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The rise of the dragon: The growing importance of China to Canada's culture goods trade

by **Vik Singh and Miles Rowat**

The People's Republic of China is now the world's sixth largest economy and the third largest trading nation, after the United States and Germany.¹ As China's economy has grown, so has Canada's trade with the Asian country. In 2005, Canada exported more than \$6.6 billion in merchandise to China, a 9.2% increase. In the same year, Canada's merchandise imports from China rose 22.3% to \$29.5 billion. China is now Canada's second largest trading partner, behind the United States.² With the increasing trade between the two countries, trade of culture goods has also surged, growing at a double digit pace every year from 1996 to 2003 before slowing in 2004 and 2005.³

Canadian demand for culture goods from China has been the source of most of the trade in culture goods between the two countries. Since importing \$78.3 million worth of culture goods in 1996, Canadian demand accelerated at a feverish pace, with imports reaching almost \$278 million in 2005. In 2000, China surpassed the United Kingdom and France to become Canada's second largest source of culture goods imports (after the United States).⁴ Writing and published works and visual arts were the most commonly imported culture goods.⁵

1. Steve Grunau, *Feeding the Dragon: Canadian Exporters and a Booming China*, Statistics Canada, March 2006, available at: <http://www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=11-621-MIE2006037>.
2. Francine Roy, Statistics Canada, *Canada's Trade and Investment with China*, June 2005, available at: <http://www.statcan.ca/english/freepub/11-010-XIB/0060511-010-XIB.htm>.
3. For statistical purposes, the culture goods trade data for China in this article include data for Hong Kong, Mongolia and Macao.
4. *Statistics Canada*, International Merchandise Trade Annual Review, 2005, Catalogue no. 65-208-XIE, available at <http://www.statcan.ca/bsolc/english/bsolc?catno=65-208-XIE>.
5. The data for this study were collected by the International Trade Division of Statistics Canada and compiled by the Culture Statistics Program. For further details, see: <http://www.statcan.ca/english/freepub/87-007-XIE/87-007-XIE2005001.htm>. All estimates are in current dollars.

In This Issue...

Articles:

- The rise of the dragon: The growing importance of China to Canada's culture goods trade 1
- The new culture of the Culture Statistics Program 6

Provincial and territorial data:

- Movie theatres, 2003-04 9

Did you know?

- Sound recording, 2003 10

What are 'culture goods'?

Goods are physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets. Goods differ from services in that they are products with physical properties, such as volume and mass, which can be assessed by direct examination of the goods themselves. Culture services, which are intangible products such as performances and broadcasts, are not considered in this article.

Culture goods include original and mass produced goods that contain culture content. Some examples of culture goods are: books, magazines, newspapers, postcards, calendars, films, videos, DVDs, sheet music, compact discs, cassettes, paintings (original and reproductions), photographs, sculptures, ornaments and figurines, off-the-shelf architectural plans and mass produced designs and drawings, advertising materials, coin and stamp collections and antiques.

Also included in the definition of goods is 'intellectual property' and royalty payments associated with the final sale of certain shipments of culture products. For a categorized and complete list of culture goods, see Appendix A of *Culture Goods Trade Data User Guide*, <http://www.statcan.ca/bsolc/english/bsolc?catno=81-595-MIE2006040>.

(Table 1). From 1996 to 2005, imports of culture goods from China increased 255%, compared to a 17% increase in imports from the United States and a 75% increase in imports from Canada's remaining trading partners. In fact, in most years, culture imports from China experienced double-digit increases, with the largest annual increase (30.6%) occurring between 2001 and 2002 (Table 1). In 2004 and 2005, however, growth in culture goods imports from China slowed to 2% and 1%, respectively. This coincided with the overall sluggishness in Canada's culture goods imports from all countries in 2004 and 2005, which fell 3.2% in 2004 and rose 2.7% in 2005.

6. The United States accounted for \$3.1 billion of culture goods imported into Canada in 2005. The US share of culture goods imported into Canada has fallen in recent years, however, from a high of 84.7% in 1996 to 76% in 2005.

Compared to imports, China accounted for a lower proportion of Canadian exports its share of Canada's culture exports rose slightly from 0.3% to 0.5% over the period. By 2005, exports of culture goods to China reached \$13.0 million and China became the fifth largest export destination for Canadian culture goods. Exports of culture goods to China also accelerated after China joined the World Trade Organization (WTO) in late 2001. The removal or lowering of trade barriers allowed Canadian companies to increase shipments to China.

Dramatic rise in imports of culture goods from China

Canada imported approximately \$278 million in culture goods from China in 2005 (Figure 1). Although it remained a distant second to the United States, which accounted for 76%⁶ of total culture goods imports

in 2005, China's share of Canada's culture goods imports grew from 2.5% in 1996 to 6.9% in 2005.

