Sectoral Profile

Information, culture
Arts, entertainment, and recreation

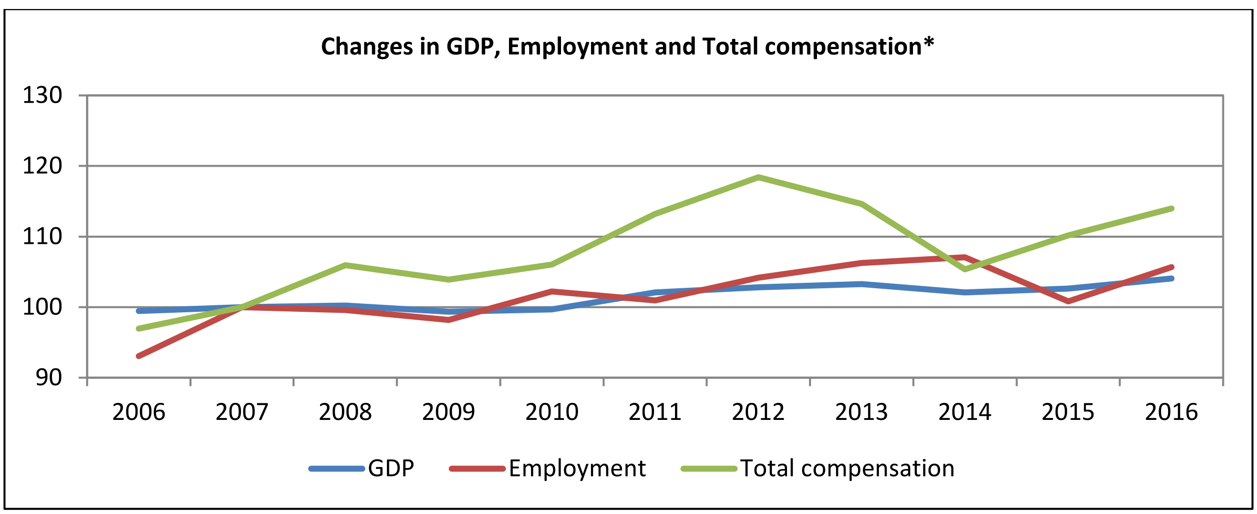
NAICS 51 & NAICS 71

Quebec

2018-2020*

- In the publishing industries, printed products have been experiencing a significant decline in activity for more than a decade, while software and video game publishing is booming
- For the past ten years, the pronounced growth of investments in arts, entertainment and recreation has provided additional infrastructures and attractions, leading to increasing attendance and employment

This profile covers two major areas of activity. The first group includes businesses involved in the production and distribution of information and cultural products, including Web-based dissemination, and the second involves operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons.



*Data are expressed as indices with 2007 = 100

Sources: Statistics Canada, GDP – CANSIM 379-0030, Employment – LFS, Total Compensation – 383-0031

Information and cultural industries

They include publishing (except Internet), the motion picture and sound recording industry, broadcasting (except Internet), telecommunications, data processing and hosting, and other services associated with information processing.

* This document is the result of analyses performed using information available as at April 5, 2018.

Publishing (except Internet)

The two components of this segment are moving in opposite directions. On the one hand, newspaper, periodical and book publishing, which have been experiencing a significant decline in its activity level for years and a decrease of 44% in its labour force over the last ten years. On the other hand, software and video game publishing has expanded considerably in Quebec since 2000. This segment now accounts for 55% of overall employment in publishing.

With nearly 90% of the population connected to the Internet, print is losing popularity. The format is also changing, since the content is most often browsed by means of a mobile device, a telephone or a tablet. The digital migration has resulted in job cuts, including journalists since electronic platforms facilitate product convergence. It also impacted related industries like paper printing, delivery of newspapers and magazines, and paper manufacturing.

Advertising, the main source of revenue in publishing, followed the readership's move to digital products. Editors could not afford anymore to maintain all newspapers, magazines and weeklies. Many products were discontinued; content was merged, optimized, and shared on different platforms and websites. Restructuring continues, as do job losses. The Quebec Government has announced measures to support for the shift to digital technology. That could slow or even stop the decrease. However, this will not stop the transformation of the industry.

In the software and video game publishing segment, the industry has benefitted from conditions bolstering its expansion, in particular, the popularity of the digital economy, the Internet and technological innovation, and the refundable tax credit offered by the Quebec government for a portion of multimedia production labour expenditures. Major international businesses have joined forces with start-ups, and training establishments followed suit. All of this has increased the level of activity in this part of the industry.

The success of the video game industry has fuelled Quebec's popularity as a multimedia production hub and the establishment of firms specializing in special effects for movies and television. Combined with the training capacity available in the province, Quebec has developed a critical mass of experts in the field.

Growth will remain, but its pace could slow down as several industries are in a cutthroat competition for labour. This could drive businesses to settle elsewhere in Canada and benefit from other potential labour pool. But for now, with one third of Canadian businesses and 46% of employment, this segment is taking advantage of its size and association with training establishments to stand out in the world. Virtual reality and artificial intelligence are guiding the current development, to increase interactivity with and between players, and to ensure that the game is influenced by player behaviour.

