

The technology boom, a period of dramatic growth and investment in the worldwide telecom and technology industry, peaked in 2000. Most sectors of the software, computer hardware and telecommunications industries saw immediate drops in profits and numbers of employees in 2001. By 2008, the Canadian computer services industry was showing steady recovery and growth.

In 2008, operating revenue in the three sectors comprising Canada's computer services industry reached \$39.6 billion, exceeding pre-2001 levels. The operating profit margin for the industry was 8.1%, climbing from a low of -0.2% in 2001.

The largest sector of this industry, computer systems design, reached operating revenue of \$29.0 billion in 2008 and a profit margin of 7.7%, up from 2.6% in 2001. The software publishing sector recorded operating revenue of \$7.1 billion

and a profit margin of 6.3% in 2008, rising from -9.0% in 2001. Operating revenue in the data-processing sector increased to \$3.6 billion. In 2009, profit margins in this sector rose to 15.5% from 9.1% in 2007, and compared with -0.3% in 2001.

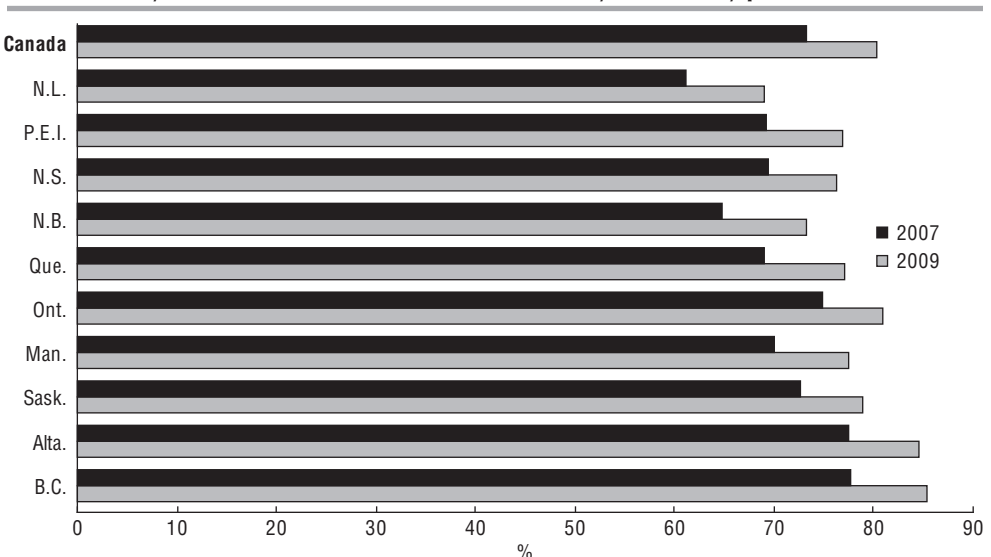
Employment in the software industry declined 0.9% in 2009 to 186,500 employees, down from 188,100 in 2008, the highest staffing level in 17 years.

Internet use on the rise worldwide

Internet use continues to expand worldwide. Rates of individual use increased in both Europe and Canada from 2005 to 2007.

Iceland continued to lead the world in 2007 with approximately 9 of every 10 residents using the Internet for personal reasons at some point during the year. Canada's Internet use rate of 77% among people aged 16 to 74 was similar to that of the United Kingdom and Germany, where

Chart 19.1
Internet use by individuals in the last 12 months from any location, by province



Note: Population aged 16 and older.

Source: Statistics Canada, CANSIM table 358-0122.

approximately three of every four residents used the Internet during 2007.

Countries with high Internet penetration experienced less growth from 2005 to 2007 than did countries with lower participation rates. For instance, the proportion of Internet users in Greece and Ireland climbed significantly over this two-year period.

Within the Canadian population (aged 16 and older) in 2009, British Columbia and Alberta reported the highest rate of individual Internet use, at 85%, followed by Manitoba at 81%. The level of Internet use in these provinces was driven by relatively high rates in cities such as Victoria and Calgary.

Radio and television profits

The Canadian radio and television industries experienced increased profits in 2008. Operating revenues of the television broadcasting sector totalled \$6.5 billion in 2008, up 5% from 2007.

