets and reversed an apparent emerging trend in recent years of overall majority foreign financing for treaty coproductions.

Despite the steep decline in television treaty coproduction, there was a rebound in treaty coproduction in the feature film segment in 2018/19.

- In the English-language market, Canadian producers made 28 treaty coproduction feature films in 2018/19 – nearly double the 15 they made in 2017/18 (Exhibit 5-8). This near-doubling in the number of films was accompanied by a 132% increase in English-language feature film production volume (\$78 million to \$181 million) and a 127.3% increase in Canadian budgets (\$44 million to \$100 million) year-over-year.
- In the French-language market, the number of feature films increased from 5 to 6 in 2018/19, and the Canadian share of the budgets increased from \$6 million to \$7 million (Exhibit 5-8). However, production volume decreased by 24.3%, from \$37 million to \$28 million.

ALL RELEASE WINDOWS

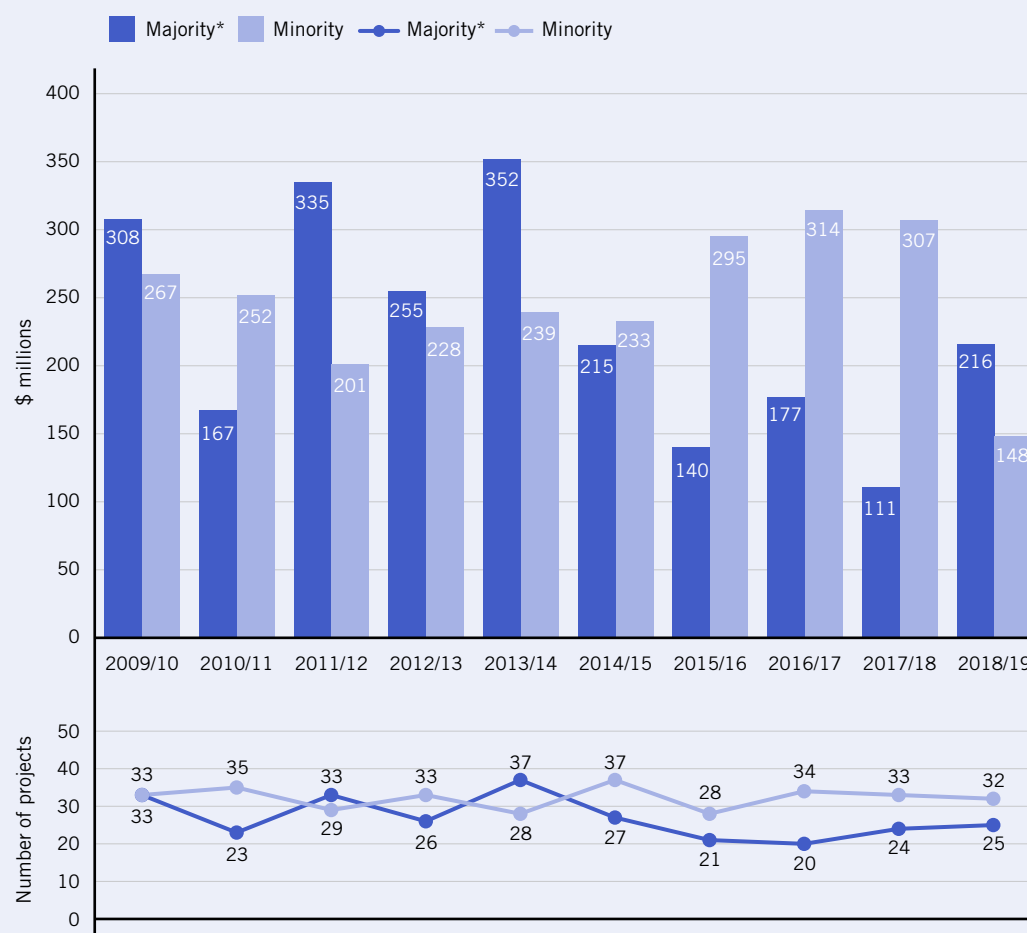
Exhibit 5-1 Audiovisual treaty coproduction, volume* and number of projects, all release windows

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English-language										
Canadian share of budgets (\$M)	257	162	265	192	304	182	141	186	134	176
Foreign share of budgets (\$M)	249	216	215	195	260	225	214	251	228	144
Total budgets (\$M)	506	377	480	387	564	407	355	437	362	320
Number of projects	46	48	46	42	58	50	32	44	36	45
French-language										
Canadian share of budgets (\$M)	32	21	25	31	9	21	33	11	12	11
Foreign share of budgets (\$M)	37	20	31	65	17	20	47	43	43	33
Total budgets (\$M)	69	41	56	96	26	41	80	54	56	44
Number of projects	20	10	16	17	7	14	17	10	21	12
All languages										
Canadian share of budgets (\$M)	289	183	291	222	313	202	173	197	146	187
Foreign share of budgets (\$M)	286	237	246	228	221	274	299	306	247	177
Total budgets (\$M)	575	419	536	483	590	448	435	491	418	364
Number of projects	66	58	62	59	65	64	49	54	57	57

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

Exhibit 5-2 Audiovisual treaty coproduction, majority- vs. minority-Canadian production

Source: Telefilm Canada.

Note: Statistics as of August 2019.

* The statistics for majority-Canadian treaty coproduction includes projects where the Canadian share of spending was equal to or more than 50% of the total project budget.

Exhibit 5-3 Audiovisual treaty coproduction, median project budgets (\$M)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
By language										
English-language	5.5	3.6	4.6	2.7	4.6	2.7	3.6	4.4	2.7	3.8
French-language	1.1	2.6	1.6	2.5	2.4	1.7	3.5	1.7	1.3	2.9
By release window										
Television	3.1	2.8	3.0	1.9	2.8	2.0	1.6	1.7	1.3	2.7
Feature film	5.8	3.6	4.6	4.9	10.2	5.7	5.1	6.4	3.8	3.8
All projects	3.5	3.5	3.4	2.6	3.8	2.6	3.5	3.3	1.8	3.7

Source: Telefilm Canada.

Note: Statistics as of August 2019.

Exhibit 5-4 Audiovisual treaty coproduction partner countries, 2009/10-2018/19

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
United Kingdom	164	841	463	55%
France	157	1,242	611	49%
Germany	38	640	348	54%
Ireland	27	783	212	27%
Australia	20	122	72	59%
South Africa	14	74	37	50%
Israel	14	15	8	50%
Belgium	13	87	42	49%
Brazil	10	54	29	53%
Spain	8	98	43	44%
Singapore	8	46	28	61%
Switzerland	8	16	7	40%
Other Bipartite	74	384	201	52%
Multipartite*	36	357	101	28%
Total	591	4,758	2,202	46%

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

TELEVISION**Exhibit 5-5 Audiovisual treaty coproduction, volume* and number of projects, television segment**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English-language										
Canadian share of budgets (\$M)	116	92	148	99	122	104	107	98	90	76
Foreign share of budgets (\$M)	183	151	159	123	124	170	175	172	194	63
Total budgets (\$M)	299	243	307	222	246	274	282	271	285	139
Number of projects	33	29	33	31	38	35	23	26	21	17
French-language										
Canadian share of budgets (\$M)	14	2	3	6	2	5	2	7	6	4
Foreign share of budgets (\$M)	16	2	4	11	5	7	3	19	12	12
Total budgets (\$M)	30	5	7	18	7	12	4	26	18	16
Number of projects	15	4	8	10	3	7	4	8	16	6
All languages										
Canadian share of budgets (\$M)	131	95	151	105	124	109	108	105	97	80
Foreign share of budgets (\$M)	198	153	162	135	129	177	179	191	206	75
Total budgets (\$M)	329	248	313	240	253	286	287	296	303	155
Number of projects	48	33	41	41	41	42	27	34	37	23

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

Exhibit 5-6 Audiovisual treaty coproduction, volume* and number of projects by genre, television segment

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total global budgets (\$ millions)										
Drama	147	165	186	151	134	184	185	222	224	52
Documentary	53	26	42	52	36	63	23	35	33	49
Children's and youth	130	57	86	37	83	39	78	39	46	54
Total	329	248	313	240	253	286	286	296	303	155
Number of projects										
Drama	6	10	5	6	11	8	5	7	4	2
Documentary	25	16	22	27	19	27	16	21	27	16
Children's and youth	17	7	14	8	11	7	6	6	6	5
Total	48	33	41	41	41	42	27	34	37	23
Average project budgets (\$ millions)										
Drama	24.4	16.5	37.1	25.2	12.2	23.0	37.1	31.7	55.9	26.1
Documentary	2.1	1.6	1.9	1.9	1.9	2.3	1.5	1.7	1.2	3.1
Children's and youth	7.6	8.1	6.1	4.6	7.6	5.5	13.0	6.5	7.7	10.8
All genres	6.9	7.5	7.6	5.8	6.2	6.8	10.6	8.7	8.2	6.7

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

Exhibit 5-7 Audiovisual treaty coproduction partner countries, television segment, 2009/10 - 2018/19

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
United Kingdom	142	689	377	55%
France	98	525	248	47%
Germany	16	136	36	27%
Australia	16	112	67	60%
Ireland	12	680	149	22%
Brazil	9	49	26	53%
Israel	9	9	5	56%
Singapore	8	46	28	61%
South Africa	5	31	20	64%
Hungary	5	125	59	48%
Other Bipartite	27	80	32	40%
Multipartite*	20	229	56	25%
Total	367	2,709	1,104	41%

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

FEATURE FILM

Exhibit 5-8 Audiovisual treaty coproduction, volume* and number of projects, feature film segment

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
English-language										
Canadian share of budgets (\$M)	140	70	117	93	182	77	34	87	44	100
Foreign share of budgets (\$M)	66	65	56	72	136	55	39	79	34	81
Total budgets (\$M)	207	135	173	165	318	133	73	166	78	181
Number of projects	13	19	13	11	20	15	9	18	15	28
French-language										
Canadian share of budgets (\$M)	18	18	22	24	6	16	31	4	6	7
Foreign share of budgets (\$M)	21	18	28	54	12	13	45	24	32	21
Total budgets (\$M)	39	36	50	78	19	29	76	29	37	28
Number of projects	5	6	8	7	4	7	13	2	5	6
All languages										
Canadian share of budgets (\$M)	158	88	140	117	189	93	65	92	50	107
Foreign share of budgets (\$M)	87	83	84	127	148	69	83	103	66	101
Total budgets (\$M)	246	171	223	244	337	161	149	195	115	208
Number of projects	18	25	21	18	24	22	22	20	20	34

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

Exhibit 5-9 Audiovisual treaty coproduction partner countries, theatrical feature film segment, 2009/10 - 2018/19

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
France	59	717	364	51%
Germany	22	504	312	62%
United Kingdom	22	152	86	56%
Ireland	15	103	62	61%
Belgium	13	87	42	49%
South Africa	9	44	18	41%
Spain	7	72	37	51%
Switzerland	7	16	6	39%
Italy	5	57	45	78%
Denmark	5	34	15	46%
Australia	5	10	4	44%
Cuba	5	15	11	74%
Other Bipartite	34	111	51	46%
Multipartite*	16	128	45	35%
Total	224	2,049	1,098	54%

Source: Telefilm Canada.

Note: Statistics as of August 2019. Some totals may not sum due to rounding.

* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

6. Foreign location and service production

The foreign location and service (FLS) production segment is primarily comprised of films and television programs filmed in Canada mainly by foreign producers with the involvement of Canadian-based service producers. This includes the visual effects (VFX) work done by Canadian VFX studios for foreign films and television programs. For the majority of FLS projects, the copyright is held by non-Canadian producers; however, for approximately 5% to 10% of projects, the copyright is held by Canadians.

In recent years, Canada's FLS production segment has contributed to numerous films that achieved successful global box office runs. Some recent Hollywood films that have either been shot in Canada or had their VFX work done in Canada include *It: Chapter Two*, *Midway*, *Pet Sematary*, *Murder Mystery* and *X-Men: Dark Phoenix*. Canada has also become a destination for the filming of many American television series and mini-series such as *See*, *The Handmaid's Tale*, *Star Trek: Discovery*, *The Man in the High Castle*, and *Tom Clancy's Jack Ryan*, which have been commissioned by US networks as well as online video streaming services.

Highlights from 2018/19



- The total volume of FLS production in Canada increased by 3.2% to an all-time high of \$4.86 billion.
- The total volume of FLS feature film production increased by 15.7% to \$1.80 billion
- The copyright for 78% of FLS projects was held by persons or companies based in the US, up slightly from 76% in 2017/18.



- The total volume of FLS television series production declined by 1.8% to \$2.74 billion.
- The number of FLS productions decreased from 480 to 465.
- The number of FLS television series shot in Canada declined slightly from 209 to 208.
- The number of FLS feature films shot in Canada declined slightly from 167 to 164.

Content production by existing international subscription video on demand (SVOD) platforms such as Netflix, Amazon Prime Video, CBS All Access and Hulu, as well as newly launched platforms such as Disney+, AppleTV+ and HBO Max continued to fuel growth in FLS production in Canada in 2018/19. However, the rate of growth tapered off in 2018/19 compared to 2017/18, as television series production levelled off after hitting a record high in 2017/18.

Overall, the volume of FLS production in Canada increased by 3.2% to a new record of \$4.86 billion (Exhibit 6-1). This increase was due entirely to a \$245 million increase in the volume of feature film production. Although the number of FLS feature films shot¹⁶ in Canada declined from 167 to 164 (Exhibit 6-2), higher feature film budgets meant that total volume increased by 15.7%, from \$1.56 billion to \$1.80 billion.

The increase in feature film production offset a 1.8% decline in the volume of television series production (Exhibit 6-1). The number of FLS television series shot in Canada declined slightly – from 209 to 208, while the total volume of production decreased from \$2.79 billion to \$2.74 billion. The production of other types of television programming, including pilots and television movies, also dropped in 2018/19, 104 to 93, resulting in a 12% drop in production volume, from \$358 million to \$315 million.

Ontario, Quebec, Manitoba, Alberta, Nova Scotia and the territories were all beneficiaries of higher FLS production in 2018/19 (Exhibit 6-4). Both Ontario and Quebec saw their volumes of FLS production increase by over \$100 million in 2018/19.

