

# Television broadcasting, 2016

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Total operating revenues for the Canadian television broadcasting sector rose 0.9% from 2015 to \$7.5 billion in 2016. Profits before interest and taxes increased 15.9%, from \$732.8 million in 2015 to \$849.0 million in 2016.

These gains were the result of an increase in subscription revenues of \$68.3 million, from \$2.920 billion in 2015 to \$2.988 billion in 2016. Public and private subsidies increased 5.8%, from \$892.9 million to \$944.8 million. These increases more than offset the 0.9% decrease in air time sales and a 7.5% decline in other revenue.

The private conventional television segment's share of operating revenues in the television broadcasting sector decreased in 2016. This segment generated \$1.8 billion in operating revenues, representing 23.9% of the total operating revenues for the sector, compared with 25.5% in 2015. Specialty television (48.2%) continued to increase its market share with operating revenues of \$3.6 billion, while public and non-commercial television (18.1%) and pay television (9.9%) accounted for the remaining operating revenues of the television broadcasting sector.

Operating revenues for the public and non-commercial television segment rose 5.9% to \$1.4 billion in 2016. Advertising sales for this segment increased 20.3% to \$279.4 million in 2016, compared with \$232.3 million in 2015.

Operating expenses for the public and non-commercial television segment increased 2.2%, from \$1.29 billion in 2015 to \$1.32 billion in 2016, as a result of programming expenses and sales and promotion expenses. In 2016, this segment posted \$824.5 million in programming expenses, compared with \$770.0 million in 2015. Sales and promotion rose from \$121.0 million in 2015 to \$135.5 million in 2016. This segment saw a surplus of \$36.2 million in 2016. The segment's gross profit margin was 2.7%.

With a 2.7% increase in its operating revenues, the specialty television segment saw a 4.5% increase in its profits before interest and taxes in 2016, bringing the profit margin to 25.7%. Operating expenses were up 2.2% to \$2.7 billion, mainly due to a \$75.5 million rise in programming expenses.

The pay television segment generated a \$292.0 million profit before interest and taxes in 2016, bringing the gross profit margin to 0.04%.

## **Revenue from air time sales continue to fall**

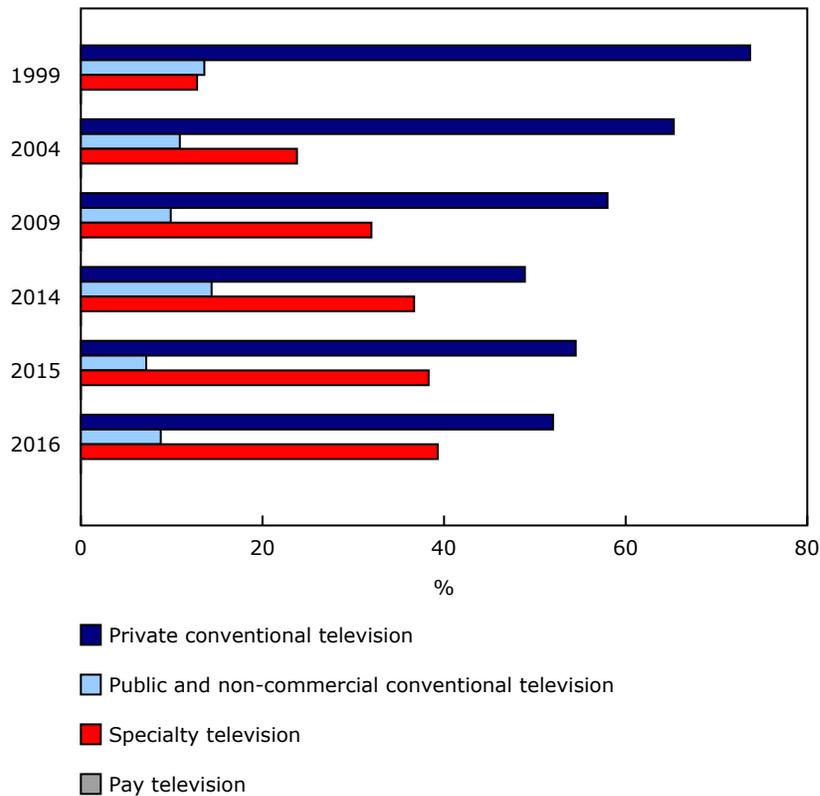
Air time sales, the main component of revenue, fell 0.9% to \$3.2 billion in 2016, continuing a downward trend that began in 2012. In 2016, the private television segment saw air time sales decrease 5.4%, while the pay television segment experienced a 41.1% drop. Air time sales for the public and non-commercial television segment increased 20.3%, while sales in the specialty television segment rose 1.7%.

The decline in air time sales in the television broadcasting sector in 2016 was slightly offset by an increase in subscription revenues, which rose 2.3% from 2015 to \$3.0 billion in 2016.

The private conventional television sector accounted for 52% of the market share of air time sales in 2016. By comparison, the market share of advertising sales was 39.3% for the specialty television segment and 8.8% for the public and non-commercial television segment.



**Chart 1**  
**Market share by type of broadcaster (air time)**



Source(s): Radio and Television Broadcasting Survey.

