

Service bulletin

Sound Recording and Music Publishing

2011



Highlights

Canadian sound recording and music publishing industry

The Canadian sound recording industry experienced a 5.0% decline in its combined operating revenues from \$831.3 million in 2010 down to \$789.7 million in 2011. However, this was also accompanied by a 5.9% decrease in combined operating expenses from \$739.8 million in 2010 to \$695.8 million in 2011. This resulted in an increase of the operating profit margin from 11.0% in 2010 to 11.9% in 2011.

The largest industry group, record production and integrated record production and distribution, accounted for 66.3% of the total operating revenue, followed by music publishing at 19.3%, sound recording studios at 13.2% and all other sound recording industries at 1.2%.

Record production and integrated record production and distribution

The record production industry experienced a decline in operating revenues of 5.2% from \$552.7 million in 2010 to \$524.0 million in 2011. With a 6.3% drop in operating expenses from \$492.1 million in 2010 to \$461.1 million in 2011, the operating profit margin increased from 11.0% in 2010 to 12.0% in 2011.

Ontario accounted for 81.9% of the operating revenues, followed by Quebec with 14.9%, an increase for both provinces compared to 2010 with 81.6% and 14.8% respectively.

In 2011, royalties, rights, licensing and franchise fees were the largest operating expense at 30.4% of the total operating expenses compared to 28.7% in 2010. This is a change from 2010 where cost of goods sold was the largest operating expense at 31.4% compared to 28.9% in 2011.

Foreign-controlled firms generated the majority of industry operating revenues at 71.3% in 2011. Their operating profit margin increased to 14.6%, up from 12.9% in 2010. Canadian-controlled firms did not fare as well as the foreign-controlled firms in terms of operating profit margin which fell to 5.6% in 2011 from 5.9% in 2010.

Sales revenues of digital musical recordings climbed by 16.9% to \$92.4 million in 2011; up from \$79.0 million in 2009. Nevertheless, this did not offset the drop in sales of compact discs over the same period. Compact disc sales fell to \$195.1 million in 2011 from \$290.3 million in 2009.

Total sales of recordings declined by 19.8% from 2009 to 2011, reflecting significant drops in sales by Canadian and non-Canadian artists.

Music publishing

The music publishing industry posted \$152.1 million in operating revenues in 2011, along with \$136.4 million in operating expenses. At 10.3%, the operating profit margin remained unchanged from 2010.

Sound recording studios

In 2011, sound recording studios' operating revenues decreased to \$104.6 million from \$118.7 million in 2010. Operating expenses also decreased to \$89.9 million from \$105.3 million in 2010. The profit margin increased to 14.0% in 2011 from 11.3% in 2010. The reported breakout of revenues for sound recording studios showed that 22.5% of the revenues came from studio recording services for music clients providing, for instance, mixing and recording for production. A further 48.9% of the revenues came from studio recording services provided for other purposes such as sound editing and design services of audiovisual works.

Statistical tables

Table 1

Summary statistics for the record production and integrated record production and distribution industry, by province and region, 2009 to 2011

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2011 p				
Atlantic provinces ¹	x	x	x	x
Quebec	77,920	12,981	70,375	9.7
Ontario	429,323	58,608	374,625	12.7
Prairie provinces ²	x	x	x	x
British Columbia and Territories ³	11,678	1,193	11,145	4.6
Canada	523,966	73,799	461,058	12.0
2010 r				
Atlantic provinces ¹	F	F	F	F
Quebec	81,885	11,899	76,298	6.8
Ontario	451,004	58,420	399,112	11.5
Prairie provinces ²	F	F	F	F
British Columbia and Territories ³	13,156	1,439	10,612	19.3
Canada	552,714	73,326	492,071	11.0
2009 r				
Atlantic provinces ¹	F	F	F	F
Quebec	77,273	11,246	73,743	4.6
Ontario	496,152	58,101	406,729	18.0
Prairie provinces ²	F	F	F	F
British Columbia and Territories ³	9,875	F	8,104	17.9
Canada	590,355	71,772	495,085	16.1

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Prairie provinces include: Manitoba, Saskatchewan and Alberta.

3. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Summary statistics for the music publishing industry, Canada, 2009 to 2011

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2011 P	152,058	24,920	136,395	10.3
2010 r	148,269	19,825	133,002	10.3
2009 r	159,640	28,725	143,632	10.0

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512230. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3
Summary statistics for the sound recording studio industry, by province and region 2009 to 2011

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2011 P				
Atlantic provinces ¹	1,706	F	1,491	12.6
Quebec	26,045	4,908	21,779	16.4
Ontario	47,252	12,457	40,903	13.4
Prairie provinces ²	9,536	F	8,181	14.2
British Columbia and Territories ³	20,062	4,666	17,572	12.4
Canada	104,602	24,176	89,926	14.0
2010 r				
Atlantic provinces ¹	1,645	F	1,335	18.8
Quebec	29,951	6,226	26,249	12.4
Ontario	52,740	13,722	45,783	13.2
Prairie provinces ²	10,699	F	9,630	10.0
British Columbia and Territories ³	23,690	6,156	22,277	6.0
Canada	118,735	28,710	105,274	11.3
2009 r				
Atlantic provinces ¹	1,753	F	1,309	25.3
Quebec	23,132	5,381	20,267	12.4
Ontario	46,466	11,985	40,851	12.1
Prairie provinces ²	9,537	F	8,032	15.8
British Columbia and Territories ³	25,606	6,419	22,848	10.8
Canada	106,494	26,013	93,307	12.4

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Prairie provinces include: Manitoba, Saskatchewan and Alberta.

3. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512240. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 4
Summary statistics for Other sound recording industries, Canada 2009 to 2011

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2011 ^p	9,118	3,202	8,425	7.6
2010 ^r	11,590	3,946	9,437	18.6
2009 ^r	12,961	4,260	10,527	18.8

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512290. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 5
Operating expenses for the record production and integrated record production and distribution industry, Canada, 2009 to 2011

	2011 ^p	2010 ^r	2009 ^r
	percent		
Industry expenditures			
Salaries, wages and benefits	16.0	15.0	14.5
Commissions paid to non-employees	x	x	F
Professional and business services fees	3.2	3.0	2.6
Subcontract expenses	F	F	F
Charges for services provided by head offices	x	x	F
Cost of goods sold	28.9	31.4	32.1
Office supplies	F	F	F
Rental and leasing	1.6	1.6	1.7
Repair and maintenance	x	F	F
Insurance	x	F	F
Advertising, marketing and promotions	7.4	7.3	8.6
Travel, meals and entertainment	1.1	1.0	1.0
Utilities and telecommunications expenses	F	F	F
Property and business taxes, licences and permits	x	x	F
Royalties, rights, licensing and franchise fees	30.4	28.7	27.9
Delivery, warehousing, postage and courier	3.0	2.8	3.0
Financial services fees	x	F	F
Amortization and depreciation of tangible and intangible assets	1.4	1.2	1.3
Bad debts	F	F	F
All other expenses	2.2	2.8	2.2
Total operating expenses¹	100.0	100.0	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 6
Operating expenses for the music publishing industry, Canada, 2009 to 2011

	2011 ^p	2010 ^r	2009 ^r
	percent		
Industry expenditures			
Salaries, wages and benefits	17.9	15.1	20.5
Commissions paid to non-employees	3.2	2.2	2.6
Professional and business services fees	4.1	7.5	5.4
Subcontract expenses	x	x	x
Charges for services provided by head offices	x	x	x
Cost of goods sold	x	x	x
Office supplies	F	F	F
Rental and leasing	1.3	1.6	1.3
Repair and maintenance	F	F	F
Insurance	x	F	F
Advertising, marketing and promotions	F	F	F
Travel, meals and entertainment	1.8	2.3	1.6
Utilities and telecommunications expenses	F	F	F
Property and business taxes, licences and permits	x	x	x
Royalties, rights, licensing and franchise fees	52.6	46.2	45.7
Delivery, warehousing, postage and courier	x	x	x
Financial services fees	x	F	F
Amortization and depreciation of tangible and intangible assets	4.7	7.0	5.9
Bad debts	F	x	F
All other expenses	4.8	6.8	6.6
Total operating expenses¹	100.0	100.0	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512230. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 7
Operating expenses for the sound recording studio industry, Canada, 2009 to 2011