Statistics provided by Ontario Creates indicate that an increase in the number of television series – from 51 to 57 – was the key driver of the year-over-year increase in FLS production in Ontario. Statistics provided by Société de développement des entreprises culturelles (SODEC) indicate that, in Quebec, higher levels of feature film production and the production of TV movies, pilots and other non-serial television programming were key drivers of the overall increase in production. In particular, the number of FLS feature films shot in the province increased from 48 to 57 in 2018/19.

The smaller provinces with FLS production also experienced increases in 2018/19. Indeed, on a percentage basis, the volume increases in FLS production in these smaller provinces were much higher than those experienced in Ontario and Quebec.

- In **Nova Scotia**, higher levels of both feature film and television series production originating from the US and Brazil helped the province's volume of FLS production to more-than-double to \$26 million in 2018/19. This growth was also supported by the Nova Scotia government's decision to increase the size of its Film and Television Production Incentive Fund from \$20 million to \$26 million in 2018/19.¹⁷
- In **Manitoba**, higher spending on the production of feature film, TV series and, in particular, TV movies helped lift the province's volume of FLS production by 87.2% to a 10-year high of \$167 million. The US-based Hallmark Channel shot six TV movies in Manitoba in 2018/19, including *A Shoe Addict's Christmas*, *Love in Design*, and *Once Upon a Christmas Miracle*.¹⁸
- In **Alberta**, the launch of the Screen-based Production Grant (as a replacement to the Alberta Production Fund) with a higher per-project funding cap – \$7.5 million vs. \$5 million – helped the province increase its FLS production by 57.5% to \$86 million in 2018/19.
- Across the **territories**, FLS production rebounded from \$1 million in 2017/18 to \$7 million in 2018/19. It was still short of the 10-year peak of \$18 million recorded in 2016/17.

Statistics published by Creative BC and included in *Profile 2019* suggest that the total volume of FLS production in British Columbia decreased by 7.4% in 2018/19 (Exhibit 6-4). It is important to note, however, that these production statistics are based on the fiscal year in which a project received certification for the provincial tax credit, which may, in fact, be different from the fiscal year in which the project's filming actually takes place.¹⁹ According to Creative BC, the actual level of FLS production activity in British Columbia in 2018/19 was more likely to have been at the same level as it was 2017/18, rather than being lower, as is suggested by the published statistics based on tax credit certification. For further information on the reporting methodology used by Creative BC and how to interpret the province's film and TV production statistics, please see "[Film and Television Tax Credit Certification/ Explanation of Reporting Methodology](#)" at Creative BC's web site.

¹⁶ This large increase can be attributed to the fact that effects/animation were developed in Canada.

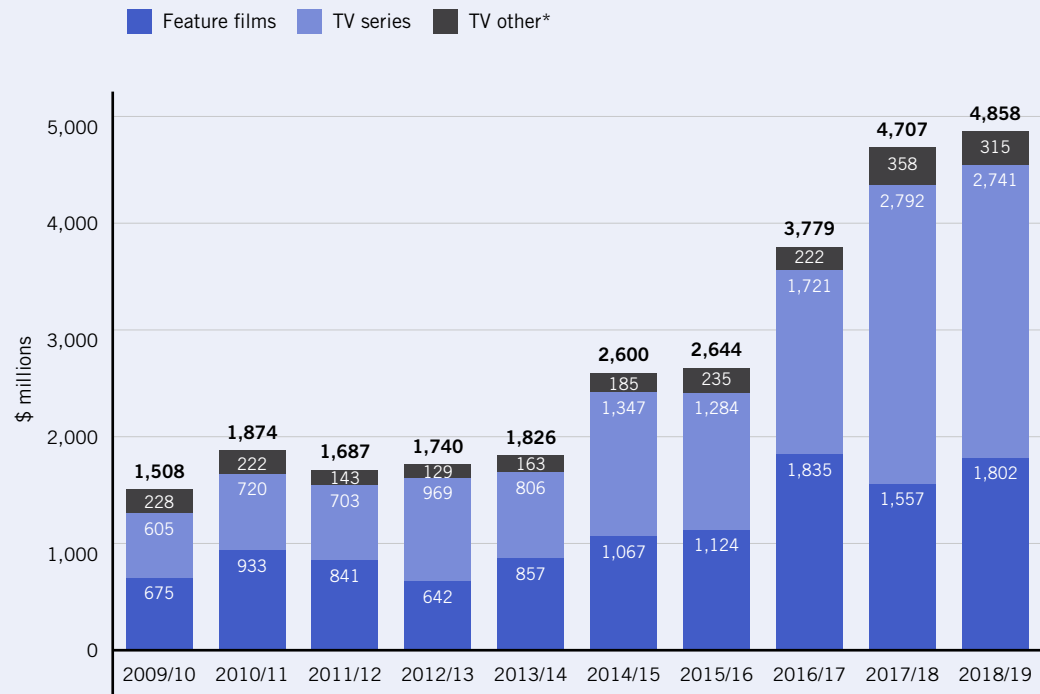
¹⁷ Jordan Pinto (2018), "[Nova Scotia ups Incentive Fund to \\$26M for 2018/19](#)," *Playback*, November 8, 2018.

¹⁸ Lauren Maiyk (2018), "[Manitoba hits \\$210M in production volume](#)," *Playback*, December 18, 2018.

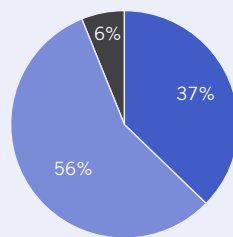
¹⁹ Creative BC (2019), "[Film and Television Tax Credit Certification/ Explanation of Reporting Methodology](#)."

TOTAL PRODUCTION AND TYPES

Exhibit 6-1 Volume of foreign location and service production, by type



Share
2018/19



Annual average growth rate

Type	2018/19	2009/10–2018/19
Feature films	15.7%	11.5%
TV series	(1.8%)	18.3%
TV other*	(12.0%)	3.7%
Average: all types	3.2%	13.9%

Source: Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding.

* Prior to 2017/18, mini-series were included as part of the TV other category. In 2017/18, the statistics for mini-series were collected in the TV series category. For this reason, the year-over-year growth in TV series production in 2017/18 is slightly overstated. However, the vast majority of production in the TV series category is still likely comprised of TV series rather than TV mini-series.

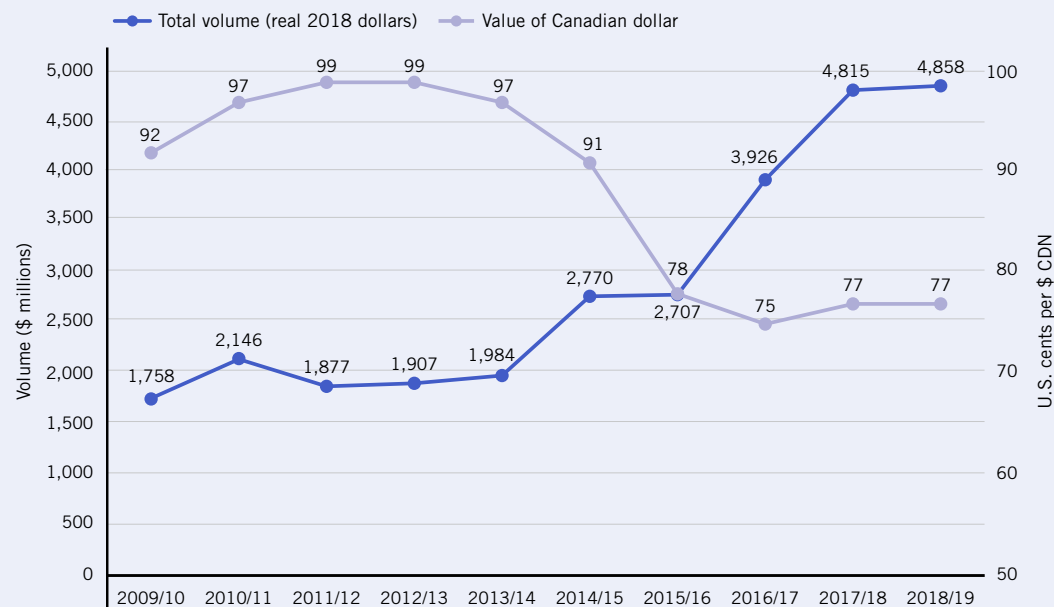
Exhibit 6-2 Annual number of foreign location and service projects, by type

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Feature films	53	66	99	93	91	111	128	186	167	164
TV series	61	76	78	85	92	115	156	137	209	208
TV other*	67	81	58	42	51	53	71	77	104	93
Total	181	223	235	220	234	279	355	400	480	465

Source: Association of Provincial Funding Agencies.

Note: Totals are based on available data and make no allowance for unavailable data.

* Prior to 2017/18, mini-series were included as part of the TV other category. In 2017/18, the statistics for mini-series were collected in the TV series category. For this reason, the year-over-year growth in TV series production in 2017/18 is slightly overstated. However, the vast majority of production in the TV series category is still likely comprised of TV series rather than TV mini-series.

Exhibit 6-3 Total volume of foreign location and service production (real inflation-adjusted dollars vs. value of Canadian dollar)

Source: Bank of Canada, Statistics Canada and Association of Provincial Funding Agencies.

REGION

Exhibit 6-4 Volume of foreign location and service production, by province and territory

(\$ millions)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19 share of total
British Columbia*	1,092	1,364	1,102	1,076	1,080	1,672	1,574	2,311	3,040	2,816	58.0%
Ontario	225	224	382	399	446	545	698	882	869	985	20.3%
Quebec	122	240	157	212	147	275	282	404	666	771	15.9%
Manitoba	15	11	8	23	47	11	42	70	89	167	3.4%
Alberta	7	4	13	4	88	92	34	54	31	86	1.8%
Nova Scotia	43	31	22	25	17	n/a	12	39	12	26	<1%
Territories**	0	1	3	2	2	3	3	18	1	7	<1%
Saskatchewan	n/a	0	1	0	0	0	0	0	0	1	<1%
New Brunswick	0	n/a	n/a	0	0	1	0	0	0	0	0.0%
Prince Edward Island	n/a	n/a	n/a	0	0	<1	0	0	0	0	0.0%
Newfoundland and Labrador	0	0	0	0	0	0	0	0	0	0	0.0%
Total	1,508	1,874	1,687	1,740	1,826	2,600	2,644	3,779	4,707	4,858	100.0%

Source: Association of Provincial Funding Agencies.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2019*. Please see Notes on methodology for additional information. Some totals may not sum due to rounding.

n/a: Data not available or suppressed for confidentiality.

* Statistics published by Creative BC for British Columbia are based on the fiscal year in which a project received certification for the provincial tax credit, which may differ from the fiscal year in which the project's filming actually takes place. Statistics based on tax credit certifications are a good overall indicator of production activity and volume, however, the year-to-year trends in production activity and volume can become disconnected from on-the-ground activity when a large number of projects receive certification in fiscal years before or after the fiscal year of principal photography. With that in mind, Creative BC has indicated that the actual level of FLS production activity in British Columbia in 2018/19 was more likely to have been at the same level as it was 2017/18, rather than have declined, as is suggested by the published statistics based on tax credit certification.

** Territories include Yukon, Nunavut and Northwest Territories.

COUNTRY

Exhibit 6-5 Number of foreign location and service projects, by country of copyright

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of projects										
US	139	194	185	171	177	197	261	304	364.5	365
Other foreign	27	13	23	22	31	57	67	72.5	77.5	69
Canada*	15	16	27	27	26	25	27	23.5	38	31
Total	181	223	235	220	234	279	355	400	480	465
Percentage of total										
US	77%	87%	79%	78%	76%	71%	74%	76%	76%	78%
Other foreign	15%	6%	10%	10%	13%	20%	19%	18%	16%	15%
Canada*	8%	7%	11%	12%	11%	9%	8%	6%	8%	7%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Association of Provincial Funding Agencies.

* Canadian projects in the FLS segment include projects made by Canadian producers primarily for foreign audiences, or as part of international co-ventures. International co-venture production includes films and television programs made as international coproductions, but outside of the auspices of an audiovisual coproduction treaty.

7. Broadcaster in-house production

Broadcaster in-house production (“in-house production”) refers to television programs made internally by private conventional television broadcasters, public broadcasters, and discretionary and on-demand services. In-house production largely consists of news and sports programs, but can also include production in other genres

Highlights



- The total volume of in-house production increased by 10.7% to \$1.23 billion.
- Conventional broadcasters' spending on in-house production increased by 22.9% to \$648 million.
- Spending on the in-house production of news programming increased by 5.7% to \$710 million.
- Spending on the in-house production of sports programming increased by 31.3% to \$343 million.



- Spending on in-house production by discretionary and on-demand services declined by a mere 0.3% to \$586 million.

After falling in 2017, the total volume of in-house production in Canada increased by 10.7% to \$1.23 billion in 2018 (Exhibit 7-1). This increase in in-house production was entirely due to higher spending at Canada's conventional television broadcasters. Within the conventional television segment, spending on in-house production rose by \$121 million or 22.9%, to \$648 million. Within Canada's discretionary and on-demand services segment, meanwhile, spending on in-house production actually declined by \$2 million, or negative 0.3%, to \$586 million.

The overall increase in in-house production was due to higher levels of spending on both news and sports programming, with the latter accounting for approximately two-thirds of the overall increase (Exhibit 7-2). Spending on the in-house production of news programming rose by \$38 million or 5.7%. Statistics published by the Canadian Radio-television and Telecommunications Commission (CRTC) indicate that over 90% of this increase was in the conventional television segment.²⁰ Within the conventional television segment, approximately 60% of the increase was at CBC/Radio-Canada, with the other 40% was at private conventional television services.

