

PROFILE | 2018

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

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Prepared for the Canadian Media Producers Association, Department of Canadian Heritage,
Telefilm Canada, 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 industry during the period April 1, 2017 to March 31, 2018. It also provides comprehensive reviews of the historical trends in production activity between fiscal years 2008/09 to 2017/18.



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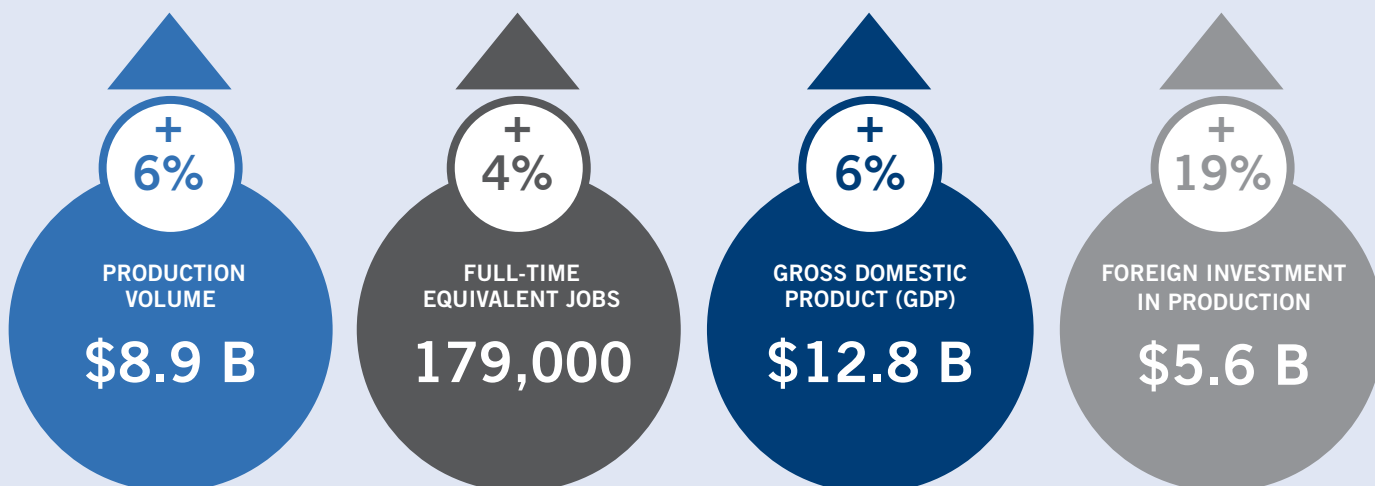
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AT A GLANCE

The screen-based market in Canada

Total Film and Television Production in Canada



The Screen-based Market in Canada

Population of Canada (2017)

36.7 million¹

Per-capita volume of film and television production in Canada (2017/18)

\$243

Number of private households (2016)

14.1 million²

Number of movie theatre screens in Canada (2016)

2,641³

Number of paid admissions to movie theatres in Canada (2016)

100.1 million³

Number of television services available in Canada (2016)

780⁴

- Canadian **453⁴**
- Non-Canadian **327⁴**

Percentage of households subscribing to broadcasting distribution undertakings (BDUs) (2016):

74.8%⁴

Number of subscribers to BDU services (2017)

10.7 million⁵

- Cable-television **6.1 million⁵**
- Internet protocol TV (IPTV) subscribers **2.6 million⁵**
- Direct-to-home satellite (DTH) and multipoint distribution systems (MDS): **2.2 million⁵**

Sources: 1. Statistics Canada, Table 17-10-0005-01. 2. Statistics Canada, 2016 Census of Population, catalogue no. 98-400-X2016220. 3. Statistics Canada, Table 21-10-0180-01.

4. Canadian Radio-television and Telecommunications Commission (CRTC), Communications Monitoring Report 2018. 5. CRTC (2018), Broadcasting Distribution: Statistical and Financial Summaries 2013 - 2017.

Total film and television production in Canada

CANADIAN CONTENT (FILM AND TELEVISION)

\$3.04 billion in production volume -9%

\$2.73 billion in television production -10%

\$303 million in theatrical film production +6%

802 television series -3%

105 theatrical feature films -6%

61,000 full-time equivalent jobs -11%

FOREIGN LOCATION AND SERVICE

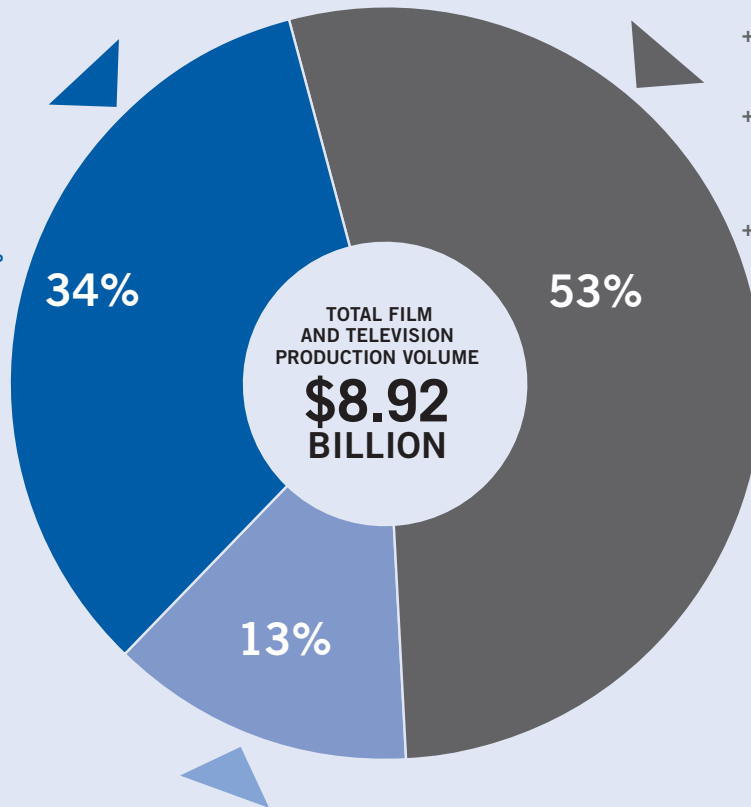
\$4.77 billion in production volume +26%

167 theatrical feature films -10%

204 television series +43%

103 TV movies, mini-series, pilots and other types of television programs +34%

95,700 full-time equivalent jobs +24%



BROADCASTER IN-HOUSE

\$1.12 billion in production volume -15%

\$588 million in specialty and pay television expenditures -6%

\$527 million in conventional television expenditures -24%

22,400 full-time equivalent jobs -17%

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. 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.

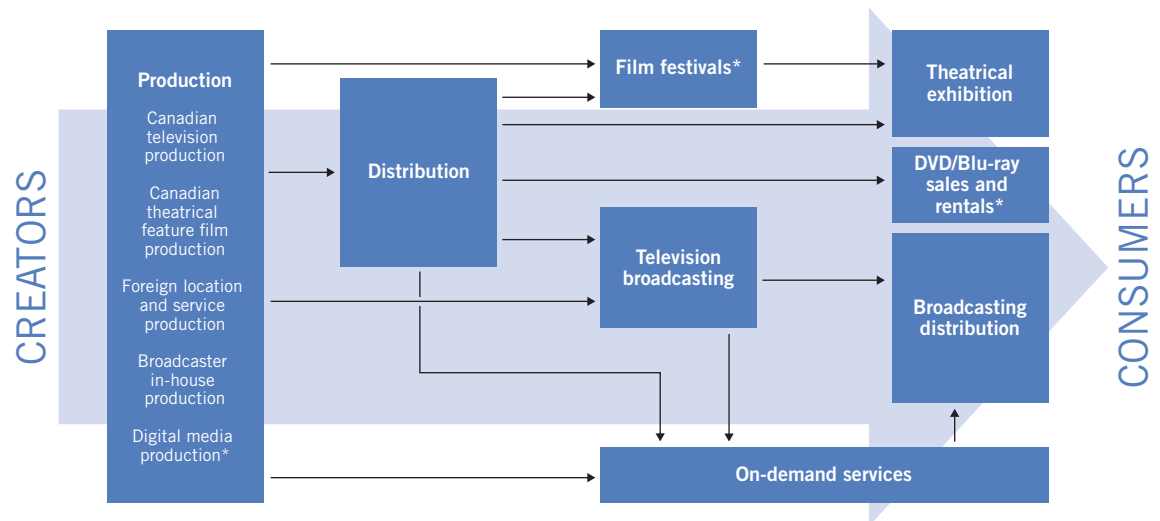
1. Overview of the screen sector in Canada

SCREEN SECTOR VALUE CHAIN

Over the past decade, the combination of digital technology, broadband Internet and new entertainment devices has led to the rapid evolution of the screen sector value chain. Exhibit 1 - 1 depicts the current configuration of the screen sector value chain in Canada in a simplified manner.

- 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, visual effects production (VFX) and digital media production.
- 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. **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.
- 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 **on-demand services** such as video-on-demand (VOD), subscription VOD (SVOD), transactional VOD (TVOD) or advertising VOD (AVOD); or on home video (i.e. DVD/Blur-ray sales and rentals). Some films will be simultaneously released in theatres and on on-demand services or home video (i.e. “day and date” releases).
- For television programming, content consumption typically begins in the **television broadcasting** industry, which includes the conventional television broadcasters, and specialty and pay television services that operate in Canada.
- As noted above, audiences can also access films and television programs through **on-demand services** such as pay-per-view (PPV), VOD, SVOD or other online 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 broadcasting distribution undertakings (BDUs). They play an essential role in ensuring that Canadian audiences can reliably access the screen content from the television broadcasting industry and certain on-demand services. Some on-demand services, however, exhibit content to consumers over broadband Internet connections, thus bypassing Canadian BDUs.

Exhibit 1 - 1 The screen sector value chain in Canada



* Estimates of the revenues and economic impact of digital media production, film festivals and DVD/Blu-ray sales and rentals in Canada are not included in this report.

FILM AND TELEVISION PRODUCTION IN CANADA

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

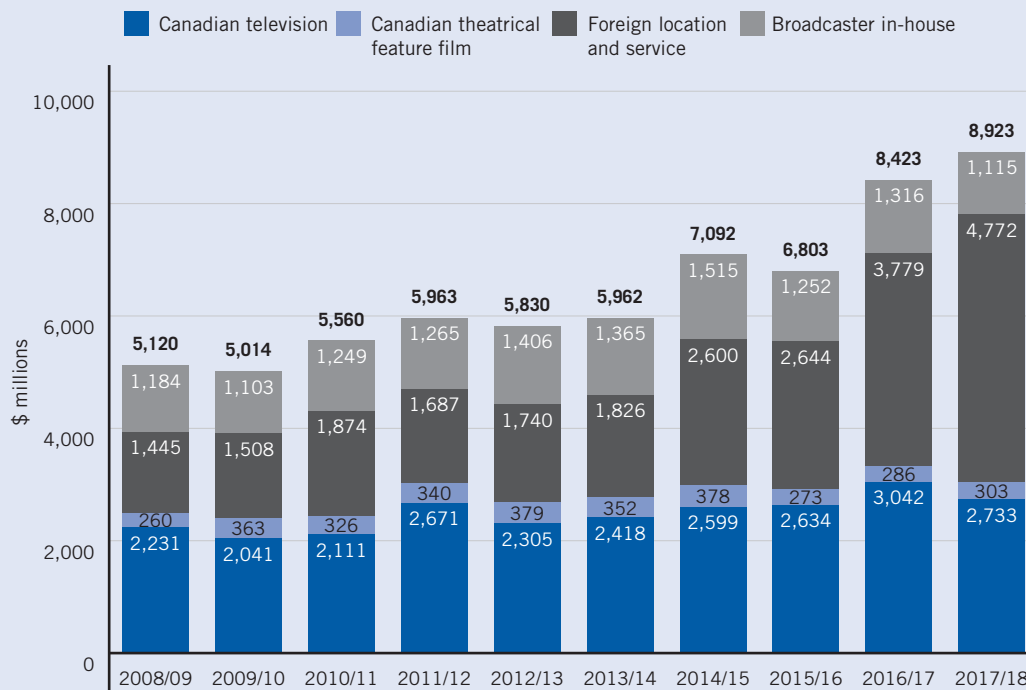
1. The **Canadian television production** segment includes television programs made largely by independent production companies, but also includes television programs made by production companies affiliated with Canadian broadcasters. All of these television programs are certified as Canadian content 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 is now the largest single segment of the Canadian screen-based production sector and largely consists of feature films and television programs filmed in Canada by foreign producers or by Canadian service producers.¹ 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.

¹ Canadian service producers are producers who provide production and/or post-production services in Canada on behalf of non-Canadian producers.

TOTAL VOLUME

The total volume² of film and television production in Canada increased by 5.9% to an all-time high of \$8.92 billion in 2017/18. Virtually all of the growth in 2017/18 was due to another sharp increase in the volume of FLS production in Canada. It rose by \$993 million to an all-time high of \$4.77 billion in 2017/18, after increasing by \$1.12 billion in 2016/17. The volume of Canadian theatrical feature film production also rose by \$17 million, or 13.9%, in 2017/18. These increases were partially offset, however, by a \$309 million decrease in the volume of Canadian television production and a \$201 million decrease in the volume of broadcaster in-house production.

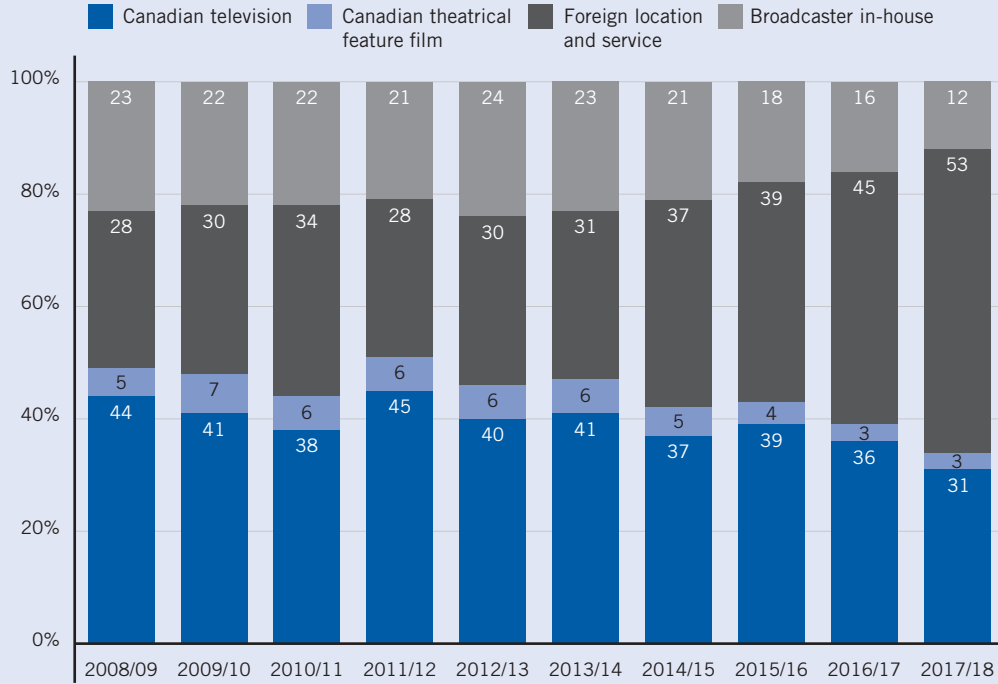
Exhibit 1 - 2 Total volume of film and television production in Canada



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.

² "Volume" or "total volume" refers to the sum of production budgets.

Exhibit 1 - 3 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.

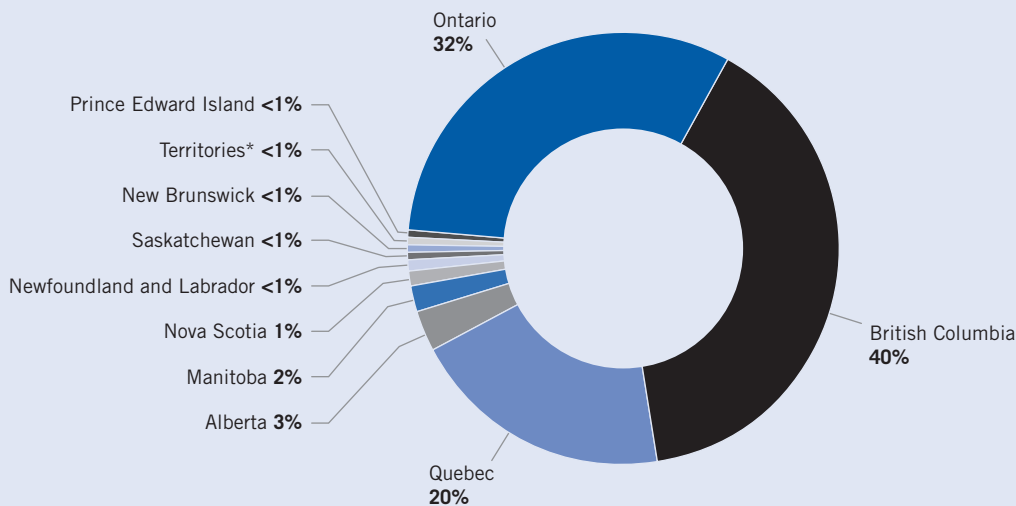
REGION

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

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
British Columbia	1,329	1,399	1,729	1,578	1,605	1,618	2,243	2,131	2,966	3,576
Ontario	1,903	1,910	2,077	2,586	2,439	2,439	2,769	2,719	3,031	2,892
Quebec	1,346	1,274	1,321	1,316	1,351	1,280	1,582	1,435	1,789	1,824
Alberta	181	153	148	167	155	274	254	231	252	255
Manitoba	55	72	69	79	76	100	84	92	129	158
Nova Scotia	151	107	99	104	98	124	69	102	140	105
Newfoundland and Labrador	12	40	43	42	42	46	31	40	39	67
Saskatchewan	101	33	49	54	35	47	30	30	36	27
New Brunswick	30	19	19	27	21	24	19	13	15	14
Territories*	9	4	5	6	6	8	9	8	25	5
Prince Edward Island	2	1	2	4	2	2	2	2	2	1
Total	5,120	5,014	5,560	5,963	5,830	5,962	7,092	6,803	8,423	8,923

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 2018*. Please see Notes on Methodology for additional information. Figures for 2014/15 may understate the total volume of production, since data was not available for the volume of FLS production in Nova Scotia in that year. Some totals may not sum due to rounding.
 * Yukon, Nunavut and Northwest Territories.

Exhibit 1 - 5 Shares of total volume of film and television production in Canada, by province and territory, 2017/18



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

2. Economic Contribution

Film and television production is a relatively labour-intensive activity. Films and television programs often employ dozens of people as cast and crew. On some occasions, the size of the cast and crew can exceed 100 people. Productions also purchase goods and services from other industries, thus generating spin-off economic impacts beyond the production sector.

The employment and supplier purchases associated with film and television production have generated employment for tens of thousands of Canadians in recent years, as well as billions of dollars of labour income and gross domestic product (GDP).

The economic contribution of the screen sector in Canada is not solely due to the film and television production sector. The other industries along the screen sector value chain – distribution, exhibition, television broadcasting and broadcasting distribution – also employ tens of thousands of Canadians and generate labour income and GDP through the value they add to the distribution of content made not only in Canada, but also in other countries.

Highlights from 2017/18



- The total employment impact (including direct and spin-off impacts) of film and television production in Canada increased by 3.9% to 179,000 full-time equivalent jobs (FTEs) in 2017/18.
- Employment directly within the film and television production sector itself (i.e. direct impact employment) increased by 3.7% to 70,400 FTEs in 2017/18.
- The total labour-income impact of film and television production in Canada increased by 7% – from \$9.23 billion to \$9.88 billion in 2017/18.³
- The total GDP impact of film and television production in Canada increased by 5.8% – from \$12.07 billion to \$12.77 billion in 2017/18.⁴
- The value of foreign investment in production (FIIP) in Canada increased by 18.7% to \$5.62 billion in 2017/18.
- The entire screen sector value chain (including film and television production, distribution, exhibition, television broadcasting and broadcasting distribution)⁵ generates an estimated 274,210 FTEs of employment, \$15.96 billion in labour income and \$24.23 billion in GDP, including direct and spin-off impacts (based on the most recent available data).



- The largest contributions to the economic impact of film and television production in Canada came from foreign location and services (FLS) production. It accounted for 95,700 FTEs of employment, \$5.12 billion in labour income and \$6.88 billion in GDP.

³ Statistics for 2016/17 have been revised to reflect the small revisions in the estimated total volume of film and television production in that year.

⁴ See previous footnote.

⁵ The economic contribution of convergent digital media in Canada has been removed from *Profile 2018* due to limited availability of data.

The continuing growth experienced by Canada's film and television sector in 2017/18 directly translated into growth in the sector's economic contribution. In total, Canada's film and television production sector generated 179,000 FTEs of employment in 2017/18, including direct (i.e. cast and crew) and spin-off impacts (Exhibit 2 - 1). These spin-off impacts included not only the employment and GDP generated within industries that supply goods and services to the production sector, but also the consumer industries within the Canadian economy that benefit from the re-spending of wages earned by cast and crew, and the workers employed in the supplier industries.

The employment and supplier purchases associated with film and television production meant that the sector also generated \$9.88 billion in labour income and \$12.77 billion in GDP for the Canadian economy in 2017/18 (Exhibit 2 - 4). These total impacts included direct labour income of \$4.31 billion and direct GDP of \$4.49 billion (Exhibit 2 - 4).

Foreign location and service (FLS) production accounted for the largest share of the film and television production sector's economic contribution in 2017/18 – just as it accounted for the largest share of production volume. In 2017/18, FLS production generated 95,700 FTEs of employment (Exhibit 2 - 1), \$5.12 billion in labour income and \$6.88 billion in GDP, when both the direct and spin-off impacts are included (Exhibit 2 - 3 and Exhibit 2 - 4).

The amount of FIIP flowing into film and television production in Canada also continued to grow in 2017/18. It increased by \$884 million, or 18.7%, to a record high of \$5.62 billion (Exhibit 2 - 5). Virtually all of this increase was linked to sharp growth in FLS production. The FIIP of FLS increased by \$993 million. After dipping to an eight-year low of \$67 million in 2016/17, the FIIP of Canadian theatrical feature film production increased by \$27 million, or 40.6%, to \$94 million. The increased FIIP in the FLS segment and the Canadian theatrical feature film segment was partially offset by a \$136 million decrease in FIIP in the Canadian television segment.

The screen sector value chain – which includes not only film and television production, but also CDM production, and the distribution, exhibition, television broadcasting and broadcasting distribution undertaking (BDU) industries – makes an even larger economic contribution. Based on the most recent available data, it generates an estimated 274,210 FTEs of employment, \$15.96 billion in labour income and \$24.23 billion in GDP annually (Exhibit 2 - 6).

This total economic contribution impact includes 110,650 FTEs of employment at companies operating directly in the screen sector value chain (i.e. direct impact) and a further 163,560 FTEs of employment in other industries (i.e. spin-off impact) (Exhibit 2 - 6). The direct labour income and GDP impacts are estimated to be \$7.62 billion and \$11.1 billion, respectively. The spin-off labour income and GDP impacts are estimated to be \$8.35 billion and \$13.14 billion, respectively (Exhibit 2 - 6).

FILM AND TELEVISION PRODUCTION

EMPLOYMENT BY SEGMENT

Exhibit 2 - 1 Number of FTEs generated by film and television production in Canada

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Canadian television production										
Direct	21,300	19,100	19,300	23,600	19,900	20,300	21,100	21,500	24,500	21,600
Spin-off	32,900	29,500	29,800	36,400	30,700	31,400	32,600	33,200	37,800	33,300
Total	54,200	48,600	49,100	60,000	50,600	51,700	53,700	54,700	62,300	54,900
Canadian theatrical feature film production										
Direct	2,500	3,400	3,000	3,000	3,300	3,000	3,100	2,200	2,300	2,400
Spin-off	3,800	5,200	4,600	4,600	5,000	4,600	4,800	3,400	3,600	3,700
Total	6,300	8,600	7,600	7,600	8,300	7,600	7,900	5,600	5,900	6,100
FLS production										
Direct	13,800	14,100	17,200	14,900	15,000	15,400	21,500	21,600	30,500	37,600
Spin-off	21,300	21,800	26,500	23,000	23,200	23,700	33,100	33,300	47,000	58,100
Total	35,100	35,900	43,700	37,900	38,200	39,100	54,600	54,900	77,500	95,700
Broadcaster in-house production										
Direct	11,300	10,300	11,400	11,200	12,100	11,500	12,500	10,200	10,600	8,800
Spin-off	17,500	15,900	17,700	17,300	18,700	17,700	19,300	15,800	16,400	13,600
Total	28,800	26,200	29,100	28,500	30,800	29,200	31,800	26,000	27,000	22,400
Grand total										
Direct	48,900	46,900	50,900	52,700	50,300	50,200	58,600	55,600	67,900	70,400
Spin-off	75,500	72,500	78,600	81,400	77,700	77,400	90,400	85,800	104,800	108,600
Total	124,400	119,400	129,500	134,100	128,000	127,600	149,000	141,400	172,700	179,000

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.

EMPLOYMENT BY REGION

Exhibit 2 - 2 Direct FTEs generated in film and television production in Canada, by province and territory

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
British Columbia	12,650	12,920	15,850	14,150	13,900	13,660	18,530	17,370	23,930	28,140
Ontario	18,020	18,020	19,010	22,840	21,230	20,770	23,240	22,590	24,520	22,940
Quebec	13,620	12,130	12,460	11,980	12,020	11,120	13,400	12,030	14,830	14,630
Alberta	1,530	1,280	1,200	1,320	1,190	2,030	1,870	1,650	1,850	1,850
Manitoba	570	720	680	740	690	910	740	800	1,090	1,310
Nova Scotia	1,640	1,160	1,010	1,020	930	1,160	620	920	1,240	910
Newfoundland and Labrador	120	390	410	380	360	380	250	320	300	520
Saskatchewan	970	310	440	460	290	370	230	230	270	200
New Brunswick	320	200	190	260	200	230	180	120	130	120
Territories*	80	30	40	50	50	50	60	50	170	30
Prince Edward Island	20	10	20	40	20	20	20	20	20	10
Total	48,900	46,900	50,900	52,700	50,300	50,200	58,600	55,600	67,900	70,400

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

* 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 2 - 3 Total direct and spin-off FTEs generated by film and television production in Canada, by province and territory

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
British Columbia	31,450	32,530	39,880	35,740	35,140	34,590	46,690	44,000	60,420	71,140
Ontario	39,920	40,380	42,560	51,310	47,720	46,790	52,100	50,900	55,090	51,580
Quebec	41,060	37,060	38,050	36,730	36,900	34,210	40,990	37,030	45,480	44,910
Alberta	4,340	3,680	3,450	3,830	3,440	5,870	5,380	4,780	5,340	5,350
Manitoba	1,000	1,290	1,220	1,330	1,230	1,640	1,330	1,430	1,940	2,350
Nova Scotia	3,890	2,790	2,430	2,460	2,240	2,800	1,490	2,220	2,990	2,190
Newfoundland and Labrador	200	680	700	660	620	660	430	550	530	900
Saskatchewan	2,270	730	1,040	1,100	680	880	540	540	650	480
New Brunswick	660	410	400	540	410	480	380	250	280	250
Territories*	160	60	90	100	100	100	130	100	350	60
Prince Edward Island	80	40	90	150	90	90	90	90	90	40
Total	124,400	119,400	129,500	134,100	128,000	127,600	149,000	141,400	172,700	179,000

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

* 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

GDP AND LABOUR INCOME

Exhibit 2 - 4 GDP and labour income impact of film and television production in Canada, 2017/18

	Direct	Spin-off	Total
LABOUR INCOME (\$ MILLIONS)			
Canadian content production			
Canadian television production	1,367	1,831	3,198
Canadian theatrical feature film production	151	183	334
Subtotal	1,518	2,014	3,532
FLS production	2,243	2,875	5,118
Broadcaster in-house production	558	673	1,231
Grand total	4,319	5,562	9,881
GDP (\$ MILLIONS)			
Canadian content production			
Canadian television production	1,421	2,455	3,876
Canadian theatrical feature film production	157	273	430
Subtotal	1,578	2,728	4,306
FLS production	2,338	4,543	6,881
Broadcaster in-house production	580	1,003	1,583
Grand total	4,496	8,274	12,770

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.