	2011 ^p	2010 ^r	2009 ^r
	percent		
Industry expenditures			
Salaries, wages and benefits	30.1	30.1	31.1
Commissions paid to non-employees	x	x	x
Professional and business services fees	4.8	5.2	3.8
Subcontract expenses	10.9	10.8	15.0
Charges for services provided by head offices	x	F	x
Cost of goods sold	13.5	13.2	11.6
Office supplies	2.1	2.5	2.2
Rental and leasing	9.9	8.7	9.4
Repair and maintenance	2.0	3.5	2.0
Insurance	1.1	1.0	1.1
Advertising, marketing and promotions	1.4	1.6	1.5
Travel, meals and entertainment	2.8	2.7	2.5
Utilities and telecommunications expenses	2.3	2.1	2.1
Property and business taxes, licences and permits	x	F	F
Royalties, rights, licensing and franchise fees	x	x	x
Delivery, warehousing, postage and courier	F	x	x
Financial services fees	x	F	F
Amortization and depreciation of tangible and intangible assets	5.5	6.7	5.7
Bad debts	x	x	x
All other expenses	8.3	7.6	6.4
Total operating expenses¹	100.0	100.0	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512240. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 8
Operating expenses for Other sound recording industries, Canada 2009 to 2011

	2011 ^P	2010 ^r	2009 ^r
	percent		
Industry expenditures			
Salaries, wages and benefits	39.0	45.0	42.5
Commissions paid to non-employees	x	x	x
Professional and business services fees	1.7	1.3	1.6
Subcontract expenses	x	x	x
Charges for services provided by head offices	x	x	x
Cost of goods sold	x	x	x
Office supplies	1.3	2.4	2.4
Rental and leasing	5.0	4.2	3.2
Repair and maintenance	x	4.7	3.0
Insurance	F	F	F
Advertising, marketing and promotions	2.0	3.7	3.2
Travel, meals and entertainment	3.1	3.0	4.0
Utilities and telecommunications expenses	2.4	1.6	2.5
Property and business taxes, licences and permits	x	x	x
Royalties, rights, licensing and franchise fees	x	x	x
Delivery, warehousing, postage and courier	x	F	F
Financial services fees	x	F	F
Amortization and depreciation of tangible and intangible assets	7.6	5.9	4.8
Bad debts	x	x	x
All other expenses	F	7.1	5.9
Total operating expenses ¹	100.0	100.0	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512290. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 9
Profile of the record production and integrated record production and distribution industry, by province and region, 2009 and 2011

	Quebec	Ontario	British Columbia	All other provinces and territories ¹	Canada
	number				
Number of new releases					
Recordings by Canadian artists					
2011 p	218	167	x	x	484
2009 r	166	239	x	x	572
Recordings by non-Canadian artists					
2011 p	142	2,100	x	x	2,272
2009 r	104	1,791	x	x	1,931
Total					
2011 p	360	2,267	51	78	2,756
2009 r	270	2,030	55	148	2,503
	percent				
Percentage of releases by Canadian artists					
2011 p	60.6	7.4	58.8	88.5	17.5
2009 r	61.5	11.8	50.9	93.9	22.9
	thousands of dollars				
Operating revenue					
Total sales of recordings by Canadian artists					
2011 p	22,061	39,818	2,634	1,421	65,934
2009 r	24,299	51,811	2,897	1,926	80,933
Total sales of recordings by non-Canadian artists					
2011 p	27,087	209,381	x	x	237,959
2009 r	x	271,860	x	x	299,220
Revenue from royalties and rights					
2011 p	3,811	37,697	x	x	44,000
2009 r	x	24,309	x	492	30,044
All other operating revenue					
2011 p	22,575	135,951	x	x	165,029
2009 r	x	143,213	x	x	164,240
Total operating revenue					
2011 p	75,535	422,846	11,101	3,441	512,923
2009 r	68,833	491,193	8,720	5,692	574,437
	percent				
Percentage of sales from recordings by Canadian artists					
2011 p	44.9	16.0	74.1	71.3	21.7
2009 r	48.6	16.0	70.2	81.5	21.3