The higher levels of spending on the in-house production of news programming was, in part, due to the introduction of the Independent Local News Fund (ILNF). This fund, launched by the CRTC on September 1, 2017, is only open to conventional television services that are not owned by a vertically integrated media ownership group.²¹ In 2018, the ILNF, which is funded by a 0.3% levy on the revenue of broadcasting distribution undertakings (BDUs),²² had \$21.7 million in funding available to the industry.²³

Total spending on the in-house production of sports programming increased by \$82 million in 2018. Statistics published by the CRTC indicate that over 95% of this increase was in the conventional television segment, with virtually all of that increase occurring at CBC/Radio-Canada.²⁴ In 2018, CBC/Radio-Canada televised both PyeongChang 2018 Olympic Winter Games and the FIFA World Cup (Russia). The broadcast of these sporting events pushed its in-house production expenditures higher in 2018.

²⁰ Calculations based on data from CRTC (2019a), *Conventional Television: Statistical and Financial Summaries 2014-2018*; CRTC (2018a), *Conventional Television: Statistical and Financial Summaries 2013-2017*; CRTC (2019b), *Discretionary and On-Demand Services: Statistical and Financial Summaries 2014-2018*; CRTC (2018b), *Discretionary and On-Demand Services: Statistical and Financial Summaries 2013-2017*.

²¹ CRTC (2016), *Broadcasting Regulatory Policy CRTC 2016-224*.

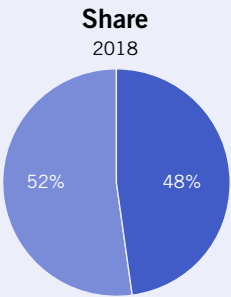
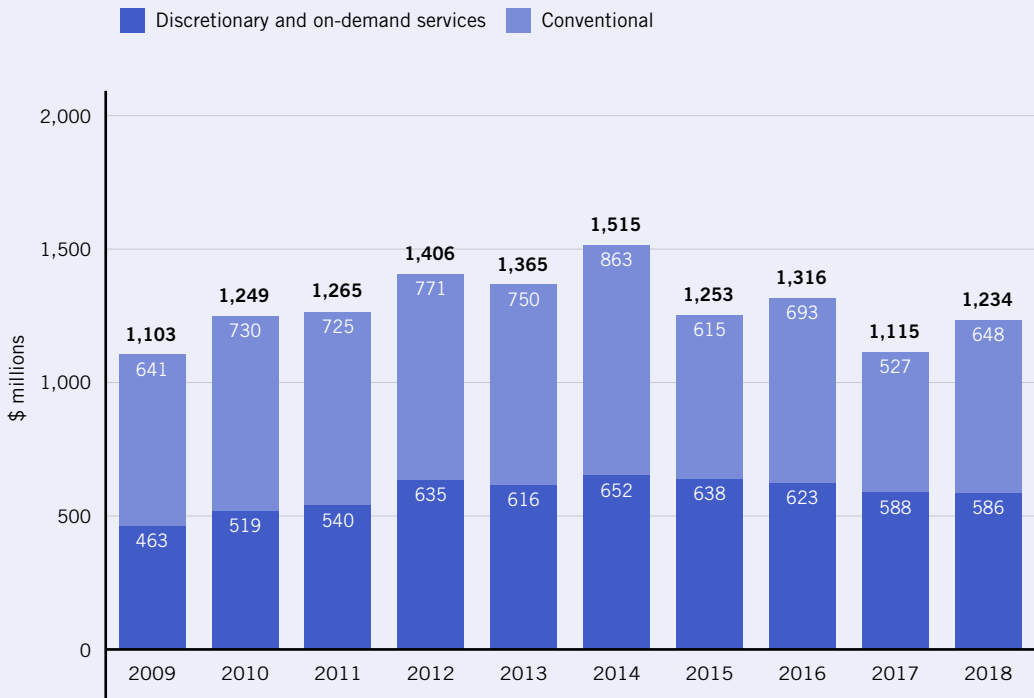
²² CRTC (2016), *Broadcasting Regulatory Policy CRTC 2016-224*.

²³ CRTC (2019c), *Broadcasting Distribution: Statistical and Financial Summaries 2014-2018*.

²⁴ Calculations based on data from CRTC (2019a), CRTC (2018a), CRTC (2019b), and CRTC (2018b).

PRODUCTION VOLUME

Exhibit 7-1 Volume of broadcaster in-house production, by sub-segment

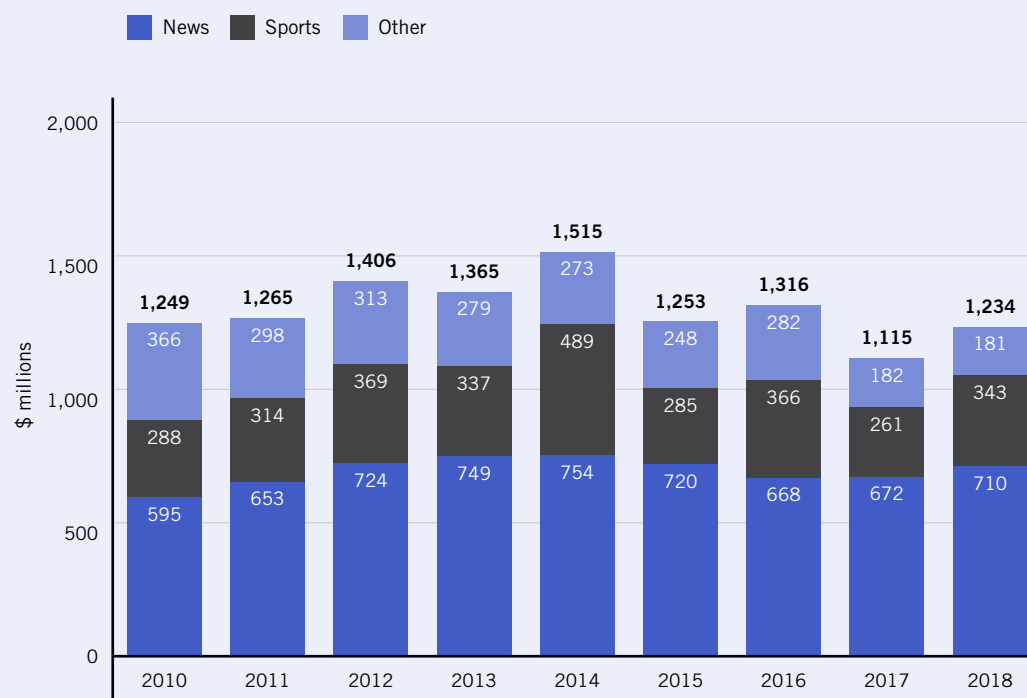


Annual average growth rate		
Sub-segment	2018	2009–2018
Discretionary and on-demand services	(0.3%)	2.7%
Conventional	22.9%	0.1%
Average: all sub-segments	10.7%	1.3%

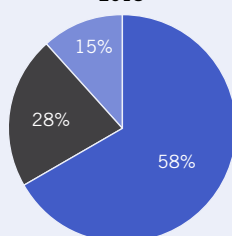
Sources: Estimates based on data collected from CRTC and CBC/Radio-Canada.
Note: Some totals may not sum due to rounding.

GENRE

Exhibit 7-2 Volume of broadcaster in-house production, by genre



**Share
2018**



Annual average growth rate

Genre	2018	2009–2018
News	5.7%	2.6%
Sports	31.3%	2.5%
Other	(0.6%)	(9.6%)
Average: all genres	10.7%	(0.2%)

Sources: Estimates based on data collected from CRTC and CBC/Radio-Canada.
Note: Some totals may not sum due to rounding.

REGION

Exhibit 7-3 Volume of broadcaster in-house production, by province and territory

(\$ millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 share of total
Ontario	649	739	729	811	767	885	677	729	612	686	56%
Quebec	245	242	252	293	291	331	279	307	258	296	24%
British Columbia	86	93	100	104	103	101	97	96	87	87	7%
Alberta	64	79	86	92	92	91	94	88	80	83	7%
Manitoba	12	19	21	23	24	29	30	28	25	26	2%
Saskatchewan	16	22	24	26	28	27	27	24	20	20	2%
Nova Scotia	12	29	28	31	32	27	26	23	16	17	1%
New Brunswick	5	11	11	12	13	11	11	10	8	9	1%
Newfoundland and Labrador	9	9	9	10	11	10	9	8	7	7	1%
Prince Edward Island	1	2	2	2	2	2	2	2	1	1	<1%
Territories*	2	3	3	3	3	3	2	1	1	1	<1%
Total	1,103	1,249	1,265	1,406	1,365	1,515	1,253	1,316	1,115	1,234	100%

Sources: Estimates based on data collected from CRTC, CBC/Radio-Canada, and Statistics Canada.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2019*. See Notes on methodology for additional information. Some totals may not sum due to rounding.

* Yukon, Nunavut and Northwest Territories.

8. Distribution

Canada's distribution industry includes both Canadian-controlled and foreign-controlled companies that distribute film and television content through theatres, television broadcasters, DVD wholesaling and other video platforms.

Some of the leading Canadian-controlled distribution companies include eOne Distribution, Mongrel Media and Metropole Films Distribution, as well as the distribution arms of Canadian independent production companies such as WildBrain Ltd (formerly DHX Media Ltd.), Cineflix Media and Thunderbird Entertainment. Foreign-controlled distribution companies operating in Canada include the distribution arms of major Hollywood studios.

Highlights



- Revenue increased by 7.6% between 2015 and 2017 to a total of \$2.18 billion.
- Revenue from the distribution of Canadian films and television programs increased by 4.4% (compared with 2015) to a total of \$285 million.
- Sales of Canadian films and television programs to foreign markets in 2017 increased by 17.6% (compared with 2015) to a total of \$174 million.
- Canadian distributors' investment in Canadian films and television programs in 2018/19 increased by 20.5% (compared with 2017/18) and totalled \$421 million.

Total revenue in Canada's audiovisual distribution industry was \$2.18 billion in 2017 (Exhibit 8-1). This represented a 7.6% increase in total revenue since 2015 (statistics are published on a biennial basis.). So, although distribution companies in Canada have experienced significant declines in revenues from the wholesaling of pre-recorded video (i.e. DVDs), as consumer demand for this medium has fallen, they appear to have more than offset those declines through healthy growth in their core business: licensing of television programs and films.

What is more, distribution companies in Canada have been able to increase the revenues they earn from sales of Canadian content. In 2017, they earned \$285 million from selling Canadian content, up from \$273 million in 2015 (Exhibit 8 - 2).

The increase in revenue from sales of Canadian content in 2017 – and indeed the steady increase in revenue since 2013 – has been largely due to significantly higher sales of Canadian content to foreign markets. Between 2013 and 2017, the annual value of sales to foreign markets increased by \$62 million, or 55.4%. Without this growth in foreign sales, the overall revenue from the distribution of Canadian content would have actually fallen by \$8 million between 2013 and 2017.

Canadian distributors invest in Canadian films and television programs through their minimum guarantees and advances on anticipated distribution revenues. These investments may stem from third-party business relationships and the distribution arm of the domestic production company that is making the content. Between 2009/10 and 2016/17, Canadian distributors gradually increased their annual investments in Canadian films and television programs. In 2009/10, Canadian distributors' financing of Canadian films and television programs was \$155 million; by 2014/15, it had reached \$348 million; and in 2016/17, it rose to a 10-year high (and possibly an all-time high) of \$507 million (Exhibit 8-3).

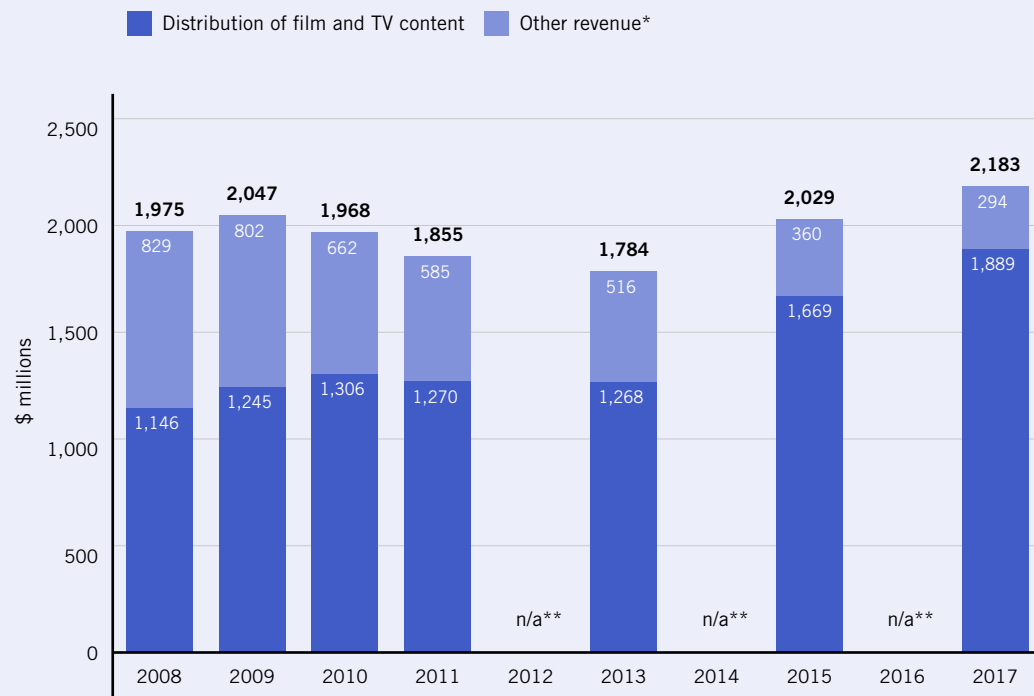
After nine years of growth, Canadian distributors' financing of Canadian films and television programs dropped by nearly one-third to \$350 million in 2017/18. In 2018/19, however, Canadian distributors' investment rose by \$71 million, or 20.5% – thereby recovering approximately half of the fall observed in 2017/18.

All of the rebound in Canadian distributors' investment in 2018/19 was due to higher investments in Canadian television programs. Canadian distributors' financing of Canadian television programs increased by \$79 million, or 25.1% (Exhibit 8-3). Virtually all of this increase – \$77 million out of \$79 million – was in the English-language market, given that Canadian distributors play a limited role in the financing of French-language television (Exhibit 3-17). Furthermore, within the English-language market, the increase in Canadian distributors' financing was concentrated primarily in the fiction genre and secondarily in both the documentary, and children's and youth genres.

