



# CMPA International Strategy Framework & Target Markets: 2022-2025

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## **About the Canadian Media Producers Association**

The Canadian Media Producers Association is the national advocacy organization for independent producers, representing hundreds of companies engaged in the development, production and distribution of English-language content made for television, cinema and digital media channels. We work to promote the continued success of the Canadian production sector and to ensure a bright future for the diverse content made by our members for both domestic and international audiences.

## **About the Canadian industry**

The Canadian screen-content industry is a robust sector that generates significant economic activity - in 2019/20, the Canadian media production industry reached CAD 9.32 billion in the total volume of film and television production<sup>1</sup>. The export value in terms of the amount of foreign revenue collected by the production industry for sales reached CAD 6 billion.<sup>2</sup> In the same period, Canada's production industry generated 244,500 full-time jobs and CAD 12.24 billion in GDP for the Canadian economy.<sup>3</sup>

## **Canadian screen content in the international market**

To thrive in today's global marketplace, Canadian content needs to travel across our borders and onto international screens. Canadian production companies have been successful at forging an international reputation for delivering a level of unparalleled production expertise and service. Canada has international co-production treaty agreements and memorandums of understanding with over 60 countries, with new treaties being negotiated continually.

Canada makes an excellent co-production partner, thanks to the following attributes of our country and our industry:

- Variety of financing sources, including federal and provincial tax credits
- Physical and cultural proximity to the United States
- Excellent location services and diverse locations/landscapes
- High-standard, full-service production and post-production facilities
- Experienced and highly skilled production crews and talent

Co-productions continue to be critical to ensure the vitality of the screen-content sector in Canada. These productions are important vehicles to strengthen international ties in the audiovisual sector and a way to promote and market Canadian talent abroad. They also enhance each partnering country's production capacity by drawing foreign investment and by facilitating project financing for works that might not otherwise be produced, thereby boosting production budgets, generating employment and developing local talent.

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<sup>1</sup> CMPA (2020), *PROFILE: Economic Report on the Screen-Based Media Production Industry in Canada*

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

In the last 10 years, Canada's screen content producers partnered in more than 700 international co-productions with budgets totaling almost \$6 billion. The UK and France continue to be Canada's main co-production partners, with Australia, Ireland and Germany rounding out the list of main partners. With the top two partners comprising 65% of total budgets, there is ample room to increase activity outside of these two countries - especially with those that share a common language and trading link - while further solidifying and diversifying business opportunities.<sup>4</sup>

In terms of television pre-sales, the US and UK are Canada's most important markets. Between 2016-2017 and 2018-2019, pre-sales of CMF-funded television projects US pre-sales represented 66% of all pre-sales while the UK was the second most-important market for pre-sales of Canadian productions, representing 20% of all pre-sales. Ireland represented 10% while 3% of all pre-sales were made to France. Together, the top three countries captured 96% of all pre-sales.<sup>5</sup>

In the feature film world, more co-productions funded by Telefilm Canada were undertaken with France than any other coproducing partner. Of the 78 co-productions funded by Telefilm Canada, 20 had France as a coproducing partner. Ireland was the second most frequent coproducing partner of choice. Though involving fewer films, the total sales of projects coproduced with the UK achieved over \$95 million, exceeding the value of total sales of films coproduced with Ireland.<sup>6</sup>

The CMPA will focus on providing opportunities to members in key markets, but will also create initiatives that will assist Canadian producers in succeeding in emerging markets.

## **The CMPA's objectives in the international market**

The CMPA's objectives center around five main areas:

1. Increase co-development and co-production opportunities
2. Increase international sales/export opportunities
3. Increase foreign investment in Canadian companies
4. Facilitate international networking opportunities
5. Enhance the visibility of CMPA members internationally

## **Overview and guiding principles**

Each of the above objectives will be achieved through a number of initiatives carried out throughout the year, giving access to member companies from across the country of all sizes, working in all genres and creating for all platforms.

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<sup>4</sup> CMPA (2019), *PROFILE: Economic Report on the Screen-Based Media Production Industry in Canada*

<sup>5</sup> Communications MDR: Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions (2020)

<sup>6</sup> Ibid.

Due to uncertainties caused by the COVID-19 pandemic, for the first year of this 3-year plan the CMPA will focus on creating opportunities that are no or low cost due to budget and travel restrictions. In the subsequent two years, in-person activities will be complimenting online support activities.

The strategy will provide a framework based on activities and events taking place over each fiscal year and will be inclusive of all markets, with a special focus on markets that are of most interest to our members, those being the UK, France, USA, Ireland, and Germany.

The CMPA will also provide opportunities to explore markets Canadian companies haven't traditionally worked with. We will start this process by building partnerships with powerhouses such as India, Nigeria and South Africa, among others. When engaging with non-European markets, the CMPA will work towards an approach that is inclusive, and based on equitable skills exchange, mentorship, and training.

In all our international activities whether it be trade missions we undertake abroad or hosting foreign delegations, we will work towards equitable representation from all communities within the CMPA membership. We will also work with our partners to ensure that they similarly work towards identifying and including their BIPOC stories and producers, creating space to present them to Canadian producers for potential co-venture/co-production opportunities.