See notes at the end of the table.

Table 9 – continued

Profile of the record production and integrated record production and distribution industry, by province and region, 2009 and 2011

	Quebec	Ontario	British Columbia	All other provinces and territories ¹	Canada
thousands of dollars					
Operating expenses					
Cost of goods sold					
2011 p	22,264	106,993	x	x	130,261
2009 r	x	132,597	x	x	154,518
Royalties, rights, licensing and franchise fees					
2011 p	x	126,373	x	x	136,955
2009 r	x	123,240	x	319	134,252
Salaries, wages and benefits					
2011 p	x	57,635	x	848	72,367
2009 r	x	57,595	x	1,402	69,846
All other operating expenses					
2011 p	25,283	77,687	x	x	111,665
2009 r	28,581	88,954	x	x	123,088
Total operating expenses					
2011 p	68,481	368,688	10,570	3,509	451,248
2009 r	66,915	402,386	7,220	5,183	481,704
percent					
Operating profit margin					
2011 p	9.3	12.8	4.8	-2.0	12.0
2009 r	2.8	18.1	17.2	8.9	16.1
number					
Employment					
Full-time employees					
2011 p	198	604	x	x	844
2009 r	154	607	x	x	815
Part-time employees					
2011 p	10	16	x	x	35
2009 r	15	x	x	x	34
Contract workers					
2011 p	844	188	23	26	1,081
2009 r	914	89	12	9	1,024

1. All other provinces and territories include Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Alberta, Yukon, Northwest Territories and Nunavut.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 10
Profile of the music publishing industry, Canada, 2009 and 2011

	2011 ^P	2009 ^r
	thousands of dollars	
Music publishing royalties		
Licensing of rights to use sound recordings	40,359	44,886
Performing rights	39,274	40,212
Mechanical rights	27,326	30,544
Synchronization rights	8,323	6,898
Print licensing rights	39	79
Other music publishing rights	8,117	3,796
All other operating revenue	19,016	19,696
Total operating revenue	142,453	146,110
Operating expenses		
Royalties, rights, licensing and franchise fees	67,378	60,584
Amortization and depreciation of tangible assets	6,033	7,779
Salaries, wages and benefits	22,902	27,132
All other operating expenses	31,675	36,953
Total operating expenses	127,988	132,447
	percent	
Operating profit margin	10.2	9.4
	number	
Employment		
Full-time employees	115	126
Part-time employees	42	52
Contract workers	189	274

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512230. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 11
Profile of the sound recording studio industry, by province and region, 2009 and 2011

