

# Film and video distribution, 2021

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## The pandemic and growing digital demand unfavourable to film and video distributors in 2021

The film and video distribution industry continues to change, as movies and television shows shift away from traditional forms and towards digital means. Amidst the COVID-19 pandemic, demand for digital streaming services and platforms accelerated, as industry operators pivoted away from traditional channels such as movie theatres and film festivals, since they were unable to operate for most of 2021. As a result, a reduced need for distribution services, paired with operational changes in the industry, led to a decline of 24.9% in operating revenue from 2019, falling to \$1.4 billion to 2021.

Declines were seen across all revenue streams in the film and video distribution industry, with the largest losses coming from the distribution of film and video titles (-\$373.0 million), and the wholesaling of pre-recorded videos (-\$92.0 million). As the industry has shifted towards digital distribution, wholesaling of pre-recorded videos as a share of total sales has dropped dramatically since 2013, falling to 8.5% of industry sales in 2021.

Operating expenses declined \$409.8 million from 2019 to 2021, resulting in a profit margin of 3.6%. Salaries, wages, commissions and benefits also fell in 2021, declining \$22.3 million from 2019. Operating revenues for the industry remained concentrated in Ontario (85.6%) and Quebec (8.8%).

## Changing conditions heavily impact distribution of non-Canadian productions

The distribution of non-Canadian productions continued to drive the industry, representing 82.7% of total distribution revenues in 2021. The revenues stemming from these productions still fell significantly in 2021, down \$348.1 million from 2019. With closures throughout most of 2021, the largest decline in the domestic distribution of non-Canadian productions was seen in the theatrical markets, which fell \$242.0 million from 2019.

The distribution of Canadian productions also declined in 2021, falling \$24.8 million from 2019. This loss was primarily due to declining sales from distribution to foreign clients (-\$24.7 million), since domestic distribution remained relatively unchanged in 2021 (-\$0.1 million). Distribution revenues from conventional television markets, and video-on-demand and pay-per-view services propped up domestic Canadian distribution services, with revenues from these platforms increasing \$5.0 million and \$0.8 million, respectively, from 2019.

## Streaming and technological change shape industry's future

The film and video distribution industry is expected to face continued change, as increasing digital services and streaming have an impact on the way Canadian distributors operate. With the shift away from traditional distribution channels and increased international competition, the industry continues to experience challenges as it evolves and as operators pivot and adjust to these changes.

### Note to readers

Data for 2015, 2017, and 2019 have been revised.

These and other data related to the arts, culture, heritage and sport sector can be found in the [Culture statistics portal](#).

The [Arts and Culture Data Viewer](#), a new interactive tool that allows users to easily break down economic and social data from Statistics Canada on arts and culture by geographic area and other dimensions is now available.

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**Available tables:** [21-10-0068-01](#), [21-10-0069-01](#), [21-10-0074-01](#) and [21-10-0075-01](#).

**Definitions, data sources and methods:** survey number [2414](#).

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; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).