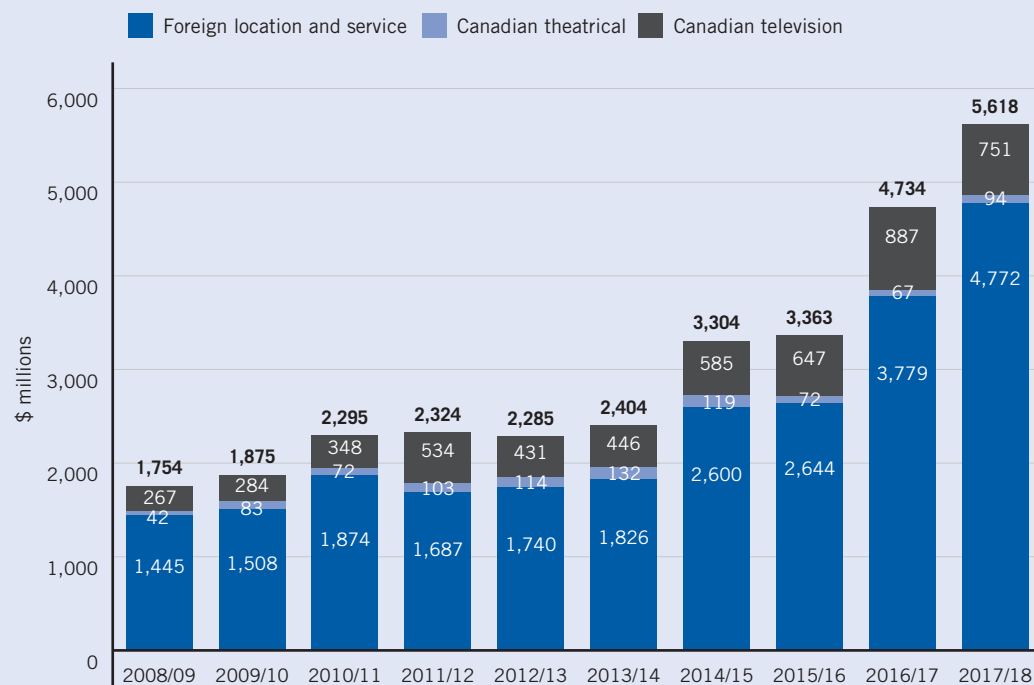
FOREIGN INVESTMENT IN PRODUCTION

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.⁶

FIIP in Canada increased by \$884 million to an all-time high of \$5.62 billion in 2017/18.

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 10) indicates that these sales of completed content generated an additional \$174 million in 2017.

Exhibit 2 - 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.

⁶ 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.

ECONOMIC IMPACT ACROSS THE SCREEN SECTOR VALUE CHAIN

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 17,390 FTEs of employment, \$673 million in labour income and more than \$1.25 billion in GDP in 2017.
- The television-broadcasting industry generated 18,480 FTEs of employment, \$1.47 billion in labour income and just over \$3 billion in GDP in 2017.
- The BDU industry generated 51,180 FTEs of employment, \$3.51 billion in labour income and more than \$6 billion in GDP in 2017.

Combining the estimates of economic impact for 2017/18 and 2017 (or the most recent year of published data) indicate that the screen sector value chain in Canada generates more than 274,210 FTEs of employment, \$15.96 billion in labour income and \$24.23 billion in GDP for the Canadian economy.

Exhibit 2 - 6 Economic impact of selected segments in the screen sector value chain

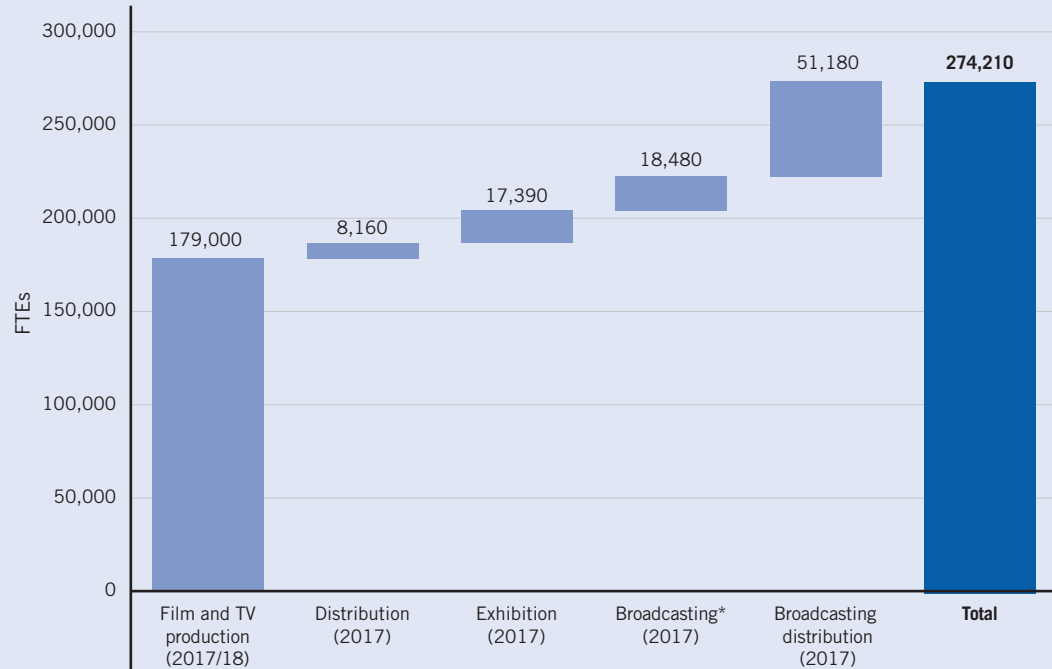
	Direct	Spin-off	Total
Employment (FTEs)			
Film and TV production (2017/18)	70,400	108,600	179,000
Distribution (2017)	1,200	6,960	8,160
Exhibition (2017)	7,560	9,830	17,390
Broadcasting* (2017)	4,910	13,570	18,480
Broadcasting distribution (2017)	26,580	24,600	51,180
Total	110,650	163,560	274,210
Labour income (\$ millions)			
Film and TV production (2017/18)	4,319	5,562	9,881
Distribution (2017)	105	333	438
Exhibition (2017)	214	459	673
Broadcasting* (2017)	729	736	1,465
Broadcasting distribution (2017)	2,249	1,256	3,505
Total	7,616	8,346	15,962
GDP (\$ millions)			
Film and TV production (2017/18)	4,496	8,274	12,770
Distribution (2017)	508	584	1,092
Exhibition (2017)	405	852	1,257
Broadcasting* (2017)	1,887	1,173	3,060
Broadcasting distribution (2017)	3,807	2,252	6,059
Total	11,103	13,135	24,238

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), Cineplex Entertainment and Statistics Canada.

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

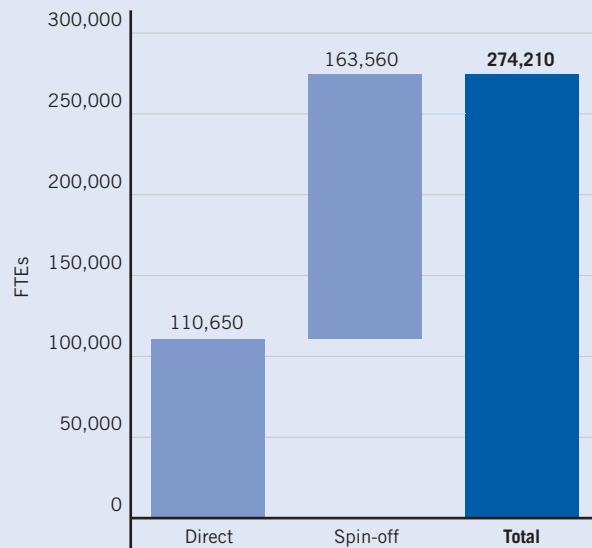
SUMMARY OF EMPLOYMENT AND GDP IMPACTS

Exhibit 2 - 7 Summary of total employment impact of screen sector value chain



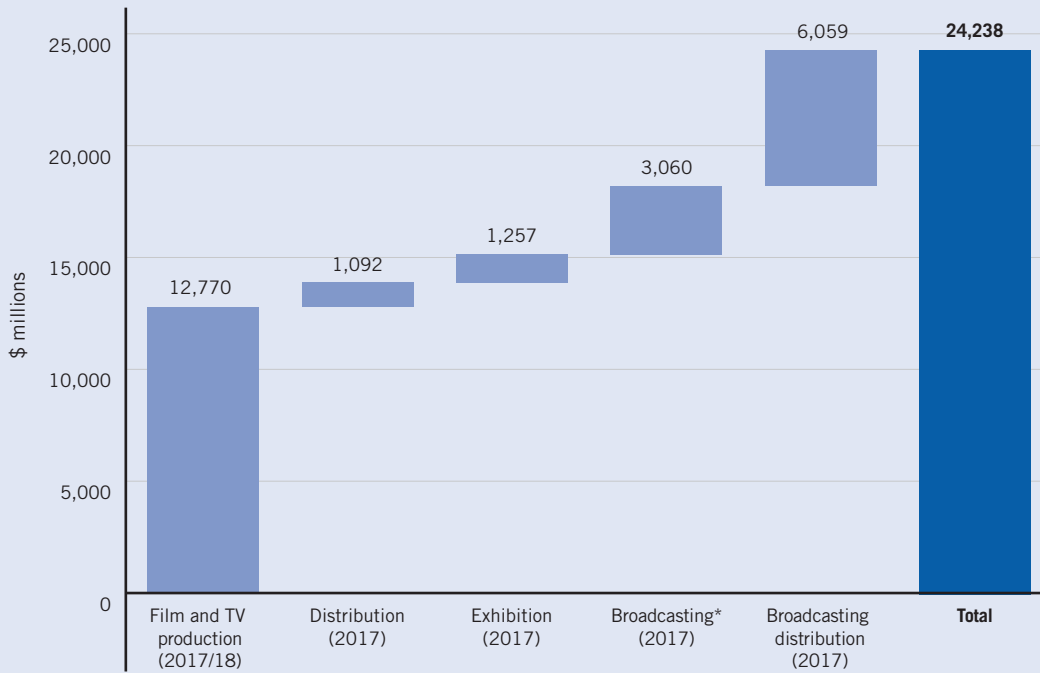
Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.
 * Excludes in-house production, which is included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

Exhibit 2 - 8 Direct and spin-off employment impact across screen sector value chain



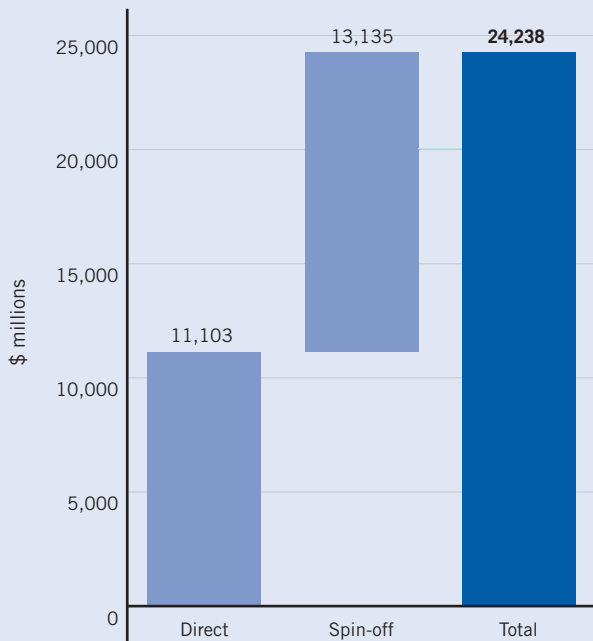
Sources: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, the Conference Board of Canada, the Movie Theatre Association of Canada (MTAC) and Cineplex Entertainment.

Exhibit 2 - 9 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.
 * Excludes in-house production, which is included in *Film and television production*

Exhibit 2 - 10 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.

3. Canadian content production

Canadian content production includes all film and television productions made by Canadian production companies. Most Canadian production is made by independent production companies, although broadcaster-affiliated production companies⁷ also account for some production in this segment. This 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 4 and 5, we provide more detailed statistics for the Canadian television and Canadian theatrical feature film segments, respectively.

Highlights from 2017/18



- French-language children's and youth production increased by 23.4% to \$124 million, driving the overall 4.7% increase in this genre.
- Documentary production increased by 3.9% to \$269 million.
- Production in the variety and performing arts (VAPA) genre increased by 34.7% to \$167 million



- Canadian content production decreased by 8.8% to \$3.04 billion.
- English-language production decreased by 9.7% to \$2.24 billion.
- French-language production decreased by 6.8% to \$780 million.
- Fiction production decreased by 18.1% to \$1.53 billion.
- Production of programs in the lifestyle and human interest genre⁸ decreased by 5.8% to \$518 million.

⁷ Affiliated production companies are production companies in which a Canadian broadcaster owns or controls at least 30% of the voting equity.

⁸ Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.

After reaching an all-time peak of \$3.31 billion in 2016/17, the total volume of Canadian content production decreased by 8.8% to \$3.04 billion in 2017/18 (Exhibit 3 - 1). Both language markets contributed to the decrease in Canadian content production. English-language Canadian content decreased by 9.7% to \$2.24 billion in 2017/18 (Exhibit 3 - 1); French-language production was down by 6.8% to \$780 million.

The statistics on genre indicate that the decrease in Canadian content production in 2017/18 was almost entirely due to a reversal in the volume of fiction production; although the volume of lifestyle and human interest programming was also down in 2017/18. Fiction production dropped by 18.1% to \$1.53 billion in 2017/18 (Exhibit 3 - 2); virtually all of this drop was in the television segment. As discussed further in Section 4, the number and volume of fiction television series declined in 2017/18, particularly in the English-language market.

In the children's and youth genre, Canadian content production, inclusive of film and television, rose by 4.7% to \$556 million in 2017/18, but was well below the 10-year peak of \$626 million reached in 2015/16 (Exhibit 3 - 2). Within this genre, 2017/18 saw a \$6 million increase in the volume of television production driven by a \$15 million increase in French-language production, as English-language children's and youth television production was down by \$10 million, compared to the previous year (Exhibit 4 - 7). The much smaller theatrical feature film segment saw a notable increase, with the volume up by \$19 million to \$54 million (Exhibit 3 - 2).

The overall growth in children's and youth production in 2017/18 was underpinned by higher levels of animation production. Live-action production increased by \$4 million, while animation production increased by \$21 million (Exhibit 3 - 5), with French-language production contributing \$15 million to this increase. Overall animation production across all genres improved to \$331 million in 2017/18.

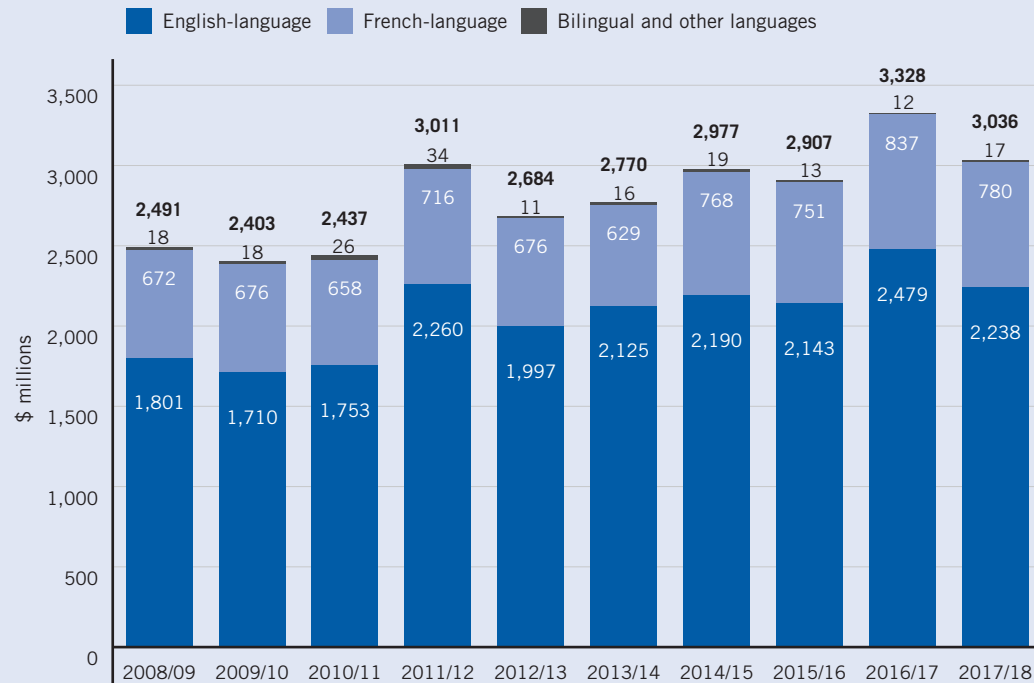
Canadian content production in the documentary genre was also higher in 2017/18, with gains in both the television and theatrical feature film segments.

Public broadcaster financing of Canadian content production rose in 2017/18, increasing from \$342 million to a five-year high of \$390 million (Exhibit 3 - 8). However, this increase was not great enough to offset a drop in Canadian distributor financing. The foreign financing of Canadian content production remained strong in 2017/18. In fact, foreign financing reached a five-year high of \$465 million. But it was the drop in Canadian distributor financing, particularly for Canadian television production (see Section 4.9), that drove the overall drop in Canadian content production in 2017/18.

Private broadcasters' licence fees also decreased in 2017/18, as did the levels of financing from other private and public Canadian sources. With declines in financing from Canadian distributors, private broadcasters, and other private and public Canadian sources, the value of federal and provincial tax credits also declined, further amplifying the reduced level of financing for Canadian content production in 2017/18.

LANGUAGE

Exhibit 3 - 1 Volume of Canadian film and 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.

GENRE

Exhibit 3 - 2 Volume of Canadian production by genre and market

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Fiction										
Television	945	879	890	1,225	1,096	1,093	1,226	1,172	1,628	1,295
Theatrical feature film	226	305	291	277	357	314	295	187	236	231
Total	1,172	1,183	1,181	1,502	1,453	1,407	1,521	1,359	1,864	1,526
Children's and youth										
Television	352	379	348	438	322	419	467	550	496	502
Theatrical feature film	13	16	40	22	45	14	74	76	35	54
Total	365	396	388	460	368	433	541	626	531	556
Documentary										
Television	416	345	335	373	370	311	248	275	244	251
Theatrical feature film	12	11	18	9	14	7	7	8	15	18
Total	428	355	353	382	384	318	255	283	259	269
Lifestyle and human interest*										
Total	334	282	369	478	395	478	542	535	550	518
Variety and performing arts										
Total	183	157	170	157	122	117	118	104	124	167

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

Exhibit 3 - 3 Number of projects, by genre and type, 2017/18

	Fiction	Children's and youth	Documentary	Lifestyle and human interest*	Variety and performing arts	All genres
Number						
TV Series	138	152	129	333	50	802
Other TV programming**	126	22	207	23	41	419
Theatrical feature films	76	8	21	0	0	105
Total	340	182	357	356	91	1,326
Share of total						
TV Series	41%	84%	36%	94%	55%	60%
Other TV programming**	37%	12%	58%	6%	45%	32%
Theatrical feature films	22%	4%	6%	0%	0%	8%
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.

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

Exhibit 3 - 4 Volume of Canadian film and television production, by genre and language, 2017/18

	Fiction	Children's and youth	Documentary	Lifestyle and human interest*	Variety and performing arts	All genres
\$ millions						
English-language	1,257	430	213	257	81	2,238
French-language	263	124	52	254	86	780
Bilingual and other	6	2	3	6	0	17
Total	1,526	556	269	518	167	3,036
Share of total						
English-language	82%	77%	79%	50%	48%	74%
French-language	17%	22%	19%	49%	52%	26%
Bilingual and other	<1%	<1%	<1%	<1%	0%	<1%
Total	100%	100%	100%	100%	100%	100%

Source: Estimates based on data collected from CAVCO.

Some totals may not sum due to rounding.

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 3 - 5 Volume of Canadian children's and youth production, by language and category

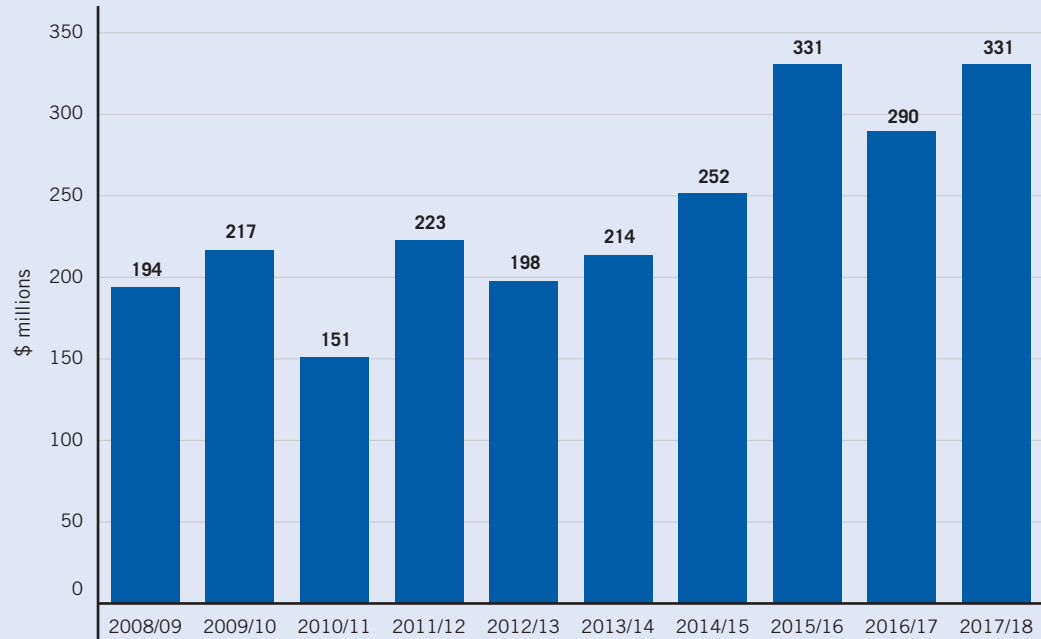
\$ millions	2016/17			2017/18		
	Live Action	Animation	Total	Live Action	Animation	Total
English-language	171	264	435	161	270	431
French-language	83	12	95	97	27	124
Bilingual and other	0	2	2	1	1	2
Total	254	277	531	258	298	556

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.

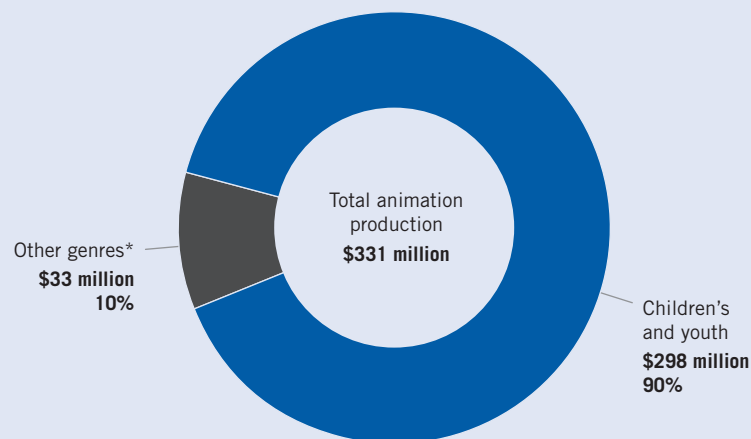
ANIMATION

Exhibit 3 - 6 Total 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 3 - 7 Volume of Canadian animation production, by genre, 2017/18*



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 3 - 8 Financing for Canadian film and television production

	2013/14		2014/15		2015/16		2016/17		2017/18	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	594	21%	516	17%	505	17%	435	13%	361	12%
Public broadcaster licence fees	245	9%	236	8%	250	9%	342	10%	390	13%
Federal tax credit ¹	266	10%	298	10%	298	10%	344	10%	311	10%
Provincial tax credits ¹	491	18%	572	19%	534	18%	588	18%	537	18%
Canadian distributors ²	286	10%	348	12%	333	11%	512	15%	381	13%
Foreign ³	292	11%	356	12%	386	13%	442	13%	465	15%
Canada Media Fund	282	10%	286	10%	286	10%	278	8%	260	9%
Telefilm Canada	60	2%	58	2%	54	2%	69	2%	67	2%
Other public ⁴	26	1%	92	3%	49	2%	87	3%	64	2%
Other private ⁵	229	8%	215	7%	211	7%	231	7%	200	7%
Total	2,770	100%	2,977	100%	2,907	100%	3,329	100%	3,036	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.

In addition, producers often have to raise capital for development and project financing through corporate or personal lines of credit, mortgages on personal property and deferral of producer fees. 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.

4. 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.⁹

Highlights from 2017/18



- In the French-language market, average hourly budgets were higher in all genres, except fiction.
- In the English-language market, average hourly budgets were higher in the VAPA, and lifestyle and human interest genres.
- The financial leverage of Canada Media Fund's (CMF's) funding reached a 10-year high of \$3.92 of third-party financing for every dollar of CMF funding.



- Canadian television production decreased by 10.2% to \$2.73 billion.
- English-language television production decreased by 12.4%; French-language television production decreased by 3.9%.
- The production of Canadian television series decreased in terms of both number (827 to 802) and volume (\$2.63 billion to \$2.35 billion).
- In the English-language market, average hourly budgets were lower in the fiction, children's and youth, and documentary genres.
- Canadian television production from Ontario-based producers decreased by 9.2% to \$1.23 billion.
- Canadian television production from Quebec-based producers decreased by 17.7% to \$765 million.
- Canadian television production from producers based in British Columbia (BC) decreased by 15.1% to \$438 million.
- The CMF's financial contributions to Canadian television decreased to \$260 million (from \$278 million) and supported \$1.28 billion in television production volume.

⁹ Statistics for the volume of broadcaster in-house production can be found in Section 8 of this report.

After hitting an all-time high of \$3.04 billion in 2016/17, the total volume of Canadian television production dipped by 10.2% in 2017/18 to a total of \$2.73 billion (Exhibit 4 - 1). The rise in 2016/17 and subsequent dip in 2017/18 were driven, in large part, by year-to-year fluctuations in television series production. In 2016/17, Canadian producers made 827 television series with a total volume of \$2.63 billion (Exhibit 4 - 2 and Exhibit 4 - 1). In 2017/18, however, Canadian producers' annual output of television series dipped to 802, and the total volume of Canadian television series production decreased by 10.5% to \$2.35 billion.

Despite the drop in output and volume in 2017/18, Canadian television series production activity was still above the 10-year averages in terms of the number of series produced (765) and production volume (\$2.14 billion).

Both major language markets experienced falling levels of Canadian television production in 2017/18, but it was the English-language market where the bulk of the decrease emerged. The total volume of French-language production dipped by 3.9% to \$707 million (Exhibit 4 - 3). The total volume of English-language Canadian television production fell by 12.4% to \$2.01 billion.

On a genre basis, there was a relatively small decrease in the volume of production of lifestyle and human interest programming – from \$550 million to \$508 million (Exhibit 4 - 5). That aside, only the fiction genre experienced a decrease in volume in 2017/18. The total volume of Canadian television fiction production fell by 20.5% to \$1.3 billion. This drop was concentrated in the English-language market. English-language fiction production fell by 21%, or \$286 million, accounting for 86% of the genre's total drop in volume in 2017/18 (Exhibit 4 - 7).

Both language markets experienced decreases in average fiction budgets. In the English-language market, the average fiction budget decreased by 3.3% to \$1.45 million per hour (Exhibit 4 - 8). In the French-language market, the average fiction budget decreased by 17.3% to \$502,000 per hour (Exhibit 4 - 9). In the English-language market, therefore, the decrease in total production volume was mostly due to a drop in the number of projects, rather than the average budgets of those projects.

The average budgets in the children's and youth genre stayed above \$1 million per hour in the English-language market in 2017/18. In the French-language market, the average budget was lower (\$228,000 per hour), but increased by 9.6% in 2017/18.