With the exception of 2005, the annual percentage increases in imports from China surpassed those of Canada's other trading partners

Figure 1
Big increase in culture goods imported from China

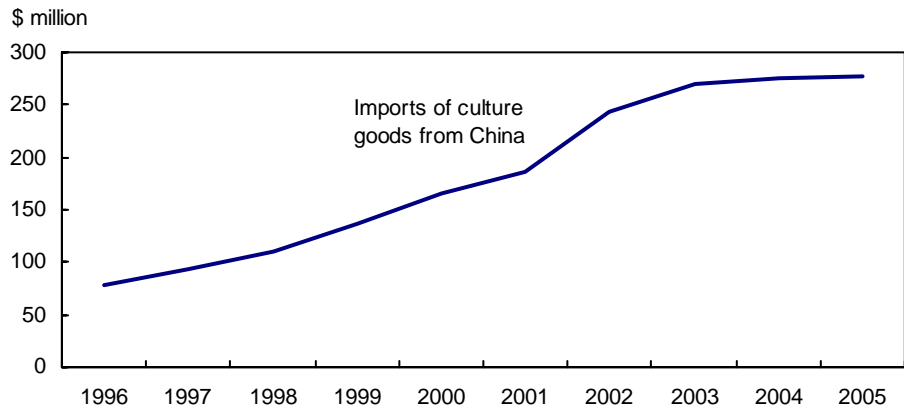


Table 1
Greatest percentage increase occurred in culture goods imports from China

	1996 to 1997	1997 to 1998	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	1996 to 2005
	percentage change									
Total imports from China	17.7	19.1	25.0	21.0	12.3	30.6	10.8	2.0	1.0	255.1
Total imports from United States	9.1	4.8	-0.3	1.0	2.6	3.2	-1.6	-2.9	0.2	16.9
Total imports from remaining countries	13.3	10.7	4.5	4.2	4.8	2.8	10.5	-6.8	15.8	75.4

Source: Statistics Canada, *Culture goods trade*, Catalogue no. 87-007-XIE.

While, overall, imports grew 1% in 2005, significant differences were observed in various subcategories of culture goods imports. Writing and published works continued its upward trend, although at a more modest 3.7%, compared with advertising and photography, which enjoyed healthy increases of 79.4% and 63.5%, respectively. Meanwhile, imports of film and video dropped 23% in 2005, while heritage declined 16.7%. Sound recording and music publishing, visual arts and architecture each fell about 7%.

Writing and published works and visual arts were the most often imported culture goods (Table 2). Writing and published works, which consist of books, newspapers, periodicals and other printed materials, accounted for more than half of all culture goods imported from China in 2005. Books accounted for the vast majority of these goods, representing 72.6% or approximately \$118 million of the total imports of writing and published works in 2005. In 2003, China overtook the United Kingdom and France to emerge as the second largest source of Canadian imports of writing and published works.

At over \$89 million, visual arts was the second largest category of culture goods imported from China in 2005

(Table 2). By 1999, China had become the principal source of Canada's imports of visual arts. In 2005, China accounted for 25% of all of Canada's imports of visual arts goods. The majority of visual arts goods imported from China consist of statuettes, ornaments, collages and decorative plaques.

Despite the dominance of writing and published works and visual arts, substantial growth in culture imports from China was evident across all categories from 1996 to 2005. The strongest increase in imports over the period was in photography, which rose from \$618,000 in 1996 to almost \$11 million in 2005. Imports of film and video also climbed considerably, from \$592,000 in 1996 to \$5.7 million by 2005.

In addition to more liberalized trade practices, the rapid rise of culture goods imports from China can be partially attributed to the increasing demand for low priced products from China.⁷ Furthermore, prior to July 2005, China's currency, the yuan, had been pegged to the value of the U.S. dollar.⁸ As the Canadian dollar appreciated over the period vis-à-vis the U.S. dollar, the relative price of goods from China declined.

In addition, Canada's growing Chinese population also likely

increased demand for culture goods from China. As one of the country's largest minority groups, Canada's Chinese population grew from 860,150 in 1996 to more than a million residents in 2001, the majority of whom live in Ontario (47%) and British Columbia (35%).

While imports of culture goods rose only 1% in 2005, total Canadian merchandise imports from China hit \$29.5 billion in 2005, an increase of 22.3% over 2004. The disparity occurred for several reasons. For example, Canadian companies shifted their sourcing of electronics and computer products from Japan to China, greatly increasing their imports of these products from China.

Secondly, the World Trade Organization agreed to disassemble the quota system that had regulated trade in textiles and clothing for

7. UNESCO (2005), "Did you know? International trade in cultural goods," available at: http://www.uis.unesco.org/ev.php?ID=5028_201&ID2=DO_TOPIC. This study states that China's contribution to world cultural exports rose from 0.2% in 1985 to 8.9% in 1998, or 9.6% if Hong-Kong is included (UNESCO, 2005).
8. Since that time, the yuan has been pegged to a basket of currencies which includes the US dollar.