In addition to market-specific activities, the CMPA will be organizing general support activities that will provide market intelligence and help companies to compete in the global market through training and development.

The strategy can be broken down into six main areas of focus, as outlined below:

**Co-production**

- Organize virtual and physical trade missions to help members explore markets of interest and familiarize themselves with incentives and opportunities, connect with potential partners
- Advise government on negotiating new treaties and renegotiating existing ones based on the evolving needs of the market
- Create and enhance existing online tools that facilitate matchmaking and collaboration
- Organize pitching opportunities

**Provide market intelligence**

- Develop tools utilizing existing market intelligence (the CMPA's export studies, market reports from the Trade Commissioner Service, etc.) to help members identify the types of content that travel and the markets that are looking for the types of content they create

**Training**

- Provide online courses and masterclasses that will help members enhance their market potential and reach

### **International sales/export opportunities**

- Build partnerships with foreign partners that will allow CMPA members to access decision-makers
- Assist members with developing export strategies

### **International networking opportunities**

- Organize B2B meetings, information sessions and networking receptions at international events in both Canada and abroad
- Connect with visiting delegations in Canada

### **Enhance visibility**

- Leverage partnerships to showcase members works at international events and international publications
- Provide a platform to members to showcase their projects

## **Activities and timelines**

### **Event-related international activities**

Please see a brief description of intended activities under Target Markets.

### **Ongoing support activities**

Ongoing support activities will center around providing training, market intelligence, enhanced online resources, tools to showcase members' work and to facilitate networking.

The following activities are a collection of initiatives that the CMPA could undertake in every fiscal year, with slight variations and focus, providing bespoke opportunities CMPA members in every fiscal year.

### **Workshops and masterclasses**

The CMPA will work with experts internationally to create a series of online workshops and masterclasses. Potential topics will include:

- Finding the right online platform for your content
- Working with... series: international broadcasters/buyers
- Unexplored markets series: learning about up and coming markets and how to interact in a decolonial fashion (Nigeria, Colombia, etc.)
- How to build a website for your production company to showcase your work internationally

The CMPA is also running the International Co-Production Accelerator Program (ICAP), designed to facilitate international cooperation between Canadian and international companies for the creation of programming. The Drama Series Stream from mid-January to mid-March 2022. ICAP will be presented virtually, offering masterclasses with industry players in the international production arena, content development, case studies, and pitching. As

well it will include networking opportunities with international producers and 1-2-1 project consultations, with experts providing targeted feedback. In addition to group sessions, the program will put great emphasis on personalized support services to each participant. All the masterclasses, panels and presentations will be designed to move forward projects in development with resources and information that will be applicable to each participating producer. As well, the one on one coaching and consultations sessions will be tailored to meet the needs of each participant.

### **Networking opportunities**

The CMPA will work with its counterparts internationally to identify opportunities to create networking events at events internationally and in Canada. The events can include mixers and B2B meetings at physical events, online networking opportunities

### **Co-production directory**

The CMPA will continue to promote the international co-production directory globally to reach a critical mass of listings and will re-evaluate the platform to ensure that it meets the needs of our members.

## **Target Markets**

According to the recent study *Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions*, the US, UK and France are key trading partners for **Canadian television and film**; the size of the US, UK and French audiovisual and feature film markets presents numerous opportunities for Canadian exporters.

The analysis of data in the study also shows that the US, the UK, France, Ireland and Germany are key export markets for Canadian films and television programs. Producers interviewed for the study also identified Australia and New Zealand as additional English-language markets of importance to Canadian companies.

For some producers and distributors, China represents an important territory to generate sales while others find it a challenging market to penetrate.

The primary markets for the top-selling Canadian **television programs** are the US, the UK, Ireland and France, followed by South Africa. The most important markets for the top-selling French-language programs were France and French-speaking European countries.

There continues to be demand for Canadian productions at higher budgets, but there is also a greater need to finance these productions through international pre-sales. Amongst the top territories sold were the UK, Germany, France, Spain and Australia.

France is a coproducing partner of choice for Canadian **feature films**, followed by the UK and Ireland. The Top Five Coproducing Partners of Canadian Feature Films Included France, Ireland, the United Kingdom, Germany and Spain.<sup>7</sup>

Our strategy is built on further strengthening existing relationships and creating opportunities for members to work with partners we have a tradition of collaborating with and also with emerging markets where opportunities present themselves.

### **1. Established screen-content markets: France, Ireland, UK, US, Germany**

#### **France**

France is internationally recognized as a trailblazer in the film and television industry, with box office revenues expected to rise from US \$1.5 billion in 2016 to US \$1.6 billion in 2021.<sup>8</sup> France is not only the coproducing partner of choice for Canadian films, but it is also key trading partners for Canadian television and film and is in the top five markets for Canadian television exports.<sup>9</sup>

The country commands an established support structure through favourable tax and financial incentives and is a major catalyst for access to European, Latin American, and Asian markets.