The CMF continued to be a major player in the Canadian television segment, despite experiencing downward pressure on its revenues on account of lower revenues in the Canadian broadcasting distribution undertaking (BDU) industry. In 2017/18, the CMF provided \$260 million in funding to television projects with a total volume of \$1.28 billion (Exhibit 4 - 13). In effect, the CMF still played an important financing role in just under one-half of all Canadian television production in 2017/18.

Canadian television production draws upon a wide range of private and public financing sources. In 2017/18, Canadian public broadcasters, predominantly CBC/Radio-Canada, significantly increased their financing of Canadian television production in both the English-language and French-language markets. In the English-language market, public broadcasters' licence fees increased from \$174 million to \$193 million, and reached a five-year high in terms of their share of total financing (10%) (Exhibit 4 - 19). In the French-language market, public broadcasters' licence fees increased from \$166 million to \$194 million. It also reached a five-year high in terms of share of total financing (27%) (Exhibit 4 - 20).

While financing from Canadian public broadcasters increased in 2017/18, reduced financing from all other sources – private broadcasters' licence fees, the federal tax credit, provincial tax credits, Canadian distributors, foreign sources, the CMF, and other public and private Canadian sources – contributed to the overall decline in Canadian television production. In fact, most of the decline can be linked to a sharp reversal in the level of financing from Canadian distributors.

Canadian distributors played a major role in the climb in production volume in the segment in 2016/17, as it reached an all-time high. Canadian distributor financing rose from \$308 million to \$471 million (Exhibit 4 - 17). In 2017/18, Canadian distributor financing fell back to \$344 million – a drop of \$127 million.

Foreign financing also played an important role in the growth of Canadian television production experienced in 2016/17. It climbed from \$338 million to \$417 million. Unlike Canadian distributor financing, the foreign financing of Canadian television did not experience as sharp a reversal in 2017/18. It only decreased by \$10 million, or 2.4%.

Indeed, when viewed on a genre basis, the financing statistics for English-language production demonstrate how English-language Canadian television programs in the fiction, and children's and youth genres remained highly exportable. In the fiction genre, foreign sources and Canadian distributors contributed a combined 41% to total financing in 2017/18 (Exhibit 4 - 21). Similarly, in the children's and youth genre, Canadian distributors and foreign sources accounted for a combined 43%.

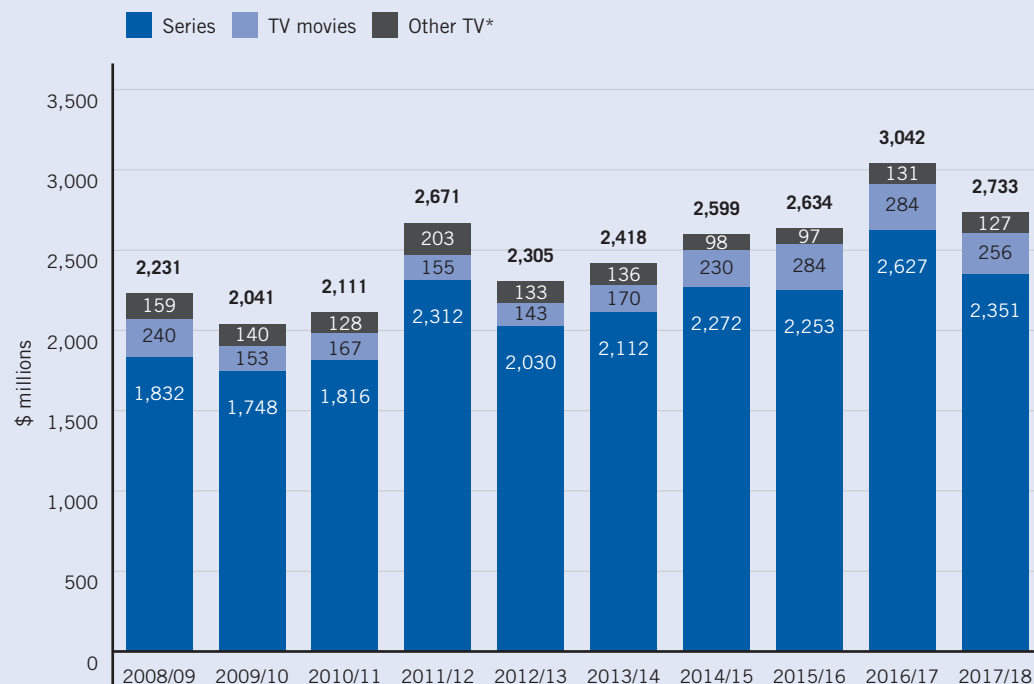
In both the VAPA, and lifestyle and human interest genres, within the English-language market, Canadian broadcasters played an important role in financing – accounting for over 40% of total financing in both of these genres. In the lifestyle and human interest genre, private broadcasters' licence fees contributed 42% of total financing in 2017/18; in the VAPA genre, the share was 47%. These relatively high rates of Canadian broadcaster contribution – compared to other genres – in part, reflected the licence fees from Canadian specialty television services, which both commission and schedule a relatively large amount of lifestyle programming (e.g. home improvement shows, cooking shows).

English-language documentary production displayed one of the most diverse financing structures among all the genres. Across all genres, English-language documentaries drew upon significant contributions from Canadian distributors (23%), the CMF (20%), Canadian broadcasters (18%) and foreign sources (8%) (Exhibit 4 - 21)

On a genre-by-genre basis, French-language production is most reliant on Canadian broadcasters' licence fees for the largest share of its financing. Canadian broadcasters' contribution to financing ranged from 35% in the documentary genre to 60% in the lifestyle and human interest genre (Exhibit 4 - 22). The CMF was another important source of financing in all genres, except lifestyle and human interest, which is not eligible for CMF funding. And while the levels of Canadian distributor and foreign financing for various genres of French-language production were low in 2017/18 (as they were in previous years), French-language production in the fiction, children's and youth, and lifestyle and human interest genres did attract additional private financing from other sources (i.e. other than broadcasters or distributors) within Canada.

TYPES

Exhibit 4 - 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.

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

Exhibit 4 - 2 Number of television projects, by type

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Series	760	690	693	786	751	725	813	807	827	802
TV movies	164	109	116	103	102	127	151	168	152	130
Other TV*	370	372	306	385	330	339	300	289	311	290
Total	1,294	1,171	1,115	1,274	1,183	1,191	1,264	1,264	1,290	1,222

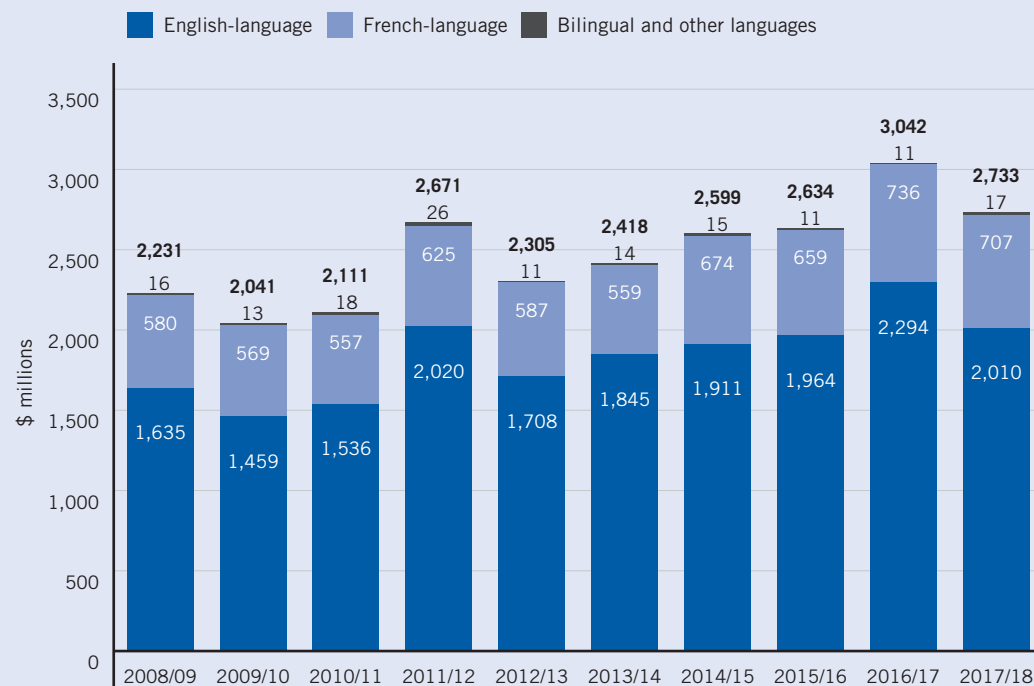
Source: Estimates based on data collected from CAVCO.

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

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

LANGUAGE

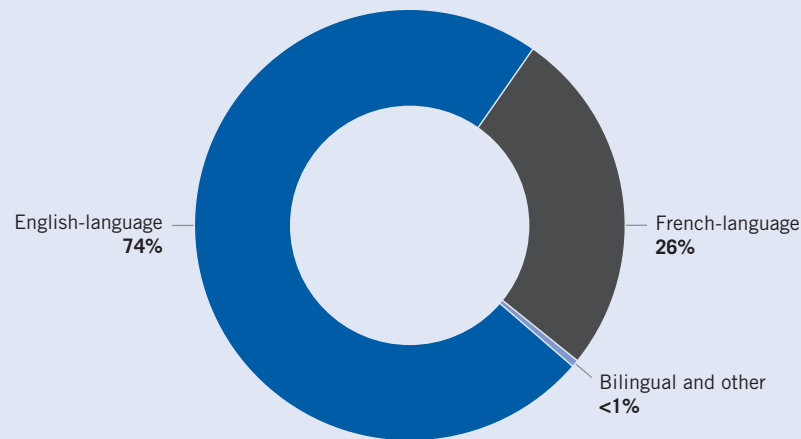
Exhibit 4 - 3 Volume of Canadian television production, by language



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.

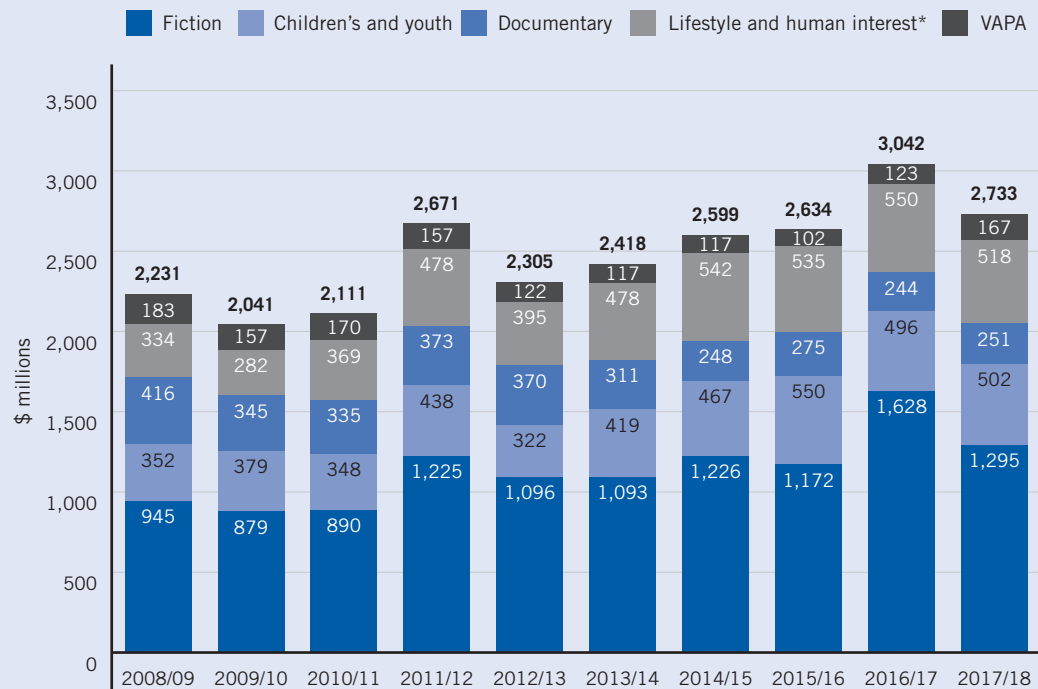
Exhibit 4 - 4 Volume of Canadian television production, by language, 2017/18 shares



Source: Estimates based on data collected from CAVCO.
 Note: Total may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

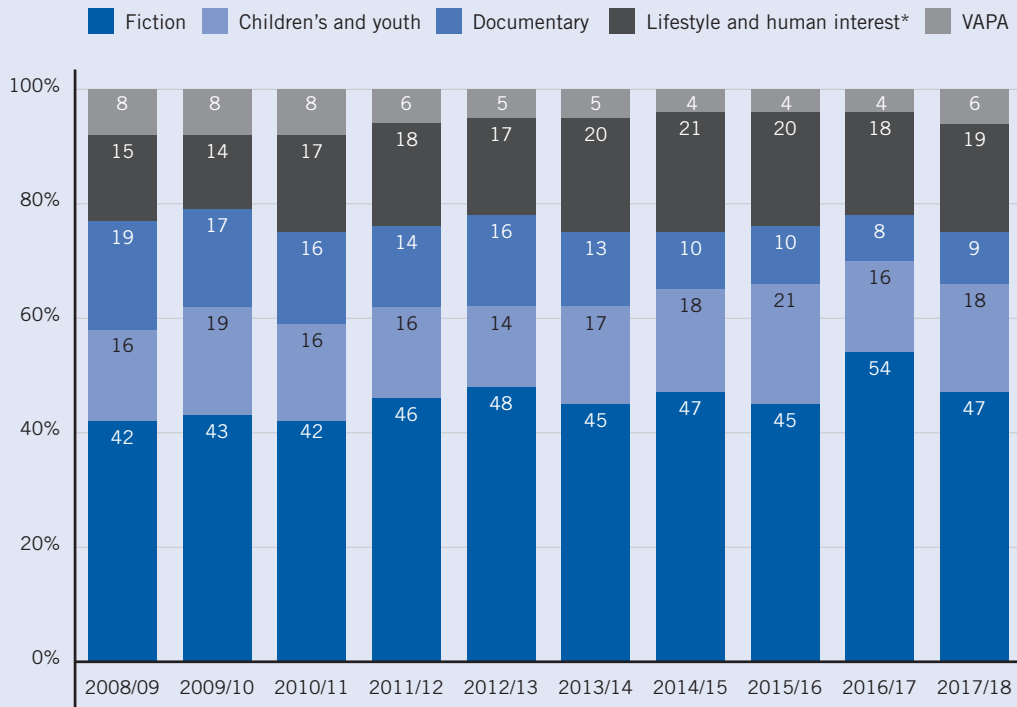
GENRE

Exhibit 4 - 5 Volume of 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 4 - 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 4 - 7 Volume of Canadian television production by genre and language

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Fiction										
English-language	774	695	690	1,035	896	903	996	972	1,365	1,079
French-language	171	183	198	190	195	184	223	200	261	210
Bilingual and other languages	0	1	1	1	5	6	7	1	2	6
Total	945	879	890	1,225	1,096	1,093	1,226	1,172	1,628	1,295
Children's and youth										
English-language	273	299	294	331	247	348	385	459	404	394
French-language	76	76	52	97	74	65	78	86	91	106
Bilingual and other languages	4	4	2	10	2	6	5	5	2	2
Total	352	379	348	438	322	419	467	550	496	502
Documentary										
English-language	324	252	248	286	278	235	159	192	175	199
French-language	89	90	85	84	89	73	85	82	69	50
Bilingual and other	3	2	1	4	3	3	3	1	1	3
Total	416	345	335	373	370	311	248	275	244	251
Lifestyle and human interest*										
English-language	186	136	230	297	246	327	333	314	299	257
French-language	145	146	130	174	149	151	209	219	250	254
Bilingual and other languages	3	0	9	7	0	0	0	1	2	6
Total	334	282	369	478	395	478	542	535	550	518
VAPA										
English-language	77	76	74	72	42	32	37	26	52	81
French-language	100	75	91	80	81	85	79	73	66	86
Bilingual and other languages	6	6	5	4	0	0	0	3	5	0
Total	183	157	170	157	122	117	117	102	123	167

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.

BUDGETS

Exhibit 4 - 8 Budgets of English-language Canadian television productions, by genre

\$ 000s per hour	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Fiction										
Average	1,515	1,323	1,232	1,700	1,304	1,220	1,240	1,344	1,502	1,452
Median	1,257	1,367	1,207	1,470	1,308	1,150	1,231	1,341	1,477	1,508
Children's and youth										
Average	820	788	863	854	711	867	855	1,089	1,221	1,101
Median	496	653	500	583	512	656	764	800	772	1,101
Documentary										
Average	334	410	347	367	321	312	307	338	366	340
Median	291	263	286	277	292	249	253	272	337	300
Lifestyle and human interest*										
Average	n.a.	n.a.	266	308	265	322	265	302	310	330
Median	n.a.	n.a.	288	305	277	286	223	267	243	256
VAPA										
Average	476	367	529	556	386	461	363	547	606	656
Median	318	262	231	360	197	267	248	342	332	599

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.

n.a.: Data not available.

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

Exhibit 4 - 9 Budgets of French-language Canadian television productions, by genre

\$ 000s per hour	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Fiction										
Average	520	621	517	427	402	450	540	557	607	502
Median	376	467	504	327	342	417	513	565	548	483
Children's and youth										
Average	243	233	206	313	187	220	353	186	208	228
Median	179	163	150	167	143	159	175	143	140	138
Documentary										
Average	234	228	252	212	204	222	196	181	200	213
Median	189	197	211	173	179	190	166	166	163	183
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	76	84	98	98
VAPA										
Average	311	212	220	205	229	261	236	226	241	273
Median	168	161	163	148	166	201	208	150	135	195

Source: Estimates based on data collected from CAVCO.

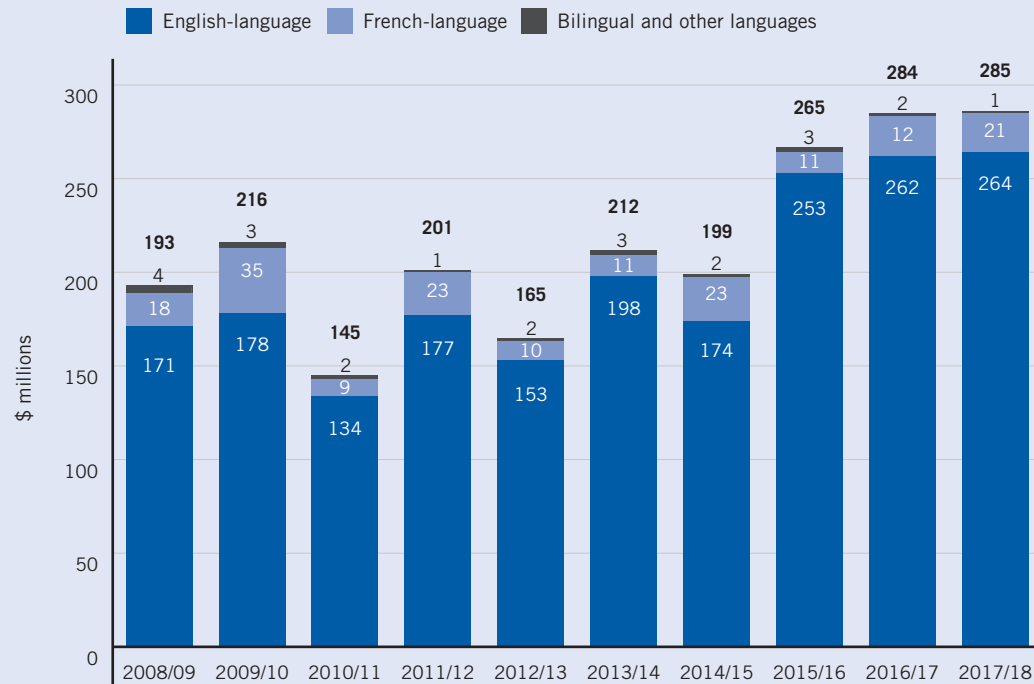
Note: The data does not include an estimate (as used in other exhibits) of CRTC-certified television production. Due to the low number of projects produced in bilingual format or other languages, the data for this category has been combined with the data for the French-language market.

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 4 - 10 Volume of Canadian animation television production, by language



Source: Estimates based on data collected from CAVCO.

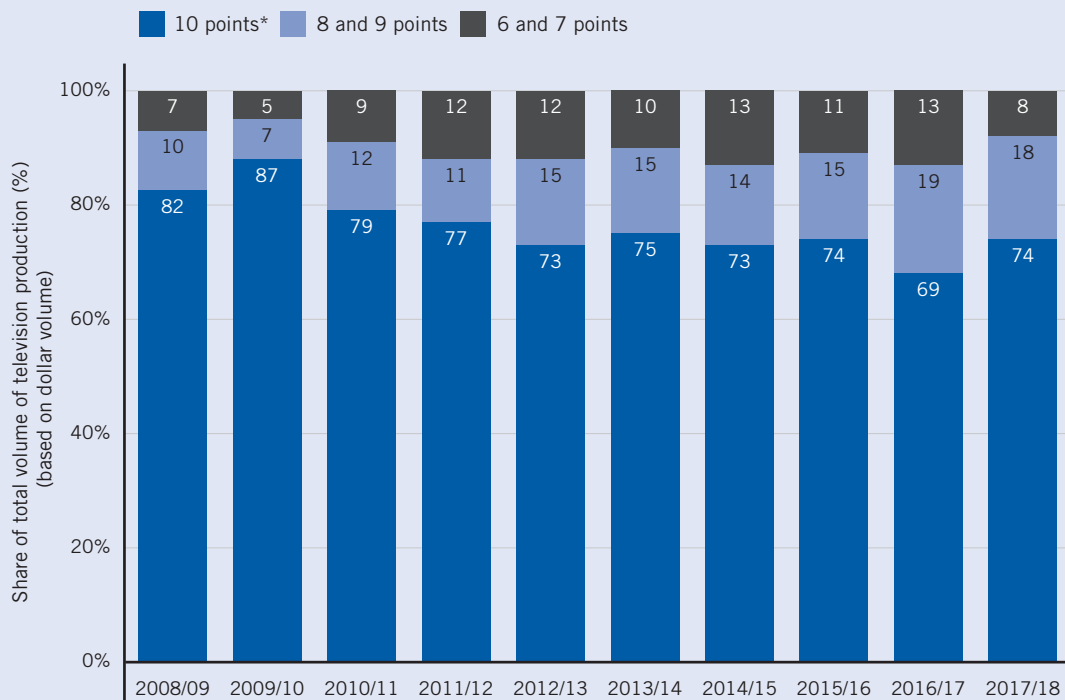
Note: Some totals may not sum due to rounding. Data includes an estimate of CRTC-certified television production.

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's content-point scale is also used (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. The number of Canadian content points increases as the share of key creative positions occupied by Canadians increases. To be certified as Canadian content, a film or television program (that is not an 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

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 4 - 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.

Note: 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.

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

REGION

Exhibit 4 - 12 Volume of Canadian television production, by province and territory

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18 share of total
Ontario	959	944	993	1,299	1,056	1,094	1,216	1,228	1,349	1,225	45%
Quebec	731	678	711	772	701	664	774	764	929	765	28%
British Columbia	287	196	231	367	387	417	426	428	516	438	16%
Alberta	92	80	63	67	59	91	67	99	106	120	4%
Nova Scotia	47	44	29	52	35	74	42	62	76	76	3%
Newfoundland and Labrador	5	31	33	32	31	33	21	29	30	58	2%
Manitoba	40	44	25	40	22	30	41	15	20	39	1%
New Brunswick	11	13	8	15	7	9	7	2	5	6	<1%
Saskatchewan	58	11	16	21	5	4	3	4	4	5	<1%
Territories*	1	2	1	1	2	3	3	3	6	2	<1%
Prince Edward Island	0	0	0	3	0	0	0	0	0	<1	<1%
Total	2,231	2,041	2,111	2,671	2,305	2,418	2,599	2,634	3,042	2,733	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 2018*. Please see Notes on Methodology for additional information. Some totals may not sum due to rounding.

CANADA MEDIA FUND

The Canada Media Fund (CMF) is funded by the Government of Canada, and cable and satellite distributors (also known as broadcasting distribution undertakings [BDUs]). The CMF has 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.

The CMF was officially launched on April 1, 2010 to respond to changes brought about by new technologies and evolving consumer demand. It replaced the former Canadian Television Fund (CTF) and the Canada New Media Fund.

During its inaugural fiscal year of operation, 2010/11, the CMF launched a new slate of programs, with 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 \$260 million supported \$1.28 billion¹¹ in television production in 2017/18 and generated 26,700 full-time equivalent jobs (FTEs). Both the level of funding and volume of supported production declined for the second consecutive year, as the CMF continued to experience downward pressure on its revenue on account of falling revenues in the Canadian BDU industry. Despite the drop in funding, the CMF's rate of financial leverage increased to a 10-year high in 2017/18. For every dollar of CMF funding, CMF-supported projects attracted \$3.92 in additional production financing.

Exhibit 4 - 13 Total 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 4 - 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 4 - 15 Number of CMF-supported hours of television production, by genre

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Documentary	761	821	715	828	828	886	925	1,041	1,045	831
Children's and youth	646	639	695	812	785	712	799	763	688	697
Drama (i.e., fiction)	580	610	659	613	671	661	700	757	728	724
Variety and performing arts	223	352	422	549	404	321	354	398	418	452
Total	2,210	2,422	2,491	2,801	2,688	2,580	2,778	2,959	2,878	2,704

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

Exhibit 4 - 16 CMF contributions to television production, by genre

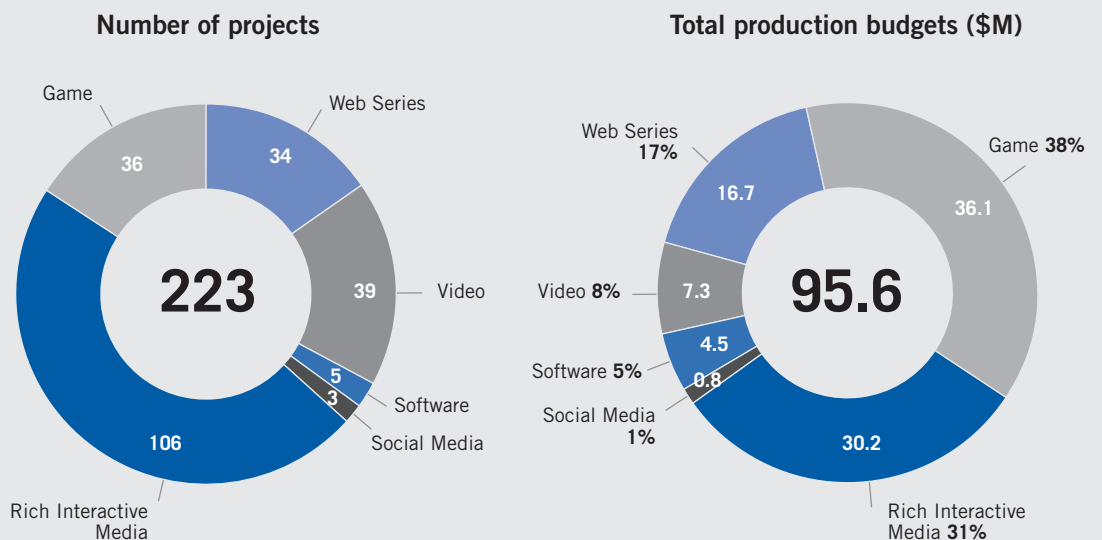
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
(\$ millions)										
Documentary	55	61	56	64	58	57	59	65	69	58
Children's and youth	49	55	54	57	56	56	56	54	39	37
Drama (i.e., fiction)	162	178	160	159	166	152	158	153	151	151
Variety and performing arts	10	13	13	23	18	16	13	13	19	15
Total	275	307	282	303	300	282	286	286	278	260
Share of total										
Documentary	20%	20%	20%	21%	19%	20%	21%	23%	25%	22%
Children's and youth	18%	18%	19%	19%	19%	20%	20%	19%	14%	14%
Drama (i.e., fiction)	59%	58%	57%	53%	55%	54%	55%	53%	54%	58%
Variety and performing arts	4%	4%	5%	8%	6%	6%	5%	5%	7%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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

CMF-SUPPORTED DIGITAL MEDIA PRODUCTION

The CMF operates two funding streams for digital media production: 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.