	Quebec	Ontario	British Columbia	All other provinces and territories ¹	Canada
thousands of dollars					
Operating revenue					
Studio recording services for music clients					
2011 P	x	7,240	2,933	x	19,236
2009 r	6,837	7,205	10,797	1,374	26,213
Studio recording services provided for other purposes					
2011 P	4,920	24,664	6,998	5,228	41,810
2009 r	5,644	24,173	5,923	4,492	40,233
On location live recording services					
2011 P	x	x	x	x	3,570
2009 r	x	x	x	x	2,948
Support services for sound recording					
2011 P	x	x	x	x	1,685
2009 r	x	x	1,320	x	2,682
All other operating revenue					
2011 P	x	6,139	5,245	x	19,253
2009 r	4,327	6,891	x	x	16,686
Total operating revenue					
2011 P	22,312	39,199	16,492	7,551	85,554
2009 r	19,465	39,213	22,404	7,681	88,763
Operating expenses					
Cost of goods sold					
2011 P	4,342	2,138	2,192	1,559	10,231
2009 r	3,390	3,183	1,311	1,414	9,299
Depreciation					
2011 P	1,211	1,612	962	382	4,168
2009 r	1,247	1,625	1,369	345	4,586
Salaries, wages and benefits					
2011 P	4,674	11,874	4,492	1,848	22,887
2009 r	5,110	11,482	6,247	2,034	24,873
All other operating expenses					
2011 P	8,871	19,212	7,645	2,950	38,679
2009 r	7,608	19,293	11,541	2,842	41,285
Total operating expenses					
2011 P	19,098	34,837	15,290	6,739	75,964
2009 r	17,355	35,583	20,469	6,635	80,043
percent					
Operating profit margin					
2011 P	14.4	11.1	7.3	10.8	11.2
2009 r	10.8	9.3	8.6	13.6	9.8
number					
Employment					
Full-time employees					
2011 P	100	184	66	38	388
2009 r	100	219	82	47	448
Part-time employees					
2011 P	41	13	x	x	70
2009 r	44	24	x	x	85
Contract workers					
2011 P	337	425	216	113	1,091
2009 r	430	460	204	242	1,336

1. All other provinces and territories include Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Alberta, Yukon, Northwest Territories and Nunavut.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512240. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 12

Number of new releases by nationality of artist and language of lyrics for the record production and integrated record production and distribution industry, Canada, 2009 and 2011

	2011 ^p	2009 ^f
	number	
By Canadian artists		
English lyrics	320	401
French lyrics	105	94
Other ¹	59	77
Total	484	572
By non-Canadian artists		
English lyrics	1,498	1,383
French lyrics	134	164
Other ¹	640	384
Total	2,272	1,931
All artists		
English lyrics	1,818	1,784
French lyrics	239	258
Other ¹	699	461
Total	2,756	2,503

1. Includes instrumental music and lyrics other than English or French.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 13
Number of new releases by nationality of artist and musical category for the record production and integrated record production and distribution industry, Canada, 2009 and 2011

	2011 ^p	2009 ^r
	number	
By Canadian artists		
Popular music/rock	251	268
Classical	53	x
Jazz and blues	35	13
Country and folk	x	128
Children's	x	x
Urban/rap	x	x
Other ¹	50	x
Total	484	572
By non-Canadian artists		
Popular music/rock	1,144	1,149
Classical	640	x
Jazz and blues	177	112
Country and folk	x	77
Children's	x	x
Urban/rap	x	x
Other ¹	189	x
Total	2,272	1,931
All artists		
Popular music/rock	1,395	1,417
Classical	693	266
Jazz and blues	212	125
Country and folk	165	205
Children's	20	48
Urban/rap	32	53
Other ¹	239	389
Total	2,756	2,503

1. Includes soundtracks, latin, alternative, etc.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 14
Revenue from sales of recordings by musical category for the record production and integrated record production and distribution industry, Canada, 2009 and 2011

	2011 ^p	2009 ^r
	thousands of dollars	
Popular music/rock	178,710	257,969
Classical	9,459	13,980
Jazz and blues	7,016	8,918
Country and folk	18,904	12,578
Children's	x	x
Urban/rap	x	x
Other ¹	78,231	70,347
Total	303,894	380,153

1. Includes soundtracks, latin, alternative, etc.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 15
Sales and number of units sold by format for the record production and integrated record production and distribution industry, Canada, 2009 and 2011