Table 2
Culture goods imported from China

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Percentage share 2005	Percentage change (1996-2005)
	\$000											
Writing and published works	36,830	42,561	49,848	68,300	75,048	78,444	113,106	140,032	156,790	162,583	58	341
Visual arts	35,126	39,172	50,093	59,109	77,477	91,677	112,085	103,583	96,170	89,160	32	154
Film and video	592	711	1,714	1,815	2,515	2,865	4,878	6,697	7,363	5,670	2	858
Photography	618	972	1,518	1,442	2,854	4,453	5,194	4,917	6,710	10,968	4	1675
Advertising	1,581	1,146	1,499	1,800	2,866	2,496	1,751	2,916	2,670	4,789	2	203
Sound recording and music publishing	2,045	3,398	2,161	2,584	2,573	2,975	3,386	2,334	2,754	2,536	1	24
Heritage	1,358	4,035	2,775	1,928	2,581	3,443	3,098	9,144	2,512	2,090	1	54
Architecture	124	111	89	147	60	12	66	90	203	188	0	52
Total	78,273	92,107	109,697	137,125	165,975	186,365	243,473	269,713	275,172	277,984	100	255

Source: Statistics Canada, Culture goods trade, Catalogue no. 87-007-XIE.

decades. As a result of the removal of all quotas by January 1, 2005, plus China's continued emergence as a manufacturing powerhouse, imports of clothing from China increased nearly 50% to \$3.0 billion in 2005.

Solid growth in Canadian culture exports to China

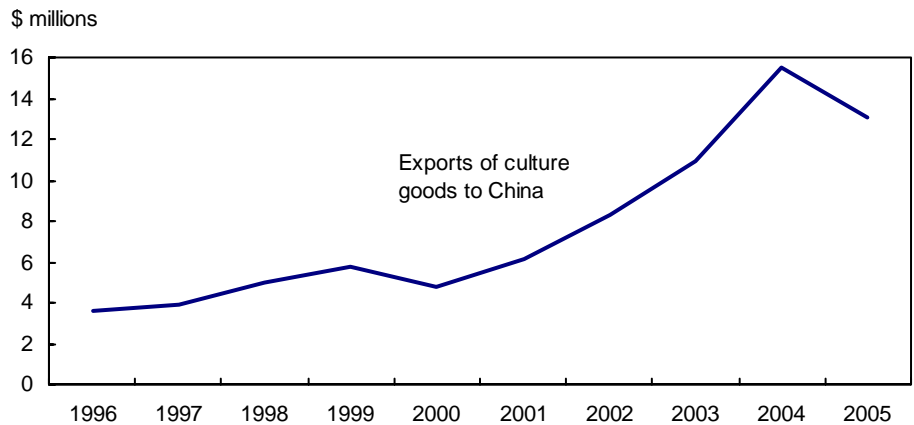
China was the fifth largest recipient of Canada's exports of culture goods in 2005. Culture goods exports to China experienced substantial growth over the period, rising from \$3.6 million in 1996 to \$13 million in 2005 (Figure 2). There are many factors which have contributed to the growth of Chinese demand for Canadian culture goods. Market access to every sector in China has improved with its increased integration into the world economy and especially since it joined the World Trade Organization in 2001.⁹ In addition, China's booming economy, which grew by at least 7.5% annually between 2000 and 2005, also helped increase demand for foreign goods.

Leading the gain over the period were exports of advertising, film and video

9. Government of Canada (2003), "Canada-China Trade and Investment," available at: <http://www.beijing.gc.ca/beijing/en/navmain/canada/602/index.htm>.

Figure 2

Canadian culture goods exported to China experienced healthy growth over the period



and writing and published works (Table 3). By 2005, advertising had become the leading category, making up a third of all Canadian culture goods exports to China. Film and video, which accounted for \$2.7 million in culture exports to China in 2005, advanced its share of culture goods exports to 21% in 2005. The growth was fuelled mainly by exports of goods such as DVDs and video cassettes. Written and published works followed, with 23% of total culture goods exported to China in 2005 belonging to this category.

Writing and published works experienced a substantial drop in market share, however, from 51% in

1996 to 23% in 2005, as market shares of film and video and advertising surged ahead. Despite no longer being the largest category of culture goods exports to China, exports of writing and published works nevertheless rose 66% over the period, reaching \$3 million in 2005.

While, overall, culture exports to China rose 266% over the period, they fell in 2005, as did Canada's total culture goods exports to all countries. However, total merchandise trade exports to China rose 9.2% in 2005. Increased prices for industrial goods and materials account for most of the overall increase in Canadian exports of these goods to China. Energy exports, for

Table 3
Culture goods exported to China

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Percentage share 2005	Percentage change (1996-2005)
	\$000											
Film and video	198	384	1,104	2,000	2,635	1,762	2,598	5,065	9,203	2,748	21	1288
Writing and published works	1,814	2,005	863	1,233	952	3,651	4,491	2,930	4,049	3,018	23	66
Photography	334	161	59	95	125	122	236	393	827	1,613	12	383
Heritage	295	706	1,049	1,716	397	229	356	506	545	83	1	-72
Visual arts	503	392	816	107	342	200	181	344	404	1,223	9	143
Advertising	245	166	39	187	96	43	217	148	224	4,290	33	1651
Sound recording and music publishing	151	78	1,005	388	215	95	251	1,553	212	58	0	-62
Architecture	23	0	0	15	1	5	0	0	12	7	0	-70
Total	3,562	3,891	4,936	5,742	4,763	6,107	8,331	10,940	15,476	13,039	100	266