Cable and satellite television companies posted revenues of \$10.3 billion in 2008, an increase of 14% since 2007 and the

Table 19.a
Internet orders, by selected product and service, 2007

	%
Travel arrangements	44.5
Books, magazines and online newspapers	36.8
Other entertainment products	32.5
Clothing, jewellery and accessories	29.5
Music	22.1
Computer software	19.7
Consumer electronics	19.6
Flowers as gifts	15.9
Toys and games	14.6
Videos and digital video discs (DVD)	13.8
Computer hardware	13.4
Housewares	10.8
Sports equipment	9.2
Other health products, beauty and vitamins	8.6
Automotive products	8.2
Food, condiments and beverages	4.5

Note: Population aged 16 and older who made online orders, excluding the territories.

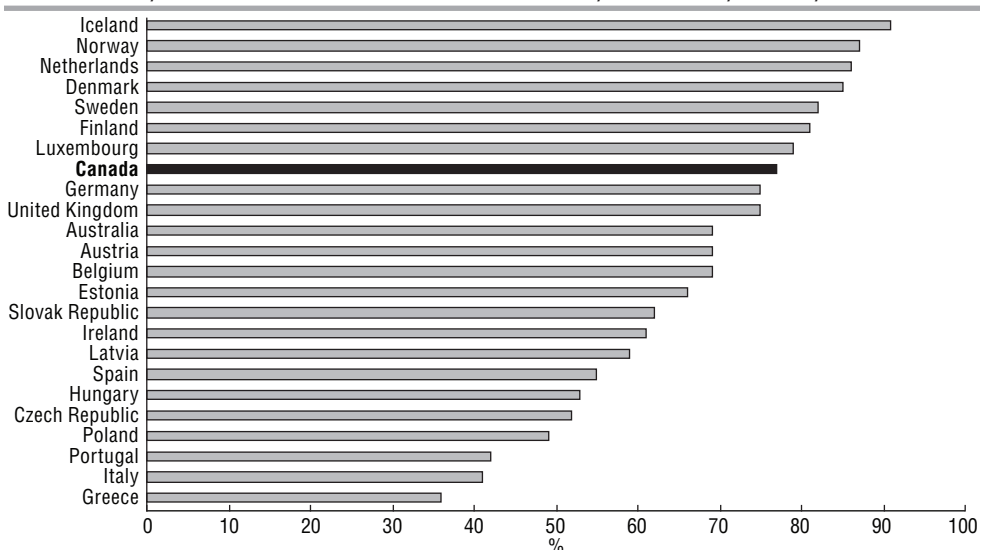
Source: Statistics Canada, CANSIM table 358-0136.

third consecutive year of revenue growth in excess of 10%.

In 2008, private radio broadcasters earned profit margins of 21%, the second-strongest performance in the past 30 years.

Chart 19.2

Internet use by individuals in the last 12 months from any location, by country, 2007



Notes: Data refer to persons aged 16 to 74.

Australia's data are for aged 15 and older.

Sources: Statistics Canada, Catalogue no. 88-003-X, Eurostat and Australian Bureau of Statistics.

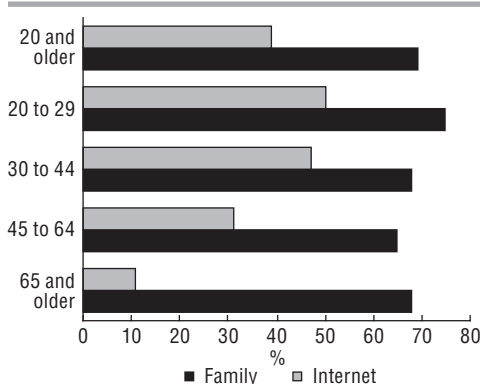
The Internet and life changes

The Internet has increasingly become a resource that Canadians turn to, especially when dealing with significant events such as changes in finances or employment, the birth of a new child, or the death of a loved one. In 2008, the Internet was used by 39% of adults to help deal with changes in their lives.

Half of adults aged 20 to 44 said they had used the Internet to deal with life changes, versus 31% of 45- to 64-year-olds and 11% of seniors older than 65. Young adults aged 20 to 29 used the Internet for coping with all types of life changes, particularly parenting, childcare and education.

For all ages, however, family still consistently ranks higher than the Internet

Chart 19.3
Selected resources used to deal with life changes, by age group, 2008



Note: Respondents could report more than one type of resource to deal with the change of greatest impact.

Source: Statistics Canada, Catalogue no. 11-008-X.

as the most helpful resource in individuals' social networks.