State and regulatory bodies such as the Centre national du cinéma et de l'image animée (CNC) and Sociétés de financement de l'industrie cinématographique et de l'audiovisuel (SOFICA) play indispensable roles in France's distinguished industry. The State upholds that a robust film and television industry is a cultural priority and provides strategic support to finance, distribute, promote, and export content. For nearly 70 years, Unifrance (administered by the CNC) has been a world-leader in providing support in selling French films in major international markets.

Canada and France have a long-standing, fruitful partnership celebrating 157 audiovisual treaty co-production projects between 2009-10 and 2018-19.<sup>10</sup> The total combined budgets of these co-productions amounted to CAD \$1,242 million, securing 49% of the share of co-production activity between Canada and partner countries.<sup>11</sup> France is the most important country to Canada for exporting feature films of all genres, and most especially animation productions.

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<sup>7</sup> Communications MDR: Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions (2020)

<sup>8</sup> PWC (2017) *Global Media and Entertainment Outlook 2017-2020* (<https://www.pwc.com/outlook>)

<sup>9</sup> Communications MDR: Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions (2020)

<sup>10</sup> CMPA (2019) *PROFILE: Economic Report on the Screen-Based Media Production Industry in Canada*.

<sup>11</sup> Ibid.



France is a viable partner with a large potential audience for both French and English language productions. France's cinema market accounted for US\$1.6bn in 2017 and is estimated to grow to US\$1.8bn in 2022 at a 1.8% CAGR and France is the fourth-largest subscription TV market in Europe in terms of revenue. In addition, France has by far the largest, most-advanced IPTV market in Europe and is only behind China, the US and Russia in terms of subscriber numbers.<sup>12</sup>

France continues to be Europe's biggest market for non-Hollywood films, with between two and two-and-a-half times the number of European [including French] films opening there than studio pictures.<sup>13</sup>

Key events in the France of import to the Canadian screen-content industry include the *Anney International Animation Film Festival*, *MIPCOM*, *Cannes Film Festival*, *Series Mania* and *Sunny Side of the Doc*:

- France is a top European exporter of animation and continues to be catalyst for animation productions particularly through the *Anney International Animation Film Festival*, which holds a competition between cartoon films and various techniques such as animated drawings, cut-out papers, and modeling clay.
- MIPCOM, held in Cannes annually since 1985, is a robust trade show that is well represented by television studios and broadcasters. The event is comparable to a marketplace and is an indispensable opportunity to connect Canadian producers with international media buyer and sellers.
- The *Cannes Film Festival* has been described as the most important film festival with respect to worldwide impact and garnered media attention. *Cannes* was founded with the purpose of raising the profile of films to develop cinema, boost the film industry, and celebrate ingenuity on a global scale. Cannes revels in celebrating the best filmmakers and emerging talent from all over the world, making attendance at the Festival key for creative entrepreneurs' global market strategies.
- *Series Mania International Festival* in Lilles, is an event that is becoming a frequented event amongst Canadian television producers. *Series Mania Forum*, the industry event accompanying the festival, is the meeting place for international players in the episodic television creation. Since 2018, Lille Transatlantic Dialogues is also the new forum for high-level meetings and exchanges dedicated to bringing together the main political, institutional, creative and economic players in TV and cultural sectors in Europe and the United States.

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<sup>12</sup> <https://www.pwcmediaoutlook.com/country/France>

<sup>13</sup> Market Study France 2010-2017, published May 2018, by Split Screen for German Films [https://www.german-films.de/fileadmin/mediapool/pdf/Marktanalyse/2018/France\\_2010-2017\\_MAI\\_2018\\_edit.pdf](https://www.german-films.de/fileadmin/mediapool/pdf/Marktanalyse/2018/France_2010-2017_MAI_2018_edit.pdf)

- Sunny Side of the Doc is a major international marketplace for documentary and specialist factual content across all platforms. Each year, the 4-day event brings together broadcasters, decision makers, financing bodies, distributors, content creators and producers from around the world to sell or buy projects and programmes, and to find coproduction partners from 50 countries.

The CMPA intends to partner on the following activities in France with members of the International Business Development Group, lead by Telefilm Canada.

- MIPCOM
- Marche du Film during the Cannes International Film Festival
- International Animation Film Market (MIFA) at the Annecy International Animation Film Festival.

The goal of the partnership is to create enhanced visibility for Canadian participants, networking opportunities and a chance to showcase Canadian content.

#### **INTENDED ACTIONS - FRANCE**

**Relationship building:** Support members through our partnership with Telefilm at the events mentioned above. In addition, the CMPA will work with the Trade Commissioner Service in France to identify opportunities for collaboration at virtual and in-person events in Canada, France and internationally where French partners are present.

**Promotion of the Canada-France co-production treaty:** Work with the Trade Commissioner Service and the Embassy of France in Canada to organize opportunities to promote the new Canada – France coproduction treaty which is scheduled to be ratified in 2022.

**Outbound mission:** organize a delegation to Series Mania in March 2023

#### ***Ireland***

Ireland's film and television industry offers a highly developed infrastructure, backed by stable Irish government support. The audiovisual content production sector in Ireland is estimated to be worth €692 million<sup>14</sup>.