Meanwhile, in the Canadian theatrical feature film market, Canadian distributors' financing actually decreased by \$7 million (Exhibit 8-3), or 20.5%, even though the total volume of Canadian theatrical feature film production increased by 24.8% to \$337 million in 2018/19 (Exhibit 4-1).

REVENUE

Exhibit 8-1 Total revenue in the Canadian distribution industry



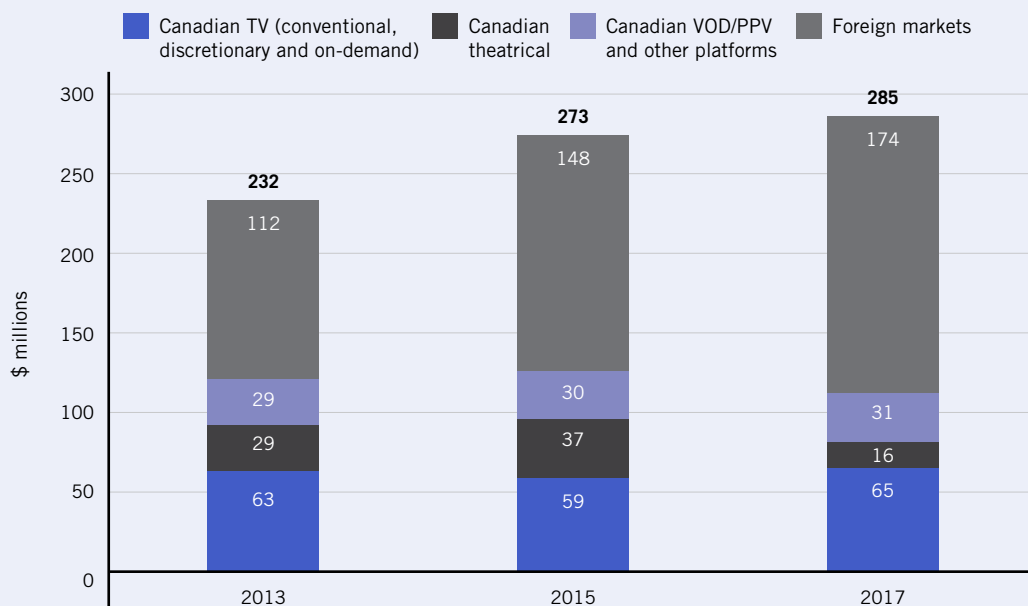
Source: Statistics Canada, Table 21-10-0075-01.

n/a: No data available.

Note: Beginning with 2013, Statistics Canada adopted a new methodology for measuring total revenue in the film and video distribution industry. For that reason, the figures reported before and after 2012 may not be directly comparable for the purpose of time-series analysis.

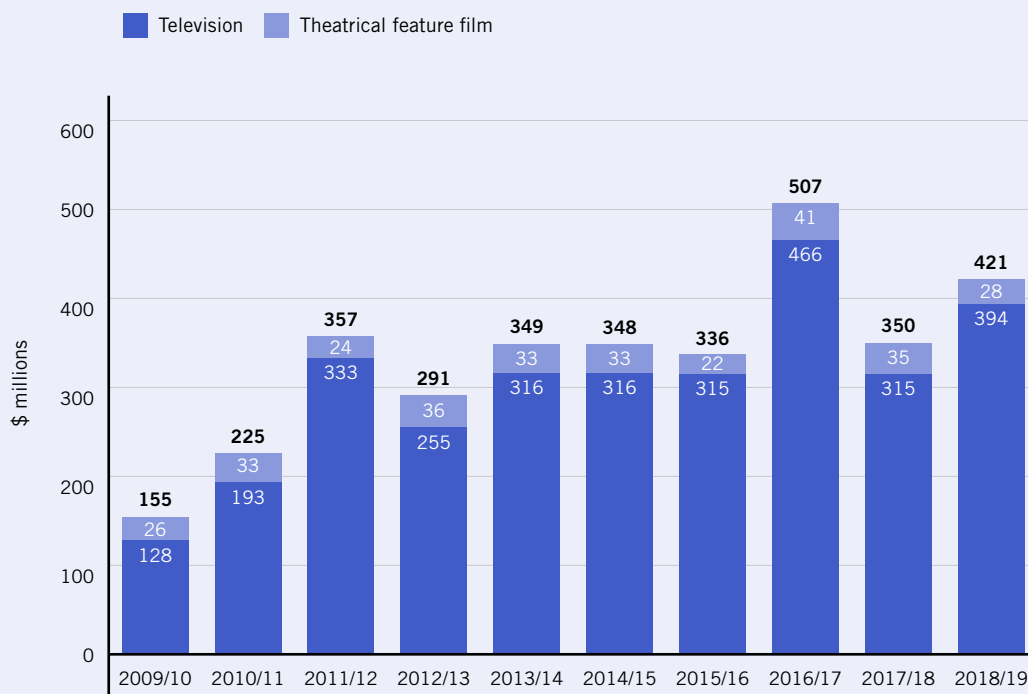
* Includes revenue from the wholesaling of pre-recorded video, production of audiovisual works for outright sale, contract production of audiovisual works, and other sources.

** As of 2011, Statistics Canada only publishes data on a biennial basis. For that reason, no data is available for 2012, 2014 and 2016.

Exhibit 8-2 Revenue from the distribution of Canadian film and television content, by market

Source: Statistics Canada, Table 21-10-0074-01.
 Note: Some totals may not sum due to rounding.

INVESTMENT IN CANADIAN PRODUCTIONS

Exhibit 8-3 Canadian distributors' investment in Canadian film and television production

Source: Statistics Canada, Table 21-10-0074-01.
 Note: Some totals may not sum due to rounding.

9. Television broadcasting and audiences

The Canadian television broadcasting industry consists of four key segments:

- The *private conventional television segment* includes private broadcasters that maintain over-the-air infrastructure to broadcast to households.²⁵
- *CBC/Radio-Canada's conventional services*, which also maintain over-the-air infrastructure to broadcast in English and French across Canada.²⁶
- *Provincial educational broadcasters* operating in Quebec, Ontario and British Columbia.
- Services in the *discretionary and on-demand segment* are only available via cable or satellite television providers. Discretionary services typically provide sports, 24-hour news, movies, arts and other thematic programming, and earn revenue from a combination of subscription fees and advertising. On-demand services include pay-per-view (PPV) and video-on-demand (VOD) services that earn revenue from subscription or transactional payments, rather than advertising.

Highlights



- Revenue at CBC/Radio-Canada's conventional services increased by 12.6%.
- Revenue at provincial educational broadcasters increased by 2.7%.
- Nine of the top 10 Canadian-produced programs during the 2018/19 broadcast season were in the French-language market (up from eight in 2017/18).



- Broadcasting industry revenue decreased by 0.9% to \$7.04 billion.
- Revenue at private conventional broadcasters decreased by 4.2%.
- Revenue at discretionary and on-demand services decreased by 2.7%.
- In the English-language market, Canadian programs' audience share decreased to 18% during the 2017/18 broadcast season²⁷ – down from 24% during the 2016/17 broadcast season.
- In the French-language market, Canadian programs' audience share decreased to 62% during the 2017/18 broadcast season – down from 66% during the 2016/17 broadcast season.

²⁵ Today, a large majority of Canadian broadcasters access this infrastructure through intermediary cable distributors or firms offering satellite distribution.

²⁶ The vast majority of Canadian households now receive conventional television signals via cable or satellite television providers.

²⁷ Aggregate audience statistics by country of origin (and genre) are only available on a one-year lagged basis due to the time required for program coding.

In 2018, CBC/Radio-Canada's conventional television services and provincial educational broadcasters experienced increased revenue, while the private conventional television segment, and the discretionary and on-demand services segment both experienced revenue declines (Exhibit 9-1). CBC/Radio-Canada's conventional television revenue rose by \$119 million, or 12.6%, in 2018. Just over half of this increased revenue came from a \$66 million increase in the public broadcasters' annual parliamentary appropriation allocated to its television services.²⁸ Just under half of the overall increase in the national public broadcasters' television revenue came from a \$56 million rise in advertising sales, which were largely linked to its broadcast of the 2018 PyeongChang Winter Olympics and 2018 FIFA World Cup.²⁹

For the provincial educational broadcasters – including TéléQuébec, TVO, TFO and the Knowledge Network BC – revenue hit a five-year high of \$187 million in 2018, as it increased by \$5 million, or 2.7% (Exhibit 9-1). Higher revenue from television-program syndication and government grants helped lift this segment's overall revenue.³⁰

In the discretionary and on-demand services segment, total revenue decreased by \$118 million, or 2.7%, in 2018 (Exhibit 9-1). Just over half of this revenue decrease was due to a \$60 million drop in advertising revenue in 2018.³¹ The other half of the decrease was due to a \$55 million drop in subscription-fee revenue.

A closer examination of statistics published by the Canadian Radio-television and Telecommunications Commission (CRTC) indicates that approximately three-quarters of the drop in subscription-fee revenue was concentrated in the on-demand sub-segment.³² Subscription-fee revenue at Canada's 21 on-demand services (licensed for distribution by a Canadian broadcasting distribution undertakings [BDUs]) dropped by \$42 million, or 13.6%, in 2018.³³

At Canada's discretionary services, total subscription-fee revenue was down by only 0.5%.³⁴ However, advertising revenue was down by \$60 million, or 4.5%, in 2018.³⁵ One-quarter of this drop in overall advertising revenue can be traced back to the mainstream sports and news services (as defined by the CRTC).

10 largest decreases in advertising revenue among discretionary services (excluding mainstream news and sports services)

Service name	Change 2017 to 2018 (\$)
1. Food Network	(9,964,214)
2. Discovery Channel	(6,330,891)
3. Canal Vie	(5,773,878)
4. CMT	(4,235,560)
5. Canal D	(3,376,639)
6. YTV	(2,715,421)
7. Teletoon	(2,524,784)
8. OWN: The Oprah Winfrey Network	(2,143,231)
9. HGTV Canada	(2,123,990)
10. E!	(1,870,653)

Source: Nordicity calculations based on data from CRTC (2019d), *Individual Discretionary and On-Demand Services: Statistical and Financial Summaries 2014-2018*.

²⁸ CRTC (2019a).

²⁹ CRTC (2019a).

³⁰ CRTC (2019a).

³¹ CRTC (2019b).

³² CRTC (2019b).

³³ CRTC (2019b).

³⁴ CRTC (2019b).

³⁵ CRTC (2019b).

As in previous years, the audience performance of Canadian television programming was a tale of two language markets. That being said, across the CMF-supported genres, Canadian programming lost audience share to foreign programming on an overall basis in both language markets during the 2017/18 broadcast season, although the children's and youth, and documentary genres did experience share upticks in the French-language market (Exhibit 9-6 and Exhibit 9-7).

Canadian programming's share of the peak-period audience in the French-language market decreased from 66% in the 2017/18 broadcast season to 62% in the 2018 broadcast year (Exhibit 9-7). Most of this decrease was likely due to a drop in audience share in the fiction genre – from 53% to 49%.

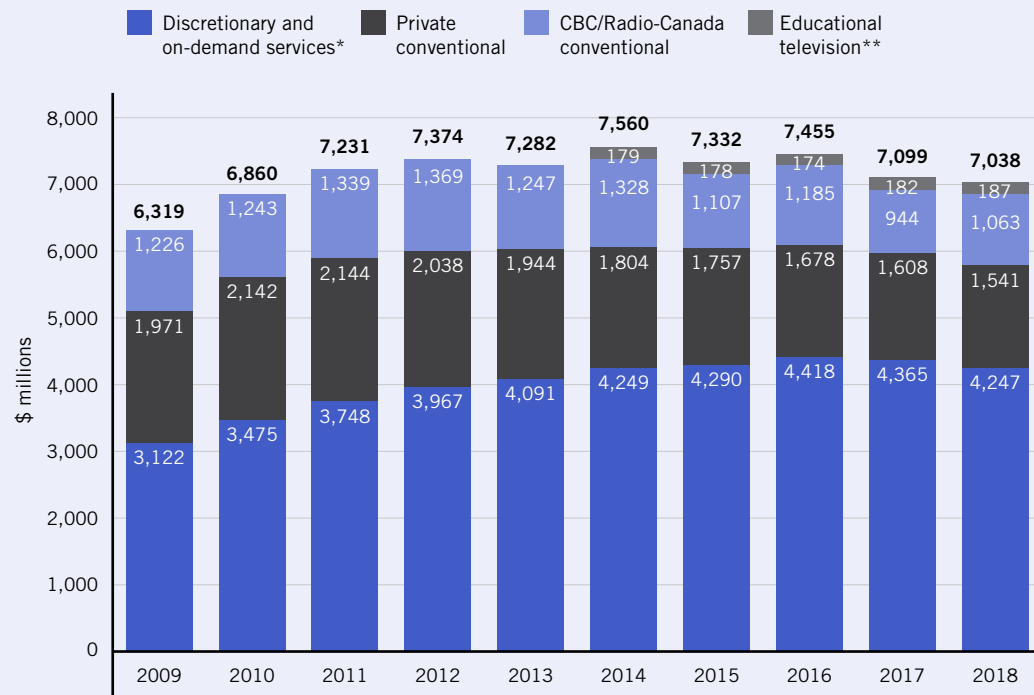
In the English-language market, Canadian programming's share of peak-period viewing fell to 18% during the 2017/18 broadcast season. (Exhibit 9 - 6). The largest declines were in the fiction genre (16% to 12%) and the variety and performing arts (VAPA) genre (22% to 9%).

French-language television programs continued to dominate the list of the top 10 Canadian-produced television series (across both language markets) during the 2018/19 broadcast season – holding 9 of the 10 spots (Exhibit 9-3). In the French-language market, the ratings were led by the singing competition *La Voix* (Exhibit 9-5).

In the English-language market, two drama series *Private Eyes* and *Coroner* attracted an AMA of over one million during the 2018/19 broadcast season (Exhibit 9-4).

REVENUE

Exhibit 9-1 Total revenue in the Canadian broadcasting industry, by segment



Source: Nordicity estimates based on data from CRTC.