On a combined basis across both of these funding streams, the CMF provided \$54.2 million in funding to 223 digital media projects with total production budgets of \$95.5 million in 2017/18. The Convergent Stream accounted for 166 projects, \$24.6 million in CMF funding and \$39.6 million in total production budgets. The Experimental Stream accounted for 57 projects, \$29.6 million in CMF funding and \$57.6 million in total production budgets.



FINANCING

Exhibit 4 - 17 Financing of Canadian television production

	2013/14		2014/15		2015/16		2016/17		2017/18	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	591	24%	513	20%	504	19%	434	14%	360	13%
Public broadcaster licence fees	244	10%	235	9%	247	9%	339	11%	387	14%
Federal tax credit ¹	238	10%	272	10%	278	11%	324	11%	291	11%
Provincial tax credit ¹	423	18%	493	19%	476	18%	533	18%	481	18%
Canadian distributors ²	252	10%	316	12%	308	12%	471	15%	344	13%
Foreign ³	193	8%	269	10%	338	13%	417	14%	407	15%
CMF	282	12%	286	11%	286	11%	278	9%	260	10%
Other public ⁴	5	0%	38	1%	22	1%	50	2%	32	1%
Other private ⁵	189	8%	177	7%	174	7%	197	6%	171	6%
Total	2,418	100%	2,599	100%	2,634	100%	3,042	100%	2,733	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 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 organization 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.

Exhibit 4 - 18 Financing of Canadian television production, by genre, 2017/18

	Fiction	Children's and Youth	Documentary	Lifestyle and human interest ¹	VAPA	All Genres
Amount (\$ millions)						
Private broadcaster licence fees	79	49	25	177	31	360
Public broadcaster licence fees	174	41	30	87	54	387
Federal tax credit ²	136	52	26	60	17	291
Provincial tax credits ²	230	111	38	77	24	481
Canadian distributors ³	178	90	45	30	1	344
Foreign ⁴	277	81	17	30	2	407
CMF ⁵	151	37	58	0	15	260
Other public ⁶	8	9	2	5	8	32
Other private ⁷	62	32	10	52	15	171
Total	1,295	502	251	518	167	2,733
Share of total financing (\$ millions)						
Private broadcaster licence fees	6%	10%	10%	34%	19%	13%
Public broadcaster licence fees	13%	8%	12%	17%	33%	14%
Federal tax credit ²	11%	10%	10%	12%	10%	11%
Provincial tax credits ²	18%	22%	15%	15%	14%	18%
Canadian distributors	14%	18%	18%	6%	<1%	13%
Foreign	21%	16%	7%	6%	1%	15%
CMF ³	12%	7%	23%	0%	9%	10%
Other public ⁴	1%	2%	1%	1%	5%	1%
Other private ⁵	5%	6%	4%	10%	9%	6%
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 film and television projects, in order to complete their project financing.
3. 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.
4. Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organization based outside of Canada.
5. Only programming in the fiction, children's and youth, documentary and VAPA genres are 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 4 - 19 Financing of English-language Canadian television production

	2013/14		2014/15		2015/16		2016/17		2017/18	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	456	17%	327	17%	309	16%	249	11%	195	10%
Public broadcaster licence fees	124	5%	107	6%	112	6%	174	8%	193	10%
Federal tax credit ¹	176	10%	197	10%	202	10%	239	10%	207	10%
Provincial tax credits ¹	329	20%	377	20%	372	19%	413	18%	372	18%
Canadian distributors ²	244	16%	304	16%	302	15%	461	20%	336	17%
Foreign ³	187	14%	242	13%	331	17%	409	18%	397	20%
CMF	183	10%	185	10%	185	9%	176	8%	168	8%
Other public ⁴	3	1%	15	1%	6	0%	30	1%	17	1%
Other private ⁵	142	7%	146	8%	145	7%	142	6%	125	6%
Total	1,845	100%	1,899	100%	1,964	100%	2,294	100%	2,010	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 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 organization 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.

Exhibit 4 - 20 Financing of French-language Canadian television production

	2013/14		2014/15		2015/16		2016/17		2017/18	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	132	24%	187	28%	195	30%	186	25%	164	23%
Public broadcaster licence fees	125	22%	135	20%	136	21%	166	23%	194	27%
Federal tax credit ¹	61	11%	75	11%	75	11%	83	11%	82	12%
Provincial tax credits ¹	91	16%	112	17%	102	15%	118	16%	106	15%
Canadian distributors ²	2	<1%	3	<1%	3	<1%	5	1%	4	1%
Foreign ³	1	<1%	2	<1%	3	1%	3	0%	6	1%
CMF	92	16%	93	14%	93	14%	93	13%	83	12%
Other public ⁴	11	2%	26	4%	16	2%	20	3%	15	2%
Other private ⁵	44	8%	40	6%	35	5%	63	9%	52	7%
Total	559	100%	674	100%	659	100%	737	100%	707	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 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 organization 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.

Exhibit 4 - 21 Financing of English-language Canadian television production, by genre, 2017/18

	Fiction	Children's and Youth	Documentary	Lifestyle and human interest ¹	VAPA	All Genres
Amount (\$ millions)						
Private broadcaster licence fees	46	26	16	96	11	195
Public broadcaster licence fees	114	18	20	13	26	193
Federal tax credit ²	113	40	20	28	7	207
Provincial tax credits ²	197	91	30	44	10	372
Canadian distributors ³	176	89	45	27	1	336
Foreign ⁴	274	80	16	26	2	397
CMF ⁵	100	21	40	0	7	168
Other public ⁶	4	4	1	1	7	17
Other private ⁷	56	25	11	23	10	125
Total	1,079	394	199	257	81	2,010
Share of total financing (%)						
Private broadcaster licence fees	4%	7%	8%	37%	14%	10%
Public broadcaster licence fees	11%	5%	10%	5%	33%	10%
Federal tax credit ²	10%	10%	10%	11%	9%	10%
Provincial tax credits ²	18%	23%	15%	17%	13%	18%
Canadian distributors ³	16%	23%	23%	11%	1%	17%
Foreign ⁴	25%	20%	8%	10%	2%	20%
CMF ⁵	9%	5%	20%	0%	9%	8%
Other public ⁶	<1%	1%	1%	<1%	9%	1%
Other private ⁷	5%	6%	6%	9%	12%	6%
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 film and television projects, in order to complete their project financing.
3. 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.
4. Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organization based outside of Canada.
5. Only programming in the fiction, children's and youth, documentary and VAPA genres are 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 4 - 22 Financing of French-language Canadian television production, by genre, 2017/18

	Fiction	Children's and Youth	Documentary	Lifestyle and human interest ¹	Variety and performing arts	All Genres
Amount (\$ millions)						
Private broadcaster licence fees	34	23	8	78	21	164
Public broadcaster licence fees	60	23	9	74	28	194
Federal tax credit ²	23	12	6	31	10	82
Provincial tax credits ²	32	19	8	33	14	106
Canadian distributors ³	1	<1	<1	2	<1	4
Foreign ⁴	1	1	1	4	<1	6
CMF ⁵	47	15	14	0	7	83
Other public ⁶	4	5	1	4	1	15
Other private ⁷	9	8	2	28	5	52
Total	210	106	49	254	86	707
Share of total financing (%)						
Private broadcaster licence fees	16%	21%	16%	31%	24%	23%
Public broadcaster licence fees	29%	22%	19%	29%	32%	27%
Federal tax credit ²	11%	11%	12%	12%	12%	12%
Provincial tax credits ²	15%	18%	17%	13%	16%	15%
Canadian distributors ³	1%	<1%	1%	1%	<1%	1%
Foreign ⁴	<1%	<1%	1%	2%	<1%	<1%
CMF ⁵	22%	14%	28%	0%	8%	12%
Other public ⁶	2%	5%	2%	2%	1%	2%
Other private ⁷	4%	8%	4%	11%	6%	7%
Total	100%	100%	100%	100%	100%	100%

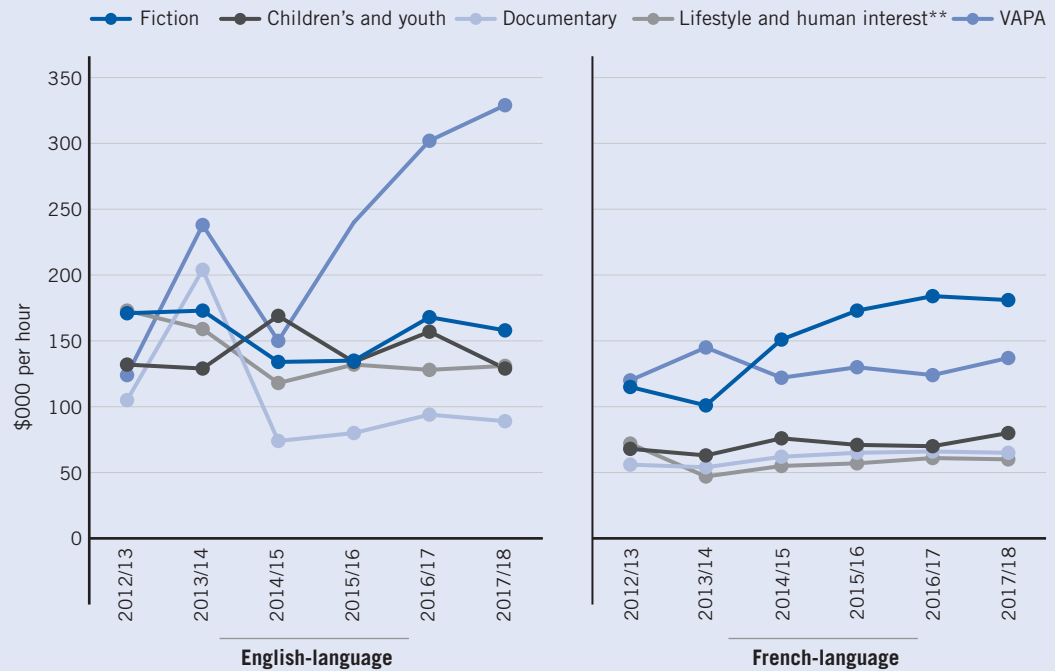
Sources: Estimates based on data obtained from CAVCO and CMF.

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

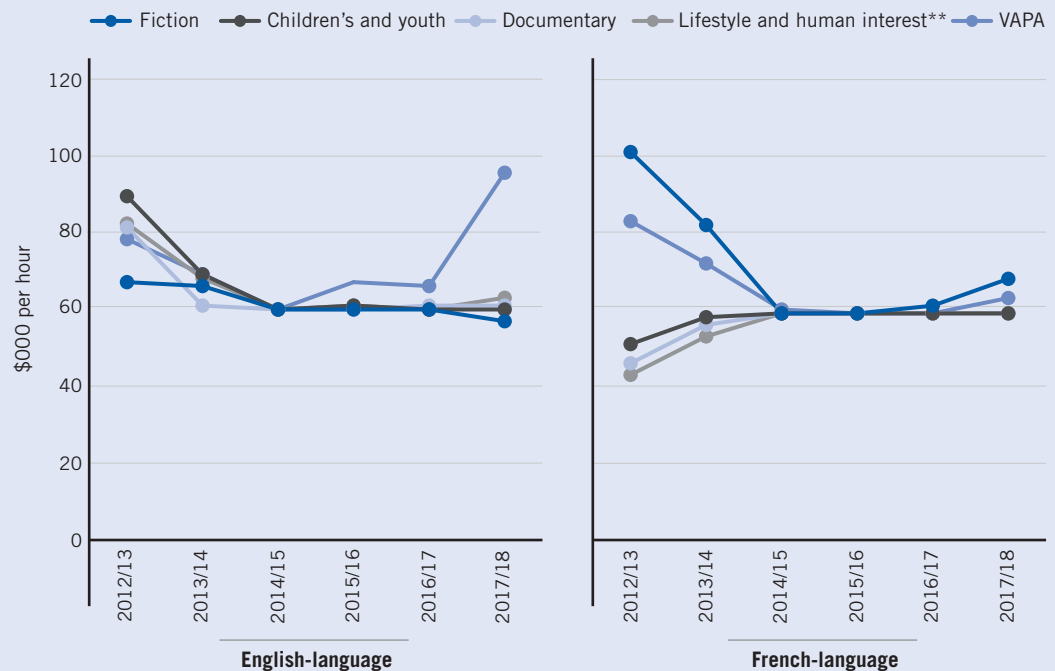
1. Includes magazine programming and a small amount of programming that was previously allocated to the educational/instructional genre.
2. Canadian production companies receive federal and provincial tax credits based on their eligible expenditures, and, in almost all cases, invest their tax credits directly into their film and television projects, in order to complete their project financing.
3. 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.
4. Foreign financing includes broadcast licence fees, minimum guarantees, advances and other forms of financing from broadcasters, distributors or other organization based outside of Canada.
5. Only programming in the fiction, children's and youth, documentary and VAPA genres are 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 4 - 23 Average and median per-hour licence fees paid by Canadian broadcasters for Canadian television programming*

Average licence fees



Median



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.

5. 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 *Ballerina (Leap!)*, *Bon Cop Bad Cop 2*, and *Maudie*.

Highlights from 2017/18



- Canadian theatrical feature film production increased by 5.9% to \$303 million.
- English-language theatrical feature film production increased by 23.8% to \$229 million.
- The average budget for English-language feature films increased to \$3.5 million.
- The share of theatrical feature films with a budget of more than \$10 million increased to a 10-year high of 9%.
- The volume of theatrical feature films made by producers based in Ontario more than doubled to \$145 million, and accounted for 48% of the national total.
- Foreign financing of Canadian theatrical feature film production increased from \$26 million to \$57 million and accounted for 19% of total financing.



- The number of theatrical feature films in the fiction genre was unchanged at 75.



- Canadian producers made 105 theatrical feature films, down from 112 in 2016/17.
- French-language theatrical feature film production decreased by 26% to \$74 million.
- Theatrical feature film production in other languages dropped to under \$1 million.
- The average budget for French-language fiction films decreased to \$2.2 million.
- The total volume of theatrical feature film production in the fiction genre decreased by 2.1% to \$231 million.
- The volume of theatrical feature films made by Quebec-based producers accounted for 45% of the total production volume, down from 52% in 2016/17.
- The volume of theatrical feature films made by producers based in British Columbia fell by 74.4% to \$11 million.
- Public sources accounted for 58% of the total financing of Canadian theatrical feature films, down from 63% in 2016/17. Telefilm Canada¹³ alone accounted for 22% of total financing.

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

¹³ The statistics presented in this report for “fiction productions” refers only to those funded by Telefilm Canada and includes only films supported through Telefilm Canada’s main production program and not its other production-assistance programs.

The total volume of Canadian theatrical feature film production increased for the second consecutive year in 2017/18. At \$303 million, however, it was still below the annual average of \$326 million for the entire decade up to 2017/18 (Exhibit 5 - 1). The 5.9% increase in the total volume of theatrical feature film production in 2017/18 was the average of two language markets moving in different directions in that year.

French-language theatrical feature film production hit \$100 million in 2016/17, but in 2017/18 it fell by 26% to \$74 million (Exhibit 5 - 5). This is a steep drop, but not unusual for a segment where one or more large-budget projects can have a significant effect on overall volume. Production in the French-language market was characterized by fewer projects – from 43 to 35 (Exhibit 5 - 6) – and lower average budgets – from \$3.5 million to \$2.2 million (fiction genre only) (Exhibit 5 - 3).

The entire theatrical feature film segment was lifted by the production of higher-budget projects in the English-language market. In 2017/18, the number of theatrical feature films produced in English increased from 68 to 70 (Exhibit 5 - 6). More importantly, the average budget of English-language theatrical feature films (in the fiction genre) rose from \$3.0 million to \$3.5 million in 2017/18 (Exhibit 5 - 3). Even the median budget in the English-language market increased from \$1.7 million to a 10-year high of \$2.0 million in 2017/18.

The trend in the budget-band data for feature films was consistent with the trend towards higher average budgets in the English-language market in 2017/18. In 2017/18, 9% of projects – across both language markets – had a budget of \$10 million or higher – the highest share of the past decade (Exhibit 5 - 4).

Public funding continued to be an important role in the Canadian theatrical feature film segment in 2017/18. Public funding sources – including Telefilm Canada, provincial governments, and federal and provincial tax credits – combined to provide 58% of the total financing for Canadian theatrical feature film production in 2017/18 (Exhibit 5 - 11). This was five percentage points lower than the 63% share in 2016/17.

Telefilm Canada

Telefilm Canada is a Crown corporation established by the Government of Canada in 1968, 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 sector by providing financial support to the sector. In addition, Telefilm supports the promotion and export of Canadian content at festivals, markets and events – regionally, nationally and around the world – contributing to the sector’s commercial, cultural and industrial success.

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 2017/18, Telefilm Canada provided a total of \$106.3 million in financial support to Canada’s audiovisual sector. This included \$84.1 million in support for the development of the audiovisual industry (e.g. production, development, theatrical documentary programs, and other), and \$22.2 million in funding for promotional support.¹⁴

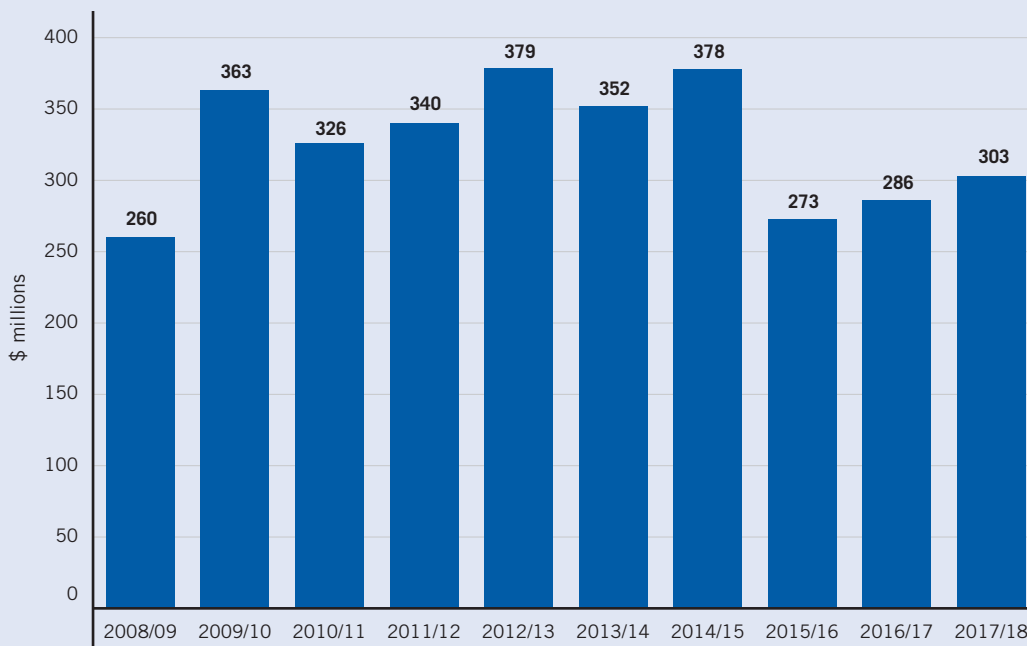
¹⁴ Telefilm Canada (2018), *Eye on the World: 2017-2018 Annual Report*, p. 10.

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 2017/18, financing from Canadian distributors was down slightly: from \$42 million to \$37 million (Exhibit 5 - 11). Foreign financing, however, rebounded from a five-year low of \$26 million in 2016/17 to \$57 million in 2017/18.

As in previous years, this growth in foreign financing was concentrated almost entirely in the English-language market. In fact, foreign financing accounted for 25% of the total financing for English-language theatrical feature film production in 2017/18 – the highest single share of any source of financing (Exhibit 5 - 12).

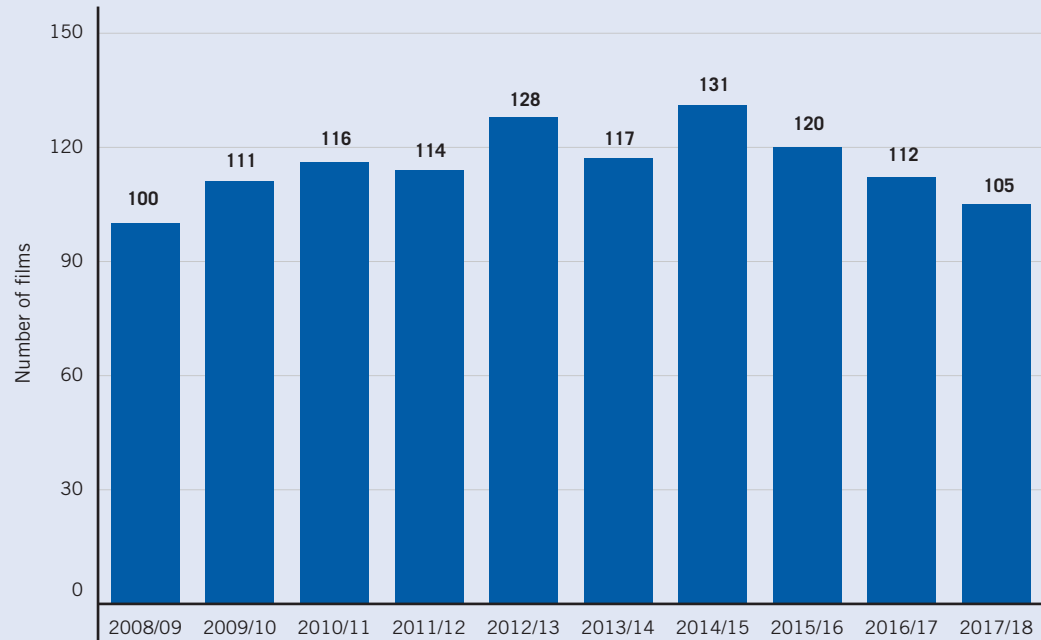
TOTAL PRODUCTION AND AVERAGE BUDGETS

Exhibit 5 - 1 Total volume of Canadian theatrical feature film production



Source: Estimates based on data collected from CAVCO.

Exhibit 5 - 2 Number of Canadian theatrical feature films produced in Canada on an annual basis



Source: Estimates based on data collected from CAVCO.

Exhibit 5 - 3 Budgets of theatrical feature films (fiction genre only)

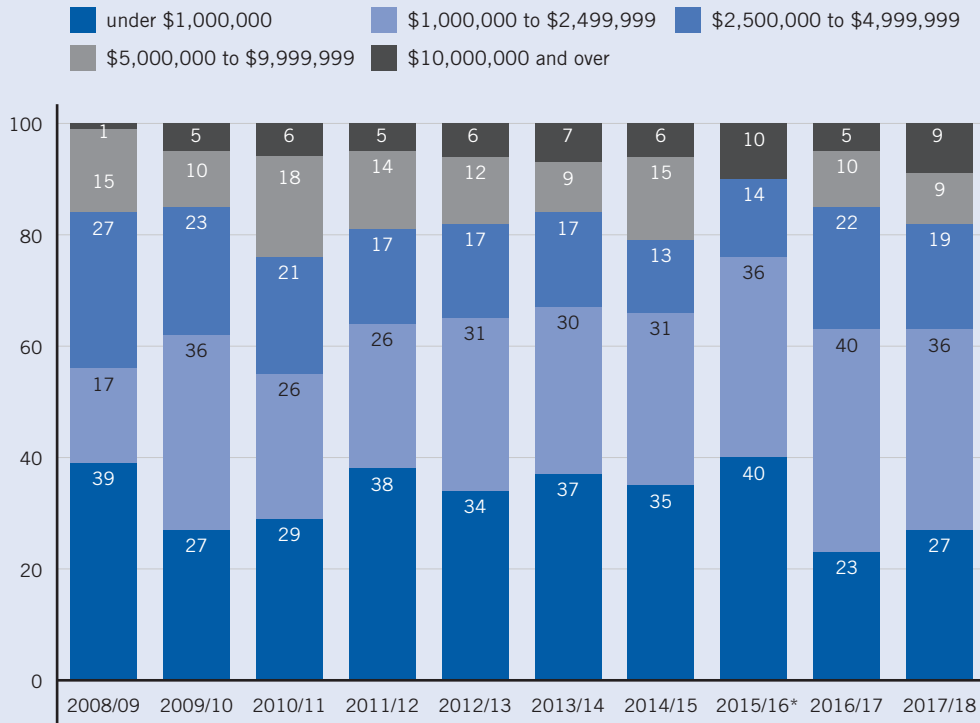
(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
English										
Average	2.5	4.2	3.8	3.5	3.6	3.9	3.5	1.9	3.0	3.5
Median	1.4	1.4	1.8	1.2	1.3	1.3	1.4	1.0	1.7	2.0
French										
Average	2.7	2.6	2.9	3.3	2.7	2.5	2.4	2.3	3.5	2.2
Median	2.1	1.9	2.2	2.4	1.8	1.9	1.3	1.8	2.9	1.7
All languages*										
Average	2.6	3.6	3.4	3.4	3.4	3.5	3.1	2.0	3.1	3.1
Median	1.7	1.5	2.0	1.5	1.4	1.4	1.3	1.2	2.0	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

Exhibit 5 - 4 Theatrical feature film projects, by budget size (fiction genre only)



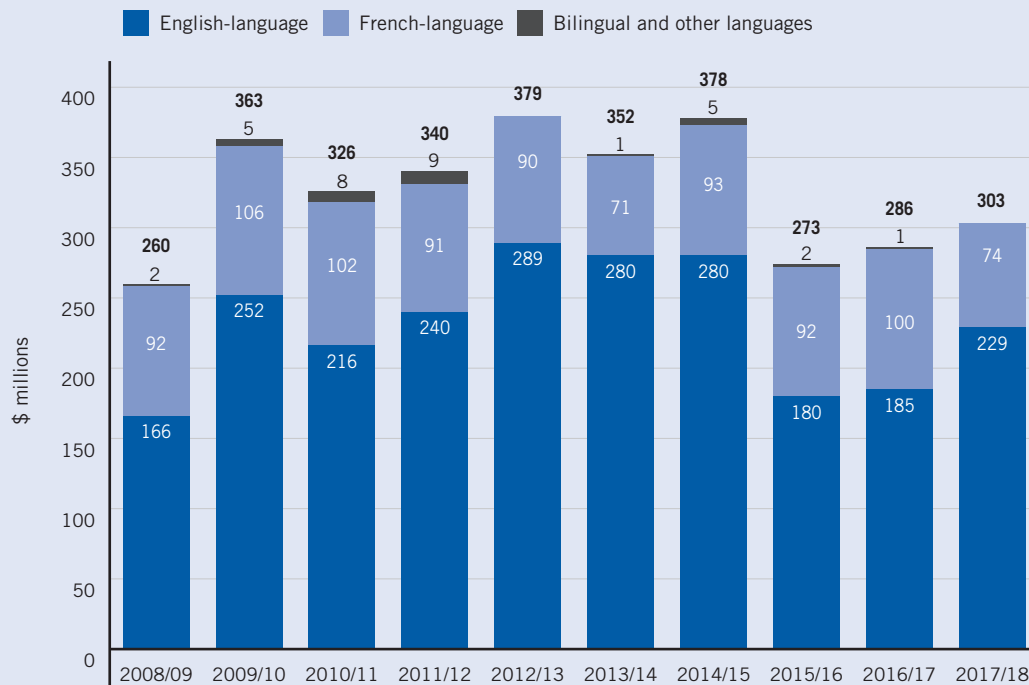
Source: Estimates based on data collected from CAVCO.

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.

LANGUAGE

Exhibit 5 - 5 Volume of Canadian theatrical feature film production, by language



Source: Estimates based on data collected from CAVCO.
 Note: Some totals may not sum due to rounding.

Exhibit 5 - 6 Number of theatrical feature films, by language

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
English	63	70	66	75	90	75	89	82	68	70
French-language / Bilingual and other languages	37	41	50	39	38	42	42	38	43	35
Total	100	111	116	114	128	117	131	120	111	105

Source: Estimates based on data collected from CAVCO.
 Note: 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.