<sup>14</sup> A Report from Olsberg SPI with Nordicity: Economic Analysis of the Audiovisual Sector in the Republic of Ireland (2017)

The Fís Éireann/Screen Ireland is the market's main funding body. Its figures for the industry show that in 2019 Irish films, television and animation productions produced in Ireland had combined budgets of over €760 million and spent over €357 million on local employment and local goods and services. This 2019 figure represents an annual increase of 162% on 2018 spend and an increase of 256% since 2007<sup>15</sup>.

Ireland has co-produced with almost every European territory, as well as Canada, Australia and South Africa, and has a wealth of experienced co-producers across all media platforms. Section 481, the Irish tax incentive for TV and film, was recently extended to 2020. This incentive was increased on January 1, 2015 from 28% to 32% of a film's Irish spend, precipitating a system change from investor-led funding to a tax credit and garnering expanded interest from Canadian producers to co-produce with Irish partners.

#### **INTENDED ACTIONS - IRELAND**

**Relationship building:** Work with the Trade Commissioner Service in Ireland to identify opportunities for collaboration at virtual and in-person events in Canada, Ireland and internationally where Irish partners are present.

**Inbound mission:** Work with Screen Ireland to bring in a delegation of Irish producers for Prime Time 2023.

#### **UK**

The UK television industry is a major international success story and a natural co-production partner for Canada. This market produces thousands of hours of content each year. In 2019 the industry generated a total spend of £1.95 billion, a 17% increase on the previous year's £1.84 billion and the second highest figure since these statistics were first recorded. The global theatrical market, which hit a new record in 2019, was worth just over \$42 billion with UK films earning \$10.3 billion, or a 24.6% share.<sup>16</sup>

The UK has consistently been Canada's top or second co-producing partner of choice in the past few decades. In the 2009/10-2018/19 period, the Canada-UK coproduction treaty has been the most used treaty with 164 productions.<sup>17</sup> The UK is the second most-important market for the pre-sale of Canadian programs, generating almost CAD \$37 million in revenues

<sup>15</sup> <https://www.screenireland.ie/about/research-data>

<sup>16</sup> *We are UK Film* (2019). (<http://www.weareukfilm.com/facts-and-stats>)

<sup>17</sup> CMPA (2019) *PROFILE: Economic Report on the Screen-Based Media Production Industry in Canada*, pp.56



in 2014-2015 and 2018-2019 in CMF funded television projects, and the total sales of feature film projects coproduced with the UK achieved over \$95 million over the same period.<sup>18</sup>

The UK government is very supportive of the industry, with improved lottery-sourced funding and tax concessions. Relaxation of the domestic and by extension international project certification process offers wider opportunities for international co-productions as they are now eligible for direct funding; approximately 25% of funded projects are international co-productions.

The UK was Canada's third largest export market in the world in 2017, with Canadian exports reaching CAD 17.7 billion, as well as being the largest destination for Canadian direct investment in Europe. This is in large part due to historical and cultural linkages. EDC position is open and is actively pursuing business in the country and the risk rating is very low. Both Canada and the UK have strongly stated their intentions to form a new trade agreement between the two parties if Britain's exit from the European Union results in a withdrawal from the Canada-European Union Comprehensive Economic and Trade Agreement.<sup>19</sup>

The Canada – UK relationship is a very important one – the co-production treaty has been the most used one over the last 7 years, with over 100 productions.

Key events in the UK for the Canadian screen-content industry include *Content London* and *Focus*:

- *Content London* is a world-class event that features over 200 speakers in a variety of audio-visual roles including commissioners, producers, financiers, technologist, agents, and writers. The event delivers highly desired access to major global media players who, given the opportunity to connect with Canadian screen-content producers either at the event or in Canada, may develop business synergies.
- *Focus*, The Meeting Place for International Production opens its doors to all the creative screen industries – including film, TV, advertising, animation and games – and it is the only UK trade event where attendees can meet content makers, film commissions, production services and locations providers from over seventy countries. Delegates can discover filming incentives, locations and services to maximise screen value, as well as organise meetings with exhibiting organisations using the online scheduler. The free registration includes the packed content programme. Featuring a roster of expert speakers, who will address the key opportunities and challenges concerning the production industry today.

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<sup>18</sup> Communications MDR: Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions (2020)

<sup>19</sup> <https://www.edc.ca/en/country-info/country/united-kingdom.html>

## **INTENDED ACTIONS – UK**

**Virtual mission:** Organize Virtual Business Development Day in March 2022 in partnership with the Trade Commissioner Service and Canadian Heritage.

**Virtual mission:** work with Film City Futures in Scotland to recruit CMPA members for FOCUS Connect - a series of virtual sessions on co-production opportunities between Scottish and Canadian indies.

**Outbound mission:** To *Content London* in December 2022, 2023, 2024 working with the High Commission of Canada in the UK to host a Canada – UK Business Development Day.