0 true zero or a value rounded to zero

Source: Statistics Canada, Culture goods trade, Catalogue no. 87-007-XIE.

example, pushed export values to record levels in 2004 and 2005, but largely due to increased prices for oil and natural gas. Prices for culture goods exports, however, did not rise in the dramatic manner as those of industrial goods and thus did not drive up the overall value of culture goods exports as they did with exports of industrial goods and materials.¹⁰

Canada's trade balance worsens

In general, Canada's demand for imported culture goods outweighs foreign demand for Canada's culture products. The overall culture trade deficit has remained fairly constant over the 1996 to 2005 period, at about \$1.6 billion per year. This was not the case, however, for culture goods trade with China. Canada's culture trade deficit with China has climbed steadily, from \$75 million in 1996 to \$265 million in 2005 (Table 4).

China was the second largest source of Canada's trade deficit in culture goods in 2005, following the United

States. In addition, the deficit with China increased more than with any other trading partner between 1996 and 2005. China's share of the Canadian deficit in culture goods trade increased from 4% to 16% over the period, while the U.S. share declined from 82% to 57%. While all culture sub-sectors reported a trade deficit with China in 2005, writing and published works accounted for approximately 60% of the total culture trade deficit at \$160 million.

Conclusion

Culture goods trade between Canada and China expanded greatly during the decade covering 1996 to 2005. Over the period, imports climbed from \$78.3 million to \$278 million,

10. *Statistics Canada, International Merchandise Trade Annual Review, 2005, Catalogue no. 65-208-XIE, available at <http://www.statcan.ca/bsolc/english/bsolc?catno=65-208-XIE>.*

Figure 3
Canada's trade balance with China worsened over the period

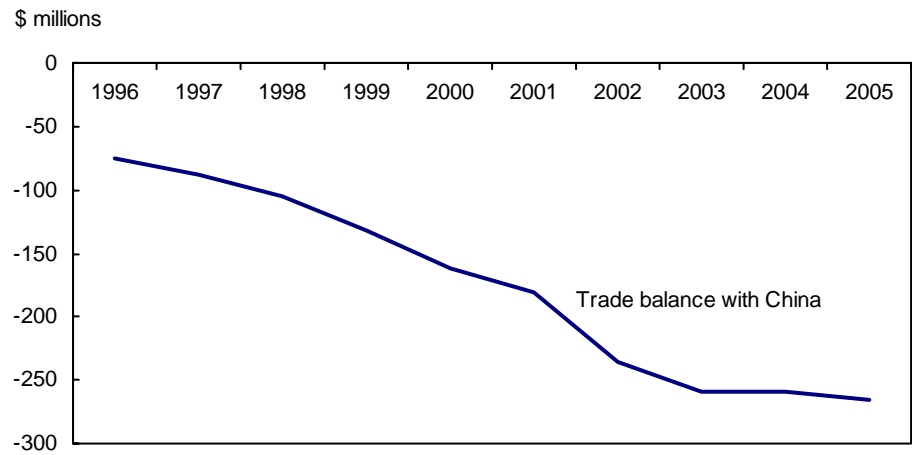


Table 4
Canadian trade deficit in culture goods (top 5 countries)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	(\$000)									
Imports										
United States	2,625,742	2,865,474	3,003,638	2,993,441	3,024,673	3,103,894	3,204,407	3,153,722	3,060,979	3,068,503
China	78,273	92,107	109,697	137,125	165,975	186,365	243,473	269,713	275,172	277,984
France	126,779	137,790	151,593	156,965	162,590	159,145	170,553	178,870	189,680	231,279
United Kingdom	117,155	146,799	150,271	146,551	161,516	161,735	169,395	189,285	141,470	150,292
Japan	18,653	19,894	20,283	20,087	21,685	19,191	17,032	22,219	33,048	35,707
Total	3,098,932	3,405,200	3,608,843	3,648,193	3,729,805	3,855,554	4,028,850	4,065,201	3,934,285	4,039,277
Exports										
United States	1,117,706	1,237,768	1,550,052	1,789,456	2,008,077	2,184,824	2,358,089	2,309,936	2,210,267	2,126,928
China	3,562	3,891	4,936	5,742	4,763	6,107	8,331	10,940	15,476	13,039
France	18,206	17,212	16,639	22,077	11,688	12,555	9,726	25,890	26,818	38,431
United Kingdom	23,658	29,687	20,179	20,149	26,794	16,342	16,526	25,831	54,374	66,867
Japan	4,030	13,229	19,534	14,262	8,626	17,119	9,473	19,291	12,618	11,241
Total	1,254,453	1,377,138	1,672,567	1,894,917	2,103,277	2,286,876	2,458,042	2,465,578	2,398,350	2,373,762
Deficit										
United States	-1,508,036	-1,627,706	-1,453,586	-1,203,985	-1,016,596	-919,070	-846,318	-843,786	-850,712	-941,575
China	-74,711	-88,216	-104,761	-131,383	-161,212	-180,258	-235,142	-258,773	-259,696	-264,945
France	-108,573	-120,578	-134,954	-134,888	-150,902	-146,590	-160,827	-152,980	-162,862	-192,848
United Kingdom	-93,497	-117,112	-130,092	-126,402	-134,722	-145,393	-152,869	-163,454	-87,096	-83,425
Japan	-14,623	-6,665	-749	-5,825	-13,059	-2,072	-7,559	-2,928	-20,430	-24,466
Total trade deficit	-1,844,479	-2,028,062	-1,936,276	-1,753,276	-1,626,528	-1,568,678	-1,570,808	-1,599,623	-1,535,935	-1,665,515