	2011 ^P	2009 ^r
	number	
Number of musical recordings by format		
Musical compact discs	23,601,644	33,817,113
Musical cassette tapes	x	x
Digital musical recordings	95,066,146	67,592,934
Other musical recordings (vinyl records, DVD audio, etc.)	x	x
Total	119,467,337	101,857,621
	thousands of dollars	
Sales of musical recordings by format		
Musical compact discs	195,079	290,317
Musical cassette tapes	x	x
Digital musical recordings	92,359	78,978
Other musical recordings (vinyl records, DVD audio, etc.)	x	x
Total	303,894	380,153

1. Digital music recordings include individual tracks and albums.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 16
Profile of the Canadian-controlled and foreign-controlled record production and integrated record production and distribution industry, Canada, 2009 to 2011

	Canadian-controlled			Foreign-controlled		
	2011 ^P	2010 ^r	2009 ^r	2011 ^P	2010 ^r	2009 ^r
	number					
Number of new releases						
Recordings by Canadian artists	423	..	523	61	..	49
Recordings by non-Canadian artists	263	..	182	2,009	..	1,749
Total	686	..	705	2,070	..	1,798
	thousands of dollars					
Operating revenue						
Sales of recordings by Canadian artists	52,094	..	58,630	13,840	..	22,303
Sales of recordings by non-Canadian artists	48,704	..	48,244	189,256	..	250,975
Revenue from royalties and rights	7,371	..	6,376	36,629	..	23,668
All other operating revenue	39,025	..	26,542	126,005	..	137,698
Total operating revenue	147,194	150,840	139,793	365,729	388,457	434,644
Operating expenses						
Cost of goods sold	48,603	49,410	41,244	81,658	101,505	113,274
Royalties, rights, licensing and franchise fees	11,823	12,516	16,664	125,132	125,378	117,588
Salaries, wages and benefits	27,318	26,323	22,136	45,049	45,447	47,710
All other operating expenses	51,212	53,658	50,670	60,453	65,831	72,418
Total operating expenses	138,956	141,906	130,715	312,292	338,161	350,990
Operating profit	8,237	8,934	9,079	53,437	50,296	83,654
	percent					
Operating profit margin	5.6	5.9	6.5	14.6	12.9	19.2

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 512210 and 512220. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Sound Recording and Music Publishing Industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all statistical establishments (sometimes referred to as firms or units) classified to the Sound Recording Industries according to the North American Industry Classification System (NAICS) during the reference year.

Definitions

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

Sampling

This is a sample survey with a cross-sectional design.

The survey design was based on probability sampling and only covered the portion of the frame subject to direct data collection.

The basic objective of the survey is to produce estimates for the whole industry for incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold and administrative data for businesses with revenue below the threshold, which are excluded from sampling. The excluded portion represents a substantial proportion of the industry in terms of number of establishments, but its contribution to the overall industry revenue is only about 5%. It should be noted that for this excluded portion, only certain financial information is obtained from administrative sources; e.g., total revenue, expenses such as depreciation and salaries, wages and benefits. (Note: the threshold varies between industries and between provinces in the same survey.)

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including: address, industry classification and other administrative information. The frame is referred to as the Business Register and is updated regularly using administrative data.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same industry, same geography (province/territory)). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue). The must-take stratum is comprised of units selected on the basis of complex structure characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises), as well as selected establishments whose particular industry characteristics make it essential that they be included. All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for the 2011 Sound Recording and Music Publishing survey was 365 collection entities.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for comparability. In general, this includes a detailed review of individual responses (especially for the largest companies), general economic conditions, historic trends, and comparisons with other data sources.

Data quality

While considerable efforts are made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

Disclosure control

Statistics Canada is prohibited by law from releasing any data that would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the (weighted) response rate was 86.2%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

361-0005	Sound recording and music publishing, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (76 series)
361-0024	Sound recording and music publishing, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (105 series)

Survey(s)

Definitions, data sources and methods: survey number 3115 - Annual Survey of Service Industries: Sound Recording and Music Publishing

Release date: January 2013

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
X	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published
*	significantly different from reference category ($p < 0.05$)

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