## **US**

The United States is the leading exporter of screen-based content in the world. In 2018 the US generated \$24.1 billion in film and television exports, resulting in a trade surplus of \$14.4 billion. The US comprises the largest worldwide market for gross box office sales, amounting to almost \$16.8 billion in 2018. The US and its coproducing partners were responsible for 17 of the top 20 grossing films worldwide in 2018. US films accounted for 56% of the share of the theatrical market in Europe in 2017. American studio films represented 19 of the top 20 films in terms of European box office sales.<sup>20</sup>

The US is a key trading partner and export market for Canadian television and film and is one of primary markets for the top-selling Canadian television programs. According to the interviewees in the CMPA commissioned study *Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions*, the US market tops the list for their ability to generate revenues from sales to distributors, broadcasters and VOD services in that country. The US market is said to be critical to backstop financing for a production, and affords the most valuable license fees for both scripted and unscripted content sales to linear broadcasting and VOD services. Many producers interviewed for the study point to the increasing importance of the US market due to expanding opportunities on US-based SVOD and AVOD services which, some interviewees, consider to be the equivalent to opening up new territories in terms of the overall volume of demand for content that such services represent.<sup>21</sup>

Key events in the US of import to the Canadian screen-content industry include *South by Southwest (SXSW)*, the *American Film Market (AFM)* and *Kidscreen*:

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<sup>20</sup> Communications MDR: *Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions* (2020)

<sup>21</sup> Communications MDR: *Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions* (2020)

- *SXSW* presents an unmatched opportunity to learn and network with media professionals across cultural industries. With a focus on discoverability in interactive, film, and music industries, this conference leads the way in exploring up-coming media trends that will shape the future of the audio-visual industry.
- The *AFM* is held each year in Santa Monica, California and attracts more than 7,000 film industry professional from more than 70 different countries. This marketplace is an indispensable opportunity to network, sell, finance, and acquire films. The main focus of the *AFM* is to facilitate production and distribution deals.
- *Kidscreen* is the best attended and most relevant event for executives in kids' entertainment. This event allows creative minds to engage in critical dialogue concerning key industry issues with programmers, buyers, producers, distribution, licensors, retailers, marketers, digital media managers and even toy companies present.

#### **INTENDED ACTIONS - US**

**Initiative:** Work with Canadian and US industry partners to host the *L.A. Pre-Sale Pitch Sessions* in 2025.

**Relationship building:** Work with the Trade Commissioner Service in Los Angeles and New York to identify opportunities for collaboration at virtual and in-person events in Canada, the US and internationally where US partners are present.

#### ***Germany***

The country's market size (population 82.7 million in 2016), economic and political stability and very highly accommodating business environment make it a very attractive country for exporters. EDC position is open and is actively pursuing business in the country. Risk rating is very low.<sup>22</sup>

By 2022, the total cinema revenue is predicated to reach USD \$1.4 billion, up at a 1.2% CAGR from 2017.<sup>23</sup> After falling in 2016, box office revenue in 2017 increased by 3.2% to USD \$1.2 billion.<sup>24</sup> Germany's strong regional film funds and cash-rebate incentives along with experienced, multilingual crews and impressive landscapes repeatedly draw international productions.<sup>25</sup> The TV market in Germany is mature and is expected to surpass the UK as Western Europe's leading TV subscription industry.<sup>26</sup> In 2017, TV revenue reached USD \$5.8

<sup>22</sup> <https://www.edc.ca/en/country-info/country/germany.html>

<sup>23</sup> <https://www.pwcmediaoutlook.com/country/GERMANY>

<sup>24</sup> Ibid.

<sup>25</sup> World of Locations, Malta Film Commission, November 2017-April 2018, Print.

<sup>26</sup> Ibid.

billion and is forecasted to reach USD \$6.5 billion by 2022. Germany's license-fee income is the second-highest in world, accounting for 45.4% of total traditional TV market income.<sup>27</sup>

Germany has one of the most developed OTT video markets in the world. There are over 60 OTT services operating in German making this country the second largest OTT video market in Europe.<sup>28</sup> In terms of revenue, Germany has the sixth largest OTT video market worldwide, and is expected to grow as broadband infrastructure further improves.<sup>29</sup>

The Canada – Germany co-production treaty has been the third most used one between 2010- and 2017.<sup>30</sup> After the US, the most lucrative territories for international sales of Canadian screen-based content are in Europe. The most important of these are the larger TV markets include Germany as one of the three top countries.<sup>31</sup>

Key events in Germany for the Canadian screen-content industry include the *Berlin International Film Festival (Berlinale)*:

- Held in one of the most vibrant cities in the world and with 500,000 admissions and 20,000 professions attending each year, *Berlinale* has the largest public attendance of any annual film festival.<sup>32</sup> Its *European Film Market (EFM)* has been described as "an international marketplace, a compass for the new film year and a platform for innovation and change."<sup>33</sup> Over 4200 journalists produce media coverage in over 110 countries during the *Berlinale* and *EFM*.<sup>34</sup> Germany, and in particular the *Berlinale* and *EFM*, are critical to the prosperity and innovation of the international film market.

## **INTENDED ACTIONS - GERMANY**

**Virtual mission:** Working with the Trade Commissioner Service in Berlin, the CMPA will organize a Canada – Germany Audiovisual Business Development Day in February 2022. If travel is possible, the CMPA will also organize and in-person event to promote collaboration between Canadian and German producers.