Source: Statistics Canada, *Culture goods trade, Catalogue no. 87-007-XIE*.

while exports went from \$3.6 million in 1996 to \$13 million in 2005. Much of this expansion in trade occurred between 1996 and 2003, however, and then slowed in 2004 and 2005.

What does the future hold for Canada's trade with China? Much depends on the nature of China's economic growth. However, increasing business with China has been a priority during the past decade for Canada's federal and provincial governments, which have sponsored numerous trade missions to the huge Asian market. In October 2005, the Canadian government announced its intention to invest in a Pacific Gateway strategy to improve transportation infrastructure and otherwise facilitate trade links with Asia.

China's integration into the world economy is one of the most important economic developments of the last decade. For most countries, this has meant an increase in imports of lower priced and mass produced goods.¹¹ Given the continued strength of the Canadian dollar through the first part of 2006, further advances in trade with China are likely. If this trend continues, China will become an increasingly important partner in Canada's culture trade.

11. Francine Roy, Statistics Canada, *Canada's Trade and Investment with China*, June 2005, available at: <http://www.statcan.ca/english/freepub/11-010-XIB/0060511-010-XIB.htm>.

Vik Singh was formerly an analyst with the Culture Statistics Program. **Miles Rowat** was formerly an analyst with International Trade Division.

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The New Culture of the Culture Statistics Program

Mary Cromie and Marla Waltman Daschko

The Culture Statistics Program (CSP) has been Statistics Canada's chief source for analysis of the culture sector since the program's inception in 1972. This role will continue. However, the CSP is making substantial changes to the way it collects culture data and, in effect, the data themselves. This article is intended to inform users of these data, of the scope of these upcoming changes and how the CSP is managing the challenges presented by this transition.

How has the CSP changed?

In 2003, Statistics Canada's management determined that changes to the CSP were required, which would allow the program to achieve the dual goals of program stability and efficiency. These changes included the adoption of survey practices in use throughout the department and the transfer of certain phases of the survey process to another division in Statistics Canada – the Service Industries Division (SID). It was determined that these changes could be put in place while ensuring that data quality was maintained and enhanced wherever possible. An added dimension to this change, which is called the Culture Streamlining Initiative, would be to free up CSP staff from collection and processing tasks, allowing them to focus more on analysis.

What was behind these changes to the CSP?

For a number of years the CSP has been struggling with insufficient resources, given that sources of external funding have been limited and unstable. Costs have increased

due to the growth in the number of new companies in most culture sectors, along with the continuous rise in the actual costs of collection per unit. In addition, internal budget cuts have necessitated cuts to survey output. Not only could annual data no longer be produced for all survey areas, but also in recent years, some surveys have had to be postponed or cancelled outright for the program to stay within its resource limits. These constraints have led to complaints from data users about a lack of current data and data not being available in a timely fashion.

Finally, the CSP had never adopted some of the survey practices prevalent throughout the rest of Statistics Canada. These include the use of the Business Register, survey sampling (rather than censuses), the application of the North American Industry Classification System (NAICS) codes to define the population being surveyed, provision of data to the System of National Accounts and production of annual (or biennial) data on a consistent basis.

How has this integration been managed?

The key decision was to transfer collection and data processing activities to the Service Industries Division. This major change required extensive liaison between the two Statistics Canada divisions to ensure that the transition is smooth and relatively seamless. As a result, numerous working groups were set up to address in detail the enormous challenges and changes of implementing the bureau's best practices. Specifically, one group has worked on new questionnaire content, another on improving the records for culture establishments in the Business Register, a third on sampling, another on collection and processing schedules and procedures and yet another on dissemination and analysis plans.

Content

Coincidental with the collection activity for culture data moving to Service Industries Division, that Division has just completed a year of work to harmonize, wherever possible, the content of all of its other surveys. The objectives were to streamline collection, processing and editing systems to make questionnaire completion easier for the respondent, produce more comparable data across a large number of industries, and to meet all data needs of the System of National Accounts. The CSP took advantage of this timing to examine all questions in each of the nine surveys that are part of the culture reorganization. The goal was to eliminate all questions where there was no demonstrated user or research data need. We also aspired to create greater consistency across all the culture surveys in the types of data collected. Prior to this exercise, it was difficult to examine a particular concept across our surveys as each had evolved independently over time and concepts and questions were not consistent across all surveys. As part of the new SID collection process, the revenue and expenses questions are now standard, as are questions on personnel, international transactions in services, and provincial breakdowns of revenue and expense streams. All questionnaires were created in consultation with our key clients and were tested on a sample of potential respondents.