* Includes revenue earned by discretionary and on-demand services owned by CBC/Radio-Canada.

** Data for educational television services only available beginning in 2014.

TOP TELEVISION PROGRAMS

The following section presents statistics on the top-rated programs on television in Canada. The lists of top 10 television programs are drawn from Numeris's database of audience statistics for the 2018/19 broadcast season (September 1, 2018 to August 31, 2019) and includes programs in the CMF-supported genres (drama, children's and youth, documentary, and VAPA). In cases where the same title ranks in multiple occurrences, only the audience level of the top-ranking instance has been used.

TOP-RATED TELEVISION PROGRAMS

Exhibit 9-2 Top 10 television series in Canada, 2018/19 broadcast season*

Program (country of origin)	Average Minute Audience (000s)
1. <i>The Big Bang Theory</i> (US)	2,430
2. <i>The Good Doctor</i> (US)	2,394
3. <i>New Amsterdam</i> (US)	2,082
4. <i>La Voix</i> (Canada)	1,984
5. <i>Young Sheldon</i> (US)	1,944
6. <i>The Conners</i> (US)	1,857
7. <i>FBI</i> (US)	1,803
8. <i>Station 19</i> (US)	1,784
9. <i>The Rookie</i> (US)	1,750
10. <i>NCIS</i> (US)	1,728

Source: CMF Research (Numeris), 2019.

* Television series include all television projects with more than three episodes televised during a single broadcast season.

Exhibit 9-3 Top 10 Canadian-produced television series, 2018/19 broadcast season*

Program	Average Minute Audience (000s)
1. <i>La Voix</i>	1,984
2. <i>District 31</i>	1,611
3. <i>Unité 9</i>	1,466
4. <i>Révolution</i>	1,306
5. <i>L'Échappée</i>	1,222
6. <i>Les Pays d'en haut</i>	1,208
7. <i>O'</i>	1,136
8. <i>L'Heure bleue</i>	1,103
9. <i>Private Eyes</i>	1,097
10. <i>5^e rang</i>	1,068

Source: CMF Research (Numeris), 2019.

* Television series include all television projects with more than three episodes televised during a single broadcast season.

ENGLISH-LANGUAGE MARKET

Exhibit 9-4 Top 10 Canadian television series in the English-language market, 2018/19 broadcast season*

Program	Average Minute Audience (000s)
1. <i>Private Eyes</i>	1,097
2. <i>Coroner</i>	1,025
3. <i>Murdoch Mysteries</i>	959
4. <i>Jann</i>	863
5. <i>Cardinal</i>	827
6. <i>Still Standing</i>	694
7. <i>Ransom</i>	617
8. <i>Kim's Convenience</i>	613
9. <i>Burden of Truth</i>	576
10. <i>Frankie Drake Mysteries</i>	575

Source: CMF Research (Numeris), 2019.

* Television series include all television projects with more than three episodes televised during a single broadcast season.

FRENCH-LANGUAGE MARKET

Exhibit 9-5 Top 10 Canadian television series in the French-language market, 2018/19 broadcast season*

Program	Average Minute Audience (000s)
1. <i>La Voix</i>	1,984
2. <i>District 31</i>	1,611
3. <i>Unité 9</i>	1,466
4. <i>Révolution</i>	1,306
5. <i>L'Échappée</i>	1,222
6. <i>Les Pays d'en haut</i>	1,208
7. <i>O'</i>	1,136
8. <i>L'Heure bleue</i>	1,103
9. <i>5^e rang</i>	1,068
10. <i>Un Zoo pas comme les autres</i>	1,008

Source: CMF Research (Numeris), 2019.

* Television series include all television projects with more than three episodes televised during a single broadcast season.

AUDIENCE SHARE

This section includes aggregate statistics on Canadian programming's audience share in each of the CMF-supported genres. These statistics are only available on a one-year-lagged basis, and therefore, report audience shares for the 2017/18 broadcast season (September 1, 2017 to August 31, 2018)

Exhibit 9-6 Television audience share of Canadian programming, English-language market, peak viewing period

Broadcast year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Drama (fiction)	13%	16%	15%	16%	17%	17%	16%	15%	16%	12%
Children's and youth	45%	46%	44%	46%	49%	49%	50%	56%	52%	48%
Documentary	49%	35%	35%	45%	49%	48%	49%	50%	52%	47%
Variety and performing arts	29%	20%	19%	22%	13%	13%	18%	20%	22%	9%
All CMF-supported genres	34%	22%	22%	23%	24%	24%	23%	23%	24%	18%

Source: CMF Research (Numeris), 2019.

Exhibit 9-7 Television audience share of Canadian programming, French-language market, peak viewing period

Broadcast year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Drama (fiction)	55%	52%	48%	46%	48%	49%	52%	51%	53%	49%
Children's and youth	75%	81%	76%	73%	74%	66%	66%	62%	54%	63%
Documentary	77%	74%	76%	72%	72%	73%	73%	72%	74%	76%
Variety and performing arts	84%	85%	87%	92%	91%	94%	95%	96%	97%	91%
All CMF-supported genres	67%	63%	62%	61%	62%	62%	64%	64%	66%	62%

Source: CMF Research (Numeris), 2019.

10. Theatrical exhibition and audiences

The theatrical exhibition industry includes theatre chains, independent theatres and IMAX theatres that exhibit theatrical feature films. Despite the growth in online digital distribution platforms, the theatrical exhibition industry remains an important window for the release of feature films in Canada. In 2018 (the most recent year of available data), there were 2,687 theatre screens in Canada and over 96 million paid admissions.³⁶

Highlights from 2019



- US films' share of the Canadian box office was unchanged at 91.3%.



- Theatrical exhibition industry revenue decreased by 0.4% to \$1.87 billion.
- Total box office receipts declined by 0.4% to \$1.01 billion.
- Canadian films' box office revenue in Canada fell by 15% to \$17 million.
- Canadian films' share of the Canadian box office fell to 1.7%.
- The number of Canadian feature films released in Canadian theatres declined from 148 to 145.³⁷
- In the French-language market, Canadian films' box office fell to \$14 million and an 11.7% share.
- In the English-language market, Canadian films' box office fell to \$3.1 million and a 0.3% share.

³⁶ Statistics Canada (2019), Table 21-10-0180-01.

³⁷ Note that the number of new Canadian films released in theatres in 2018 (148) will differ from the number of Canadian theatrical feature films produced during the 2018/19 fiscal year (119 [see Section 4.1]), since, for example, some of the films released may have been produced in earlier years.

Even with increasing competition from Netflix and other subscription video-on-demand (SVOD) platforms, the Canadian theatrical box office has remained resilient in recent years. In fact, in 2018, the total value of the theatrical box office in Canada increased by 2.2% to \$1.02 billion (Exhibit 10-4). In 2019, however, the Canadian theatrical box dipped by \$4 million. The increase in 2018 followed three consecutive years in which the box office in Canada was virtually unchanged. What's more, 2018 marked the first time since 2013 that the box office surpassed the \$1 billion mark.

The strong box office performances of films such as *Avengers: Infinity War* (the penultimate installment of the *Avengers* franchise) and *Black Panther* (the first instalment of the multi-film franchise) helped to lift the overall box office in Canada to over \$1 billion in 2018, as both films earned well over \$50 million in Canada during the 2018 calendar year (Exhibit 10-10). In 2019, *Avengers: End Game* and *The Lion King* helped keep the total box office above \$1 billion.

The higher box office receipts in 2018 and 2019, however, somewhat mask the fact that the exhibition industry in Canada faces fierce competition from SVOD and transactional video-on-demand (TVOD) platforms. Statistics Canada reports that the total number of paid admissions (i.e. attendance) to movie theatres in Canada dropped from 100.3 million in 2016 to 96 million in 2018.³⁸ Similarly, Canada's largest theatre chain, Cineplex Inc., reported that the number of paid admissions at its theatres dropped from 74.6 million in 2016 to 69.3 million in 2018.³⁹ In 2017, it recorded 70.4 million in admissions.⁴⁰

For the exhibition industry, the decline in theatre attendance – both year-over-year and longer term – has been offset to some degree by higher average ticket prices and concession sales. Again, Canada's largest exhibitor, Cineplex Inc., saw its box office revenue per patron increase by 3.3% in 2018 (to \$10.46)⁴¹ and its concession-revenue-per-person increase by 6% (to \$6.36).⁴² The ability of Cineplex – and the industry – to raise its average revenue faster than consumer price index (CPI) inflation (2018: 2.3%), has allowed the exhibition industry to maintain its box office revenue and grow its total revenue, even in the face of declining admissions. According to Statistics Canada, the Canadian exhibition industry's total revenue reached \$1.88 billion in 2018 (Exhibit 10-1). This was 5.7% higher than the total revenue recorded by Statistics Canada for 2016, and 6% higher than the estimated revenue in 2017. The total revenue in Canada's exhibition is estimated to have been unchanged in 2019.

Both the 2018 and 2019 calendar years were relatively weak years for Canadian films at the Canadian box office. In 2017, Canadian films earned a total of \$32 million at the box office in Canada, and had one of their strongest years since 2010 (Exhibit 10-4). In 2018, however, Canadian films' domestic box office fell 37.5% to \$20 million, pulling down the overall market share to only 2% (Exhibit 10-4 and Exhibit 10-5). In 2019, Canadian films' domestic box office fell by another 15% to a 10-year low of \$17 million and 1.7% share.

Both language markets contributed to the drop in Canadian films' domestic box office in 2018. In the French-language market, strong individual box office performances from films such as 1991 (\$3.06 million), *La Bolduc* (\$2.77 million) and *La Chute de l'empire américain* (\$2.70 million) were not enough to stave off a \$7.8 million drop in all Canadian films' total box office – from \$23.6 million to \$15.8 million (Exhibit 10-7). In 2019, *Menteur* had a very successful box office run (\$6.3 million) but could not prevent overall box office receipts from dropping by 11.4%.

In the English-language market, two Canadian films – *Indian Horse* (\$1.59 million) and *Little Italy* (\$1.23 million) – earned more than one million at the box office during the 2018 calendar year (Exhibit 10-9), and in 2019, no Canadian films passed the one million box office market in the English-language market. The total domestic box office earned by all Canadian films in the English-language market fell from \$8.6 million in 2017 to \$4.6 million in 2018. In 2019, it fell even further – to a 10-year low of \$3.1 million (Exhibit 10-7). Canadian films' market share followed suit – dropping from 1% to 0.5% to 0.3%.

³⁸ Statistics Canada (2019), Table: 21-10-0180-01.

³⁹ Cineplex Inc. (2019), *Cineplex Inc. 2018 Annual Report*, p. 18.

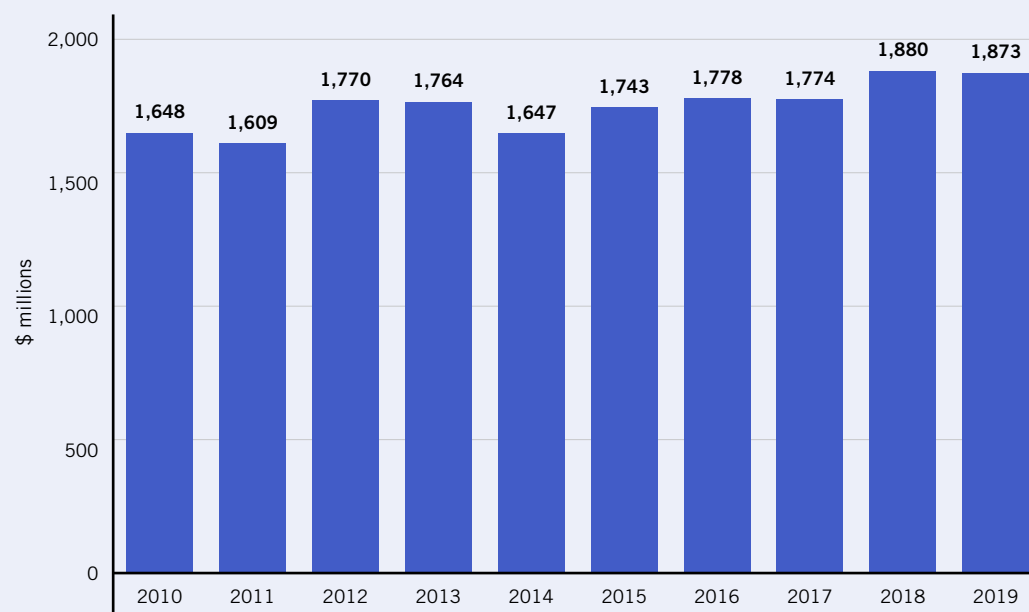
⁴⁰ Cineplex Inc. (2019), p. 18.

⁴¹ Cineplex Inc. (2019), p. 18.

⁴² Cineplex Inc. (2019), p. 19.

TOTAL REVENUE

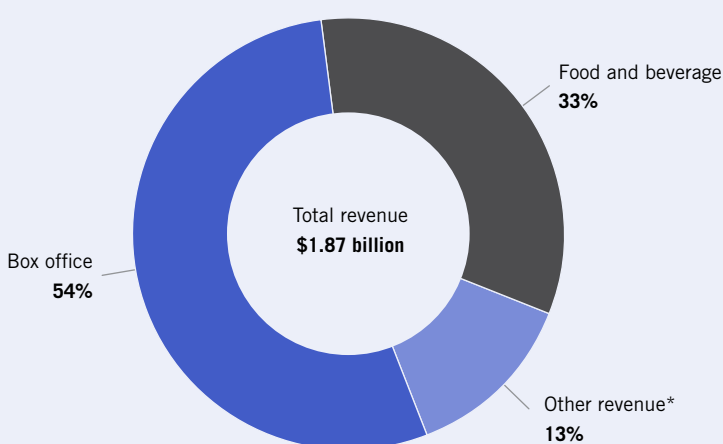
Exhibit 10-1 Total revenue in the theatrical exhibition industry in Canada



Sources: Nordicity estimates based on data from the Movie Theatre Association of Canada (MTAC), Cineplex Inc. and Statistics Canada, catalogue no. 87F0009X and table: 21-10-0178-01.