**Inbound mission:** Work with the Trade Commissioner Service to bring in a delegation of German producers for Prime Time 2023.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Communications MDR: Exporting Canadian Television Globally – Trends, Opportunities and Future Directions. May 2017.

<sup>31</sup> Communications MDR: Exporting Canadian Screen-based Productions in a Global Market: Trends, Opportunities and Future Directions (2020)

<sup>32</sup> [https://www.berlinale.de/en/das\\_festival/festivalprofil/profil\\_der\\_berlinale/index.html](https://www.berlinale.de/en/das_festival/festivalprofil/profil_der_berlinale/index.html)

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.



## **2. Emerging co-production markets: China, South Africa**

### **China**

Global Affairs Canada reports that China is the fastest growing film market and is now the second-largest film market in the world. China is expected to surpass North America as the largest movie market in the world by the end of 2017.<sup>35</sup> In 2016, China surpassed the US as the #1 market by number of screens:<sup>36</sup>

March 2017 marked important policy development, when China enacted film legislation calling for transparency in the censorship process.<sup>37</sup> Films have become central to Chinese courtship and consumption: its domestic box office grows by 20-30% annually. Although the Chinese government actively encourages private investment in the independent sector, only 34 big-budget films and a handful of independent foreign ones are allowed into China each year.

China offers an enormous consumer market based on its large population and robust purchasing power. The country is also willing to pay for premium branded commodities and services, and is increasingly cognizant of the need to protect foreign intellectual property rights in the face of prevalent piracy issues.

Hong Kong has a state of the art infrastructure that provides wide-range support to the screen content industry, including film, television, comics and animation, games and other forms of digital entertainment. Its insularity from the rest of the world is fundamentally changing as more and more companies attend key events such as Hong Kong FILMART, looking for potential production partners. Significantly, in 2016, Canada and China began exploratory talks on a free trade agreement<sup>38</sup> and, as noted in CMF's 2017 *Your Market Is Everywhere* report, "several Canadian companies have had success both exporting to and collaborating with Chinese producers".<sup>39</sup> Canadian science fiction, animation, romantic comedies and fantasy tales tend to generate high levels of export revenues in China.

As relationships with China develop slowly, CMPA plans on sustaining outreach as well as research support for Canadian producers interested in this market for at least 3 years, to ensure that long term benefits are supported.

China is one of the world's largest economies and a top export destination for Canada. With its large domestic market and globally integrated supply chains, China continues to attract strong interest from foreign investors.<sup>40</sup>

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<sup>35</sup> Global Affairs Canada (2017) *Canada's State of Trade*. [http://www.international.gc.ca/economist-economiste/performance/state-point/state\\_2017\\_point/index.aspx?lang=eng](http://www.international.gc.ca/economist-economiste/performance/state-point/state_2017_point/index.aspx?lang=eng)

<sup>36</sup> European Audiovisual Observatory (2017) *FOCUS 2017 - World Film Market Trends*.

<sup>37</sup> Ibid.

<sup>38</sup> Global Affairs Canada (2017) *Canada's State of Trade*. [http://www.international.gc.ca/economist-economiste/performance/state-point/state\\_2017\\_point/index.aspx?lang=eng](http://www.international.gc.ca/economist-economiste/performance/state-point/state_2017_point/index.aspx?lang=eng)

<sup>39</sup> CMF Trends (2017). *Your Market is Everywhere - China*.

<sup>40</sup> <https://www.edc.ca/en/country-info/country/china.html>



The film market in China continues to expand. Box office revenue is expected to grow larger than that in the US by the end of 2022. Production volume in China shot up by 37.6% between 2015 and 2016, with Xinhua reporting that 944 feature films were made in the latter year. Canada already has a film co-production treaty in place, but there are opportunities on the television market that Canadian producers have a potential to explore, especially on the expanding world of OTT: the total OTT video revenue in China reached US\$2.4bn in 2017. Almost all China's leading online video providers have identified premium subscription as an important area to develop and revenue from premium users has grown strongly in 2017. Over the next five years, China will experience a significant shift in viewing habits from free-to-air to premium services.<sup>41</sup>

China offers great potential viewership of Canadian television: it had the largest number of subscription TV households in the world at 250mn in 2017, forecast to rise to 275mn in 2022. Their potential audience will continue to grow over the next couple of years as China works on increasing TV penetration in remote and less-developed areas.<sup>42</sup>

Key events in China the Canadian screen-content industry include the *Hong Kong International Film and TV Market (FILMART)*:

- FILMART is Asia's leading project market, connecting more than 1,000 trade buyers from over 40 countries annually to cultivate creative partnerships and discuss audiovisual market trends. During this co-production market, filmmakers have the benefit of networking and strategizing with film financiers, producers, bankers, distributors, buyers and other film professionals.

## **INTENDED ACTIONS - CHINA**

**Outbound mission:** To *Hong Kong International Film and TV Market* in March 2024.

### ***South Africa***

South Africa has a bustling film industry and has been forecasted as a market to watch by PWC in the firm's *2017-2021 Global Media and Entertainment Outlook* report. In 2016, South Africa reached a century high record with the release of 28 domestic productions, six more than the previous year.<sup>43</sup> Growth in production volume has been largely attributed to the

<sup>41</sup> <https://www.pwcmediaoutlook.com/country/CHINA>

<sup>42</sup> Ibid.