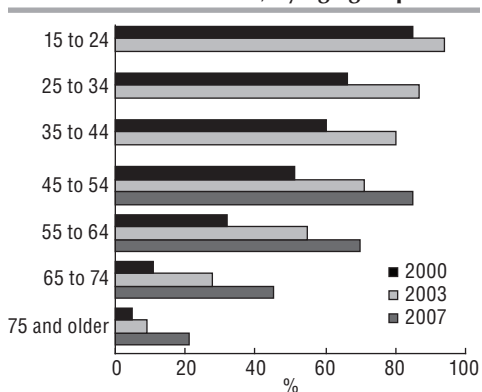
Older Internet users

In 2007, fewer Canadian seniors aged 65 and older used the Internet than baby boomers (aged 45 to 64). Seniors appear to be slowly catching up with younger generations, however. Four times the proportion of seniors were using the Internet in 2007 compared with seniors' usage in 2000.

In 2007, over half of seniors who used the Internet from home went online to find information on topics such as travel, news and sports. Playing games was the second most popular online leisure activity for seniors.

Senior home-Internet users were more likely than baby boomers in 2007 to play games online (36% versus 27%). Meanwhile, downloading music was the third most common online leisure activity for both age groups; however it was less popular among senior users (15%) than baby boomers (23%).

Chart 19.4
Individuals' Internet use, by age group



Notes: Refers to use of the Internet in the previous 12 months; 2007 data are unavailable for ages 15 to 44.

Source: Statistics Canada, Catalogue no. 11-008-X.

Many Internet users also contributed content online by blogging, participating in discussion forums and uploading photos. These activities were less common among both boomer and senior users, who had participation rates below 10%.

Table 19.1 Gross domestic product at basic prices, information and cultural industries, 1999 to 2009

	1999	2000	2001	2002
	\$ millions chained (2002)			
Information and cultural industries	31,617	34,007	36,498	38,229
Publishing industries (except Internet)	7,860	7,992	8,566	8,566
Motion picture and sound recording industries	2,648	2,715	2,758	2,903
Broadcasting (except Internet)	..	..	..	3,022
Radio and television broadcasting	2,374	2,364	2,419	2,511
Pay and specialty television	..	..	..	511
Telecommunications	..	..	..	21,256
Cable and other program distribution	..	..	..	2,577
Telecommunications (except program distribution)	..	..	..	18,679
Other information services	..	..	..	1,012
Special aggregations				
All information and communication technology industries	39,652	45,684	44,592	44,949
Manufacturing of information and communication technology	10,923	13,689	8,877	6,912
Services in information and communication technology	29,050	32,399	35,810	38,036

Note: North American Industry Classification System (NAICS), 2007.

Source: Statistics Canada, CANSIM table 379-0027.

2003	2004	2005	2006	2007	2008	2009
\$ millions chained (2002)						
38,631	40,813	42,039	44,001	45,211	46,132	45,724
8,402	9,061	9,177	9,591	10,108	10,380	9,988
2,604	2,718	2,828	3,045	2,870	2,776	2,704
3,010	3,070	3,079	3,154	3,334	3,363	3,274
2,420	2,438	2,420	2,456	2,578	2,526	2,378
591	631	656	692	747	816	862
21,935	23,103	24,020	25,074	25,635	26,369	26,664
2,759	2,968	3,244	3,488	3,584	3,647	3,744
19,172	20,127	20,746	21,536	21,996	22,674	22,860
1,066	1,048	1,094	1,236	1,290	1,264	1,203
47,400	50,508	52,507	55,400	57,816	59,536	58,755
6,908	7,435	7,690	7,644	8,251	8,370	7,747
40,448	43,075	44,821	47,780	49,578	51,185	51,049