### Private conventional television posts losses in all provinces

Total operating revenues for the Canadian private conventional television segment decreased 5.4% to \$1.8 billion in 2016. Operating expenses fell 6.5% to \$1.9 billion, leading to losses of \$114.0 million and a profit margin before interest and taxes of negative 6.4%.

In the Atlantic provinces, the losses amounted to \$16.3 million in 2016, compared with \$14.8 million in 2015. A 4.1% decrease in operating revenues, combined with a 1.5% decline in operating expenses, explains these losses.

In Quebec, losses before interest and taxes were \$9.8 million in 2016, compared with losses of \$11.7 million the previous year. This slight improvement in 2016 is explained by a 2.6% decrease in operating revenues, to \$363.7 million, and a 3.0% decline in operating expenses, to \$373.6 million.

In Ontario, operating revenues fell 6.8% to \$809.7 million in 2016, compared with \$868.8 million in 2015. Operating expenses declined 8.2% to \$851.9 million, resulting in losses of \$42.1 million.

Private conventional television stations in Western Canada recorded losses before interest and taxes of \$45.8 million in 2016, compared with \$57.4 million in 2015. This improvement is due to operating expenses that fell 6.6% to \$591.2 million and operating revenues that saw a 5.3% decline to \$545.4 million.

**Table 1**  
**Financial indicators: Television broadcasting industries<sup>1</sup>**

	2015	2016	2015 to 2016
	millions of dollars		% change
<b>Total operating revenues by type of broadcaster</b>	<b>7,410.4</b>	<b>7,476.9</b>	<b>0.9</b>
Conventional television	3,165.6	3,139.4	-0.8
Private conventional television	1,886.5	1,784.7	-5.4
Public and non-commercial television	1,279.1	1,354.7	5.9
Pay and specialty television	4,244.8	4,337.5	2.2
Specialty television	3,503.9	3,600.2	2.7
Pay television	740.9	737.2	-0.5
<b>Total operating revenues by source</b>	<b>7,410.4</b>	<b>7,476.9</b>	<b>0.9</b>
Air time sales	3,220.1	3,192.3	-0.9
Subscriptions	2,919.7	2,988.0	2.3
Grants	892.9	944.8	5.8
Local programming improvement fund	0.0	0.0	...
Other revenues	377.7	351.7	-6.9
<b>Sale of air time by type of broadcaster</b>	<b>3,220.1</b>	<b>3,192.3</b>	<b>-0.9</b>
Conventional television	1,987.6	1,939.1	-2.4
Private conventional television	1,755.3	1,659.7	-5.4
Public and non-commercial television	232.3	279.4	20.3
Pay and specialty television	1,232.5	1,253.2	1.7
Specialty television	1,232.4	1,253.2	1.7
Pay television	0.1	0.0	-40.3

... not applicable

1. North American Industry Classification System 2007: Television broadcasting (51512) and pay and specialty television (51521).

Source(s): CANSIM table [357-0001](#).

**Table 2**  
**Financial indicators: Television broadcasting industries <sup>1</sup>**

	2015	2016
	%	
<b>Profit margin (profit margin before interest and taxes) by type of broadcaster (private)</b>	<b>12.1</b>	<b>13.3</b>
Private conventional television	-7.6	-6.4
Pay and specialty television	20.9	21.4
<b>Market share by type of broadcaster (revenue)</b>		
Conventional television	42.7	42.0
Private conventional television	25.5	23.9
Public and non-commercial television	17.3	18.1
Pay and specialty television	57.3	58.0
Specialty television	47.3	48.2
Pay television	10.0	9.9
<b>Market share by type of broadcaster (air time)</b>		
Conventional television	61.7	60.7
Private conventional television	54.5	52.0
Public and non-commercial television	7.2	8.8
Pay and specialty television	38.3	39.3
Specialty television	38.3	39.3
Pay television	0.0	0.0

1. North American Industry Classification System 2007 (51512 – Television Broadcasting and 51521 – Pay and Specialty Television).

Source(s): Tableau CANSIM [357-0001](#).



In celebration of the country's 150th birthday, Statistics Canada is presenting snapshots from our rich statistical history.

On September 6, 1952, CBFT Montreal hit the airwaves. On the inaugural evening, the "Club d'un soir" was the first broadcasted show.

October 11, 1952: Canada's first televised hockey game airs. Play-by-play of the game was provided by René Lecavalier in French for the match between the Montreal Canadiens and the Detroit Red Wings (The Canadiens won 2-1).

November 1, 1952: Canada's first English language broadcast of a hockey game. Foster Hewitt called the game between the Toronto Maple Leafs and the Boston Bruins (The Maple Leafs won 3-2).

On October 20, 1953, CKSO-TV Sudbury became the first private television station in Canada.

**Note to readers**

Until 2012, Statistics Canada published data as provided by the Canadian Radio-television and Telecommunications Commission. Starting with the 2013 reference year, data on the pay and specialty television segments are processed by Statistics Canada.

To ensure comparability between data prior to 2013 and data for 2013 onward, data were subjected to several quality assurance processes. A comparative analysis revealed that data processing—using Statistics Canada's standard processes—resulted in revision differences of less than 2% compared with the data originally published in 2013.

For a detailed explanation of error detection, imputation and quality evaluation, see the Radio and Television Broadcasting Survey (2724) page on our website.

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**Available in CANSIM: table [357-0001](#).**

**Definitions, data sources and methods: survey number [2724](#).**

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