Business Register

A second working group improved the frames (list of potential survey respondents) for the individual surveys through extensive updates and corrections to the establishments listed in the Business Register (BR). This database consists of over two million entries that cover businesses in all sectors of the Canadian economy. Because the CSP has always maintained its own inventory

of companies in the areas we survey, the Business Register entries for the culture industries were untested and of uncertain quality. Much work was done to update the BR using the CSP's lists of companies.

The new survey program will be collecting data on industries rather than activities. That is, in the past, the CSP has worked to locate culture activity whether or not it takes place in an establishment that one would traditionally label as culture. For example, a university might manage an extensive archive of historical worth but the archive will be listed on the Business Register as education, as that is the primary commercial activity of that enterprise. Since education is outside the scope of culture industries that means that we will no longer have data on that archive in the survey of heritage institutions. However, wherever data can be reported for a separate establishment, we have worked to create these establishments on the BR so that we include, whenever possible, culture activities that otherwise would be invisible within a larger whole.

In addition, the new *Framework for Culture Statistics*¹ dictates the definition of the industries that fall within the realm of any of our subject areas. Use of the Framework requires adherence to the NAICS codes. In the area of sound recording, for example, the survey will be expanded to include additional industry activity which has not been collected in the past. So not only will we be collecting data on record production companies, but we will also survey integrated production and distribution companies, sound recording studios, music publishers and companies offering other sound recording services. Similarly, in the area of the performing arts, our coverage is now expanded from the not-for-profit sector to include commercial performing arts companies as well.

Survey sampling

Another working group addressed sampling issues. The CSP has always conducted censuses of culture activities and institutions; this means that we have sent questionnaires to all establishments known to us. This approach has required a large number of companies to complete our surveys each time. In line with standard Statistics Canada procedures, and in order to contain collection and processing costs as the number of culture companies continues to grow, we have moved to surveying a representative sample of these companies. This approach has involved extensive investigation into which key data variables best represent the character of an industry and can be used as sampling criteria. These key variables are often non-financial items, which is unlike the majority of survey work done at Statistics Canada. Most business surveys focus on financial variables such as income, revenue and personnel costs. Data which explore details about the products produced by a business and their characteristics (e.g., type, Canadian content, language, etc.) are not commonly surveyed. These types of characteristics are, of course, extremely important to the measurement of culture in this country, and so extensive work was done to ensure that we can continue to collect these data to the greatest extent possible.

We hope to meet these unique needs through several approaches. Generally, Statistics Canada does not survey the smallest establishments in an industry because of the respondent burden it poses to them.

1. Statistics Canada (2004), "Canadian Framework for Culture Statistics," *Research Paper Series*, Catalogue no. 81-595-MIE2004021, Statistics Canada, available at: <http://dissemination.statcan.ca:8083/english/research/81-595-MIE/81-595-MIE2004021.pdf>.

Nonetheless, for culture, we have lowered the minimum company size (based on revenue) that is used as the cut-off, below which we do not survey. Sample sizes were increased to ensure that establishments that represent rarer characteristics (such as children's book publishing) are included in the sample. As well, the addition to the sample of specific units, on an individual basis, will ensure that firms that are important from a culture point of view, and not just a financial point of view, are chosen for each survey.

Collection and processing

A working group was created to ensure that the new data collection procedures for the culture surveys adequately address issues of change. The documentation that is mailed to respondents with the new questionnaires has been tailored to the differences in the look and content of the surveys. Some of our respondents have been completing the same basic questionnaire for years and the new questionnaires represent quite a departure from what they are used to. We have, therefore, recognized this as a concern.

Dissemination and analysis

The key priority of the CSP is to produce high quality data and analysis and to ensure straightforward access to it by the public. Although the streamlining initiative will have far-reaching effects on the role of the CSP, on our data users (ranging from occasional to key clients), on Service Industries Division and on a number of other divisions within STC, this priority will remain. The CSP will continue to be Statistics Canada's centre of subject-matter expertise for the culture sector in Canada. An analysis and dissemination working group has been set up to discuss and coordinate how contact with data users will proceed and how data from the new surveys will be analyzed and disseminated.

The CSP will now be able to focus on analysis more than ever before, as our collection, processing and production roles have been transferred to Service Industries Division. Our hope is to conduct more integrative analysis, which is, in fact, a direction we have been steering towards over the past half dozen years or so. This means, for example, in an article for *Focus on Culture*, we might look at the production and post-production film industries and see how their output affects the film distribution industry, which in turn is reflected in attendance at movie theatres. The fact that many data points in all these surveys will be the same in the re-designed questionnaires will make this possible. As well, the Survey of Household Spending could provide additional information on Canadians' spending on going to the movies, video rentals, the rental of satellite TV services, etc. The interconnections between all parts of the film industry and aspects of the broadcasting sector could be explored. We will be producing policy-relevant research that is of interest to the culture community. At the same time as the CSP's research role will be growing, we are looking forward to the addition to culture research of analytical expertise from Service Industries Division. This means that there will be two areas within the department where culture will be a subject of analysis.