Table 19.2 Payroll employment, information and cultural industries, 1995 to 2009

	1995	1996	1997	1998	1999	2000
	number of employees					
Information and cultural industries	284,566	283,051	288,372	297,503	304,067	318,783
Publishing industries	68,679	69,542	72,250	75,475	76,656	83,152
Newspaper, periodical, book and database publishers	59,939	59,531	60,229	61,348	59,589	62,964
Software publishers	8,740	10,010	12,021	14,127	17,066	20,188
Motion picture and sound recording industries	25,234	26,895	29,912	32,735	34,306	36,622
Motion picture and video industries	23,488	24,944	27,791	30,430	31,954	34,213
Sound recording industries	1,746	1,950	2,121	2,305	2,351	2,409
Broadcasting (excluding Internet)	36,381	37,064	37,008	37,837	37,453	37,634
Radio and television broadcasting	35,429	36,098	36,074	36,897	36,550	36,764
Pay and specialty television	953	966	934	941	902	870
Telecommunications	125,257	119,481	119,674	122,521	124,379	127,934
Wired telecommunications carriers	87,274	83,303	83,105	85,002	85,603	86,991
Wireless telecommunications carriers (excluding satellite)	23,567	22,339	22,355	22,367	22,257	22,837
Satellite telecommunications	2,606	2,425	2,502	2,574	2,571	2,641
Other telecommunications	11,810	11,414	11,712	12,578	13,948	15,464
Data processing, hosting and related services	5,304	5,905	7,033	8,248	10,233	11,939
Other information services	23,711	24,165	22,496	20,686	21,040	21,502

Notes: Annual number of salaried and hourly employees on payroll.

North American Industry Classification System (NAICS), 2007.

Sources: Statistics Canada, Survey of Employment, Payrolls and Hours and CANSIM table 281-0024.

2001	2002	2003	2004	2005	2006	2007	2008	2009
number of employees								
310,909	304,841	300,623	300,694	307,647	313,724	323,886	326,367	320,316
86,406	86,230	x	81,563	85,027	85,893	90,900	93,286	88,330
62,245	62,084	x	58,475	59,001	57,411	60,101	61,960	58,340
24,161	24,146	22,599	23,088	26,026	28,482	30,800	31,326	29,990
36,250	35,490	32,417	30,324	30,182	28,685	32,246	33,310	31,608
33,932	33,268	30,061	27,706	27,451	26,280	29,988	31,182	29,890
2,318	2,222	2,356	2,619	2,731	2,404	2,259	2,128	1,718
35,562	35,856	37,491	38,233	36,908	39,880	41,527	43,030	41,974
34,158	34,292	35,609	36,296	35,023	37,830	38,904	39,586	39,193
1,404	1,564	1,883	1,938	1,885	2,050	2,622	3,444	2,781
117,341	110,380	109,216	113,250	118,143	118,996	115,631	109,831	114,094
85,133	83,402	85,111	89,848	93,472	90,964	89,465	84,401	89,751
12,443	11,917	10,436	9,212	10,115	12,681	10,327	10,352	10,971
1,742	1,756	2,371	2,893	3,128	3,370	3,450	3,492	2,787
18,023	13,306	11,299	11,296	11,427	11,981	12,389	11,587	10,586
12,294	11,808	10,977	11,439	11,140	12,023	13,289	17,981	16,722
23,056	25,077	x	25,884	26,247	28,248	30,293	28,929	27,589

Table 19.3 Software development and computer services, summary statistics, 1998 to 2008

	1998	1999	2000	2001
	\$ millions			
Operating revenues				
Software publishers	4,243.0	5,429.1	5,348.6	5,869.2
Data processing, hosting, and related services ¹	1,095.0	1,205.2	1,596.8	2,275.8
Computer systems design and related services	12,033.0	15,532.8	17,765.6	17,964.9
Operating expenses				
Software publishers	3,972.0	5,086.7	5,661.2	6,399.7
Data processing, hosting, and related services ¹	1,026.0	1,110.1	1,729.3	2,281.8
Computer systems design and related services	11,253.0	15,237.0	17,188.1	17,492.1
	%			
Operating profit margin				
Software publishers	6.4	6.3	-5.8	-9.0
Data processing, hosting, and related services ¹	6.3	7.9	-8.3	-0.3
Computer systems design and related services	6.5	1.9	3.2	2.6
	number			
Establishments				
Software publishers	1,745	1,882	1,849	2,306
Data processing, hosting, and related services ¹	563	1,083	930	1,345
Computer systems design and related services	31,651	41,597	43,874	43,440

Notes: In 2006, the methodology used to generate provincial data estimates was modified. As a result, data for 2006 and subsequent years are not comparable to data released prior to 2006.

Figures may not add to totals because of rounding.

North American Industry Classification System (NAICS), 2007.

1. Prior to 2002, data refer to Code 51421 (Data processing services), North American Industry Classification System (NAICS), 1997.

Source: Statistics Canada, CANSIM table 354-0005.