Note: See Motion Picture Association-Canada and Canadian Media Production Association (2013), *The Economic Contribution of the Film and Television Sector in Canada* for additional description of methodology.

Exhibit 10-2 Sources of revenue in the theatrical exhibition industry in Canada, 2019



Sources: Nordicity estimates based on data from MTAC and Cineplex Inc.

Notes: See Motion Picture Association-Canada and Canadian Media Production Association (2013), *The Economic Contribution of the Film and Television Sector in Canada* for additional description of methodology.

* Includes revenue earned from sales of in-theatre advertising, other advertising sales, merchandise sales, private screenings and parties, and corporate events.

FILM FESTIVALS

In recent years, many of the film festivals that traditionally acted as markets for the selling of independent productions to distributors, have evolved into more sophisticated marketing and sales operations. Now festivals are often a means of building word-of-mouth and interest by actively cultivating audiences ahead of a theatrical release, as well as providing the fora for industry practitioners to engage with each other and filmmakers.

In terms of the value chain that operates in the film and television sector, film festivals often play a key role in mediating the transactions between independent filmmakers, and distributors and broadcasters. These significant economic benefits are mostly captured within the distribution and broadcasting segment of the value chain.

Film festivals continue to be an integral element of the film sector ecosystem, with hundreds spread all across Canada, covering a broad range of genres. There are global festivals such as Toronto International Film Festival (TIFF), operating in the company of Cannes, Venice, and Sundance; world-leading specialist film festivals such as the Ottawa International Animation Festival, Hot Docs' Canadian International Documentary Festival, and imagineNative Film + Media Arts Festival; and popular genre festivals, such as Montreal's Fantasia International Film Festival, which continue to bring in the crowds.

As part of its support of the promotion of Canadian films, Telefilm Canada provided financial support to 71 Canadian film festivals and 88 industry events and initiatives in Canada in 2018/19.⁴³ These 71 festivals represent the major events in Canada; however, there are numerous smaller local film festivals that operate without funding from Telefilm Canada. Telefilm Canada's Success Index⁴⁴ tracks Canadian films' recognition (i.e. selections, prize nominations and awards) at 14 Canadian film festivals as part of its assessment of Canadian films' commercial, cultural and industrial performance.

Exhibit 10-3 Canadian film festivals that contribute to Telefilm Canada's Success Index

1. Calgary International Film Festival
2. Cinéfest Sudbury International Film Festival
3. Festival du nouveau cinéma de Montréal
4. Fantasia International Film Festival
5. Festival international du film pour enfants de Montréal (FIFEM)
6. FIN Atlantic International Film Festival
7. Hot Docs
8. Ottawa International Animation Festival
9. Rencontres internationales du documentaire de Montréal
10. Toronto International Film Festival (TIFF)
11. TIFF Kids International Film Festival
12. Vancouver International Film Festival (VIFF)
13. Victoria Film Festival
14. Whistler Film Festival

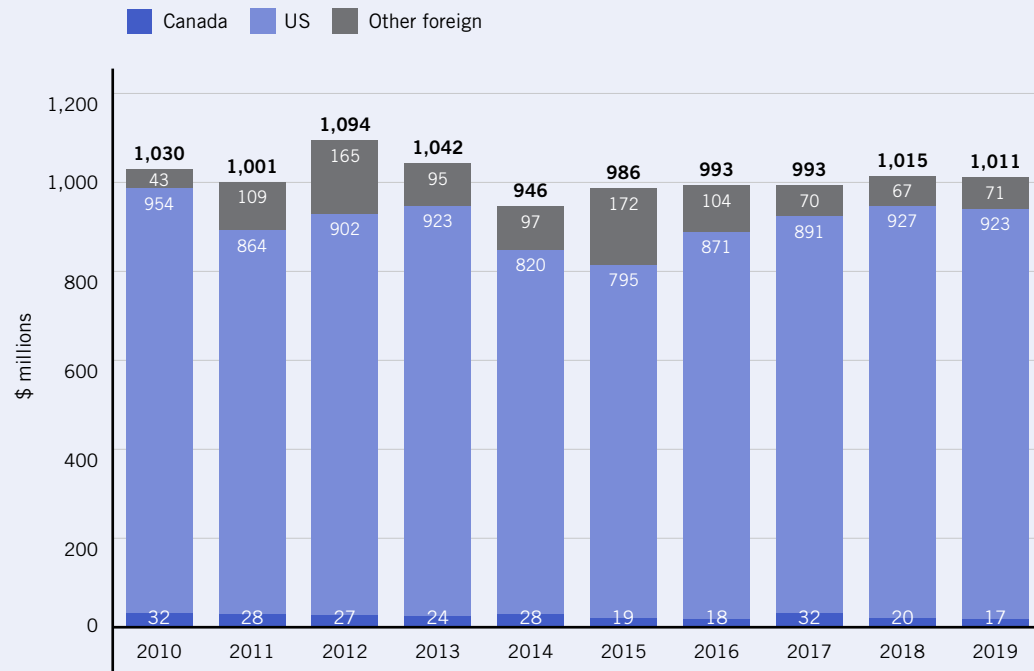
Source: Telefilm Canada (2019).

⁴³ Telefilm Canada (2019), p. 9.

⁴⁴ Telefilm Canada's Success Index combines seven indicators that measure Canadian films' commercial, cultural and industrial performance to track the overall success of the films it funds. For more information, see <https://telefilm.ca/en/business-intelligence/success-index>.

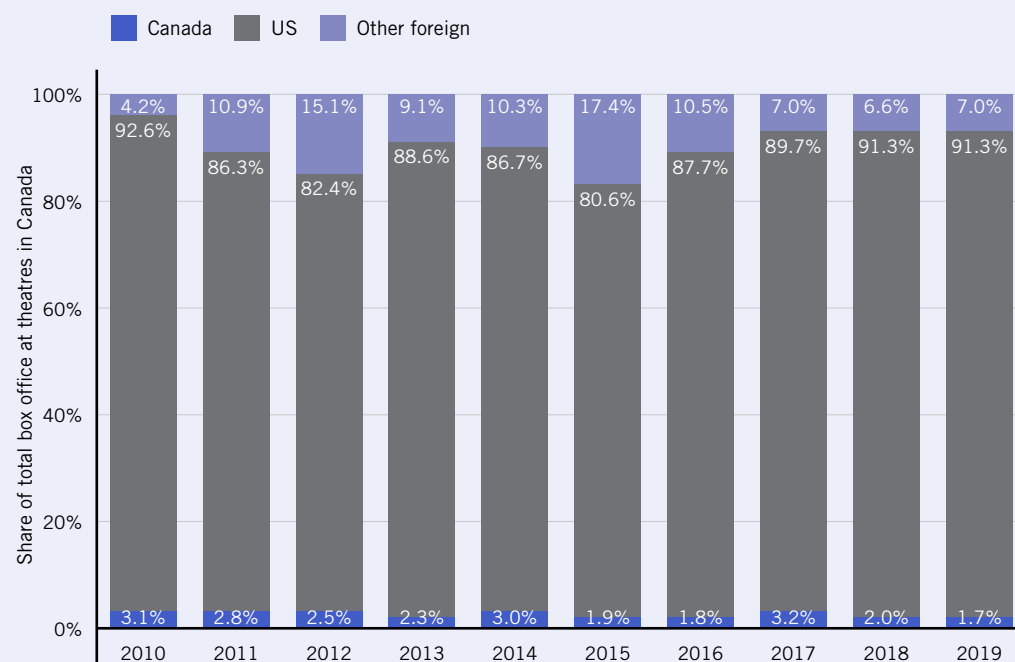
NATIONAL BOX OFFICE TRENDS

Exhibit 10-4 Box office revenue in Canada, by origin of production



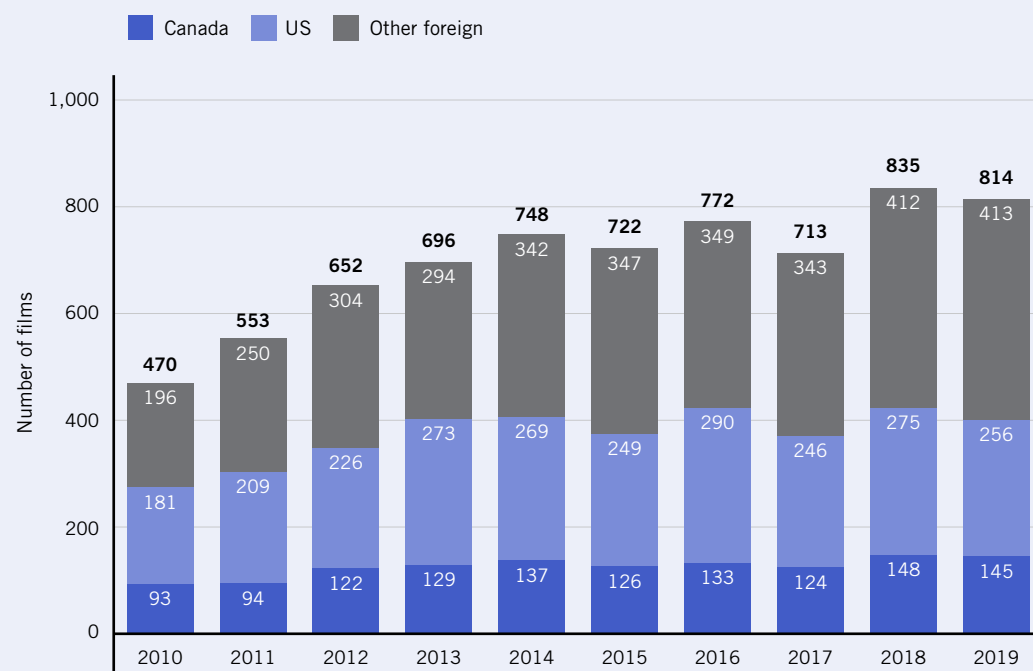
Source: MTAC.

Note: Some totals may not sum due to rounding.

Exhibit 10-5 Shares of total box office revenue in Canada, by origin of production

Source: MTAC.

Note: Some totals may not sum due to rounding.

Exhibit 10-6 Number of new-release feature films playing in theatres in Canada, by origin of production

Source: Department of Canadian Heritage analysis of data from MTAC.

Note: Data only include feature films released for the first time in theatres in a particular year. For example, the statistics for 2018 only include the number of films released in Canadian theatres for the first time in 2018.

BOX OFFICE BY LANGUAGE MARKET

Exhibit 10-7 Box office revenue and market share at theatres in Canada, by language market

French-language market	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$ millions										
Box office of Canadian films presented in French	20.1	19.8	12.9	12.6	12.1	13.8	10.3	23.6	15.8	14.0
Box office of foreign films presented in French	129.8	127.3	130.2	126.7	108.4	115.2	108.7	103.9	101.6	105.4
Total box office of films presented in French	149.9	147.1	143.1	139.3	120.5	129.0	119.0	127.5	117.4	119.4
Canadian films' share	13.4%	13.5%	9.0%	9.0%	10.0%	10.7%	8.7%	18.5%	13.4%	11.7%
Number of films										
Canadian films playing in Canadian theatres	74	76	78	97	91	84	104	95	112	111
Foreign films playing in Canadian theatres	293	279	310	301	280	280	291	289	318	345
Total films playing in Canadian theatres	367	355	388	398	371	364	395	384	430	456
Ratio of foreign to Canadian films	4.0	3.7	4.0	3.1	3.1	3.3	2.8	3.0	2.8	3.1
English-language market										
\$ millions										
Box office of Canadian films presented in English	12.1	8.1	13.9	11.2	16.3	4.9	7.4	8.6	4.6	3.1
Box office of foreign films presented in English	867.9	845.8	937.2	893.0	809.1	852.2	866.4	857.3	893.1	888.7
Total box office of films presented in English	880	853.9	951.2	915.3	825.3	857.1	873.8	865.9	897.7	891.8
Canadian films' share	1.4%	0.9%	1.5%	1.2%	2.0%	0.6%	0.8%	1.0%	0.5%	0.3%
Number of films										
Canadian films playing in Canadian theatres	70	76	80	111	121	102	113	113	120	132
Foreign films playing in Canadian theatres	406	568	803	867	870	803	973	949	1,058	1,084
Total films playing in Canadian theatres	476	644	883	978	991	905	1,086	1,062	1,178	1,216
Ratio of foreign to Canadian films	5.8	7.5	10.0	7.8	7.2	7.9	8.6	8.4	8.8	8.2

Source: MTAC.

Note: Some totals may not sum due to rounding

TOP FEATURE FILMS BY LANGUAGE OF PRESENTATION

Exhibit 10-8 Top 10 Canadian-produced feature films presented in the English-language market, 2018 and 2019

2018			2019		
Title	Box office receipts* (\$ millions)	Original language of production	Title	Box office receipts* (\$ millions)	Original language of production
1. <i>Indian Horse</i>	1.59	English	1. <i>The Grizzlies</i>	0.65	English
2. <i>Little Italy</i>	1.23	English	2. <i>Paw Patrol: Ready Race Rescue</i>	0.51	English
3. <i>Anthropocene: The Human Epoch</i>	0.40	Multi-language	3. <i>The Hummingbird Project</i>	0.27	English
4. <i>Meditation Park</i>	0.26	English	4. <i>Stockholm</i>	0.15	English
5. <i>Sharkwater Extinction</i>	0.18	English	5. <i>La course des tuques</i>	0.11	French
6. <i>Tulipani: Love, Honour and a Bicycle</i>	0.10	Dutch	6. <i>The Woman Who Loves Giraffes</i>	0.10	English
7. <i>The Accountant of Auschwitz</i>	0.07	English	7. <i>Road to The Lemon Grove</i>	0.08	English
8. <i>Brown Girl Begins</i>	0.05	English	8. <i>Through Black Spruce</i>	0.08	English
9. <i>The Breadwinner</i>	0.04	English	9. <i>Gordon Lightfoot: If You Could Read My Mind</i>	0.07	English
10. <i>Cielo</i>	0.03	Spanish-English-French	10. <i>Giant Little Ones</i>	0.07	English

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2018 and 2019. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas in other calendar years.