Data needs of our users are always a priority at Statistics Canada. Throughout this integration project, one of the most important initiatives of the CSP has been to guarantee that time series data will be available even though survey populations are changing, samples are used and the names of respondents are drawn from a different source. This guarantee has necessitated extensive work by Statistics Canada's methodologists to devise a means of replicating data for the new survey populations, to reflect what these

data would have been for the two previous survey years, if our new procedures had been in place. This so-called "back-casted" data will be available for each of the surveys currently being processed.

At the same time as our research horizon is expanding, the working group is exploring the best vehicles for making culture data and analysis available to our users. Both the *Guide to Culture Statistics* (catalogue no. 87-008) and *Focus on Culture* will continue to be our primary products.

In addition to the changes already discussed, we are in the process of modifying *Focus on Culture*. A new electronic version will be introduced in the fall of 2006. This issue of *Focus on Culture* is the last one that will be published in paper and PDF versions. The next issue will be published electronically only, in an HTML format. The new format will allow for greater flexibility of both content and timing. Subscribers to the paper version will be refunded for any outstanding issues. Clients will be notified by Marketing Division of the details of these changes. In subsequent issues of *Focus*, we will let you know about other changes in the dissemination of our products and services.

In conclusion, we are clearly in the midst of a number of significant changes to the Culture Statistics Program. We are aware of the fact that the data resulting from this transition will not necessarily meet the needs of all of our data users. However, we can say that we have done our very best to capitalize on the advantages that this integrated approach offers and to minimize the drawbacks.

Mary Cromie is the head of Social Analysis and Publications in the Culture Statistics Program. **Marla Waltman Daschko** is the chief of the Culture Statistics Program.

□

Provincial and territorial data

Often in our analysis of survey data, we look at the national picture only, and do not highlight provincial or territorial patterns. In order to provide more regional data for our users, we are including selected provincial data in each issue of *Focus on Culture*. This time we are presenting recently released data from the Motion Picture Theatres Survey.

Motion Picture Theatres, 2003-2004

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y.T., N.W.T. and Nvt.	Canada
Number of theatres												
Regular theatres	13	3	19	12	115	159	32	40	77	98	6	574
Drive-ins	0	2	3	4	14	18	4	6	1	2	0	54
Total	13	5	22	16	129	177	36	46	78	100	6	628
Paid admissions (000)												
Regular theatres	1,270	x	x	1,943	28,555	43,251	4,591	3,296	x	x	325	118,161
Drive-ins	0	x	x	42	694	466	59	66	x	x	0	1,477
Total	1,270	593	3,581	1,986	29,249	43,716	4,650	3,362	14,654	16,251	325	119,637
Average ticket price (\$)												
Regular theatres	7.01	x	x	7.20	6.83	8.21	5.77	5.42	x	x	6.79	7.45
Drive-ins	0	x	x	7.31	6.57	9.24	7.06	5.46	x	x	0	7.54
Total	7.01	6.62	7.26	7.20	6.83	8.22	5.79	5.42	7.24	7.76	6.79	7.45
Number of screens												
Regular theatres	31	x	x	50	746	988	98	111	x	x	13	2,896
Drive-ins	0	x	x	4	32	28	4	8	x	x	0	84
Total	31	16	96	54	778	1,016	102	119	371	384	13	2,980
Number of seats/cars												
Regular theatres(seats)	8,095	x	x	11,404	153,848	235,949	24,008	22,842	x	x	1,868	660,872
Drive-ins(cars)	0	x	x	1,231	16,749	8,676	1,546	2,667	x	x	0	33,625
Revenue - regular theatres (\$ 000)												
Admission receipts	7,746	3,506 ¹	22,622 ¹	12,176	180,880	333,261	24,646	17,004	106,134 ¹	126,081 ¹	2,208	835,152
Concessions & other	4,799	1,958 ¹	12,384 ¹	6,368	71,105	144,439	14,135	10,159	53,671 ¹	51,320 ¹	1,530	371,270
Total	12,545	5,464 ¹	35,006 ¹	18,543	251,890	477,701	38,781	27,163	159,805 ¹	177,401 ¹	3,738	1,206,328
Revenue - drive-ins (\$ 000)												
Admission receipts	0	x ¹	x ¹	270	4,257	3,987	396	358	x ¹	x ¹	0	10,379
Concessions & other	0	x ¹	x ¹	148	4,713	1,421	163	163	x ¹	x ¹	0	7,205
Total	0	x ¹	x ¹	418	8,969	5,408	559	522	x ¹	x ¹	0	17,584
Expenses - total (\$ 000)												
Regular theatres	10,200	x	x	15,407	269,607	457,037	36,133	23,403	x	x	3,400	1,153,627
Drive-ins	0	x	x	532	8,108	4,292	458	511	x	x	0	15,557
Total	10,200	4,664	29,507	15,938	277,715	461,329	36,591	23,914	139,790	166,136	3,400	1,169,184
Employment - regular theatres												
Full-time	17	7 ¹	44 ¹	21	445	679	45	56	313 ¹	249 ¹	8	1,871
Part-time	156	79 ¹	571 ¹	246	3,092	5,946	533	398	1,766 ¹	2,142 ¹	94	14,961
Working proprietors and family workers	5	5 ¹	3 ¹	14	65	38	22	25	40 ¹	32 ¹	0	242
Employment - drive-ins												
Full-time	0	x ¹	x ¹	5	55	14	2	0	x ¹	x ¹	0	89
Part-time	0	x ¹	x ¹	23	230	177	25	41	x ¹	x ¹	0	558
Working proprietors and family workers	0	x ¹	x ¹	3	10	20	4	18	x ¹	x ¹	0	62
Salaries and benefits (\$ 000)												
Regular theatres	1,805	x	x	2,296	37,902	59,451	5,025	4,252	x	x	802	160,458
Drive-ins	0	x	x	160	2,078	749	73	84	x	x	0	3,569
Total	1,805	709	4,762	2,455	39,980	60,200	5,098	4,336	20,070	23,811	802	164,027
Profit margin (% of total revenue)												
Regular theatres	18.7	x	x	16.9	-7.0	4.3	6.8	13.8	x	x	9.0	4.4
Drive-ins	0	x	x	-27.3	9.6	20.6	18.0	2.1	x	x	0.0	11.5
Total	18.7	14.6	15.7	15.9	-6.5	4.5	7.0	13.6	12.5	6.3	9.0	4.5