2002	2003	2004	2005	2006	2007	2008
\$ millions						
5,383.1	5,810.5	6,276.2	6,358.3	6,268.4	7,022.7	7,086.3
2,591.0	2,650.8	2,675.3	2,815.3	2,495.3	3,018.5	3,556.4
18,205.8	18,836.1	20,727.0	21,567.4	24,725.4	27,063.5	28,983.6
5,438.7	5,924.9	5,992.3	6,231.0	5,980.4	6,606.9	6,639.6
2,439.6	2,539.1	2,451.1	2,652.2	2,222.5	2,743.6	3,005.3
17,241.6	17,741.0	19,777.4	19,923.2	23,121.6	24,668.1	26,756.4
%						
-1.0	-2.0	4.5	2.0	4.6	5.9	6.3
5.8	4.2	8.4	5.8	10.9	9.1	15.5
5.3	5.8	4.6	7.6	6.5	8.8	7.7
number						
1,837	1,946	2,602	1,994	1,762	2,237	2,144
1,066	1,317	1,342	1,161	1,166	1,421	1,489
42,790	45,377	51,230	47,479	51,168	54,107	55,156

Table 19.4 Internet use at home by individuals, by type of activity, 2007 to 2009

	2007	2009
	%	
E-mail	92.0	93.0
Use an instant messenger	49.9	44.8
Searching for information on Canadian municipal, provincial or federal government	51.4	56.5
Communicating with Canadian municipal, provincial or federal government	25.5	26.9
Searching for medical or health-related information	58.6	69.9
Education, training or school work	49.5	50.3
Travel information or making travel arrangements	66.1	66.2
Searching for employment	32.3	34.9
Electronic banking or paying bills	62.5	66.7
Researching investments	25.5	27.1
Playing games	38.7	42.1
Obtaining or saving music	44.5	46.5
Obtaining or saving software	32.5	35.0
Viewing the news or sports	63.7	67.7
Obtaining weather reports or road conditions	69.8	74.6
Listening to the radio over the Internet	28.1	31.8
Downloading or watching television	15.7	24.7
Downloading or watching a movie	12.5	19.8
Researching community events	44.3	50.0
General browsing (surfing)	76.0	77.7
Contributing content (blogs, photos, discussion groups)	20.3	26.7
Making telephone calls	8.7	13.8
Selling goods or services (through auction sites)	8.9	13.4

Note: Population aged 16 and older who used the Internet in the previous 12 months for personal non-business use from home.

Source: Statistics Canada, CANSIM table 358-0130.

Table 19.5 Internet use by individuals, by location of access, 2007 to 2009

	2007	2009
	%	
Any location	73.2	80.3
Home	68.6	77.1
Work	30.0	33.7
School	14.5	16.6
Public library	10.8	11.7
Other location	22.0	27.4

Note: Population aged 16 and older who used the Internet in the previous 12 months for personal non-business use from any location.

Source: Statistics Canada, CANSIM table 358-0122.

Table 19.6 Enterprises' use of information and communication technologies, 2002 to 2007

	2002	2003	2004	2005	2006	2007
	% of enterprises					
E-mail	71.2	73.9	76.6	76.2	77.5	81.1
Wireless communication	57.7	56.5	56.6	59.5	74.0	76.7
Internet	75.7	78.3	81.6	81.6	82.8	86.7
Intranet	14.9	16.4	17.6	18.8	19.7	21.2
Extranet	5.3	6.1	6.3	7.3	7.5	9.4
Sales of goods or services over the Internet	7.6	7.1	7.4	7.3	8.0	8.2
Sales over the Internet to consumers ¹	24.6	32.3	25.2	28.6	32.5	37.7
Purchase of goods or services over the Internet	31.9	37.3	42.5	43.4	44.8	48.5

Notes: Private sector.

North American Industry Classification System (NAICS), 2007.

1. As a percentage of total Internet sales.

Source: Statistics Canada, CANSIM tables 358-0007, 358-0010 and 358-0011.