<sup>43</sup> European Audiovisual Observatory (2017). *FOCUS 2017 – World Film Market Trends*.

weak rand, scenic shooting locations and favourable weather conditions, a sophisticated workforce and a competitive rebate system.<sup>44</sup>

South Africa's industry has grown over 85% in the last 5 years and is now one of the top locations for film, television and commercials. Their industry is expected to continue to grow, with revenue estimated to rise to US \$239 million by 2021.

Two additional alluring features of South Africa's screen-based industry are their incentives to grow the film industry, and state-of-the-art infrastructures to support production activity. Canadian content fares well in South Africa and Canadian producers claim that the Canada-South Africa co-productions are among the "easiest to set up".<sup>45</sup>

With consumer spending on media and entertainment forecasted to triple in the country by 2020, it is indispensable to continue to foster business relationships with, and opportunities in, this market.

### **INTENDED ACTIONS – SOUTH AFRICA**

**Outbound mission:** To Durban International Film Festival and Market in 2024.

**Inbound mission:** Host a South African screen-content delegations in February 2023 at the CMPA's annual conference *Prime Time*.

### **3. Markets on our radar: India, Nigeria**

The CMPA may host and/or attend exploratory meetings at major international events to gauge mutual interest in co-production and other business opportunities with each of the markets outlined below.

#### ***India***

In 2014, Canada and India ratified an international audiovisual co-production treaty. As the largest producer of films in the world in terms of the number of projects, India is now coming onto the global film production scene. Over the last 3 years, India continues to steadily release a large number of domestic features, with 1903 films certified in 2016.<sup>46</sup> More recently, the Government of India has implemented several initiatives to attempt to liberalize regulations

<sup>44</sup> CMF Trends (2017). *Your Market Is Everywhere – South Africa*.

<sup>45</sup> Ibid.

<sup>46</sup> European Audiovisual Observatory (2017) *FOCUS 2017 – World Film Market Trends*.

relating to foreign film policy, including fiscal benefits, film festivals and awards, and facilitating the shooting of films.<sup>47</sup>

According to PricewaterhouseCoopers' *Indian Entertainment and Media Industry report*, India's E&M sector showed strong growth in 2016, with revenues rising from CAD \$15 billion in 2015 to CAD \$17.7 billion - a year-on-year increase of 20%. This growth was achieved in spite of a relative slowdown in the broader economy. In 2015, the Indian market generated US \$1.5 billion in domestic box office sales.<sup>48</sup> KPMG projects that the Indian film industry will reach INR 219.8 billion in 2018.

Home entertainment is booming (where the much lower cost of accessing audiences on DVD and VOD is a significant factor), especially with respect to animation and documentary content consumption. Regardless of Indian preferences to watch films in local languages, India presents a number of opportunities for Canadian film, television and digital content producers that merit further exploration, including access to a solid talent pool at reduced costs, and access to private sector financing. Having a presence in the Indian market on a longer term and ongoing basis is vital for Canada to exploit these opportunities.

Main industry trends include emerging sources of revenue, increased collaboration with international studios, the rise of 3D cinema, the advent of digital cinema and the growth of multiplexes. Recent Canadian-Indian deals have focused on the genres of children's programming, animation, and both scripted and unscripted lifestyle programming.<sup>49</sup>

Key events in India for the Canadian screen-content industry include the *GOA Film Bazaar* :

- Held in Goa, India since 2007, *Film Bazaar* is South Asia's largest film market. It has become a major meeting point for international film buyers and sellers looking to enhance creative and financial collaboration between global film communities.

## **INTENDED ACTIONS - INDIA**

**Inbound mission:** Host India screen-content delegations in February 2023 at the CMPA's annual conference *Prime Time*.

### **Nigeria**

Nigeria is Africa's most populous country, and one of the continent's largest economies. Its primary source of income is oil but due to the financial crisis of 2008-09, followed by the drop

<sup>47</sup> KPMG (2016) *Film Financing and TV Programming: A Taxation Guide*.

<sup>48</sup> De Rosa, M. & Burgess, M. (2017) *Exporting Canadian Feature Films in Global Markets*.

<sup>49</sup> CMF (2017). *Your Market Everywhere – India*.



in the price of oil, its economic growth has been diversified<sup>50</sup> to include the entertainment industry.