GENRES

Exhibit 5 - 7 Volume of Canadian theatrical feature film production, by genre

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Volume (\$millions)										
Fiction	226	305	291	277	357	314	295	187	236	231
Other genres*	34	58	35	63	21	38	83	87	50	72
Total	260	363	326	340	379	352	378	273	286	303
Number of films										
Fiction	84	85	81	106	89	94	94	91	75	75
Other genres*	27	31	33	8	28	38	37	29	37	30
Total	111	116	114	114	117	132	131	120	112	105

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 5 - 8 Volume of Canadian theatrical feature film production, by province and territory

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18 share of total
Ontario	46	91	121	176	173	131	124	116	71	145	48%
Quebec	130	229	127	136	145	178	203	111	148	136	45%
British Columbia	53	25	41	8	37	18	44	33	43	11	4%
Manitoba	0	1	14	10	7	0	3	5	11	5	2%
Newfoundland and Labrador	2	0	0	1	2	3	0	2	0	2	1%
Saskatchewan	15	3	11	7	4	15	0	0	7	1	<1%
Alberta	0	3	2	0	1	3	4	4	4	1	<1%
Nova Scotia	10	9	11	2	8	2	0	3	3	1	<1%
Territories*	0	0	0	0	0	0	0	0	0	0	0%
New Brunswick	3	1	0	0	1	2	0	0	0	0	0%
Prince Edward Island	0	0	0	0	0	0	0	0	0	0	0%
Total	260	363	326	340	379	352	378	273	286	303	100%

Source: Estimates based on data collected from CAVCO.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2018*. See Notes on Methodology for additional information. Some totals may not sum due to rounding.

* Yukon, Nunavut and Northwest Territories.

FINANCING

Exhibit 5 - 9 Financing of Canadian theatrical feature film production

	2013/14		2014/15		2015/16		2016/17		2017/18	
	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%
Private broadcaster licence fees	3	1%	3	1%	1	<1%	1	<1%	1	<1%
Public broadcaster licence fees	1	<1%	1	<1%	4	1%	2	1%	3	1%
Federal tax credit ¹	28	8%	26	7%	20	7%	20	7%	20	7%
Provincial tax credits ¹	68	19%	79	21%	57	21%	55	19%	56	19%
Canadian distributors ²	33	9%	33	9%	25	9%	42	15%	37	12%
Foreign ³	99	28%	86	23%	48	17%	26	9%	57	19%
Telefilm Canada	60	17%	58	15%	54	20%	69	24%	67	22%
Other public ⁴	20	6%	54	14%	27	10%	37	13%	32	10%
Other private ⁵	40	11%	38	10%	37	14%	34	12%	29	10%
Total	352	100%	378	100%	273	100%	286	100%	303	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 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 organization 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.

Exhibit 5 - 10 Financing of Canadian theatrical feature film production, by language

	English-language						French and other languages					
	2015/16		2016/17		2017/18		2015/16		2016/17		2017/18	
	\$ 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	3	2%	2	1%	2	1%	<1	<1%	<1	<1%	1	1%
Federal tax credit ¹	14	8%	14	8%	18	8%	6	6%	6	6%	3	4%
Provincial tax credits ¹	38	21%	35	19%	42	18%	19	21%	20	20%	14	19%
Canadian distributors ²	19	10%	34	19%	33	14%	6	6%	7	7%	4	6%
Foreign ³	40	22%	24	13%	57	25%	8	8%	1	1%	<1	1%
Telefilm Canada	28	16%	47	25%	46	20%	27	29%	21	21%	21	28%
Other public ⁴	10	6%	6	3%	12	5%	16	18%	32	32%	20	27%
Other private ⁵	26	14%	20	11%	19	8%	12	12%	13	13%	11	14%
Total	180	100%	185	100%	229	100%	94	100%	101	100%	74	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 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 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 organization 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.

6. Audiovisual Treaty Coproduction

The Government of Canada currently has audiovisual coproduction treaties or memoranda of understanding with 55 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. They also enable foreign producers to access their own country's incentives, if any, 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.

Highlights from 2017



- Canada participated in 55 treaty coproductions, up from 48 in 2016.
- The total number of television treaty coproductions increased from 31 to 38.
- The total budgets of French-language treaty coproductions increased by 127.6% to \$66 million.



- The total number of feature film treaty coproductions was unchanged at 17.
- France and the UK were Canada's leading coproduction partners between 2008 and 2017. The UK was the leading television treaty coproduction partner. France was the leading partner for feature films.
- Canada was a majority (or equal) partner for 38.2% of its treaty coproduction projects in 2017; however, these projects represented only 27% of total treaty coproduction budgets.



- The total budgets of television treaty coproductions decreased by 17.7% to \$293 million.
- The median project budget for television treaty coproductions decreased from \$2.3 million to \$1.3 million.
- The median project budget for feature film treaty coproductions decreased from \$6.7 million to \$5.7 million.
- The total budgets of Canada's treaty coproductions decreased by 20.7% to \$403 million.
- The total budgets of English-language treaty coproduction fell by 29.6% to \$337 million.

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

The cyclical nature of the relatively large-scale film and television projects that characterize the treaty coproduction sector means that the total volume of treaty coproduction can fluctuate significantly from year-to-year.¹⁶ Calendar-year 2017 was no exception to this pattern. Overall, Canada's total volume of treaty coproduction (i.e. global budgets) decreased by 20.7% (\$105 million) to \$403 million in 2017 (Exhibit 6- 6). This decrease of \$105 million was almost equally shared between the television and theatrical feature film segments. However, on a language-market basis, all of the decrease was confined to English-language market; while the total volume of French-language production increased by 127.6% – from \$29 million in 2016 to \$66 million in 2017 (Exhibit 6- 6).

Although the total volume of treaty television coproduction decreased by 17.7% to \$293 million in 2017, the number of television projects actually increased from 31 to 38 (Exhibit 6 - 1). As with the overall sector's performance, in the television segment, the decrease was concentrated entirely in the English-language market. Both the total production volume and share of budgets rose in the French-language market. In fact, the total volume of French-language treaty television coproduction increased by 7.4% in 2017.

A decrease in drama-genre production – largely on account of the effect of large-scale productions and the general volatility of the market – was the main source of this overall decrease in television treaty coproduction in 2017. The number of television drama projects dropped from 6 to 3 in 2017, while the volume decreased by 30.9%, from a 10-year high of \$278 million in 2016 to \$192 million in 2017 (Exhibit 6- 2).

In the theatrical feature film segment, the volume of French-language production jumped from \$3 million in 2016 to \$38 million in 2017 (Exhibit 6- 4), driven by minority-Canadian, French-language projects,¹⁷ with the Canadian share of budgets accounting for \$6 million, or 15.8% of the total volume. In the English-language market, the total volume of theatrical feature film production more-than-halved, from \$148 million to \$73 million, as the number of Canadian feature films produced under international treaties dropped from 16 to 12.

There was also a decline in the Canadian budget share of Canadian treaty coproduction in 2017. This decline was partly due to the fact that majority-Canadian coproductions accounted for a much smaller share of total volume. Indeed, majority-Canadian coproductions were much smaller projects than minority-Canadian projects in 2017. In 2017, Canadian producers participated in 21 majority-Canadian projects with a total volume of \$109 million – an average project budget of \$5.2 million (Exhibit 6- 7).¹⁸ Meanwhile, Canadian producers participated in 34 minority-Canadian projects in 2017 with total volume of \$294 million – or an average project budget of \$8.6 million.

¹⁶ Over the past decade, the average budget of a treaty coproduction television project was \$24.2 million; across the entire Canadian content sector, it was \$2 million. In the theatrical feature film segment the differential was \$9.2 million for treaty coproductions vs. \$2.8 million for all Canadian content production.

¹⁷ Minority-Canadian treaty coproduction refers to projects, where the Canadian share of the budget is less than 50% of the total budget.

¹⁸ 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 budget.

TELEVISION

Exhibit 6 - 1 Audiovisual treaty coproduction, volume* and number of projects, television segment

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ENGLISH-LANGUAGE										
Canadian share of budgets (\$M)	151	114	81	134	109	92	116	117	111	96
Foreign share of budgets (\$M)	175	182	119	161	121	118	176	154	219	168
Total budgets (\$M)	327	296	200	296	230	210	293	271	330	264
Number of projects	53	32	25	27	29	42	34	31	21	23
FRENCH-LANGUAGE										
Canadian share of budgets (\$M)	10	8	9	1	10	1	2	5	7	8
Foreign share of budgets (\$M)	17	7	9	3	18	1	4	9	19	20
Total budgets (\$M)	27	14	18	4	28	2	6	14	26	28
Number of projects	12	10	9	6	12	3	4	6	10	15
ALL LANGUAGES										
Canadian share of budgets (\$M)	161	122	90	136	119	93	118	122	118	105
Foreign share of budgets (\$M)	192	188	128	164	140	119	180	163	238	188
Total budgets (\$M)	354	310	218	299	258	212	298	285	356	293
Number of projects	65	42	34	33	41	45	38	37	31	38

Source: Telefilm Canada.

Note: Statistics as of August 2018. 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 6 - 2 Audiovisual treaty coproduction, volume* and number of projects, by genre, television segment

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total global budgets (\$ millions)										
Drama (fiction)	101	158	147	203	151	107	221	163	278	192
Documentary	72	48	27	30	63	55	36	38	31	43
Children's and youth	181	104	43	67	44	51	42	84	47	58
Total	354	310	218	299	258	212	298	285	356	293
Number of projects										
Drama (fiction)	10	5	8	6	7	8	11	7	6	3
Documentary	32	23	19	17	26	26	21	23	18	29
Children's and youth	23	14	7	10	8	11	6	7	7	6
Total	65	42	34	33	41	45	38	37	31	38
Average project budgets (\$ millions)										
Drama (fiction)	10.1	31.7	18.4	33.8	21.6	13.4	20.1	23.3	46.3	64.0
Documentary	2.3	2.1	1.4	1.8	2.4	2.1	1.7	1.7	1.7	1.5
Children's and youth	7.9	7.4	6.2	6.7	5.5	4.6	7.0	12.0	6.7	9.7
All genres	5.4	7.4	6.4	9.1	6.3	4.7	7.8	7.7	11.5	7.7

Source: Telefilm Canada.

Note: Statistics as of August 2018. 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 6 - 3 Audiovisual treaty coproduction partner countries, television segment, 2008-2017

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
United Kingdom	151	700	378	54%
France	112	579	279	48%
Australia	22	160	94	58%
Ireland	14	709	151	21%
Germany	13	131	35	26%
Brazil	12	66	35	52%
Singapore	8	46	28	61%
Israel	8	8	4	53%
Hungary	4	94	48	52%
Other bipartite	36	124	64	51%
Multipartite*	24	266	69	26%
Total	404	2,884	1,183	41%

Source: Telefilm Canada.

Note: Statistics as of August 2018. 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 6 - 4 Audiovisual treaty coproduction, volume* and number of projects, theatrical feature film segment

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ENGLISH-LANGUAGE										
Canadian share of budgets (\$M)	23	87	106	150	88	128	99	65	82	44
Foreign share of budgets (\$M)	15	44	83	69	71	93	74	63	67	28
Total budgets (\$M)	37	130	189	218	159	221	173	128	148	73
Number of projects	8	11	20	14	14	12	18	13	16	12
FRENCH-LANGUAGE										
Canadian share of budgets (\$M)	23	24	17	30	17	7	18	35	2	6
Foreign share of budgets (\$M)	37	17	26	59	17	9	20	72	1	32
Total budgets (\$M)	60	40	44	89	34	16	38	107	3	38
Number of projects	14	3	7	8	5	5	8	16	1	5
ALL LANGUAGES										
Canadian share of budgets (\$M)	46	110	123	180	105	135	117	100	83	51
Foreign share of budgets (\$M)	52	60	109	127	88	102	94	135	68	60
Total budgets (\$M)	98	171	232	307	193	237	211	235	152	110
Number of projects	22	14	28	22	19	17	26	29	17	17

Source: Telefilm Canada.

Note: Statistics as of August 2018. 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 6 - 5 Audiovisual treaty coproduction partner countries, theatrical feature film segment, 2008-2017

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
France	65	718	351	49%
Germany	20	502	309	62%
United Kingdom	18	122	75	61%
Ireland	13	95	63	66%
Belgium	12	62	33	53%
Switzerland	8	21	7	35%
South Africa	7	41	16	40%
Spain	6	71	36	51%
Australia	5	13	6	48%
Denmark	5	34	16	47%
Other bipartite	38	159	98	62%
Multipartite*	13	110	39	36%
Total	210	1,946	1,051	54%

Source: Telefilm Canada.

Note: Statistics as of August 2018. Some totals may not sum due to rounding.

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

ALL RELEASE WINDOWS

Exhibit 6 - 6 Audiovisual treaty coproduction, volume* and number of projects, all release windows

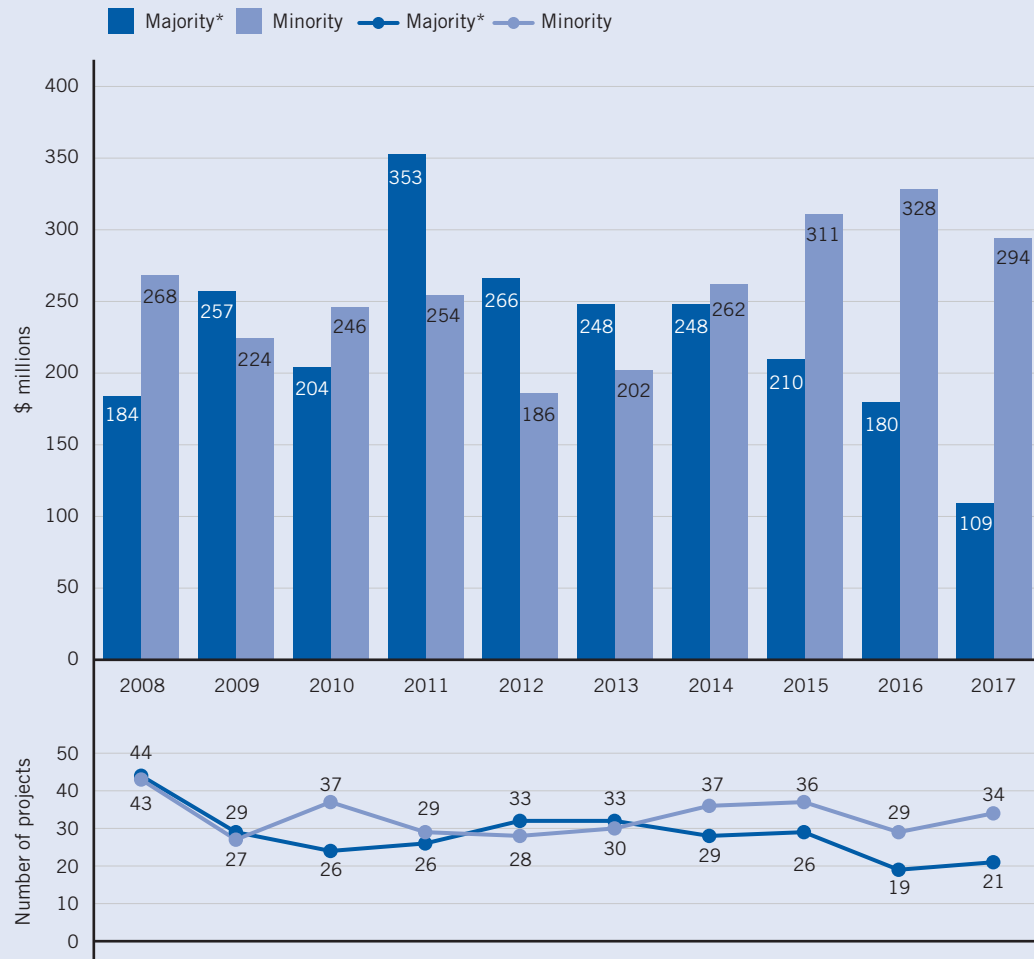
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ENGLISH-LANGUAGE										
Canadian share of budgets (\$M)	174	201	187	284	197	220	216	183	193	141
Foreign share of budgets (\$M)	190	226	202	230	193	211	250	217	286	197
Total budgets (\$M)	364	426	389	514	389	431	466	399	479	337
Number of projects	61	43	45	41	43	54	52	44	37	35
FRENCH-LANGUAGE										
Canadian share of budgets (\$M)	33	31	26	32	27	8	20	40	9	15
Foreign share of budgets (\$M)	54	23	36	61	35	10	24	82	20	51
Total budgets (\$M)	88	55	61	93	62	18	44	121	29	66
Number of projects	26	13	16	14	17	8	12	22	11	20
ALL LANGUAGES										
Canadian share of budgets (\$M)	207	232	213	316	224	228	235	222	202	155
Foreign share of budgets (\$M)	244	249	237	291	228	221	274	299	306	248
Total budgets (\$M)	452	481	450	607	451	449	509	521	508	403
Number of projects	87	56	61	55	60	62	64	66	48	55

Source: Telefilm Canada.

Note: Statistics as of August 2018. 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 6 - 7 Audiovisual treaty coproduction, majority- vs. minority-Canadian production



Source: Telefilm Canada.

Note: Statistics as of August 2018.

* 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 6 - 8 Audiovisual treaty coproduction partner countries, 2008-2017

	Number of projects	Total global budgets (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
France	177	1,297	630	49%
United Kingdom	169	823	452	55%
Germany	33	633	343	54%
Ireland	27	804	215	27%
Australia	27	173	100	57%
Brazil	13	71	37	53%
Belgium	12	62	33	53%
South Africa	10	67	34	51%
Switzerland	10	22	8	37%
Israel	10	12	6	48%
Other bipartite	89	338	193	57%
Multipartite*	37	376	108	29%
Total	614	4,679	2,159	46%

Source: Telefilm Canada.

Note: Statistics as of August 2018. Some totals may not sum due to rounding.

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

MEDIAN BUDGETS**Exhibit 6 - 9 Audiovisual treaty coproduction, median project budgets (\$M)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
By language										
English-language	4.4	5.2	3.6	4.9	3.2	2.3	4.0	2.3	5.8	2.7
French-language	2.2	1.5	2.2	3.9	1.8	2.5	2.0	3.8	1.4	1.4
By release window										
Television	3.4	3.3	1.8	3.3	2.7	1.9	2.4	1.5	2.3	1.3
Feature film	4.5	6.8	4.0	8.4	3.0	6.8	6.3	5.5	6.7	5.7
All projects	4.1	3.7	3.1	4.9	2.8	2.4	3.1	2.9	4.4	2.3

Source: Telefilm Canada.

Note: Statistics as of August 2018.

7. 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 *Overboard*, *Molly's Game* and *X-Men: Dark Phoenix*. Canada has also become a destination for the filming of many American television series and mini-series such as *The Handmaid's Tale*, *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 2017/18



- The total volume of FLS production in Canada increased by 26.3% to an all-time high of \$4.77 billion.
- The number of FLS productions increased by 18.5% – from 400 to 474.
- 204 FLS television series were shot in Canada, up from 137.¹⁹ The total volume of FLS television series production increased by 65%, from \$1.72 billion to \$2.84 billion.
- The five provinces hosting the largest volumes of FLS production in 2016/17 all experienced an increase in production volume in 2017/18.
- FLS production in British Columbia increased by 31.5% to \$3.04 billion.
- FLS production in Ontario increased by 3.2% to \$910 million.
- FLS production in Quebec increased by 64.9% to \$666 million.
- The copyright for 77% of FLS projects was held by persons or companies based in the US, up from 71% in 2016/17.



- The number of FLS feature films shot in Canada decreased from 186 to 167. The total volume decreased from \$1.84 billion to \$1.58 billion.
- The volume of FLS production in Nova Scotia and the Territories decreased.

¹⁹ 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.

Canada's FLS production segment followed its 41.9% growth in production volume in 2016/17 with another very strong year in 2017/18. FLS production volume increased by \$993 million in 2017/18, or 26.3%, to more than \$4.77 billion (Exhibit 7 - 1). Interestingly, the real (inflation-adjusted) volume of FLS production in Canada grew in 2017/18 even as the average value of the Canadian dollar increased slightly, from US\$0.75 to US\$0.77 (Exhibit 7 - 3). All of this growth in FLS production volume can be traced back to a significant increase in FLS television production in Canada in 2017/18.

The number of FLS television series shot in Canada rose from 137 in 2016/17 to 204 in 2017/18 (Exhibit 7 - 2), while the volume of television series production increased by 65% to a record high of \$2.84 billion. In fact, the dollar value of FLS television series production in 2017/18 was greater than the value of Canada's entire FLS segment in 2015/16 (\$2.64 billion).

The production of other television programs (e.g. TV features and pilots) also rose by 60.8% to a record high of \$357 million. The strong increases in FLS television production was partially offset by a decline in FLS feature film production in 2017/18. The number of FLS feature films produced in Canada dropped from a record of 186 in 2016/17 to 167 in 2017/18 – a 10.2% decrease. The volume of FLS feature film production dropped by slightly more – 14.1%. It fell from a record of \$1.84 billion in 2016/17 to \$1.58 billion in 2017/18.

The growth in the FLS production segment was also very broad-based geographically. All five of Canada's largest provinces for FLS production – British Columbia (BC), Ontario, Quebec, Manitoba and Alberta – posted growth. Only Nova Scotia and the Territories saw their annual volume of FLS production drop in 2017/18 (Exhibit 7 - 4). Canada's other four provinces posted no FLS production in either 2016/17 or 2017/18.

Canada's leading province for FLS production, BC, accounted for nearly three quarters of the Canada-wide growth in FLS production volume experienced in 2017/18 (Exhibit 7-1). Since 2016/17, the province's total volume of FLS production grew by \$729 million, from \$2.31 billion to \$3.04 billion (Exhibit 7 -4) and its FLS television production increased by \$1.05 billion (Box 1).

According to Creative BC, the province's reputation as a global production hub and its human and physical infrastructure have permitted it to continue benefitting from the global expansion in television production. This expansion has been driven, in part, by increased spending by the global subscription video on demand (SVOD) platforms, such as Netflix, Amazon and Hulu.²⁰ BC's outstanding growth story has also been underpinned by the production sector's increasing use of VFX in feature films and television programs. This increased use of VFX also benefits BC, because it is one of the world's leading hubs for VFX production alongside London, San Francisco, New York and Montreal.

Quebec was another beneficiary of the rising global demand for television production in Canada. The number of FLS television series in that province rose from 10 to 26 (Box 1). The total production spending within the province on FLS television series increased by five-fold, however, from \$33 million to \$197 million (Box 1). Big-budget series commissioned by SVOD platforms, such as Amazon's *Tom Clancy's Jack Ryan* underpinned the growth in Quebec.

FLS production in Ontario grew at a more modest rate in 2017/18, increasing by 3.2% to a record of \$910 million (Exhibit 7-4). Once again, an expansion in television series production was behind most of this increase. The number of FLS television series shot in the province increased from 39 to 46 (Box 1). The production volume generated by these series increased from \$610 million to \$649 million (Box 1). Ontario was home to several returning FLS series, including *Suits*, *12 Monkeys* and *The Handmaid's Tale*, as well as new series such as *Star Trek: Discovery* and *Titans*.

In Manitoba, the arrival of the province's first Netflix feature film, *How It Ends*, helped lift FLS production by 27.1% to a 10-year high of \$89 million. In Alberta, the volume of FLS production rose by \$1 million to \$55 million.

20 Lauren Malyk (2018), "Production spend in B.C. up 31% in 2017/18," *Playback*, July 18, 2017.

Box 1 Foreign location and service production by type*

	Feature film		TV series		TV other**		Total	
	No.	Volume (\$M)	No.	Volume (\$M)	No.	Volume (\$M)	No.	Volume (\$M)
British Columbia								
2016/17	95	1,194	77	976	45	141	217	2,311
2017/18	89	876	122	1,903	78	261	289	3,040
Ontario								
2016/17	26	209	39	610	20	63	85	882
2017/18	25	192	46	649	12	69	83	910
Quebec								
2016/17	50	365	10	33	6	7	66	404
2017/18	48	445	26	197	10	23	84	666

Source: Association of Provincial Funding Agencies.

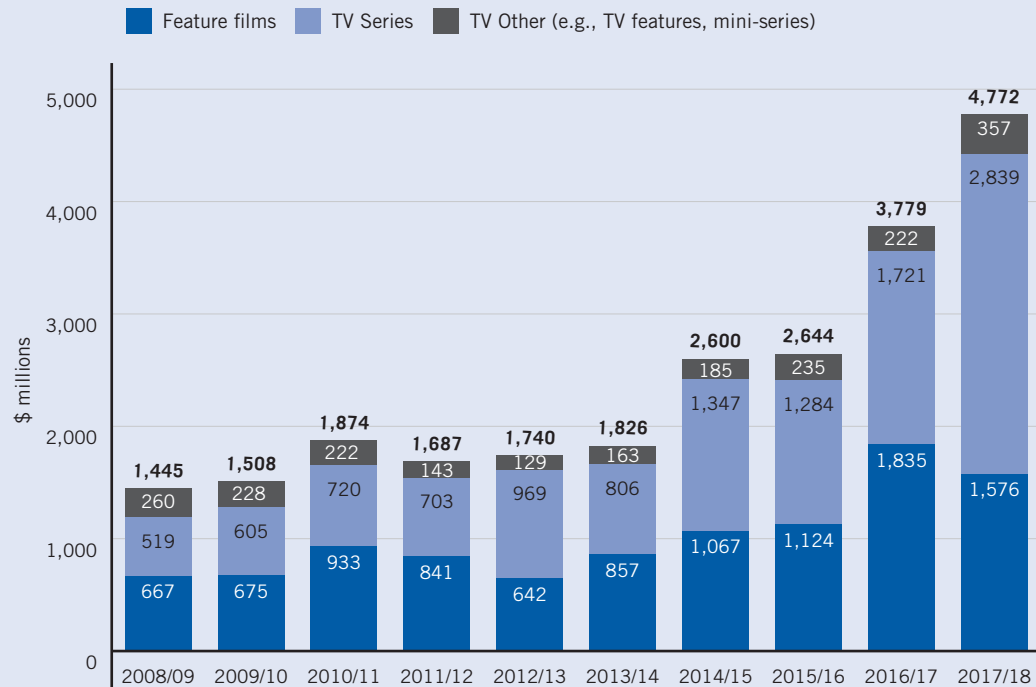
Note: Some totals may not sum due to rounding.

* Due to data confidentiality, only statistics for British Columbia, Ontario and Quebec are reported.

** 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 TV mini-series.

TOTAL PRODUCTION AND TYPES

Exhibit 7 - 1 Volume of foreign location and service production, by type



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 TV mini-series.

Exhibit 7 - 2 Annual number of foreign location and service projects, by type

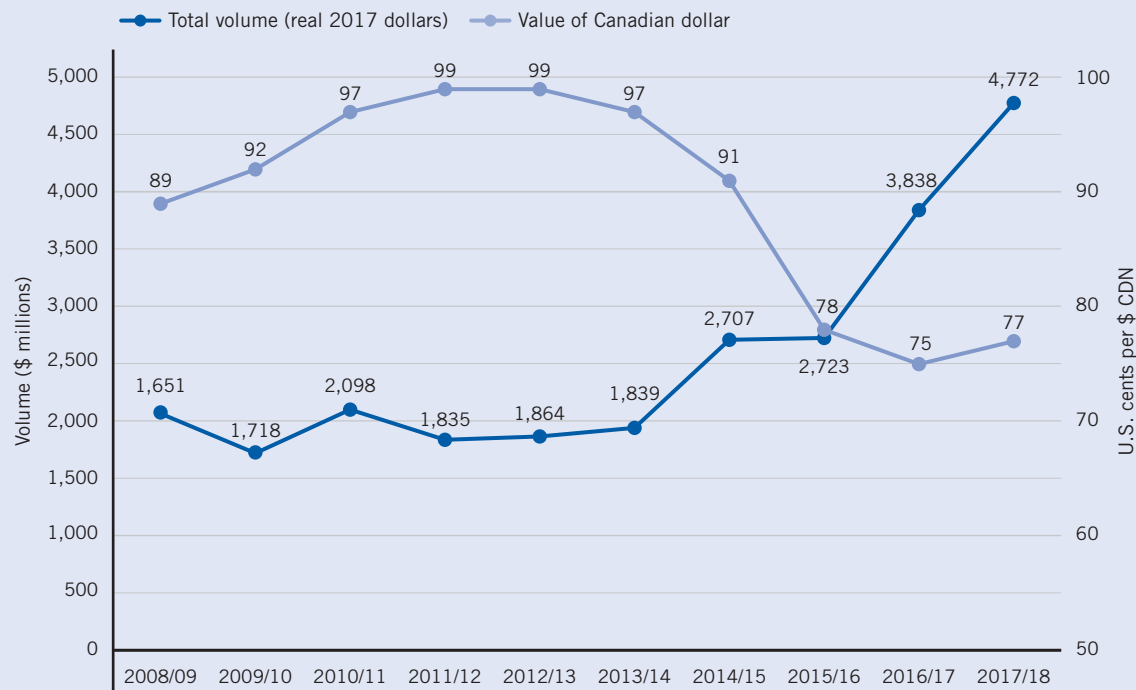
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Feature films	89	53	66	99	93	91	111	128	186	167
TV series	57	61	76	78	85	92	115	156	137	204
TV other*	71	67	81	58	42	51	53	71	77	103
Total	217	181	223	235	220	234	279	355	400	474

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 TV mini-series.