Exhibit 10-9 Top 10 Canadian-produced feature films presented in the French-language market, 2018 and 2019

2018			2019		
Title	Box office receipts* (\$ millions)	Original language of production	Title	Box office receipts* (\$ millions)	Original language of production
1. <i>1991</i>	3.06	French	1. <i>Menteur</i>	6.30	French
2. <i>La Bolduc</i>	2.77	French	2. <i>Il pleuvait des oiseaux</i>	1.88	French
3. <i>La chute de l'empire américain</i>	2.70	French	3. <i>La course des tuques</i>	1.22	French
4. <i>Le trip à trois</i>	2.01	French	4. <i>La femme de mon frère</i>	0.74	French
5. <i>La course des tuques</i>	1.25	French	5. <i>Matthias et Maxime</i>	0.50	French
6. <i>Hochelaga, terre des âmes</i>	0.77	French	6. <i>Antigone</i>	0.38	French
7. <i>Nelly et Simon: mission yéti</i>	0.39	French	7. <i>Jeune Juliette</i>	0.29	French
8. <i>La disparition des lucioles</i>	0.33	French	8. <i>Jouliks</i>	0.20	French
9. <i>Junior majeur</i>	0.27	French	9. <i>The Death and Life of John F. Donovan</i>	0.17	English
10. <i>La terre vue du cœur</i>	0.25	French	10. <i>Merci pour tout</i>	0.16	French

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2018 and 2019. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas in other calendar years.

Exhibit 10-10 Top 10 feature films presented in the English-language market, 2018 and 2019

2018			2019		
Title	Box office receipts* (\$ millions)	Original language of production	Title	Box office receipts* (\$ millions)	Original language of production
1. <i>Avengers: Infinity War</i>	57.51	US	1. <i>Avengers: Endgame</i>	78.18	US
2. <i>Black Panther</i>	53.43	US	2. <i>The Lion King</i>	42.13	US
3. <i>The Incredibles 2</i>	37.64	US	3. <i>Captain Marvel</i>	39.20	US
4. <i>Jurassic World: Fallen Kingdom</i>	30.94	US	4. <i>Joker</i>	35.36	US
5. <i>Deadpool 2</i>	27.99	US	5. <i>Spider-Man: Far From Home</i>	32.81	US
6. <i>Jumanji: Welcome to The Jungle</i>	25.72	US	6. <i>Frozen 2</i>	31.20	US
7. <i>Mission Impossible: Fallout</i>	25.55	US	7. <i>Aladdin</i>	26.99	US
8. <i>A Star Is Born</i>	20.32	US	8. <i>Star Wars: The Rise of Skywalker</i>	24.55	US
9. <i>Dr. Seuss' The Grinch</i>	20.29	US	9. <i>Toy Story 4</i>	23.26	US
10. <i>Bohemian Rhapsody</i>	19.25	US-UK	10. <i>Aquaman</i>	17.53	US

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2018 and 2019. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas in other calendar years.

Exhibit 10-11 Top 10 feature films presented in the French-language market, 2018 and 2019

2018			2019		
Title	Box office receipts* (\$ millions)	Original language of production	Title	Box office receipts* (\$ millions)	Original language of production
1. <i>Avengers: Infinity War</i>	4.59	US	1. <i>The Lion King</i>	7.71	US
2. <i>Jurassic World: Fallen Kingdom</i>	4.14	US	2. <i>Menteur</i>	6.27	Canada
3. <i>The Incredibles 2</i>	4.11	US	3. <i>Avengers: Endgame</i>	6.02	US
4. <i>Black Panther</i>	3.81	US	4. <i>Toy Story 4</i>	3.98	US
5. <i>Jumanji: Welcome to The Jungle</i>	3.71	US	5. <i>Joker</i>	3.75	US
6. <i>Hotel Transylvania 3: Summer Vacation</i>	3.18	US	6. <i>Frozen 2</i>	3.70	US
7. <i>Mission Impossible: Fallout</i>	3.13	US	7. <i>Captain Marvel</i>	3.15	US
8. <i>1991</i>	3.06	Canada	8. <i>Aquaman</i>	2.62	US
9. <i>La Bolduc</i>	2.77	Canada	9. <i>Aladdin</i>	2.61	US
10. <i>La chute de l'empire américain</i>	2.70	Canada	10. <i>Spider-Man: Far From Home</i>	2.48	US

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2018 and 2019. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas in other calendar years.

11. Broadcasting distribution undertakings

The broadcasting distribution sector includes cable, direct-to-home satellite (DTH), multipoint distribution services (MDS) and Internet protocol TV (IPTV) services, which allow Canadian households and businesses to access licensed television programming services, including conventional, discretionary and on-demand services, by subscribing to channel packages and certain à la carte services. Cable, DTH satellite, MDS and IPTV services are also referred to as broadcasting distribution undertakings (BDUs); collectively they comprise the BDU industry.

Highlights from 2018



- IPTV subscribers and revenues increased to 2.8 million and \$2.1 billion, respectively.
- BDUs' contributions to the creation of Canadian programming increased by 1.5% to \$415 million.



- The number of BDU subscribers declined by 0.9% to 10.8 million.
- Lower revenues for cable TV and DTH/MDS led to a 1.9% decrease in total BDU revenues.

Canada's BDU industry continued to experience cord-shaving and cord-cutting in 2018 – a long-term trend that has persisted since the number of subscriptions to Canadian BDU services peaked at 11,529,000 in 2012 (Exhibit 11-1).

Cord-shaving by Canadian households was evident in the ongoing decline in the BDU industry's monthly average revenue per user (ARPU) in recent years. In 2018, the industry's monthly ARPU declined from \$65.04 to \$64.61, even before taking into account the effects of inflation. In fact, the BDU industry's ARPU declined at an average annual rate of 0.7%, since peaking at \$65.92 in 2015. Given that consumer price index (CPI) inflation in Canada was running at an average annual rate of 1.8% between 2015 and 2018,⁴⁵ the real inflation-adjusted decline in BDUs' monthly ARPU has been closer to 2.5% annually.

According to statistics from the Canadian Radio-television and Telecommunications Commission (CRTC), Canada's BDU industry lost 93,000 subscribers in 2018 – a year-over-year drop of 0.9% (Exhibit 11-1). After losing a record 191,000 subscribers in 2017, and 179,000 in 2016, the rate of cord-cutting in Canada tapered off somewhat in 2018, however.

The observed deceleration in the rate of cord-cutting in Canada in 2018 demonstrates that BDUs continue to offer Canadian households an attractive platform for audiovisual content. However, the resilience of the BDU model is likely to be tested in 2020 and 2021 as the leading subscription video-on-demand (SVOD) platforms shift from competing with BDUs and traditional television platforms to competing directly within one another. In November 2019, Netflix, Amazon Prime Video, CraveTV, Club Illico and other SVOD platforms operating Canada were joined by the much-anticipated Disney+. In 2020, WarnerMedia's HBO Max is expected to launch in the US only while some content may become available in Canada potentially across multiple VOD and SVOD services.

Through their contributions to the Canada Media Fund (CMF), independent production funds and the funding of local programming, BDUs support the creation of Canadian content. In 2018, BDUs' contributions to the CMF declined by \$13 million or 6.3%. Contributions to independent production funds fell by \$10 million, or 20%. These decreases were offset, however, by a \$29 million increase in BDUs' contributions to local programming and news. Approximately 64% of the increase in contributions (\$21.7 million) was due to the CRTC's introduction of the Independent Local News Fund on September 1, 2017 – to which BDUs are required to contribute 0.3% of their previous-year's revenue.⁴⁶

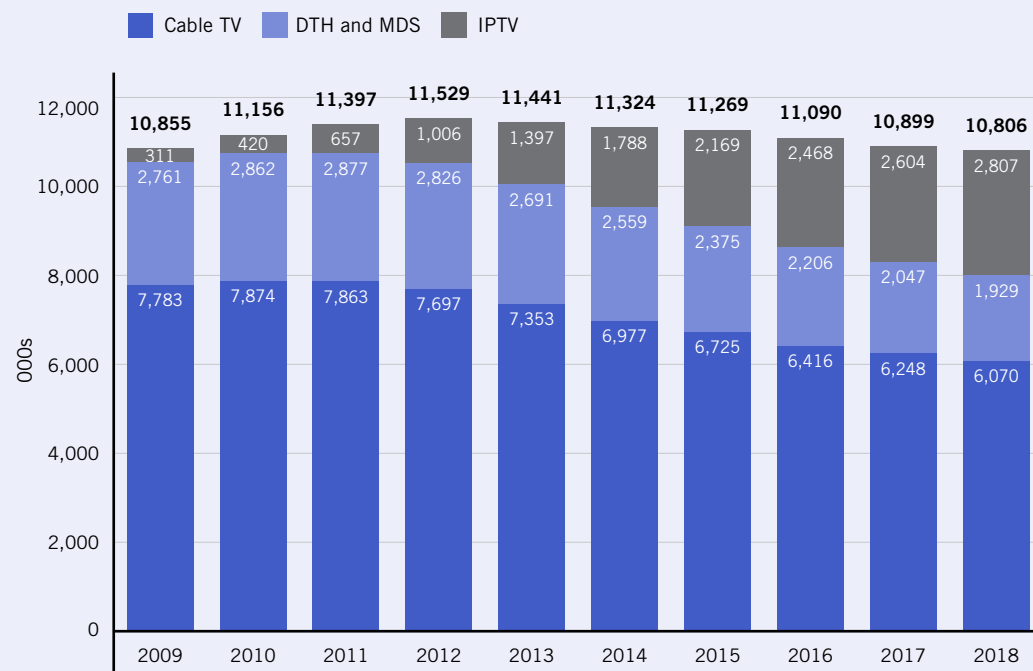
In total, BDUs contributed \$415 million to Canadian content production in 2018 (Exhibit 11-3). This was 2.7% higher than the contribution in 2017. However, it was 16% lower than the BDUs' peak contribution of \$493 million in 2012.

⁴⁵ Calculations based on data from Statistics Canada Table 18-10-0005-01.

⁴⁶ CRTC (2016), *Broadcasting Regulatory Policy CRTC 2016-224*.

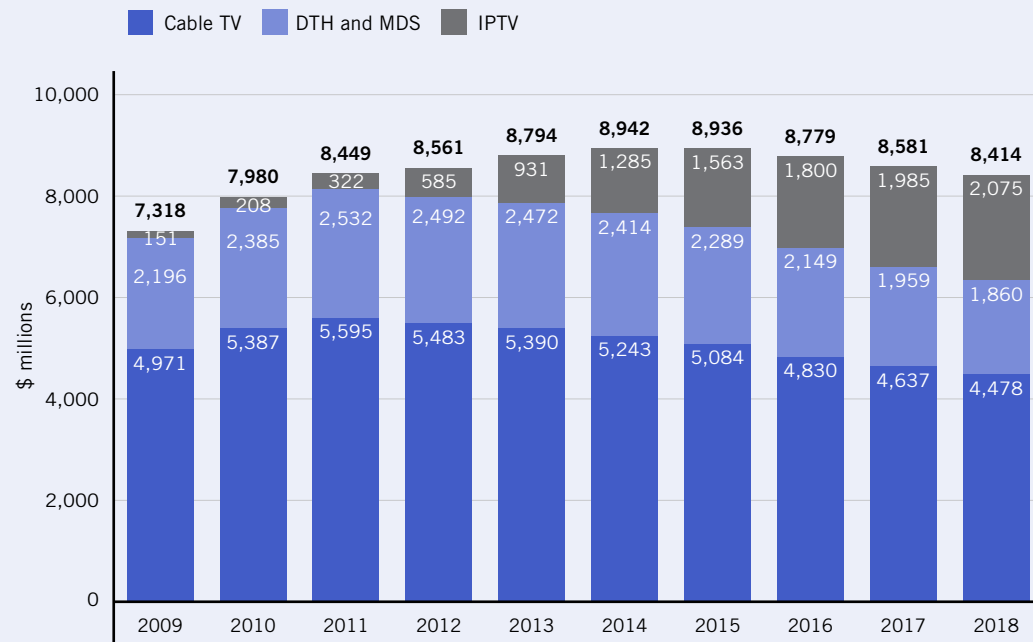
BDU SUBSCRIBERS AND REVENUE

Exhibit 11-1 Number of BDU subscribers



Source: CRTC.

Exhibit 11-2 Total revenue in the Canadian broadcasting distribution industry

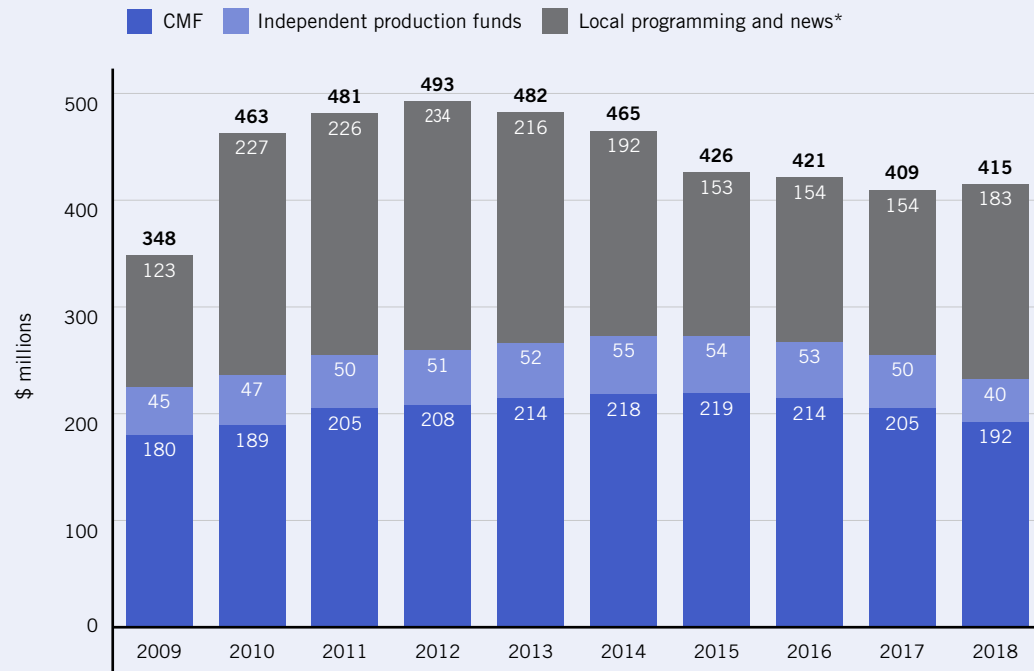


Source: CRTC.