Table 19.7 Cable and wireless distribution industries, financial and operating statistics, 2003 to 2008

	2003	2004	2005	2006	2007	2008
	\$ thousands					
Operating revenue	5,820,120	6,353,454	6,832,808	7,861,586	9,034,826	10,338,183
Cable television	4,616,485	4,998,820	5,362,417	6,202,661	7,183,964	8,286,490
Wireless broadcasting distribution	1,203,635	1,354,634	1,470,391	1,658,925	1,850,861	2,051,693
Operating expenses	5,068,231	5,248,746	5,518,100	6,405,626	7,422,448	8,109,002
Cable television	3,754,480	3,801,166	4,028,090	4,714,664	5,588,517	6,140,592
Wireless broadcasting distribution	1,313,752	1,447,579	1,490,009	1,690,962	1,833,931	1,968,410
Profit before interest and taxes	751,889	1,104,708	1,314,708	1,455,960	1,612,378	2,229,182
Cable television	862,006	1,197,653	1,334,326	1,487,998	1,595,447	2,145,899
Wireless broadcasting distribution	-110,117	-92,945	-19,618	-32,038	16,931	83,283
	thousands					
Subscribers to basic programming services	9,783	9,946	10,121	10,427	10,592	10,816
Cable television	7,578	7,621	7,629	7,799	7,928	8,111
Wireless broadcasting distribution	2,205	2,325	2,492	2,629	2,664	2,705

Note: North American Industry Classification System (NAICS), 2007.

Source: Statistics Canada, CANSIM table 353-0003.

Table 19.8 Radio broadcasting industry, financial and operating statistics, 2003 to 2008

	2003	2004	2005	2006	2007	2008
	\$ thousands					
Operating revenue	1,556,598	1,582,894	1,696,713	1,818,163	1,898,213	1,968,758
Private radio broadcasting	1,196,514	1,234,647	1,344,417	1,420,362	1,511,208	1,595,335
Public and non-commercial radio broadcasting	360,083	348,247	352,297	397,802	387,005	373,423
Operating expenses	1,354,020	1,454,681	1,513,415	1,597,568	1,663,331	1,699,406
Private radio broadcasting	969,288	1,011,750	1,059,921	1,136,508	1,211,296	1,258,803
Public and non-commercial radio broadcasting	384,732	442,931	453,494	461,060	452,035	440,602
Profit before interest and taxes	202,578	128,213	183,298	220,595	234,882	269,353
Private radio broadcasting	227,226	222,896	284,496	283,854	299,912	336,532
Public and non-commercial radio broadcasting	-24,649	-94,683	-101,198	-63,258	-65,030	-67,179

Note: North American Industry Classification System (NAICS), 2007.

Source: Statistics Canada, CANSIM table 357-0002.

Table 19.9 Television broadcasting industry, financial and operating statistics, 2003 to 2008

	2003	2004	2005	2006	2007	2008
	\$ thousands					
Operating revenue	5,167,259	5,386,295	5,561,900	6,000,598	6,183,405	6,517,631
Private conventional television	2,069,920	2,082,902	2,166,063	2,163,622	2,187,197	2,147,417
Public and non-commercial television	1,212,567	1,238,192	1,173,730	1,337,943	1,266,919	1,433,882
Pay and specialty television	1,884,772	2,065,201	2,222,107	2,499,033	2,729,289	2,936,333
Pay television	349,759	384,375	409,795	482,325	547,553	612,028
Specialty television	1,535,013	1,680,826	1,812,312	2,016,708	2,181,736	2,324,304
Operating expenses	4,668,718	4,930,936	4,899,203	5,468,343	5,525,730	5,964,220
Private conventional television	1,769,596	1,850,365	1,923,407	2,072,679	2,071,160	2,142,572
Public and non-commercial television	1,297,583	1,429,466	1,309,461	1,469,512	1,372,882	1,571,450
Pay and specialty television	1,601,538	1,651,105	1,666,336	1,926,152	2,081,688	2,250,198
Pay television	259,851	298,906	301,812	357,518	431,088	475,489
Specialty television	1,341,687	1,352,199	1,364,524	1,568,635	1,650,600	1,774,709
Profit before interest and taxes	498,541	455,359	662,696	532,255	657,675	553,411
Private conventional television	300,324	232,537	242,656	90,943	116,037	4,845
Public and non-commercial television	-85,016	-191,274	-135,731	-131,569	-105,963	-137,569
Pay and specialty television	283,234	414,095	555,771	572,881	647,600	686,135
Pay television	89,908	85,469	107,983	124,807	116,465	136,539
Specialty television	193,326	328,627	447,788	448,074	531,136	549,595

Note: North American Industry Classification System (NAICS), 2007.

Source: Statistics Canada, CANSIM table 357-0001.