

Sound recording and music publishing, 2017

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The Canadian sound recording and music publishing industry posted strong growth in 2017, with total operating revenues increasing by \$186.7 million (+21.1%) from 2015 to \$1.1 billion. Over the same period, total operating expenses rose by \$164.9 million (+20.6%). As growth in revenues outpaced growth in expenses, the industry operating profit margin edged up from 9.7% in 2015 to 10.0% in 2017.

The largest group within the industry, record production and distribution, accounted for over half (53.9%) of total operating revenue, followed by music publishers (30.7%), sound recording studios (13.0%) and other sound recording industries (2.4%).

Record production and distribution

Operating revenues in the record production and distribution industry increased 28.1% from 2015 to \$577.2 million in 2017. During this two-year period, the industry's operating profit margin rose from 5.5% to 6.4%.

While sales of music in most formats declined, the industry earned \$175.9 million in revenue from streaming sales. The shift toward streaming sales was partly due to the evolution of the technology and consumer preferences for music services that are delivered in real time.

In 2017, streaming sales represented the largest share (42.6%) of sales by format, followed by compact discs (27.7%), digital downloads (23.3%) and other formats, including vinyl and DVD (6.4%). Compact disc sales were down 26.1% from 2015, while digital download sales decreased 23.9% over the same period.

Royalties, franchise fees and memberships accounted for one-third (33.6%) of operating expenses in this industry in 2017, followed by cost of goods sold (25.8%) and salaries, wages, commissions and benefits (14.4%).

Music publishers

The music publishing industry includes establishments primarily engaged in acquiring and registering copyrights in musical compositions, and promoting and authorizing the use of these compositions. These establishments may own the copyright, or act as administrators of the music copyrights on behalf of the copyright owners.

Music publishers earned operating revenues of \$329.1 million in 2017, up 17.2% from 2015. The industry's operating profit margin declined from 11.4% in 2015 to 10.5% in 2017. As with record production and distribution, the largest share of expenditures in this industry comes from royalties, franchise fees and memberships (36.9%). Salaries, wages, commissions and benefits followed, accounting for 21.1% of operating expenses.

Sound recording studios

Sound recording studios are primarily engaged in providing the facilities and technical expertise needed for recording music in a studio, as well as audio production and post-production services for film, television and video. Operating revenues in this industry increased 6.8% from 2015 to \$139.5 million in 2017, while the operating profit margin rose to 17.4%.

Because of the technical expertise needed for activities such as audio recording, mixing and mastering, a significant share of this industry's expenses was devoted to salaries, wages, commissions and benefits (30.7%).

Note to readers

Data for 2013 and 2015 have been revised.



For reference year 2017, the questionnaire had several content changes, including the addition of questions designed to measure streaming sales. Users should exercise caution when comparing the 2017 results with prior years.

Available tables: [21-10-0055-01](#), [21-10-0056-01](#), [21-10-0080-01](#), [21-10-0083-01](#), [21-10-0084-01](#) and [21-10-0271-01](#).

Definitions, data sources and methods: survey number [3115](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).