Note: Some totals may not sum due to rounding

INVESTMENT IN CANADIAN PROGRAMMING

Exhibit 11-3 BDUs' investments in Canadian programming



Source: CRTC.

* Includes expenditures on local expression (i.e. community television channels) and contributions to the Local Program Improvement Fund (2009-2014) and the Independent Local News Fund (2018).

Notes on Methodology

Estimates of Canadian production

The estimates of Canadian production are based on data from the Canadian Audio-Visual Certification Office (CAVCO) of the Department of Canadian Heritage. In order to account for the fact that there is a 42-month window in which producers may submit their application to CAVCO,⁴⁷ Nordicity applied the following gross-up factors to the raw production data supplied by CAVCO:

- 2017/18: 3.5%
- 2018/19: 12.1%

These rates were based on historical rates of under-coverage observed in the CAVCO statistics over the past decade, with particular weight given to the rates of under-coverage observed in recent years.

Revisions to historical statistics

Due to the 42-month application lag at CAVCO, it is possible that the data from CAVCO may not provide a comprehensive indication of production volume until up to four years after the end of a particular fiscal year. As a result, the Canadian production statistics reported in *Profile 2019* for the previous three years (2015/16, 2016/17 and 2017/18) have been revised to reflect all currently available data from CAVCO.

Estimates of CRTC-certified Canadian television production

The estimates of Canadian television production include an estimate of CRTC-certified television production (i.e. television production exclusively certified by the CRTC). Research conducted by Nordicity and the Department of Canadian Heritage in 2009 indicated that CRTC-certified television production accounted for an estimated 13.5% of total Canadian production. This rate was used in *Profile 2019* to estimate the total volume of CRTC-certified production.

Short films

Short films include films under 75 minutes in length. In *Profile 2012* and earlier editions, data for theatrical short films was included in the overall statistics for Canadian theatrical production. Beginning in *Profile 2013*, data for theatrical short films was included in the statistics for Canadian television production. In *Profile 2019*, data for theatrical short films has been included in Canadian television production for 2009/10 through 2018/19.

⁴⁷ The *Income Tax Act* allows producers to submit their CPTC application to CAVCO up to 42 months after the end of the fiscal year in which principal photography started.

Although the definition of theatrical short films would imply that they should be included in the Canadian theatrical production statistics, by removing them, we can better isolate data on theatrical feature films. Furthermore, we note that the low volume of theatrical short film production reported in earlier editions of *Profile* suggests that applicants had in fact, reported many theatrical short films in the Canadian television production category.

Canada Media Fund

The statistics reported for the Canada Media Fund (CMF) include data for Convergent Stream production supported by the CMF starting in 2010/11. The data for prior years corresponds with production supported by the Canadian Television Fund.

Broadcaster in-house production

A complete set of provincial statistics was not available for private broadcaster in-house production in the Prairie Provinces and Atlantic Canada. For the Prairie Provinces, Nordicity developed estimates based on the historical shares observed in the CRTC statistics prior to 2001 – before the CRTC began to suppress the provincial statistics. The breakdown of private broadcaster in-house production among the provinces in Atlantic Canada was also based on the development of estimates. Because no historical data existed, each province's share of Atlantic Canada's total gross domestic product (GDP) was used as the proxy variable for the estimate.

Reconciliation with statistics published by provincial funding agencies

Certain provincial funding agencies in Canada also publish statistics for film and television production activity within their provinces. The statistics published by the provincial funding agencies may differ from those in *Profile 2019* for a variety of reasons.

- Some provincial funding agencies publish production statistics on a calendar-year basis rather than on a fiscal-year basis, as they are reported in *Profile*.
- Some provincial funding agencies report production activity on the basis of the fiscal year in which a film or television project receives approval for its tax credit application rather than the year in which the project's principal photography starts (i.e. the practice used by CAVCO).
- Statistics reported by provincial funding agencies exclude broadcaster in-house production.
- Provincial funding agencies typically report production activity on the basis of the province in which the film or television project occurred, whereas the statistics in *Profile* are reported on the basis of the province in which the producer of the project is based (i.e. the practice used by CAVCO).

Foreign investment in production

Foreign investment in production (FIIP) tracks the value of international financial participation in the film and television production industry in Canada. FIIP includes foreign presales and distribution advances for all projects certified by CAVCO; estimates of presales and distribution advances for non-CAVCO-certified productions; and the total value of foreign location and service (FLS) production in Canada. FIIP as opposed to just exports better reflects the nature of film and television production in Canada. It acknowledges that film and television productions are intangible products and portions of the copyright can be exported to foreign countries. It also accounts for the budgets of productions shot in Canada, even when the copyright is held by a foreign entity.

The data used to estimate FIIP only includes the financing of the Canadian budget of treaty coproductions. As a result, the foreign budgets for treaty coproductions do not directly contribute to FIIP. Treaty coproductions contribute only to FIIP if the financing of the Canadian budget includes a foreign presale or distribution advance.

Estimation of direct employment impact

Nordicity calculated the number of direct jobs by estimating the share of total production volume that was paid as salaries and wages to cast and crew, and then dividing this estimate by an estimate of the average salary of a full-time equivalent (FTE) in the film and television production sector.

Nordicity multiplied total production volume by 57%, to estimate the portion of production budgets which was paid as salary and wages to cast and crew members. This assumption of 57% is based on data provided by CAVCO on the average portion of production budgets comprised of Canadian labour expenditures.

The average FTE cost assumption for 2018/19 was \$62,389. Nordicity developed the average FTE cost assumption based on data from Statistics Canada's 2016 Census. Nordicity makes annual adjustments to the average FTE assumptions based on data from Statistics Canada's *Survey of Employment, Payroll and Hours* for annual changes in the average hourly wage (excluding overtime) of employees paid by the hour in Canada (see Statistics Canada, Table 14-10-0206-01)

Average FTE cost in the film and television production sector

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Average FTE cost	\$51,167	\$52,293	\$54,175	\$55,476	\$56,935	\$58,016	\$58,607	\$59,445	\$60,396	\$62,389

Source: Nordicity calculations based on data from Statistics Canada, *Census 2016*, and Statistics Canada, *Survey of Employment, Payroll and Hours*, Table 14-10-0206-01.

Spin-off employment impact

The number of spin-off FTEs is equal to the sum of indirect and induced FTEs.

Based on previous reviews of Statistics Canada's 2004 multiplier tables and data for the *Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries* (which was the closest industry grouping to film and TV production); Conference Board, Canada *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (2008); and adjustments to take into wage inflation.

Economic impact of production

Labour income

Direct labour income in the film and television production sector was derived by multiplying the number of direct FTEs by the average production-sector FTE cost of in the film and television production industry (see above). The estimate of spin-off labour income was derived by multiplying the number of spin-off FTEs by an economy-wide average FTE cost of \$51,064.

Gross domestic product

Given the prominence of wages and salaries within the direct impact of film and TV production, direct GDP was calculated by multiplying direct labour income by 1.02. Spin-off GDP was derived by applying the GDP-wage ratio of 1.49 implied by the analysis in Conference Board of Canada, *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (2008).

Glossary

Advertising video-on-demand (AVOD)

An Internet-based service that gives consumers free access to video content in exchange for being exposed to advertising (e.g. YouTube).

Average minute audience (AMA)

The average number of persons watching a television program during any 60-second portion of that program.

Broadcaster in-house production

Refers to television programs made internally by broadcasters. It largely consists of news and sports programming, but can also include production in other genres.

Broadcasting distribution undertakings (BDUs)

Includes cable, direct-to-home satellite (DTH), multipoint distribution services (MDS) and Internet protocol TV (IPTV) services which allow Canadian households and businesses to access licensed television programming services, including conventional television, discretionary television services and on-demand television services, by subscribing to channel packages and certain à la carte services.

Canada Media Fund (CMF)

Funded by the Government of Canada, and cable, satellite and IPTV service providers, with a mandate to support the creation of Canadian convergent digital content across multiple platforms, including television and leading-edge new media applications, as well as experimental content applications or software for the Internet, wireless and other emerging digital platforms. Launched on April 1, 2010.

Canadian Audio-Visual Certification Office (CAVCO)	The section within the Department of Canadian Heritage that co-administers (with the Canada Revenue Agency) the two federal tax credit programs (Canadian Film or Video Production Tax Credit [CPTC] and Film or Video Production Services Tax Credit [PSTC]). As part of this role, it is responsible for assessing television programs and films against its content-points scale (in conjunction with other eligibility criteria) to determine if a film or television program is eligible to access the CPTC and thereby can also access other funding mechanisms available through Telefilm Canada or the CMF.
Canadian Film or Video Production Tax Credit (CPTC)	The federal government tax credit program for supporting the production of films and television programs that qualify as Canadian content. The CPTC provides a tax credit equal to 25% of a production's qualified labour expenditures. Qualified labour expenditures are capped at 60% of a production's total costs, net of any assistance received.
Canadian Radio-television and Telecommunication Commission (CRTC)	Canada's regulator of the broadcasting and telecommunications sectors.
Conventional television / Conventional TV	Includes private and public broadcasters that maintain over-the-air (OTA) infrastructure to broadcast to households, although the vast majority of Canadian households now receive conventional television signals via cable or satellite television providers
Convergent Stream	A funding stream of the CMF that provides financial support to the production of digital media components that are related to CMF-funded television productions in order to provide content on different digital media platforms.
Coproduction	A film or television program made by producers from two or more countries and typically shot in those producers' countries. Coproductions are often made in accordance with international treaties to ensure that they receive national treatment in each producer's country ("audiovisual treaty coproductions"). Note that this report only includes statistics for audiovisual treaty coproductions.
Direct-to-home (DTH)	A BDU service under which households and businesses utilize a small aperture satellite antenna to receive television signals.
Discretionary services	Refers to television services that are only available via cable, satellite and IPTV service providers, and typically provide sports, 24-hour news, movies, arts and other thematic programming. Discretionary services earn revenue from a combination of subscription fees and advertising. They may also be referred to as specialty television or pay television services.

Educational broadcasters	Refers to the four television broadcasting licensees controlled by provincial governments, which have a focus on the provision of educational programming. The four education broadcasters include TéléQuébec, TVO, Knowledge Network (BC) and Groupe Média TFO.
Experimental Stream	A funding stream of the CMF that provides financial support to the production of interactive digital media content, software applications and web series that are unrelated to CMF-funded television productions.
Film or Video Production Services Tax Credit (PSTC)	The federal government tax credit program for supporting the production of films and television programs that do not qualify as Canadian content. The PSTC provides a tax credit equal to 16% of a production's qualified Canadian labour expenditures, net of any assistance received.
Foreign investment in production (FIIP)	A measurement of the value of international financial participation in the film and television production sector in Canada. It includes foreign presales and distribution advances for all projects certified by CAVCO; estimates of presales and distribution advances for non-CAVCO-certified productions; and the total value of foreign location and service (FLS) production in Canada.
Foreign location and service (FLS)	Includes feature films and television programs filmed in Canada primarily by foreign producers. It also includes the visual effects (VFX) work done by Canadian VFX studios for foreign films and television programs.
Full-time equivalents (FTEs)	Full-time equivalents (FTEs) A measurement of employment that converts the number of part-time workers or any workers working less than a full work year into the equivalent number of full-time workers.
Gross domestic product (GDP)	Refers to the monetary value of the unduplicated value-added generated by an industry or economy. The difference between the value of an industry's output and the value of the inputs it consumes from other industries.
Internet protocol TV (IPTV)	A BDU service that is supplied to households and businesses through a broadband connection.
Multipoint distribution systems (MDS)	A fixed wireless broadcast communications system that uses microwave antennae to transmit broadcast signals point-to-multipoint basis.
On-demand services	On-demand services permit consumers to watch specific films or television programs whenever they want, rather than at a scheduled time (i.e. linear television"). On-demand can be offered over BDU platforms (e.g. cable-TV or DTH satellite) or over the Internet.

Pay television / Pay TV

Pay television services are available via cable or satellite television services. They typically feature premium programming such as recently released films and do not earn revenue from advertising; instead they rely on subscription or transactional payments. Data for on-demand services such as pay-per-view (PPV) and video-on-demand (VOD) services has been included in this sub-segment.

Specialty television / Specialty TV

Specialty television services are only available via cable or satellite television providers and typically provide sports, 24-hour news, movies, arts and other thematic programming. Specialty television services earn revenue from a combination of subscription fees and advertising.

Spin-off impact

Refers to the sum of the indirect and induced economic impacts. The indirect impact includes the employment and GDP generated within industries that supply goods and services to the production sector. The induced impact includes the employment and GDP generated in consumer industries within the Canadian economy that benefit from the re-spending of wages earned by production sector cast and crew, and the workers employed in the supplier industries.

Subscription video-on-demand (SVOD)

A television service whereby consumers pay a monthly subscription fee so that they can choose which specific films or television programs to watch and when to watch them (e.g. Netflix, CraveTV, Club illico, Amazon Prime Video, Hulu, NFL Game Pass). Consumers typically access SVOD services over the Internet.

Telefilm Canada

A Crown corporation established by the Government of Canada in 1968 with a mandate to invest in the production of Canadian films. Telefilm Canada now administers most of the federal government's programs for supporting the Canadian film industry. It also administers Canada's treaty coproduction agreements on behalf of the federal government, and the funding programs of the CMF.

Transactional video-on-demand (TVOD)

An online service whereby consumers can pay a fee to download a specific film or television program (e.g. Apple iTunes). In some cases, TVOD can be used to rent a film or television program, where use of the download is restricted to a period of time.

Video-on-demand (VOD)

A television service whereby consumers can pay a fee to choose specific films or television programs to watch, and when to watch them. In Canada, VOD is typically offered over BDU platforms (i.e. cable-TV, IPTV or DTH satellite).