Exhibit 7 - 3 Volume of foreign location and service production (real dollars vs. value of Canadian dollar)



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

REGION

Exhibit 7 - 4 Volume of foreign location and service production, by province and territory

(\$ millions)	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18 share of total
British Columbia	900	1,092	1,364	1,102	1,076	1,080	1,672	1,574	2,311	3,040	63.7%
Ontario	206	225	224	382	399	446	545	698	882	910	19.1%
Quebec	211	122	240	157	212	147	275	282	404	666	14.0%
Manitoba	2	15	11	8	23	47	11	42	70	89	1.9%
Alberta	20	7	4	13	4	88	92	34	54	55	1.1%
Nova Scotia	80	43	31	22	25	17	n/a	12	39	12	<1%
Territories*	6	0	1	3	2	2	3	3	18	1	<1%
New Brunswick	10	0	n/a	n/a	0	0	1	0	0	0	0.0%
Prince Edward Island	n/a	n/a	n/a	n/a	0	0	<1	0	0	0	0.0%
Saskatchewan	9	n/a	0	1	1	0	0	0	0	0	0.0%
Newfoundland and Labrador	0	0	0	0	0	0	0	0	0	0	0.0%
Total	1,445	1,508	1,874	1,687	1,740	1,826	2,600	2,644	3,779	4,772	100.0%

Source: Association of Provincial Funding Agencies.

Note: Statistics published by provincial funding agencies may differ from those in *Profile 2018*. 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.

* Territories include Yukon, Nunavut and Northwest Territories.

COUNTRY

Exhibit 7 - 5 Number of foreign location and service projects, by country of copyright

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of projects										
United States	158	139	194	185	171	177	197	261	304	363
United Kingdom	4	4	4	5	3	7	33	16	39	19
France	1	1	7	8	9	7	3	12	20	12
Germany	4	4	1	2	1	4	2	3	4	7
Other	14	18	1	8	9	13	19	36	28	33
Canada*	36	15	16	27	27	26	25	27	32	38
Total	217	181	223	235	220	234	279	355	427	472
Share of total										
United States	73%	77%	87%	79%	78%	76%	71%	74%	71%	77%
United Kingdom	2%	2%	2%	2%	1%	3%	12%	5%	9%	4%
France	<1%	1%	3%	3%	4%	3%	1%	3%	5%	3%
Germany	2%	2%	<1%	1%	<1%	2%	1%	1%	1%	1%
Other	6%	10%	<1%	3%	4%	6%	7%	10%	7%	7%
Canada*	17%	8%	7%	11%	12%	11%	9%	8%	7%	8%
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.

8. 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.²¹ In-house production largely consists of news and sports programs, but can also include production in other genres.

Highlights from 2017



- The total volume of in-house production decreased by 15.3% to \$1.12 billion.
- Conventional broadcasters' spending on in-house production fell by 24% to a 10-year low of \$527 million.
- Spending on in-house production by discretionary and on-demand services decreased by 5.6% to \$588 million.
- Spending on the in-house production of sports programming decreased by 19% to \$431 million.
- Spending on the in-house production of news programming decreased by 12.1% to \$587 million.

²¹ Note that the statistics in this section exclude data for provincial educational (television) services.

After posting a small gain in 2016, the total volume of in-house production in Canada dropped by 15.3% to \$1.12 billion – the second lowest annual level recorded since 2008 (Exhibit 8 - 1). The volume of in-house production was only lower in 2009 (\$1.1 billion), however, that 10-year nadir was coincident with the recession experienced by the Canadian economy (October 2008 to July 2009).

The \$201-million-dollar decrease in in-house production in 2017 can be traced back to decreases in the conventional, and discretionary and on-demand segments alike, although 82.6% of the overall decrease was due to a reduction of in-house production at Canada's private and public conventional broadcasters.

Within the conventional sub-segment, nearly all (95.7%) of the decrease in in-house production was due to lower levels of in-house production at CBC/Radio-Canada. In-house production at CBC/Radio-Canada dropped from \$305.7 million in 2016 to \$146.9 million in 2017. Virtually all of the drop in in-house production experienced at CBC/Radio-Canada was in the sports and news genres.

During the 2016 broadcasting year (September 1, 2015 to August 31, 2016), CBC/Radio-Canada produced coverage of the Rio 2016 Olympics for the Canadian market. This Olympics coverage temporarily boosted the public broadcaster's in-house production of sports programming. Without a Summer or Winter Olympics in 2017, CBC/Radio-Canada's spending on sports programming dropped by 73% to a non-Olympiad level.

In the news genre, CBC/Radio-Canada reduced its spending by 41.1% - from \$173.5 million in 2016 to \$102.1 million in 2017. This decrease in spending on news production reflected some of the changes that CBC/Radio-Canada introduced to its news programming. For example, beginning in 2017, CBC/Radio-Canada began producing local newscasts for Edmonton, Calgary, Regina and Charlottetown out of its production hubs in Toronto, Vancouver and Ottawa.²² It also continued to increase its use of online platforms to distribute news, particularly for local television markets.²³ A review of more detailed spending data for CBC/Radio-Canada shows that the retrenchment in news production was shared equally between the English- and French-language services.

In the discretionary and on-demand sub-segment, out of the overall \$35 million decrease in in-house production, \$28 million could be traced back to English-language specialty services. The largest year-over-year drop in in-house production was at Rogers Media's Sportsnet. Its in-house production spending jumped from \$77.3 million in 2015 to \$90.7 million in 2016, but then fell back to \$75.4 million in 2017. In addition to the \$15.3 million decrease at Sportsnet, there was an \$8.5 million decrease at Bell Media's TSN.

Other discretionary services that experienced significant decreases in in-house production included Discovery Channel (\$2.8 million), CPAC (\$1.9 million), VRAK (\$937,000), Family Channel (\$832,000), ICI RDI (\$823,000), Much (\$809,000), The Brand New ONE Body, Mind, Spirit, Love Channel (\$537,000) and VisionTV (\$432,000). The closures of Encore Avenue, Movie Central and iChannel also contributed to the overall decrease in in-house production.

The decreases in in-house production at these and other discretionary services were partially offset by significant increases in 2017 at TVA Sports (\$2.7 million), Sportsnet One (\$2.3 million), Gusto (\$950,000), Food Network (\$918,000), Le Canal Nouvelles (\$860,000), Telelatino (\$651,000), HGTV Canada (\$593,000), W Network (\$571,000), History Television (\$498,000) and YTV (\$389,000).

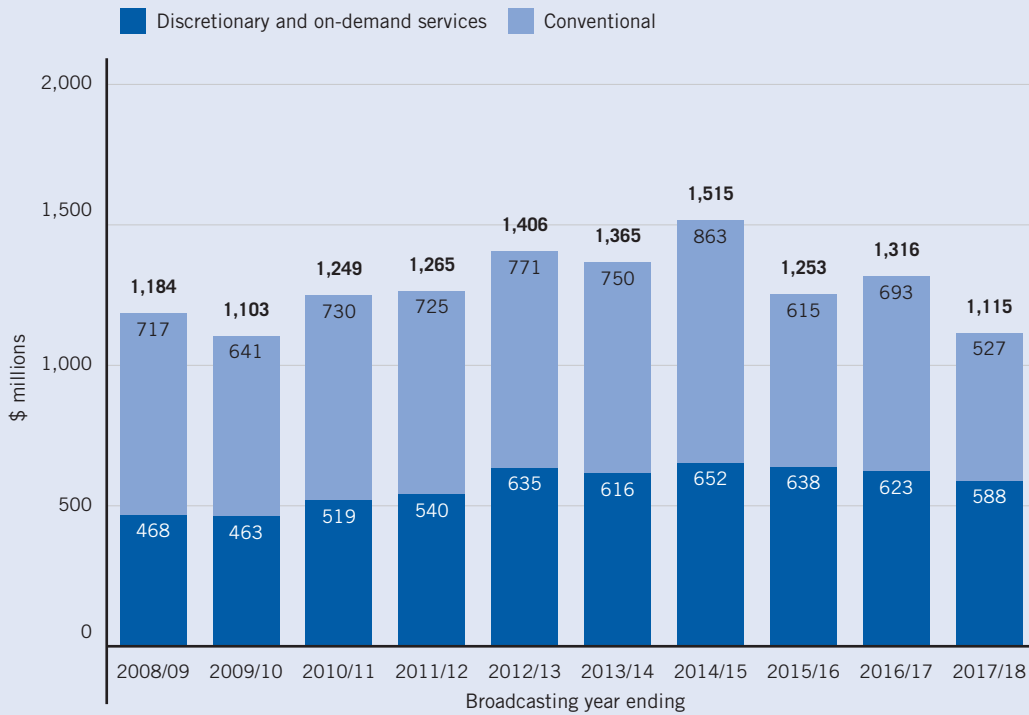
On top of this, there was a 16.2% decrease in in-house production spending at pay television services, as their level of spending dropped from \$8.5 million to \$5.2 million.

²² CBC/Radio-Canada (2018), *Annual Report 2017-2018*, p. 33.

²³ CBC/Radio-Canada (2018), *Annual Report 2016-2017*, p. 25.

PRODUCTION VOLUME

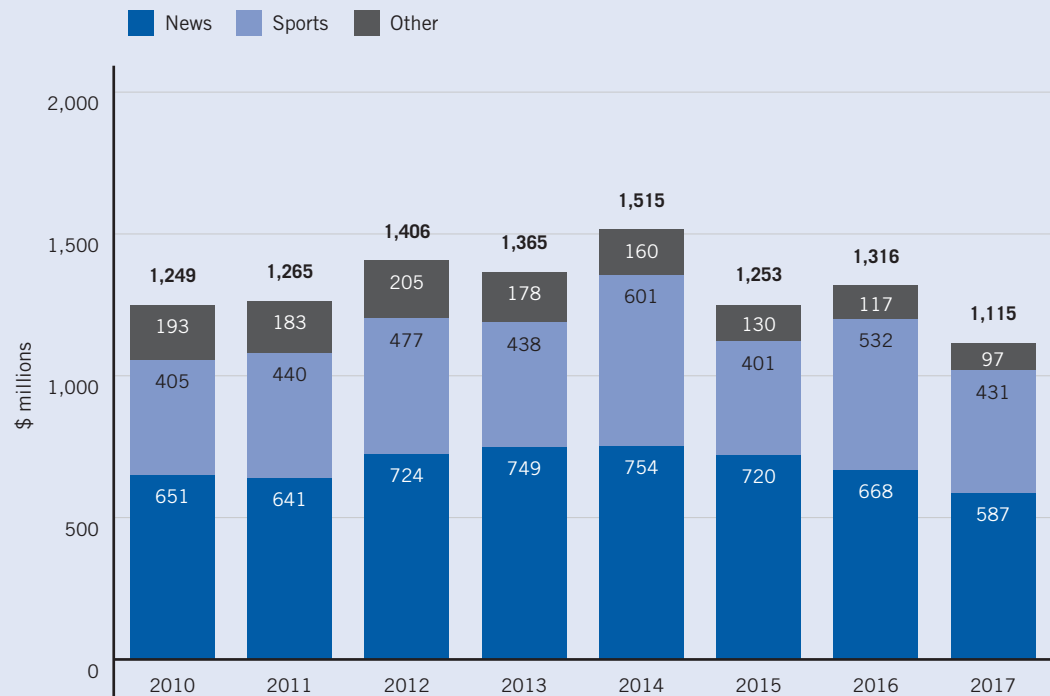
Exhibit 8 - 1 Total volume of broadcaster in-house production, by sub-segment



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

GENRES

Exhibit 8 - 2 Broadcaster in-house production, by genre



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

REGION

Exhibit 8 - 3 Broadcaster in-house production, by province and territory

(\$ millions)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017 share of total
Ontario	692	649	739	729	811	767	885	677	729	612	55%
Quebec	273	245	242	252	293	291	331	279	307	258	23%
British Columbia	89	86	93	100	104	103	101	97	96	87	8%
Alberta	68	64	79	86	92	92	91	94	88	80	7%
Manitoba	13	12	19	21	23	24	29	30	28	25	2%
Saskatchewan	18	16	22	24	26	28	27	27	24	20	2%
Nova Scotia	14	12	29	28	31	32	27	26	23	16	1%
New Brunswick	7	5	11	11	12	13	11	11	10	8	1%
Newfoundland and Labrador	6	9	9	9	10	11	10	9	8	7	1%
Prince Edward Island	1	1	2	2	2	2	2	2	2	1	<1%
Territories*	2	2	3	3	3	3	3	2	1	1	<1%
Total	1,184	1,103	1,249	1,265	1,406	1,365	1,515	1,253	1,316	1,115	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 2018. See Notes on Methodology for additional information. Some totals may not sum due to rounding.

* Yukon, Nunavut and Northwest Territories.

9. 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 DHX Media Ltd., Cineflix Media and Thunderbird Entertainment. Foreign-controlled distribution companies operating in Canada include the distribution arms of major Hollywood studios.

Highlights from 2017/18



- 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.



- Revenue from the distribution of Canadian films and television programs accounted for 13.1% of total industry revenue.



- Canadian distributors' investment in Canadian films and television programs in 2017/18 decreased by 25.6% (compared with 2016/17) totalling \$381 million.

Total revenue in Canada's audiovisual distribution industry was \$2.18 billion in 2017 (Exhibit 9 - 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 \$286 million from selling Canadian content, up from \$274 million in 2015 (Exhibit 9 - 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.

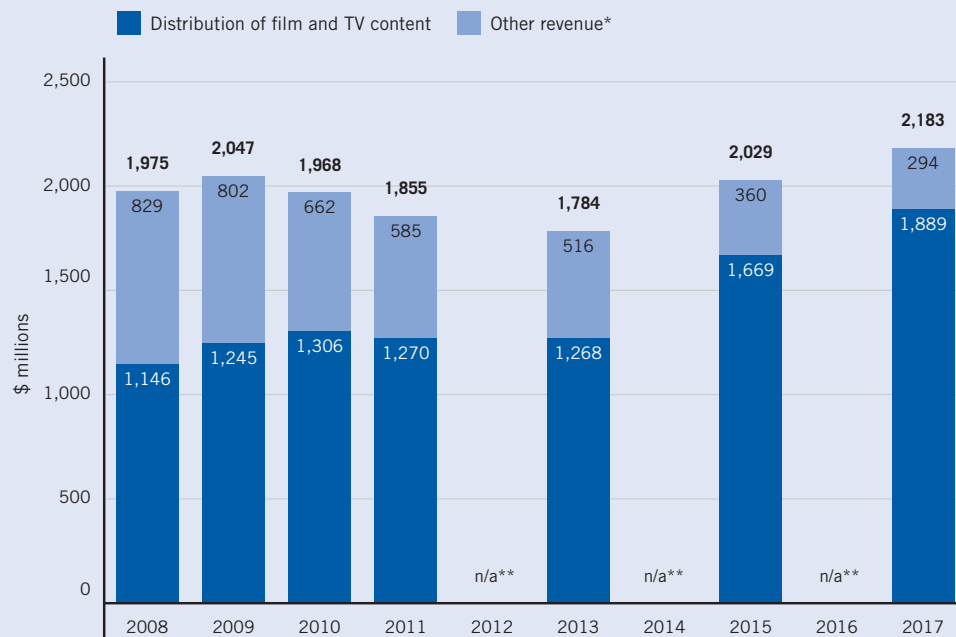
Through their minimum guarantees and advances on anticipated distribution revenues, Canadian distributors invest in Canadian films and television programs. Between 2008/09 and 2016/17, Canadian distributors gradually increased their annual investments in Canadian films and television programs. In 2008/09, Canadian distributors' financing of Canadian films and television programs was \$197 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 \$512 million (Exhibit 9 - 3).

After nine years of growth, however, Canadian distributors' financing of Canadian films and television programs fell to \$381 million in 2017/18 – a drop of 25.6%. This figure was still well above the annual average across the previous nine years (\$300 million). However, the drop suggests that the level reached in 2016/17 may have been more of a temporary episode than the start of a new trend in much higher levels of distributor financing for Canadian production. Canadian distributors' investment in Canadian theatrical feature films decreased by \$5 million, or 11.9%, in 2017/18.

The bulk of the decrease in Canadian distributors' investment was, therefore, due to a drop in financing of Canadian television programs. Canadian distributors' financing of Canadian television programs fell by \$127 million in 2017/18 (Exhibit 4 - 17). Financing of Canadian films also decreased in 2017/18 – declining from \$42 million to \$37 million (Exhibit 5 - 11). Virtually all of this drop was in the English-language market, given that Canadian distributors play a limited role in the financing of French-language television. Furthermore, within the English-language market, the fall in Canadian distributor financing was concentrated primarily in the fiction genre and secondarily in the documentary, and children's and youth genres.

REVENUE

Exhibit 9 - 1 Total revenue in the Canadian distribution industry



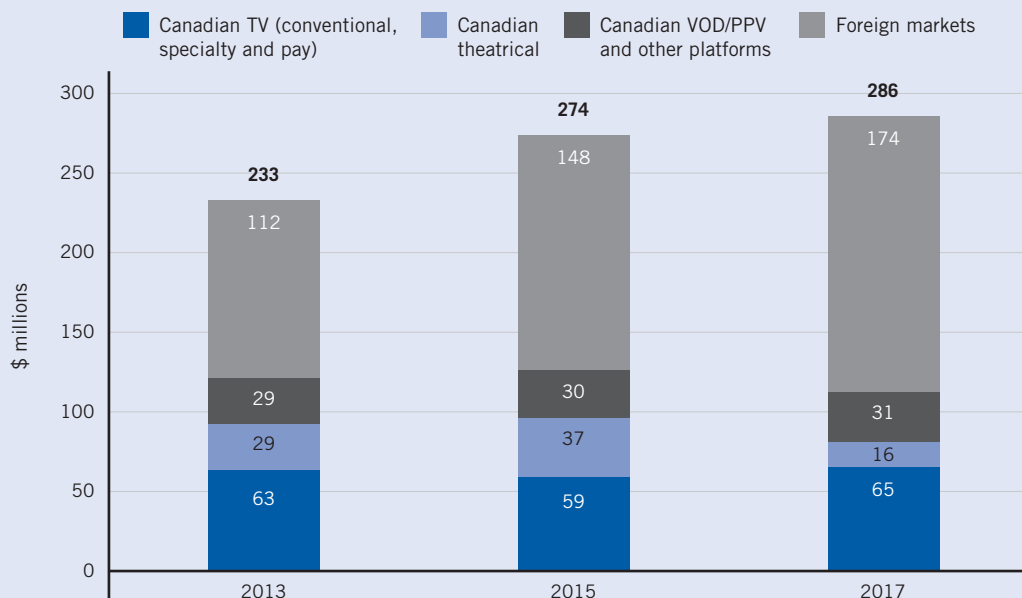
Source: Statistics Canada, Table 21-10-0075-01.

n/a: No data available.

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

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

Exhibit 9 - 2 Revenue from distribution of Canadian film and television content, by market

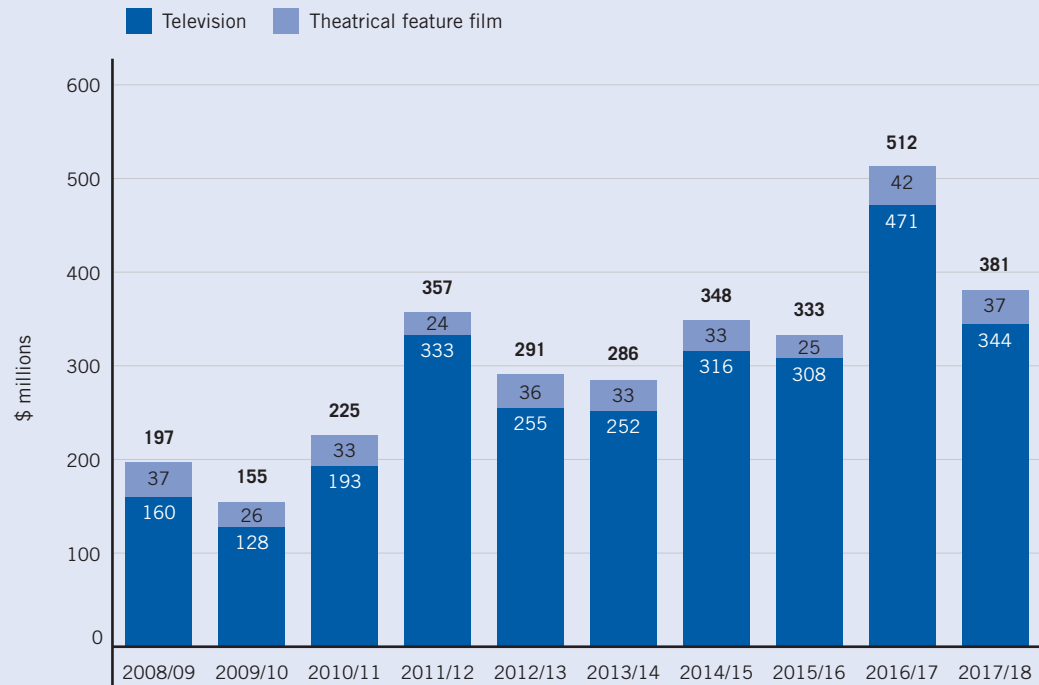


Source: Statistics Canada, Table 21-10-0074-01.

Note: Some totals may not sum due to rounding.

INVESTMENT IN CANADIAN PRODUCTIONS

Exhibit 9 - 3 Canadian distributors' investment in Canadian film and television production



Source: Estimates based on data obtained from CAVCO.
 Note: Some totals may not sum due to rounding.

10. 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, although the vast majority of Canadian households now receive conventional television signals via cable or satellite television providers.
- The *public conventional television* segment includes CBC/Radio-Canada's conventional services and provincial educational broadcasters in Quebec, Ontario and British Columbia.²⁴
- Services in the *specialty television* segment 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.
- *Pay television* services are also only 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 have been included in this sub-segment.

Highlights from 2017/18



- Revenue increased for specialty-television services by \$11 million to \$3.7 billion.
- Two of the top ten Canadian-produced programs in the English-language market attracted an average minute audience (AMA) of more than one million (up from just one in 2016/17).
- In the French-language market, Canadian programs held a 66% audience share (in the CMF-supported genres) in 2017 – up from 64% in 2016.
- In the English-language market, Canadian programs held a 24% audience share (in the CMF-supported genres) in 2017 – up from 23% in 2016.



- Canadian programs accounted for three of the top ten programs on Canadian television during the 2017/18 broadcast season.
- Eight of the top ten Canadian-produced programs during the 2017/18 broadcast season were in the French-language market.
- All of the top ten programs in the French-language market during the 2017/18 broadcast season attracted an AMA of over one million.



- Broadcasting industry revenue decreased by 4.9% to \$6.92 billion.
- Revenue at private conventional broadcasters decreased by 4.2%.
- Revenue at VOD, PPV and pay television services decreased by 8.3%.
- Revenue at CBC/Radio-Canada's conventional services decreased by 20.3%.

²⁴ The revenue of public educational broadcasters has been excluded from the statistics in this report.

After posting a 2.2% rebound in total revenue in 2016/17, Canada's television broadcasting industry saw its revenue fall by 4.9% in 2017/18 (Exhibit 10 - 1). In the specialty-television segment – where total revenue is largely funded from monthly subscription fees paid by households to broadcasting distribution undertakings (BDUs) – revenue did increase by a very modest 0.3%. This increase lifted the specialty television segment's total revenue to an all-time high of more than \$3.7 billion.

All the other segments of Canada's television broadcasting industry experienced declines in 2017/18. The largest dollar and percentage declines were at CBC/Radio-Canada, where total revenue fell by \$241 million or 20.3%. Statistics published by the Canadian Radio-television and Telecommunications Commission (CRTC) indicate that CBC/Radio-Canada's annual parliamentary appropriation dropped from \$812.3 million during the 2016 broadcasting year to \$674.2 million during the 2017 broadcasting year.²⁵ Without coverage of the Summer of Winter Olympics falling within the 2017 broadcasting year, CBC/Radio-Canada's advertising revenue dropped from \$266.1 million to \$183.8 million – a decrease of \$82.3 million.²⁶

The private conventional television segment – which relies entirely on advertising sales for its revenue – experienced its sixth consecutive year of annual revenue decline. Total revenue was down by \$70 million to \$1.61 billion, a decrease of 4.2%, as viewers continued to migrate their viewing to discretionary and on-demand platforms, and advertisers continued to shift their marketing budgets to online and mobile platforms.

Canada's pay television, PPV and VOD segments also continued to experience long-term declines in revenue. Increasing competition from non-Canadian subscription VOD (SVOD) services such as Netflix and Amazon Prime Video contributed to an 8.4% decrease in the combined revenue of these segments. By the spring of 2017, 53% of Canadian households were subscribing to Netflix.²⁷ In December 2016 Amazon launched its SVOD service in Canada – thus greatly expanding the presence of and competition from non-Canadian SVOD services.²⁸

As in previous years, the audience performance of Canadian television programming was a tale of two distinct language markets – although Canadian programming posted small gains in audience share in both language markets within the genres supported by the Canada Media Fund (CMF).

Canadian programming's share of the peak-period audience in the French-language market increased from 64% in the 2016 broadcast year to 66% in the 2017 broadcast year (Exhibit 10 - 7). In the fiction genre, programmes such as *Fugueuse* and *Unité 9* helped to raise the aggregate audience share from 51% to 53%. In the variety and performing arts (VAPA) genre, the share hit an all-time high of 97%.

In the English-language market, Canadian programming's share increased from 23% to 24% (Exhibit 10 - 6). Despite the increase, Canadian programming's aggregate audience share was still 7 to 10 percentage points lower than in 2008 and 2009. There was a slight increase in Canadian programming's audience share in the fiction genre – from 15% to 16%. And in the children's and youth, and documentary genres, Canadian programming continued to garner more than 50% of the audience.

French-language programs continued to dominate the list of the top ten Canadian-produced television series (across both language markets) in 2017 – holding eight of the ten spots (Exhibit 10 - 3). In the French-language market, the ratings were led by the singing competitions *La Voix* and *La Voix junior* (Exhibit 10 - 5). It was joined in the top ten by the new drama series, *Fugueuse* and *Hubert & Fanny*; several returning drama series, including *Unité 9*, *District 31*, *L'Échappée*, *L'Heure bleue* and *Les Pays d'en haut*; and the comedy series, *Boomerang*.

In the English-language market, the new mini-series *The Indian Detective* led all Canadian series in terms of ratings with an average minute audience (AMA) of 1,552,000 (Exhibit 10 - 4). The drama-comedy series, *Private Eyes*, was the only other English-language Canadian series to attract an AMA of one million during the 2017/18 broadcast season. The rest of the top ten consisted of returning series such as *Cardinal*, *Murdoch Mysteries*, *Rick Mercer Report*, *Vikings* and *Schitt's Creek*; and several new series such as *The Disappearance*, *Frankie Drake Mysteries* and *The Detail*.

²⁵ CRTC (2018), *Conventional Television: Statistical and Financial Summaries 2013 - 2017*, p. 13.