Canada does not have a co-production treaty with Nigeria; however, exploring collaboration opportunities with this rapidly growing and maturing market would be advantageous from a financial and creative perspective. The country's film industry is second largest in the world, only surpassed by India's Bollywood, generating US \$7 billion, employing 1 million people and producing over 2,500 movies per year. Box office revenue is forecast to keep on rising, increasing at a CAGR of 8.0% over the forecast period from US \$79 million in 2016 to US \$116 million in 2021.<sup>51</sup> According to journalist Emily Witt, author of *Nollywood: The Making of a Film Empire*, Nigeria is positioned to become a "global brand much like the films of Bollywood or Kung Fu movies."<sup>52</sup>

While most movies are generally low budget and are backed by private investors, Nigeria's creative industries enjoy government support in the form of initiatives to reduce financial burdens on new investments, and encourage both foreign and local investments into the film industry. The government also lends support to the industry in fighting piracy.<sup>53</sup> With their increased presence at MIPCOM and AFM, Nigeria is working on strengthening its relationships with Europe and North America.<sup>54</sup>

Key events in Nigeria for the Canadian screen-content industry include the *Africa International Film Festival (AFRIFF)*:

- *AFRIFF* celebrates African Cinema and the positive socio-economic impact that a budding film industry can have for third world and developing economies. *AFRIFF* is Nigeria's prime event for encouraging international screen-content partnerships.

## **INTENDED ACTION**

**Relationship building:** The CMPA will continue to work with the Pan African Chamber of Commerce to pursue opportunities within the market.

<sup>50</sup> CIA World Factbook (<https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>)

<sup>51</sup> PWC (2017) *Global Media and Entertainment Outlook 2017-2020* (<https://www.pwc.com/outlook>)

<sup>52</sup> PBS News Hour: *Inside Nollywood, the booming film industry that makes 1,500 movies a year.*

(<https://www.pbs.org/newshour/arts/inside-nollywood-the-booming-film-industry-that-makes-1500-movies-a-year>)

<sup>53</sup> The Guardian: *Nigeria: FG's Support for Creative Industry Paying Off, Says Mohammed.*

(<http://allafrica.com/stories/201712130538.html>)

<sup>54</sup> Variety. *AFM: Nigerian Film Industry Looks to Work With Hollywood Partners.*

<http://variety.com/2017/film/spotlight/afm-nigerian-film-industry-looks-to-work-with-hollywood-partners-1202606939/>

**APPENDIX**

<b>Timeline</b>	<b>Market</b>	<b>Intended action</b>
February-22	UK	Virtual mission: work with Film City Futures in Scotland to recruit CMPA members for FOCUS Connect - a series of virtual sessions on co-production opportunities between Scottish and Canadian indies.
February-22	Germany	Virtual mission: Working with the Trade Commissioner Service in Berlin, the CMPA will organize a Canada – Germany Audiovisual Business Development Day in February 2022. If travel is possible, the CMPA will also organize an in-person event to promote collaboration between Canadian and German producers.
March-22	UK	Virtual mission: Organize Virtual Business Development Day in March 2022 in partnership with the Trade Commissioner Service and Canadian Heritage
March-22	UK	Virtual mission: Organize Virtual Business Development Day in March 2022 in partnership with the Trade Commissioner Service and Canadian Heritage.
December-22	UK	Outbound mission: To Content London in December 2022, 2023, 2024 working with the High Commission of Canada in the UK to host a Canada – UK Business Development Day.
February-23	Ireland	Inbound mission: Work with Screen Ireland to bring in a delegation of Irish producers for Prime Time 2023.
February-23	Germany	Inbound mission: Work with the Trade Commissioner Service to bring in a delegation of German producers for Prime Time 2023.
February-23	South Africa	Inbound mission: Host a South African screen-content delegations in February 2023 at the CMPA's annual conference Prime Time.
February-23	India	Inbound mission: Host India screen-content delegations in February 2023 at the CMPA's annual conference Prime Time.
March-23	France	Outbound mission: organize a delegation to Series Mania in March 2023
December-23	UK	Outbound mission: To Content London in December 2022, 2023, 2024 working with the High Commission of Canada in the UK to host a Canada – UK Business Development Day.
March-24	China	Outbound mission: To Hong Kong International Film and TV Market in March 2024.
August-24	South Africa	Outbound mission: To Durban International Film Festival and Market in 2024.
December-24	UK	Outbound mission: To Content London in December 2022, 2023, 2024 working with the High Commission of Canada in the UK to host a Canada – UK Business Development Day.
August-25	US	Initiative: Work with Canadian and US industry partners to host the L.A. Pre-Sale Pitch Sessions in 2025.

Ongoing	France	Relationship building: Support members through our partnership with Telefilm at the events mentioned above. In addition, the CMPA will work with the Trade Commissioner Service in France to identify opportunities for collaboration at virtual and in-person events in Canada, France and internationally where French partners are present.
Ongoing	France	Promotion of the Canada-France co-production treaty: Work with the Trade Commissioner Service and the Embassy of France in Canada to organize opportunities to promote the new Canada – France coproduction treaty which is scheduled to be ratified in 2022.
Ongoing	Ireland	Relationship building: Work with the Trade Commissioner Service in Ireland to identify opportunities for collaboration at virtual and in-person events in Canada, Ireland and internationally where Irish partners are present.
Ongoing	US	Relationship building: Work with the Trade Commissioner Service in Los Angeles and New York to identify opportunities for collaboration at virtual and in-person events in Canada, the US and internationally where US partners are present.
Ongoing	Nigeria	Relationship building: The CMPA will continue to work with the Pan African Chamber of Commerce to pursue opportunities within the market.