



# CBC Fact Sheet

## The Economics of Canadian Television

### Canadian Content

- ▶ An hour of premium Canadian programming (e.g. Da Vinci's Inquest) costs about \$1 million to produce.
- ▶ Canadian broadcasters pay a licence fee of between \$200-250K per hour for Canadian programming, which in turn is likely to generate only \$65-90K per hour in advertising revenues.
- ▶ For the French Canadian market, it is five times more expensive to produce Canadian programming than to acquire translated American shows.
- ▶ Canadian television producers recover their costs through a combination of public subsidies and foreign sales. Up to 60% comes from public sources like broadcast licence fees, the Canadian Television Fund, tax credits, provincial film commissions and CRTC-mandated private funds. The rest is earned through foreign sales.
- ▶ Prime time programming on CBC/Radio-Canada is almost 100% Canadian.

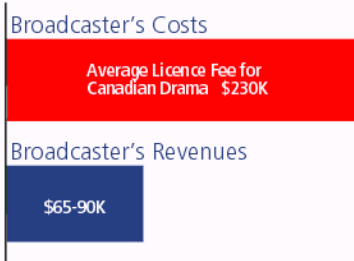
### U.S. Simulcasts

- ▶ A private Canadian network can purchase the simulcast rights to popular U.S. sitcoms and dramas for between \$100-125K per hour, which is roughly half the cost of licencing a Canadian program.
- ▶ The private Canadian network also benefits - at no cost - from the aggressive publicity that the U.S. networks use to promote these American shows.
- ▶ The popular U.S. series attract large audiences and command premium advertising rates in Canada; the most successful ones generate revenues of between \$350-450K per hour, which amounts to three to four times their cost, and five times the revenue that top Canadian programming can generate.

### Broadcasting - Canadian Content vs. U.S. Simulcasts

All costs and revenues are in Canadian \$ per hour.  
Averages and ranges are approximate estimates.

#### Canadian Dramatic Series



GUARANTEED LOSS

#### Simulcast of U.S. Dramatic Series



GUARANTEED PROFIT