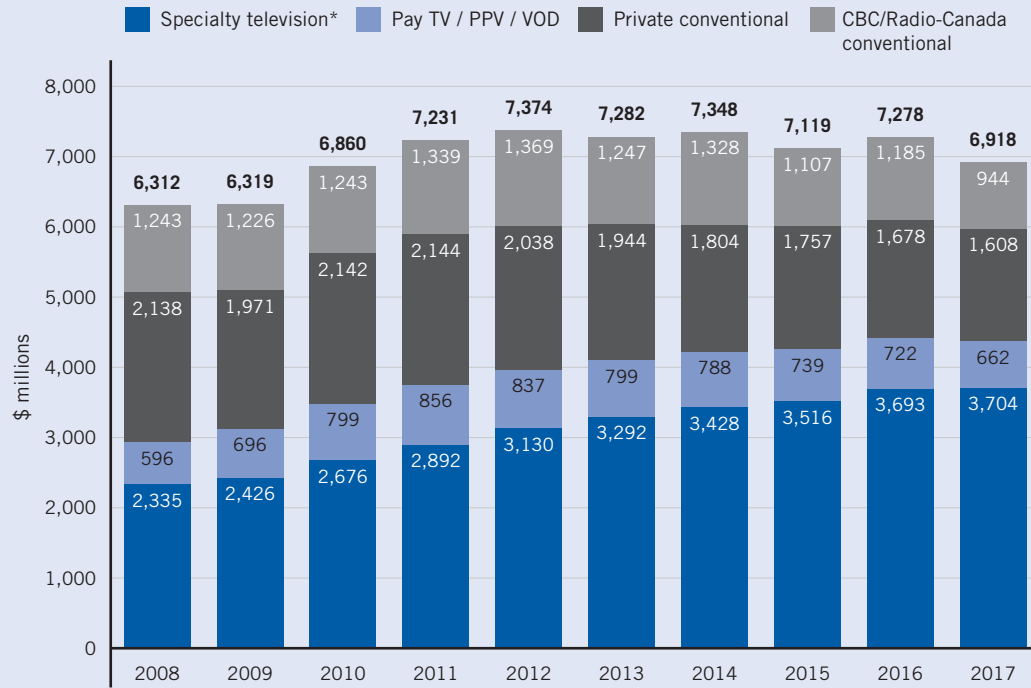
²⁶ CRTC (2018), *Conventional Television: Statistical and Financial Summaries 2013 - 2017*, p. 13.

²⁷ Bree Rody-Mantha (2017), "Study says OTT vs. TV not a zero-sum game," *Playback*, October 23, 2017.

²⁸ CBC News (2016), "Amazon Prime video service launches in Canada," *CBC News*, December 14, 2016.

REVENUE

Exhibit 10 - 1 Total revenue in the broadcasting industry, by segment



Source: Nordicity estimates based on data from CRTC.

* Includes revenue earned by specialty television services owned by CBC/Radio-Canada.

TOP TELEVISION PROGRAMS

The following section presents statistics on the top-rated programs on television in Canada. The lists of top ten television programs are drawn from Numeris’s database of audience statistics for the 2017/18 broadcast season (September 1, 2017 to August 31, 2018) 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 10 - 2 Top ten television series in Canada, 2017/18 broadcast season*

Program	Average Minute Audience (000s)
1. <i>The Big Bang Theory</i> (US)	2,652
2. <i>The Good Doctor</i> (US)	2,505
3. <i>Young Sheldon</i> (US)	2,387
4. <i>La Voix</i> (Canada)	2,042
5. <i>Roseanne</i> (US)	1,929
6. <i>La Voix junior</i> (Canada)	1,916
7. <i>NCIS</i> (US)	1,830
8. <i>Bull</i> (US)	1,811
9. <i>America's Got Talent</i> (US)	1,649
10. <i>Fugueuse</i> (Canada)	1,618

Source: CMF Research (Numeris), 2018.

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

Exhibit 10 - 3 Top ten Canadian-produced television series, 2017/18 broadcast season*

Program	Average Minute Audience (000s)
1. <i>La Voix</i>	2,042
2. <i>La Voix junior</i>	1,916
3. <i>Fugueuse</i>	1,618
4. <i>Unité 9</i>	1,611
5. <i>The Indian Detective</i>	1,552
6. <i>District 31</i>	1,437
7. <i>L'Échappée</i>	1,306
8. <i>Boomerang</i>	1,152
9. <i>L'Heure bleue</i>	1,116
10. <i>Private Eyes</i>	1,097

Source: CMF Research (Numeris), 2018.

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

Exhibit 10 - 4 Top ten Canadian television series in the English-language market, 2017/18 broadcast season*

Program	Average Minute Audience (000s)
1. <i>The Indian Detective</i>	1,552
2. <i>Private Eyes</i>	1,097
3. <i>Cardinal</i>	972
4. <i>Murdoch Mysteries</i>	909
5. <i>The Disappearance</i>	884
6. <i>Frankie Drake Mysteries</i>	782
7. <i>The Detail</i>	772
8. <i>Rick Mercer Report</i>	739
9. <i>Vikings</i>	720
10. <i>Schitt's Creek</i>	716

Source: CMF Research (Numeris), 2018.

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

Exhibit 10 - 5 Top ten Canadian television series in the French-language market, 2017/18 broadcast season*

Program	Average Minute Audience (000s)
1. <i>La Voix</i>	2,042
2. <i>La Voix junior</i>	1,916
3. <i>Fugueuse</i>	1,618
4. <i>Unité 9</i>	1,611
5. <i>District 31</i>	1,437
6. <i>L'Échappée</i>	1,306
7. <i>Boomerang</i>	1,152
8. <i>L'Heure bleue</i>	1,116
9. <i>Les Pays d'en haut</i>	1,090
10. <i>Hubert & Fanny</i>	1,081

Source: CMF Research (Numeris), 2018.

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

AUDIENCE

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 2016/17 broadcast season (September 1, 2016 to August 31, 2017).

Exhibit 10 - 6 Television audience share of Canadian programming, English-language market, peak viewing period

Broadcast season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Drama (fiction)	12%	13%	16%	15%	16%	17%	17%	16%	15%	16%
Documentary	49%	49%	35%	35%	45%	49%	48%	49%	56%	52%
Children's and youth	43%	45%	46%	44%	46%	49%	49%	50%	50%	52%
Variety and performing arts	31%	29%	20%	19%	22%	13%	13%	18%	20%	22%
All CMF-supported genres	31%	34%	22%	22%	23%	24%	24%	23%	23%	24%

Source: CMF Research (Numeris), 2017.

Exhibit 10 - 7 Television audience share of Canadian programming, French-language market, peak viewing period

Broadcast season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Drama (fiction)	52%	55%	52%	48%	46%	48%	49%	52%	51%	53%
Documentary	74%	77%	74%	76%	72%	72%	73%	73%	62%	54%
Children's and youth	63%	75%	81%	76%	73%	74%	66%	66%	72%	74%
Variety and performing arts	79%	84%	85%	87%	92%	91%	94%	95%	96%	97%
All CMF-supported genres	66%	67%	63%	62%	61%	62%	62%	64%	64%	66%

Source: CMF Research (Numeris), 2017.

11. 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 2016 (the most recent year of available data), there were 2,641 theatre screens in Canada and more than 100 million paid admissions.²⁹

Highlights from 2017



- Theatrical exhibition industry revenue increased by 0.6% to \$1.77 billion.
- Canadian films' box office revenue in Canada increased by 77.8% to \$32 million.
- Canadian films' share of the Canadian box office increased to 3.2%.
- US films' share of the Canadian box office increased to 89.7%.
- Five of the top ten Canadian films in the French-language market earned more than \$1 million at the box office, up from three in 2016.
- In the French-language market, Canadian films' box office increased to \$23.6 million and an 18.5% share.
- In the English-language market, Canadian films' box office increased to \$8.6 million and a 1% share.
- Canadian films' shares of viewing on pay television (11.8%), conventional television (6.6%) and video on demand (VOD) (8.4%) platforms were all higher than Canadian films' box office share (3.2%).



- Total box office receipts were unchanged at \$993 million.
- *De père en flic 2* was the top grossing Canadian film in Canada, with a \$7.02 million box office (calendar year only), closely followed by *Bon Cop Bad Cop 2* with a combined \$7.01 million across both language markets.



- The number of Canadian feature films released in Canadian theatres in 2017 decreased from 133 to 124.³⁰
- Canadian films' share of viewing on specialty television (2.2%) was less than their box office share (3.2%).

²⁹ Statistics Canada (2016), Table 21-10-0180-01.

³⁰ Note that the number of new Canadian films released in theatres in 2017 (124) will differ from the number of Canadian theatrical feature films produced during the 2017/18 fiscal year (105 [see Section 5.1]), since, for example, some of the films released may have been produced in earlier years.

The total value of the theatrical box office in Canada was unchanged at \$993 million during the 2017 calendar year (Exhibit 11 - 4). After taking into account consumer price index (CPI) inflation in 2017 (1.6%),³¹ the flat box office actually implied a real-value decrease of 1.6%. Indeed, even with the release of blockbuster franchise films such as *Star Wars: The Last Jedi* and *Guardians of the Galaxy Vol. 2* in 2017, Canada's largest exhibitor, Cineplex Inc., saw its number of admissions decline by 5.6% in 2017 – from 74.6 million to 70.4 million.³² This annual decline reflects not only the audience appeal of the releases, but also the longer-term pressure that the exhibition industry is experiencing from transactional video-on-demand (TVOD) and subscription VOD (SVOD) platforms, as well as online piracy.

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 3.4% in 2017 (to \$10.17) and its concession revenue per patron increase by 6.2% (to \$6.00).³³ With the ability to increase revenue even in the face of declining admissions, the entire Canadian exhibition industry's total revenue increased by 0.6% to an estimated \$1.77 billion in 2017 (Exhibit 11 - 1).

The 2017 calendar year was a relatively strong year for Canadian films at the Canadian box office. Canadian films earned a total of \$32 million in 2017, or 3.2% of the total box office (Exhibit 11 - 4 and Exhibit 11 - 5). This was the highest box office for Canadian films since the \$32 million total in 2010. It also represented a 77.8% increase over the \$18 million box office achieved by Canadian films in Canada in 2016.

Both language markets contributed to the rebound in Canadian films' box office in 2017, but it was the French-language market that really drove the overall increase. In the French-language market, *De père en flic 2* and *Bon Cop Bad Cop 2* had outstanding theatre runs – for Canadian films – earning \$7 million and just under \$6 million (Exhibit 11 - 9), respectively during the calendar year. Along with these two films, *Junior majeur*, *Ballerina* and *Votez bougon* all earned more than \$1 million in Canada's French-language market. These strong box office performances lifted Canadian films' total box office in the French-language market from \$10.3 million to \$23.6 million (Exhibit 11 - 7). Canadian films' box office share in the French-language market rose from 8.7% to 18.5% - the highest level since 2009.

In the English-language market, strong theatre runs by *Maudie*, *Ballerina*, *Bon Cop Bad Cop 2* and *Goon: The Last of Enforcers* helped lift Canadian films' box office to \$8.6 million and a 1% share (Exhibit 11 - 8 and Exhibit 11 - 7). This ended a string of two consecutive years of sub-one-percent box office performances.

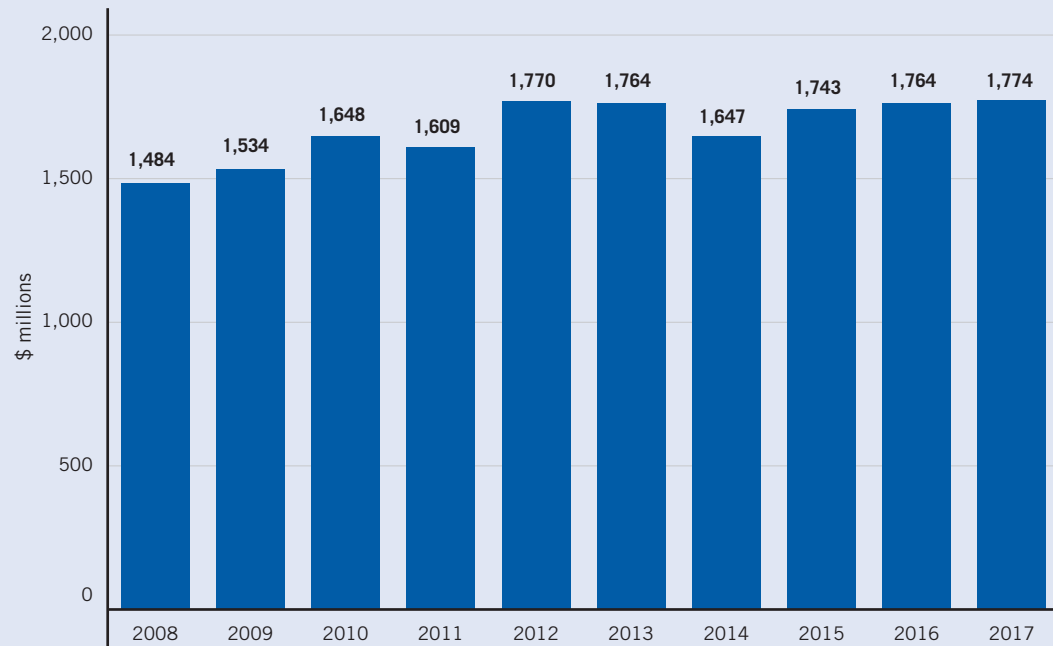
³¹ Statistics Canada (2018), Table 18-10-0005-01.

³² Cineplex Inc. (2018), *Annual Information Form*, March 28, 2018, p. 11.

³³ Cineplex Inc. (2018), *Annual Information Form*, March 28, 2018, p. 4.

TOTAL REVENUE

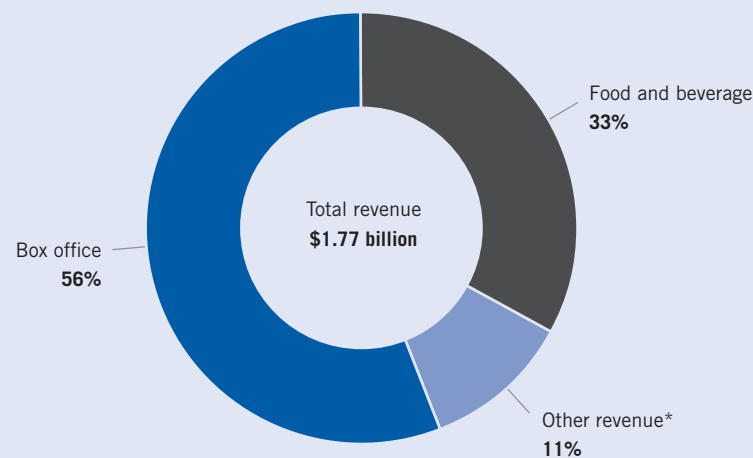
Exhibit 11 - 1 Total revenue in the theatrical exhibition industry



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 11 - 2 Sources of revenue in the theatrical exhibition industry, 2017



Sources: Nordicity estimates based on data from the Movie Theatre Association of Canada (MTAC), Cineplex Inc. 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.

* 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 genuinely 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 and Hot Docs' Canadian International Documentary 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 \$8 million in financial support to 75 Canadian film festivals and 80 industry events and initiatives in Canada in 2017/18.³⁴ These 75 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 Index³⁵ 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 11 - 3 Canadian film festivals that contribute to Telefilm Canada's Success Index

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

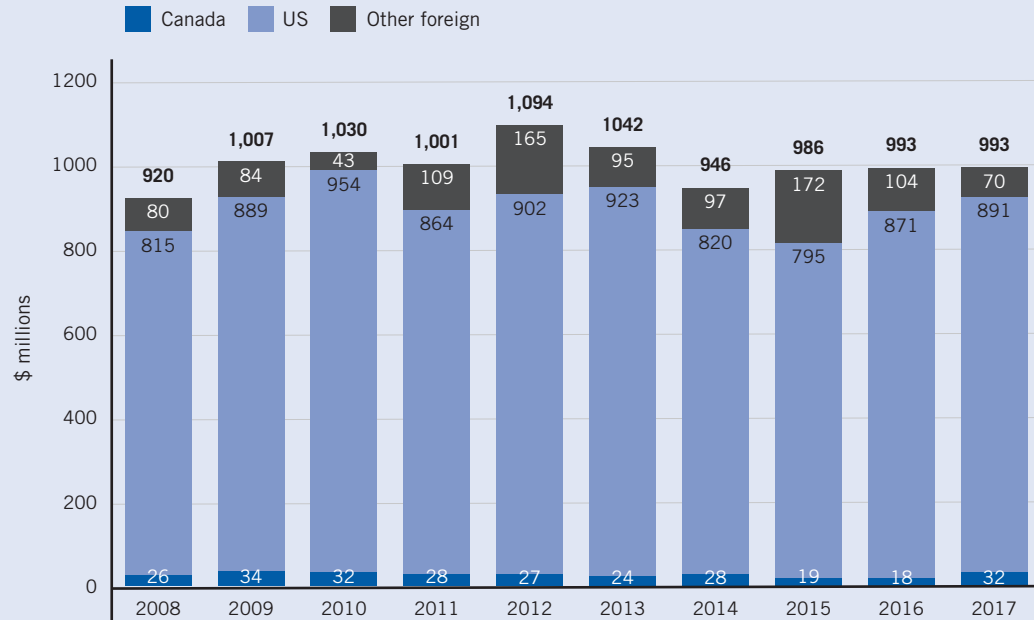
Source: Telefilm Canada.

³⁴ Telefilm Canada (2018), *Eye on the World: 2017-2018 Annual Report*, p. 10.

³⁵ 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>.

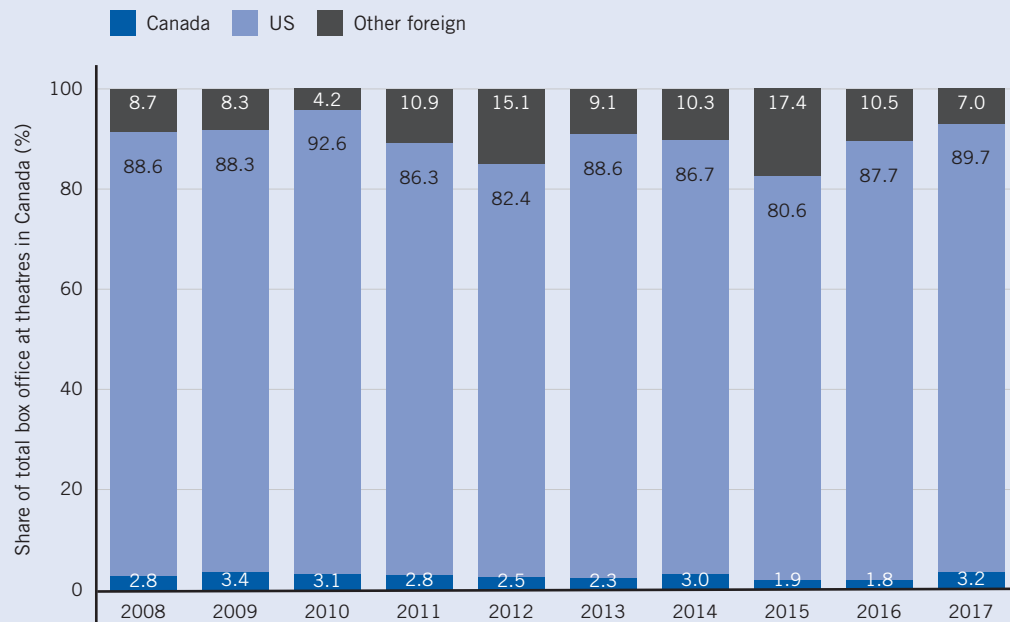
NATIONAL BOX OFFICE TRENDS

Exhibit 11 - 4 Box office revenue in Canada, by origin of production



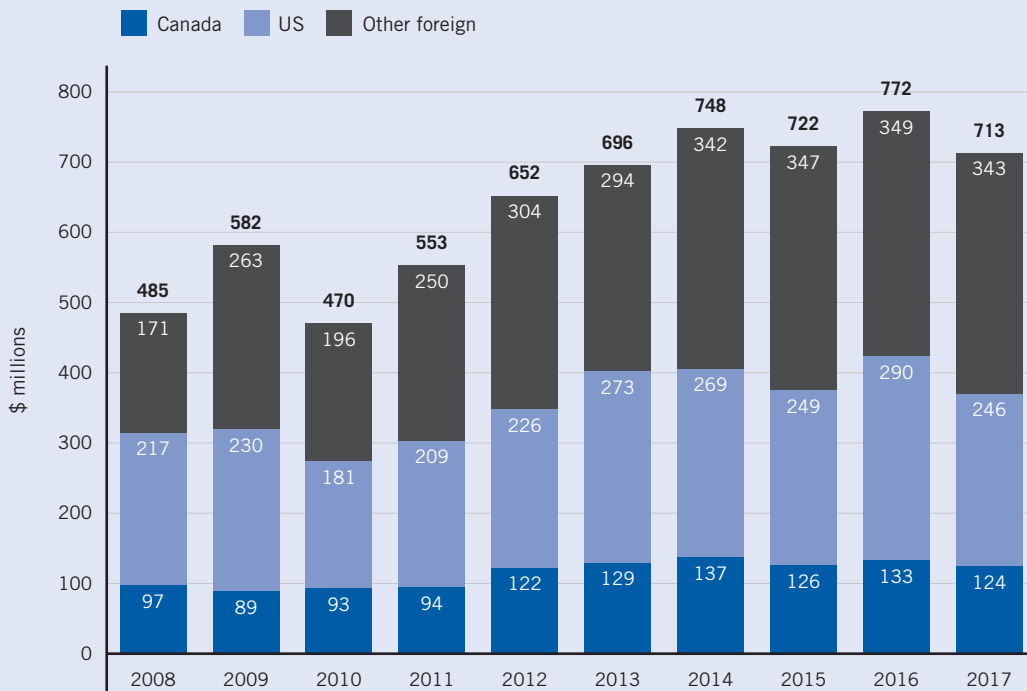
Source: MTAC.
Note: Some totals may not sum due to rounding.

Exhibit 11 - 5 Share of total box office revenues in Canada, by origin of production



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

Exhibit 11 - 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 2017 only include the number of films released in Canadian theatres for the first time in 2017.

BOX OFFICE BY LANGUAGE MARKET

Exhibit 11 - 7 Box office revenue and market share at theatres in Canada, by language market

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FRENCH-LANGUAGE MARKET										
\$ millions										
Box office of Canadian feature films	17.4	26.7	20.1	19.8	12.9	12.6	12.1	13.8	10.3	23.6
Box office of foreign feature films	108.5	117.9	129.8	127.3	130.2	126.7	108.4	115.2	108.7	103.9
Total box office of feature films	125.9	144.7	149.9	147.1	143.1	139.3	120.5	129.0	119.0	127.5
Canadian feature films' share	13.8%	18.5%	13.4%	13.5%	9.0%	9.0%	10.0%	10.7%	8.7%	18.5%
Number of feature films playing in theatres in Canada										
Canadian	79	78	74	76	78	97	91	84	104	95
Foreign	293	316	293	279	310	301	280	280	291	289
Total	372	394	367	355	388	398	371	364	395	384
Ratio of foreign to Canadian feature films	3.7	4.1	4.0	3.7	4.0	3.1	3.1	3.3	2.8	3.0
ENGLISH-LANGUAGE MARKET										
\$ millions										
Box office of Canadian feature films	8.5	6.8	12.1	8.1	13.9	11.2	16.3	4.9	7.4	8.6
Box office of foreign feature films	786.0	855.4	867.9	845.8	937.2	891.8	809.1	852.2	866.4	857.3
Total box office of feature films	794.5	862.2	880.0	853.9	951.2	903.0	825.3	857.1	873.8	865.9
Canadian feature films' share	1.1%	0.8%	1.4%	0.9%	1.5%	1.2%	2.0%	0.6%	0.8%	1.0%
Number of feature films playing in theatres in Canada										
Canadian	72	71	70	76	80	111	121	102	113	113
Foreign	436	422	406	568	803	867	870	803	973	949
Total	508	493	476	644	883	978	991	905	1,086	1,062
Ratio of foreign to Canadian feature films	6.1	5.9	5.8	7.5	10.0	7.8	7.2	7.9	8.6	8.4

Source: MTAC.

Note: Some totals may not sum due to rounding.

TOP FEATURE FILMS BY LANGUAGE OF PRESENTATION

Exhibit 11 - 8 Top ten Canadian-produced feature films presented in the English-language market, 2017

Title	Box office receipts* (\$ millions)	Original language of production
1. <i>Maudie</i>	2.78	English
2. <i>Ballerina</i>	2.07	English
3. <i>Bon Cop Bad Cop 2</i>	1.05	French-English
4. <i>Goon: Last of the Enforcers</i>	1.00	English
5. <i>The Man Who Invented Christmas</i>	0.54	English
6. <i>Long Time Running</i>	0.16	English
7. <i>The Gardener</i>	0.07	English
8. <i>Below Her Mouth</i>	0.07	English
9. <i>The Breadwinner</i>	0.06	English
10. <i>De père en flic 2</i>	0.05	French

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2017. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas across two calendar years.

Exhibit 11 - 9 Top ten Canadian-produced feature films presented in the French-language market, 2017

Title	Box office receipts* (\$ millions)	Original language of production
1. <i>De père en flic 2</i>	7.02	French
2. <i>Bon cop bad cop 2</i>	5.96	French-English
3. <i>Junior majeur</i>	1.84	French
4. <i>Ballerina</i>	1.53	English
5. <i>Votez Bougon</i>	1.17	French
6. <i>Pieds nus dans l'aube</i>	0.84	French
7. <i>C'est le cœur qui meurt en dernier</i>	0.81	French
8. <i>Le trip à trois</i>	0.68	French
9. <i>Les rois mongols</i>	0.60	French
10. <i>Un sac de billes</i>	0.50	French

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2017. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas across two calendar years.

Exhibit 11 - 10 Top ten feature films presented in the English-language market, 2017

Title	Box office receipts* (\$ millions)	Country of origin
1. <i>Beauty and the Beast</i>	42.46	USA
2. <i>Star Wars: The Last Jedi</i>	38.12	USA
3. <i>Guardians of the Galaxy Vol. 2</i>	35.67	USA
4. <i>Wonder Woman</i>	30.85	USA
5. <i>Spider-Man: Homecoming</i>	28.70	USA
6. <i>Thor: Ragnarok</i>	28.60	USA
7. <i>It</i>	23.97	USA
8. <i>Despicable Me 3</i>	20.90	USA
9. <i>Logan</i>	20.11	USA
10. <i>Dunkirk</i>	19.32	UK

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2017. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas across two calendar years.

