

EXECUTIVE SUMMARY

Address by Carolle Brabant at the Cercle Canadien – November 7, 2011

The Canadian audiovisual industry: Where talent means business

Talent generally reveals itself at an early age. We see it in children, even very young ones, who begin expressing their creative talent in various ways, putting on shows or making home videos to share with family and friends, and on social media. But what happens when your 16-year-old daughter Élodie announces that she wants to work in the audiovisual industry, to make a career of it? Even parents who want to encourage their child might be taken aback by such a choice.

And yet the Canadian audiovisual industry is thriving. Year after year it creates more than 117,000 full-time jobs, including over 36,000 in Quebec, and contributes some \$6.8 billion to the GDP. It also boasts numerous success stories, for young emerging talent as well as established professionals. We have several recent examples in Quebec. In 2009, seven Quebec movies earned over \$1 million apiece at the box office; one of them was *De père en flic*, which took in \$10.7 million to become the highest-grossing Canadian French-language film in history. So, this is a vibrant industry, an industry that offers a future.

Combining creativity and business acumen?

The Canadian audiovisual industry is really a talent “business.” But while the creative aspect is important, the “business” aspect is equally so. Production companies are first and foremost SMEs operating in an innovative, creative niche market, that aim for success. Each of their products is unique, the result of a research and development process that serves to transform an original idea into a high-quality audiovisual production. These SMEs create direct and indirect employment in the economy, and they contribute to Canada’s cultural wealth and brand image. When a film wins an award at a festival, its success reflects on the entire country.

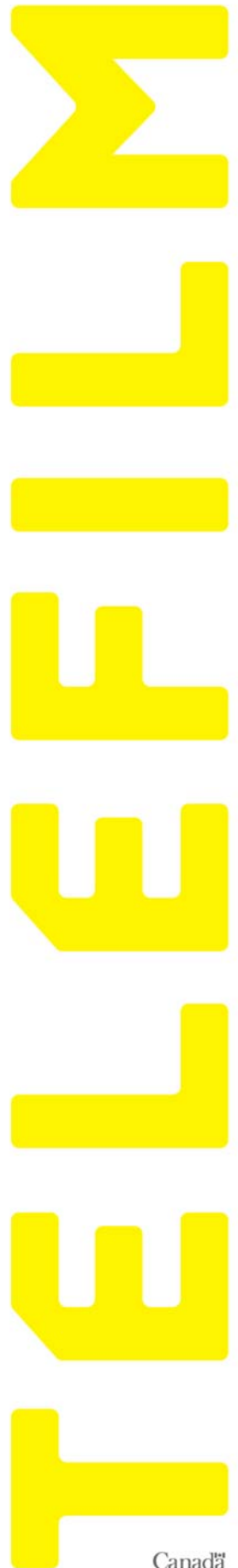
Telefilm Canada, a federal Crown Corporation, supports companies in the audiovisual sector. Since its creation, in 1967, the organization has supported the industry throughout the entire value chain: in development, production, distribution and promotion. The only goal of its 220 employees, working from four Canadian offices, is to ensure the success of homegrown talent and maintain a healthy audiovisual industry.

Addressing the industry’s challenges

With more than 44 years of experience, Telefilm is well acquainted with the industry’s challenges, particularly in terms of audience demand and financing. Canadian cinema holds a modest market share (3.1% in 2010), while our neighbour, the United States, largely monopolizes our screens and our audiences. However, even though Canadians go to the movies just three times a year, on average, they consume Canadian content on other platforms. In fact, Canada is the country where people watch the most videos online.

To foster success, the time has come to measure a film’s performance with indicators that go beyond box-office receipts. Telefilm is working on a new measurement index that will provide a broader view of success. This index will take into account factors such as foreign sales, sales other than for theatrical release and awards won at festivals.

Festivals concretely demonstrate how cultural, industrial and commercial factors go hand in hand when it comes to success. Earning an award at a festival is obviously an important sign



of recognition for a film's team, comparable to an Olympic medal for an athlete. But, beyond the glamour, festivals are indispensable showcases that raise the visibility of productions with distributors and thus help to generate sales.

Vital support

In terms of financing, Telefilm is a major player, supporting the industry in cooperation with other public and private partners. Given the difficult economic situation and the limited funds available, it is important to maintain, and even strengthen, existing partnerships while forging new ones, especially with the private sector, in order to build industry capacity and extend the reach of Canadian content at home and abroad. Telefilm is currently developing a simple, flexible mechanism aimed at stimulating private-sector interest in investing in the audiovisual industry.

Notwithstanding the need for increased private participation, government support remains vital, and the Canadian government must continue to assist the industry for three key reasons.

First, it is crucial to preserve the pool of expertise that Canada has developed and that is now recognized around the world. This expertise depends on a critical mass, i.e., a constant volume of production financed year in, year out that enables Canadian talent to perfect their skills.

Continued support will also allow Canadian companies to seize distribution opportunities for Canadian content that arise from market globalization and the shift to new distribution platforms. Our stories strike responsive chords beyond our borders, and our productions are increasingly sold abroad in new and diverse territories such as Oman, Qatar and Saudi Arabia, in the Middle East, and South Africa.

Telefilm is committed to helping Canadian companies take full advantage of new business opportunities arising from the growing need for content in countries like India and China, and from the arrival of new digital platforms. Canada is recognized for the quality of its productions, which positions it well to benefit from this new business environment, where "content is king".

Lastly, we must continue to sustain the cultural asset our audiovisual industry has been for 75 years, because it shapes our identity, our culture and our brand image as a country.

We can also contribute individually to the success of Canada's audiovisual industry by watching more Canadian productions and adding at least one domestic film to our "must see" lists this year. This industry provides a livelihood for many people and touches us every day through our television screens, at the movies or on our computers. It is important to Canada's economic and cultural future, and must be supported, encouraged and valued.