0 true zero or a value rounded to zero

x suppressed to meet the confidentiality requirements of the Statistics Act

1. Combined data for regular and drive-in theatres are reported under regular theatres.

Source: Statistics Canada, Movie theatres and drive-ins: data tables, Catalogue no. 87F0009XIE.

DID YOU KNOW? New data from the Sound Recording Survey, 2003

The Canadian sound recording industry experienced its worst financial performance in six years in 2003 in the wake of bleak sales, declining new releases and a huge drop in profits. In total, Canadian labels reported just over \$708.7 million in revenue from the sale of recordings. This was 17.7% below the level in 2000 and 20.5% below the peak in 1998.

Profile of the sound recording industry

	1998	2000	2003
		number	
Number of companies	280	331	300
Number of new releases	6,728	6,654	5,619
By Canadian artists	1,023	1,034	904
Other	5,705	5,620	4,715
Employment (includes freelancers)	3,377	3,305	3,078
		\$ millions	
Net sales of recordings	891.6	861.4	708.7
Sales of recordings by Canadian artists	154	138	110.4
Other sales of recordings	737.6	723.4	598.4
Other revenues	432.2	457.9	444.5
Total revenue	1,323.9	1,319.3	1,153.2
Total expenses	1,134.0	1,161.7	1,122.7
Profit/loss before taxes	189.8	157.6	30.5
Salaries, benefits and freelancer fees	149.8	167.6	153.5

Profile of foreign-controlled companies

	1998	2000	2003
		number	
Number of companies	17	16	13
Number of new releases	4,778	4,603	3,653
By Canadian artists	202	166	100
Other	4,576	4,437	3,553
Employment (includes freelancers)	2,402	2,103	1,644
		\$ millions	
Net sales of recordings	788.2	749.3	600
Sales of recordings by Canadian artists	75.5	74	44.2
Other sales of recordings	712.7	675.3	555.8
Other revenues	365	381.1	315.6
Total revenue	1,153.2	1,130.4	915.6
Total expenses	977.5	986.3	886.2
Profit/loss before taxes	175.7	144.1	29.5
Salaries, benefits and freelancer fees	127.9	135.7	115.1

Profile of Canadian-controlled companies

	1998	2000	2003
		number	
Number of companies	263	315	287
Number of new releases	1,950	2,051	1,966
By Canadian artists	821	868	804
Other	1,129	1,183	1,162
Employment (includes freelancers)	975	1,202	1,434
		\$ millions	
Net sales of recordings	103.4	112.1	108.7
Sales of recordings by Canadian artists	78.5	63.9	66.1
Other sales of recordings	24.9	48.2	42.5
Other revenues	67.2	76.8	128.9
Total revenue	170.6	188.9	237.6
Total expenses	156.5	175.4	236.5
Profit/loss before taxes	14.1	13.5	1.1
Salaries, benefits and freelancer fees	22	31.9	38.3

HOW ARE WE DOING?

We hope you find this bulletin both informative and useful. Your views on the information and analysis contained in this issue, or previous issues, of *Focus on Culture* are important as they help us to meet your needs for information about culture in Canada. Please let us know how we are doing.

Send your comments to:

Alice Peters, Editor-in-chief

Focus on Culture

Culture Statistics Program

Statistics Canada

Ottawa, ON

K1A 0T6

Telephone: (613) 951-4086

Fax: (613) 951-1333

E-mail: alice.peters@statcan.ca

HOW TO FIND OUT MORE...

For information on special data tabulations, the content of specific surveys, concepts, methods or data quality, please contact Client Services, Culture, Tourism and the Centre for Education Statistics by:

- **Telephone:** Toll-free at 1 800 307-3382 or (613) 951-7608
- **Fax:** (613) 951-9040; or
- **E-mail:** cult.tourstats@statcan.ca



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Editor-in-Chief:

Alice Peters
 Telephone: (613) 951-4086
 E-mail: alice.peters@statcan.ca

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