Exhibit 11 - 11 Top ten feature films presented in the French-language market, 2017

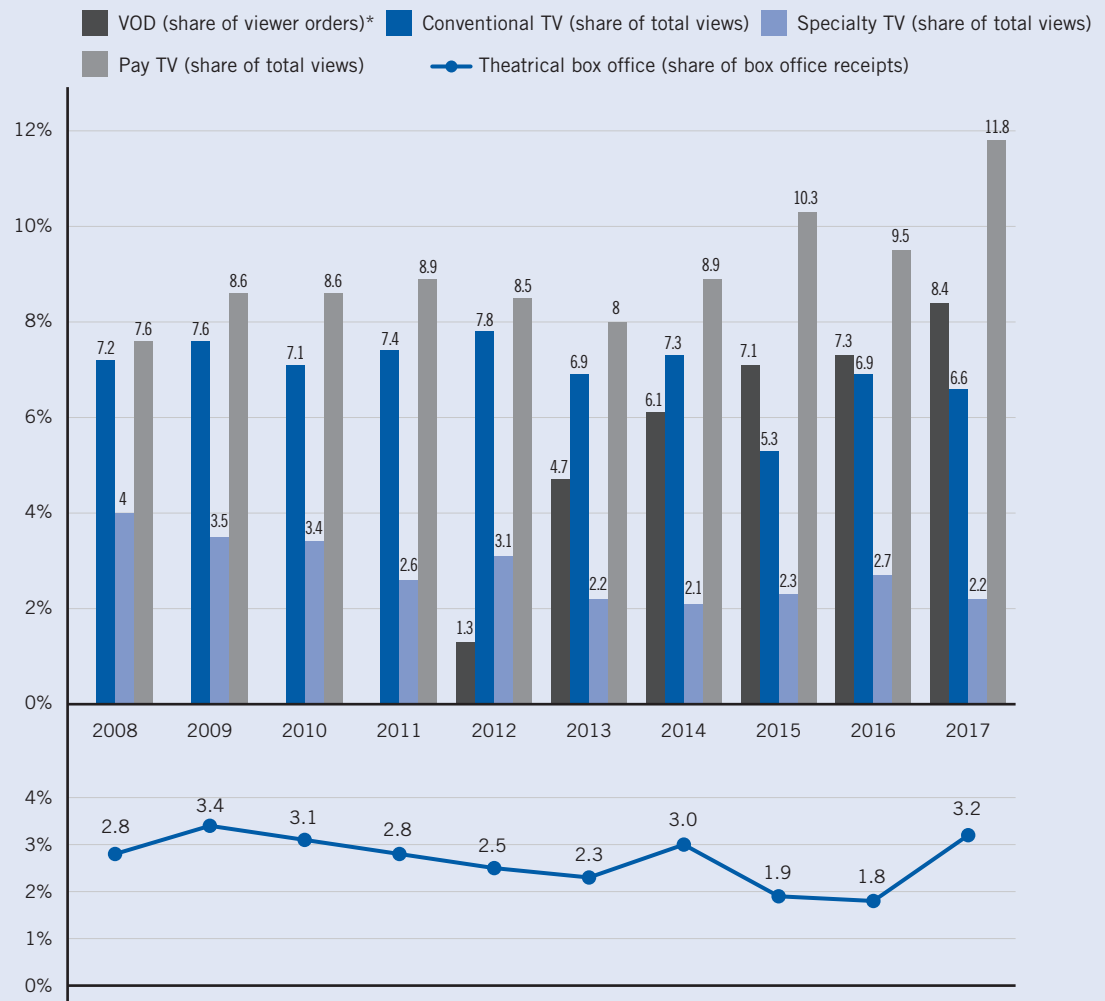
Title	Box office receipts* (\$ millions)	Country of origin
1. <i>De père en flic 2</i>	7.02	Canada
2. <i>Bon cop bad cop 2</i>	5.96	Canada
3. <i>Beauty and the Beast</i>	4.28	USA
4. <i>Despicable Me 3</i>	3.84	USA
5. <i>Star Wars: The Last Jedi</i>	3.23	USA
6. <i>The Fate of the Furious</i>	2.94	USA
7. <i>Guardians of the Galaxy Vol. 2</i>	2.94	USA
8. <i>Pirates of the Caribbean: Dead Men Tell No Tales</i>	2.93	USA
9. <i>It</i>	2.52	USA
10. <i>The Boss Baby</i>	2.33	USA

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2017. This amount may under-represent a particular film's total box office receipts if the film played in Canadian cinemas across two calendar years.

FEATURE FILM VIEWING ON TELEVISION PLATFORMS

Exhibit 11 - 12 Market shares of Canadian feature films exhibited in Canada, television windows vs. theatrical box office

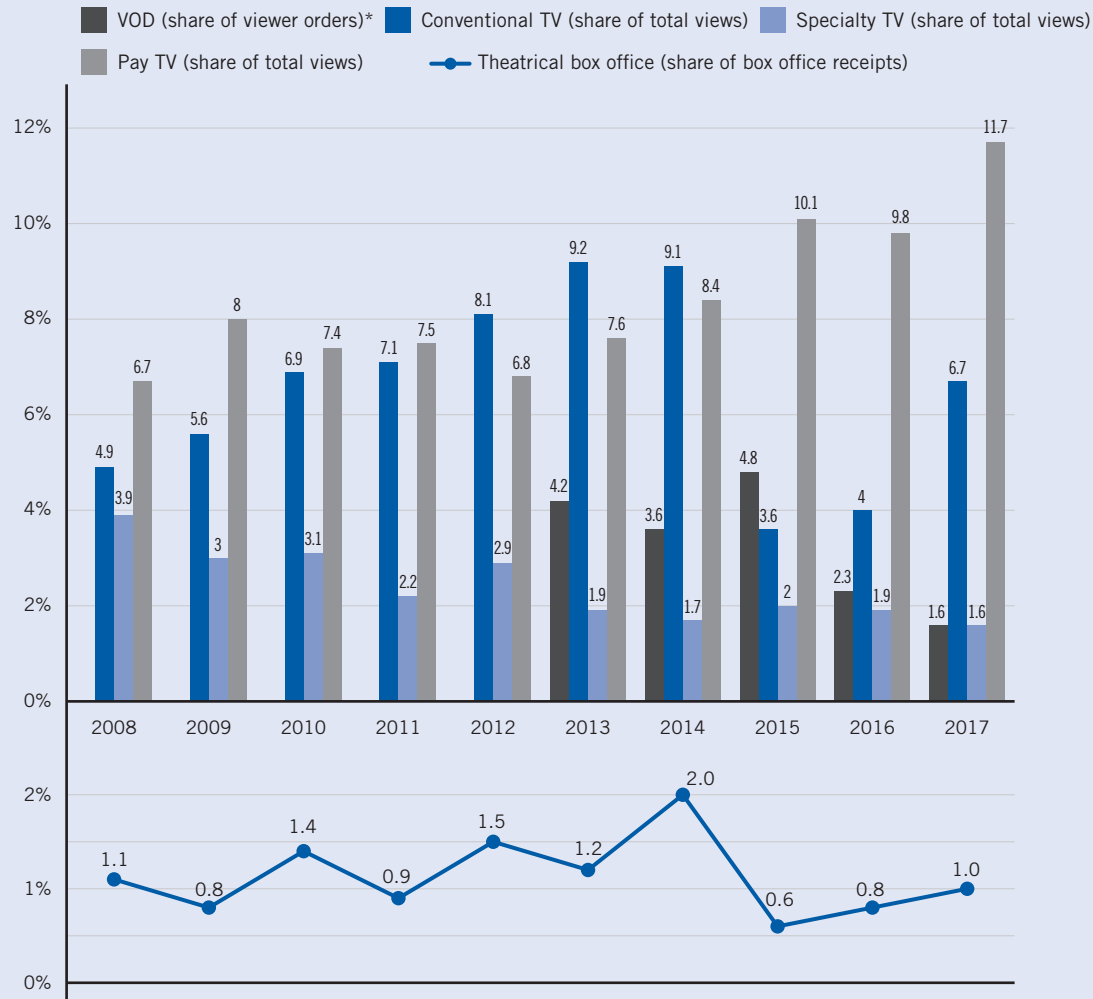


Sources: Department of Canadian Heritage analysis of data from Numeris (television markets), CRTC (VOD) and MTAC (theatrical box office).

Note: For the television markets, the total number of views was estimated by dividing the total number of minutes spent watching a feature film by the average duration of the film. Only feature films that had a theatrical release were considered in this analysis. Market shares are based on total views.

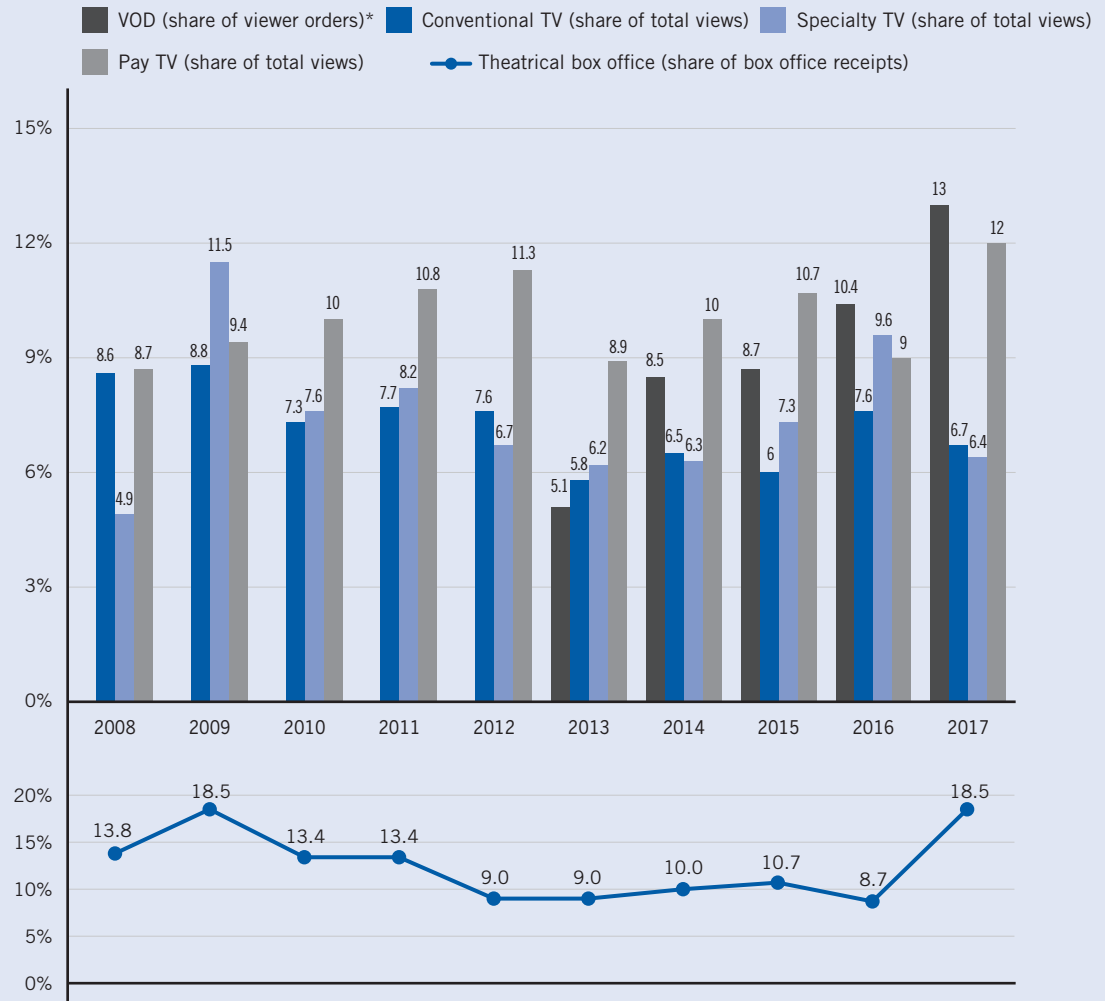
* Includes free and paid orders. Data not available prior to 2012.

Exhibit 11 - 13 Market shares of Canadian feature films exhibited in English in Canada, television windows vs. theatrical box office



Sources: Department of Canadian Heritage analysis of data from Numeris (television markets), CRTC (VOD) and MTAC (theatrical box office).
 Note: For the television markets, the total number of views was estimated by dividing the total number of minutes spent watching a feature film by the average duration of the film. Only feature films that had a theatrical release were considered in this analysis. Market shares are based on total views.
 * Includes free and paid orders. Data not available prior to 2012.

Exhibit 11 - 14 Market shares of Canadian feature films exhibited in French in Canada, television windows vs. theatrical box office



Sources: Department of Canadian Heritage analysis of data from Numeris (television markets), CRTC (VOD) and MTAC (theatrical box office).
 Note: For the television markets, the total number of views was estimated by dividing the total number of minutes spent watching a feature film by the average duration of the film. Only feature films that had a theatrical release were considered in this analysis. Market shares are based on total views.
 * Includes free and paid orders. Data not available prior to 2013.

12. 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, pay- and specialty-television 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 2017



- IPTV subscribers increased by 5.5% to 2.6 million (from 2.4 million).
- IPTV subscriber revenues increased 10.3% to \$1.99 billion.



- The number of BDU subscribers declined by 1.9% to 10.7 million.
- Lower revenues for cable TV and DTH/MDS led to a 2.3% decrease in total BDU revenues.
- BDUs' contributions to the creation of Canadian programming decreased by 3.6% to \$404 million.

Cord-cutting and cord-shaving continued to fuel the long-term decline in the size of the Canadian BDU industry. According to data from the Canadian Radio-television and Telecommunications Commission (CRTC), the number of subscribers to BDU services (excluding non-reporting BDUs) dropped by 1.9% to 10,702,000 (Exhibit 12 - 1). In other words, 205,000 subscribers “cut the cord” in 2017. The rate of cord-cutting in 2017 actually represented a slight deceleration from the previous year. In 2016, 240,000 subscribers cut the cord – the largest annual number since this consumer behavior started to show up in the CRTC’s statistics in 2013.

The deceleration evident in statistics for the overall number of subscribers and sector revenue hides the fact that most BDUs actually experienced an accelerated rate of cord-cutting in 2017. Rogers, Videotron, Bell and Cogeco all lost more subscribers to cord-cutting in 2017 than in 2016.³⁶ Shaw lost subscribers at a slower rate in 2017 in large part because it introduced its Blue Sky IPTV service in that year.³⁷ Telus – which only offers an IPTV service (OptikTV) actually experienced an increase in its BDU subscribers in 2017. These increases in IPTV subscriptions offset the losses in the cable and DTH satellite segments, thereby contributing to the overall trend of deceleration in 2017.³⁸

Despite the deceleration in cord-cutting, the reality is that since the number of BDU subscribers in Canada peaked at 11,529,000 in 2013, on a net basis, 827,000 subscribers have cut the cord. On a gross basis, the rate of cord-cutting may be even higher. According to survey research conducted by MTM, one in every four Anglophone Canadians reported (during a survey conducted between September and December 2017) that they had cancelled their BDU subscriptions.³⁹

Cord-cutting and cord-shaving also put pressure on the BDU industry’s pricing power and total revenue in 2017. While the total number of BDU subscribers decreased by 1.9% in 2017, total industry revenue decreased by 2.3% (Exhibit 12 - 2).

The gradual decline in the BDU industry’s revenue is having a direct effect on Canadian content production. 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 2017, BDU contributions to the CMF, independent production funds and local programming all decreased slightly. In total, BDUs contributed \$404 million to the creation of Canadian programming during the 2017 broadcast year, a decrease of 3.6% from 2016 (Exhibit 12 - 3).

Since reaching a peak of \$493 million in 2012, BDUs’ contributions to Canadian programming have fallen by 18.1%. The decrease in 2017 was largely on account of lower contributions to the CMF. BDUs’ contributions to the CMF are linked to their revenue in the prior year. Lower annual contributions to the CMF also had a small impact on the drop in BDUs’ overall contributions to Canadian programming since 2012; however, the vast majority of the drop was due to the winding up of the Local Programming Improvement Fund in August 2014.

³⁶ Bree Rody-Mantha (2018), “Cord cutting slows for Shaw, but not for most competitors,” *Playback*, March 15, 2018

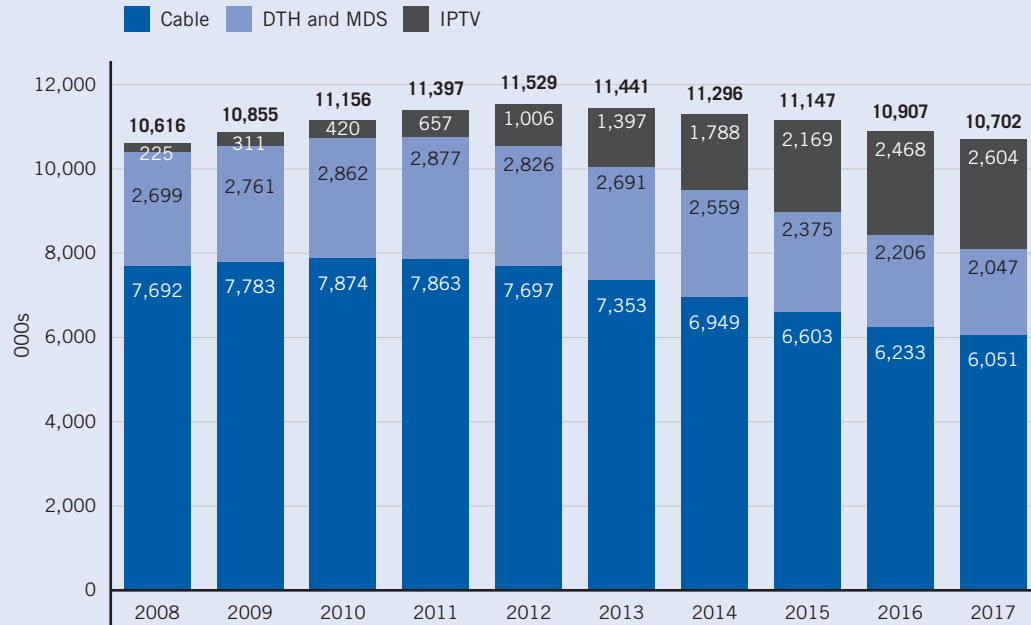
³⁷ Bree Rody-Mantha (2018).

³⁸ Bree Rody-Mantha (2018).

³⁹ The Canadian Press (2018), “1 in 4 anglophone Canadians have cut the cord on TV, survey suggests,” CBC News, March 30, 2018, <https://www.cbc.ca/news/technology/tv-cord-cutting-netflix-1.4600455>.

BDU SUBSCRIBERS AND REVENUE

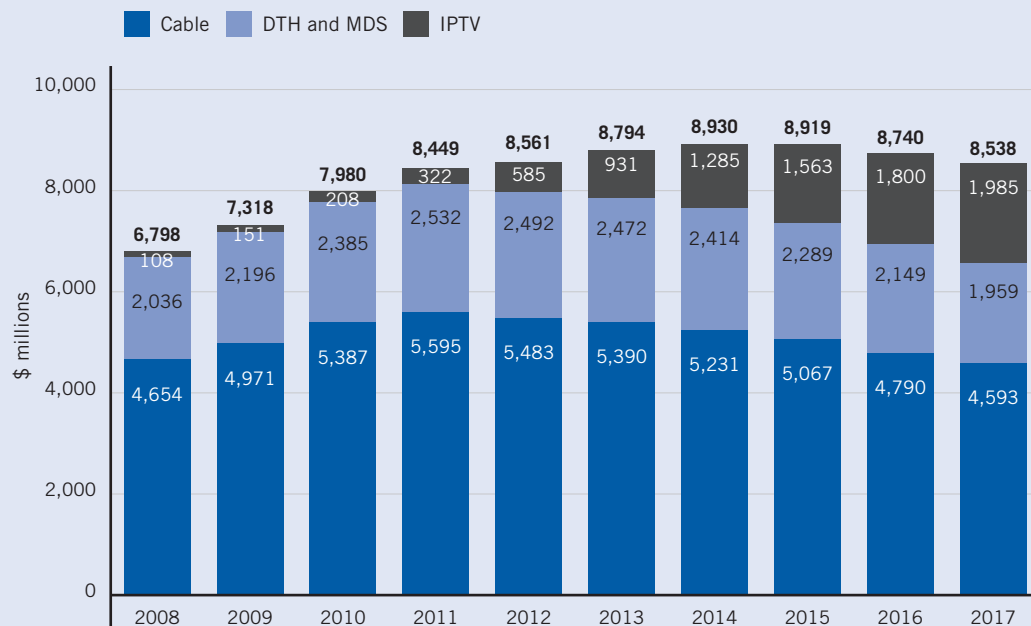
Exhibit 12 - 1 Number of subscribers to BDUs*



Source: CRTC.

* Excludes BDUs not required by regulations to report financial and operating data to the CRTC.

Exhibit 12 - 2 Total revenue in the Canadian broadcasting distribution industry*



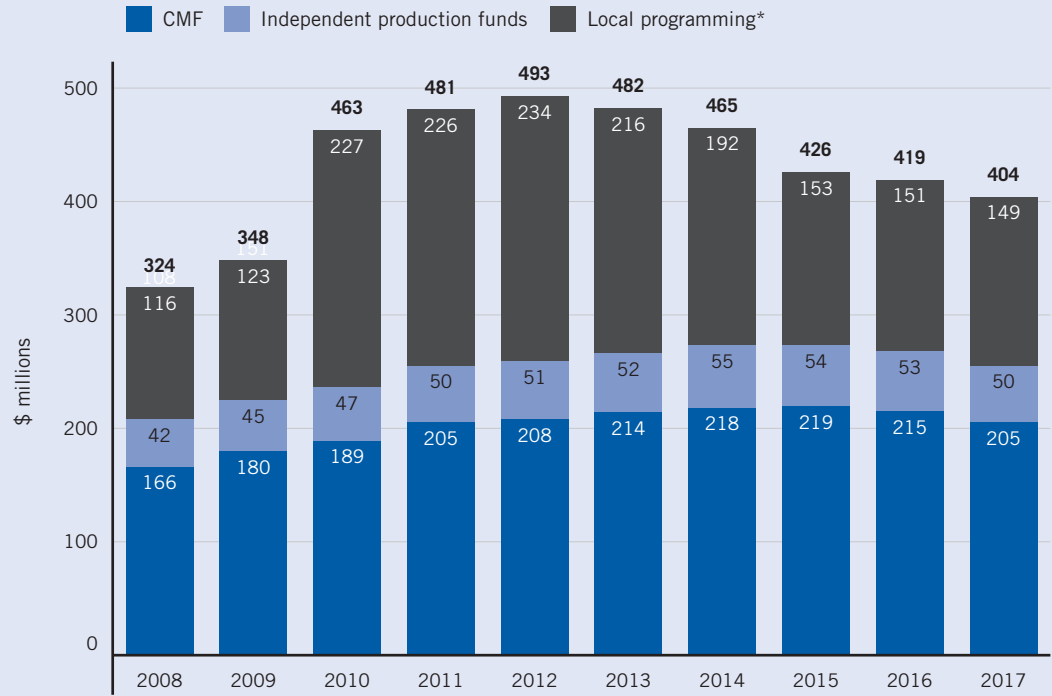
Source: CRTC.

Note: Some totals may not sum due to rounding

* Excludes BDUs not required by regulations to report financial and operating data to the CRTC.

INVESTMENT IN CANADIAN PROGRAMMING

Exhibit 12 - 3 BDU investment in Canadian programming



Source: CRTC.

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

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,⁴⁰ Nordicity applied the following gross-up factors to the raw production data supplied by CAVCO:

- 2017/18: 11.7%
- 2016/17: 3.3%

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 2018* 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 2018* to estimate the total volume of CRTC-certified production.

⁴⁰ 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.

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 2018*, data for theatrical short films has been included in Canadian television production for 2009/10 through 2017/18. For the years prior to 2009/10, data for theatrical short films remains within the statistics for Canadian theatrical production, since we were unable to implement historical revisions for those years.

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 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. Their statistics may differ from those in *Profile 2018* 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.

Direct jobs multiplier

Nordicity calculated the number of direct jobs by estimating the share of total production volume that was paid as salaries and wages and then divided this estimate by an estimate of the average salary of an FTE in the film and television production sector.

Nordicity multiplied total production volume by 50%, to estimate the portion of production budgets which was paid as salary and wages. This assumption of 50% is based on data provided by CAVCO on the average portion of production budgets comprised of Canadian labour expenditures.

The average FTE salary assumption for 2017/18 was \$63,408. Nordicity developed the average FTE salary assumption based on data from Statistics Canada's 2006 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 salary in the film and television production sector

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Average FTE salary	\$52,305	\$53,404	\$54,578	\$56,543	\$57,900	\$59,423	\$60,552	\$61,168	\$62,043	\$63,408

Source: Nordicity calculations based on data from Statistics Canada, Census 2006, and Statistics Canada, Survey of Employment, Payroll and Hours, Table 14-10-0206-01.

Spin-off jobs

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

Indirect jobs multiplier

Nordicity used a multiplier of 1.17 to estimate the number of indirect jobs; that is, for every direct FTE in the film and television production sector, 1.17 additional FTEs were employed in other industries supplying goods and services to film and television production.

Nordicity obtained this multiplier from Statistics Canada's 2004 multiplier tables. The multiplier is based on the ratio of indirect and direct jobs generated per \$1 million dollars of output in the industry group *Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries*, which is the closest industry grouping to film and TV production (and excludes exhibition).

Induced jobs multiplier

Nordicity applied a multiplier of 0.17 to estimate the number of induced FTEs attributable to film and television production; that is, for every direct and indirect FTE generated by film and television production, an additional 0.17 FTE was employed in other industries in the Canadian economy because of the re-spending of income by the direct and indirect workers.

Nordicity derived the induced-jobs multiplier by using the ratio of the total-GDP multiplier (1.87) and indirect-GDP multiplier (1.54) derived by the Conference Board of Canada and applied to its analysis of the economic impact of the Canadian cultural industries in *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (2008). To adopt this approach, Nordicity assumed that the GDP-to-FTE ratio for induced jobs was equal to that for indirect jobs.

Provincial jobs estimates

To estimate the number of direct FTEs in each province, Nordicity used a similar approach to that used to derive the national estimates of direct FTEs. However, Nordicity adjusted the average FTE salary in each province to reflect general differences in economy-wide wages across the provinces.

Thus, for provinces where the average wage in the provincial economy across all industries was higher than the national average, Nordicity used a higher average FTE salary to estimate the number of direct jobs. The adjustment was equivalent to the province's overall wage premium or discount compared with the national average. The provincial wage adjustment factors are presented in the table below. An adjustment factor of greater than one indicates that average wages in the provincial economy are higher than the national average.

To estimate the number of indirect jobs, Nordicity used the provincial-level indirect-job multipliers available from Statistics Canada. These multipliers are based on the ratio of indirect and direct jobs generated per \$1 million dollars of output in each province in the industry group *Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries*.

Provincial adjustment factor for average FTE salary

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Alberta	1.134	1.122	1.126	1.125	1.124	1.136	1.126	1.146	1.097	1.017
British Columbia	1.005	1.013	0.999	0.986	0.997	0.997	0.999	1.003	0.999	1.025
Manitoba	0.934	0.939	0.934	0.945	0.946	0.926	0.940	0.943	0.951	1.022
New Brunswick	0.907	0.908	0.906	0.906	0.901	0.891	0.892	0.885	0.909	1.015
Newfoundland and Labrador	0.969	0.955	0.959	0.987	1.004	1.027	1.020	1.036	1.028	1.014
Nova Scotia	0.884	0.868	0.901	0.903	0.907	0.899	0.911	0.905	0.911	1.015
Ontario	1.010	0.992	1.001	1.001	0.992	0.988	0.984	0.984	0.996	1.022
Prince Edward Island	0.825	0.864	0.856	0.860	0.850	0.843	0.832	0.854	0.867	1.099
Quebec	0.945	0.984	0.971	0.972	0.971	0.969	0.975	0.975	0.972	1.033
Saskatchewan	0.996	1.019	1.025	1.029	1.048	1.064	1.063	1.071	1.066	1.015
Territories	1.124	1.172	1.179	1.185	1.173	1.184	1.259	1.260	1.223	1.018

Source: Nordicity calculations based on data from Statistics Canada, Table 14-10-0206-01.

Nordicity then summed the estimated number of indirect FTEs and compared this total with the national estimate of total spin-off FTEs employed by the film and television production sector in Canada. Nordicity calculated the differential between these two numbers and then allocated the difference across the provinces in proportion to each province's share of the national total of indirect FTEs.

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 \$63,408. 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 \$49,488.

Gross domestic product

Economic modelling of the overall economic impact of film and television production, using Statistics Canada's input-output tables, indicates that direct gross domestic product (GDP) in the film and television production sector is equal to approximately 1.13 times total labour income. This ratio was multiplied by our estimate of direct labour income to arrive at an estimate of direct GDP in the film and television production sector. For broadcaster in-house production, we used a rate of 1.17, which better reflected the higher rate of profitability in the Canadian broadcast sector.

Similar economic modelling (also based on Statistics Canada's input-output tables and analysis found in the Conference Board of Canada's *Valuing Culture: Measuring and Understanding Canada's Creative Economy*) points to a GDP-wage relationship of 1.49 for the spin-off impact. We used this ratio to derive an estimate of spin-off GDP by multiplying our estimate of spin-off labour income by 1.49.

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 and satellite distributors, 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 digital media (CDM)	Refers specifically to the digital media components of broadcast television projects. Such components are typically standalone products that relate to, extend, and/or enhance the associated television production.
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.
Eurimages	Established in 1989, Eurimages is the Council of Europe's fund for supporting the cultural sector. It has an annual budget of €25 million which is distributed across five streams (film coproduction, theatrical distribution, exhibition, promotion and gender equality). Canada became the first non-European member country of Eurimages in 2017.
Experimental Stream	A funding stream of the CMF that provides financial support to the production of interactive digital media content and software applications 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)	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.
National Film Board of Canada (NFB)	A federal cultural agency within the portfolio of the Canadian Heritage Department with a mandate to produce, distribute and promote the production and distribution of films that interpret Canada to Canadians and to other nations.
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, 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 to 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).