Motion picture and sound recording industries

The *Bureau du cinéma et de la télévision du Québec* [Québec Film and Television Council] has noted that the value of contracts to special effects companies in Quebec is almost as high as that of film productions in the province. International acknowledgment of the work done by visual effects companies in Quebec is driving the growth in the number of studios and contracts. A new record high may be reached in 2018 in regards to the value of film productions and the value of visual effects contracts in the province.

It appears that the decline in the film distribution and cinema production industry has stopped. Although moviegoership and earnings levels come and go, the indicators are showing stability over time – the theater occupancy rate overs around 10%, its lowest rate since 1975. Easy access to online products strongly impacted revenues and occupancy rate in this segment.

Finally, in the sound recording segment, the Quebec Government has increased its assistance to support musical production enterprises who wish to move to digital technology and has also added a budget for the promotion of Francophone music within festivals and other public events. This budget covers only the 2017-2019 horizon, but could allow a stabilization of the workforce during the period.

Broadcasting

Traditional broadcasting is no longer satisfactory for many people. Internet freed consumers from the TV constraints: you choose what you want to watch without being bound to a subscription, you can watch anywhere according to your own schedule. Over the next few years, traditional television and specialty channels alike will face the same issue: find a way to attract and keep viewers, or continue to lose subscribers. Broadcasters are still looking to lower operating costs, to maximize synergy, and optimize use of content on all platforms. Electronic distribution allows content to be shaped based on age groups or interests. It seems that, since 2015, the decline in the workforce has stopped, but this could be only for a moment.

Telecommunications

The opportunities for consumer-based growth are very limited: the penetration rate for these services is already very high. The potential for new subscribers has decreased considerably over the years. However, the popularity of smartphones and tablets has created high demand for access to a wireless, high-speed communications network.

Telecommunications companies are investing greatly in expanding their offers, in terms of both capacity and content. Their role as content and service integrators has been expanded; they provide telephone services, as well as cable or satellite program distribution, conventional and specialty television channels, pay-per-view and video-on-demand services, Internet services and much more. In terms of services to the public, there is fierce competition in terms of content. With respect to services to businesses, the focus is placed, amongst other things, on optimizing virtual meetings and integrated solutions to meet the overall communications needs of a business. This situation will continue until competition will lead, again, to the need to save on costs and services.

The federal and provincial governments, along with telecommunications companies, are investing to extend network connection to rural or remote cities and villages in Quebec's regions. The Quebec Government has presented a six-year plan for the development of the required infrastructure. The goal is that over 90% of Quebec residents will have access to high-speed Internet, and that the network will be available to support regional economic development.

Other information services

Data processing, data hosting and other information services, such as press agencies, libraries and archives, as well as web-based content dissemination are also part of the information and culture industries. All aspects of electronic information management have high potential for growth and Quebec will benefit from this in the next few years. In comparison with the industry overall, the forecast gains are not very high. However, this is only momentary as this segment is blossoming and gains will become more significant in the medium and long term.

Arts, entertainment and recreation

The arts, entertainment and recreation industry, the second large segment of this sectoral profile, includes performing arts organizations (theaters, opera), sports teams, heritage organizations (museums for example), as well as entertainment companies (parks, golf courses, marinas, ski resorts) and gambling facilities (lotteries, casinos). Funding is largely dependent on governments (grants) and households' discretionary spending. Good news, the consumption of recreational services has grown significantly in Quebec. Thus, the share of the budget allocated to this type of spending rose slightly. However, not all products have benefited from this increase.

Museum profits from more visitors and greater government support. The popularity of interpretive sites and art museums has enabled to enhance their offerings, which in turn led to more visitors. But it's not a happy ending yet: heritage organizations often have small profit margins and are highly dependent on grants, donations and memberships. For this reason, many institutions are developing services for holding business meetings, commemoration activities (celebrations, birthdays, ceremonies, etc.) and find other sources of income.

The lottery and gambling industry is experiencing a period of changing consumer habits: some products are less attractive and there are many alternatives available on the Internet. Following a period adjustments to its cost structure, Loto-Québec rejuvenated some attractions such as casinos, following the review of its service delivery.

Sectoral Dynamics for Regions

Québec 2018-2020	In the Economic Regions	AAGR
	Estrie	1.5%
Annual average growth:	**Lanaudière**	0.9%
0.8%	**Montréal CMA**	0.9%
	Laurentides	0.9%
Gain of approx.:	**QUÉBEC**	0.8%
4,500 positions	**Bas-Saint-Laurent**	0.7%
	Montérégie	0.7%
Yearly dynamics:	**Gaspésie–Les-Îles**	0.7%
2018: ↗	**Capitale-Nationale**	0.6%
2019: ↗	**Chaudière-Appalaches**	0.5%
2020: ↗	**Saguenay–Lac-Saint-Jean**	0.5%
	Centre-du-Québec	0.5%
	Mauricie	0.4%
	Côte-Nord / Nord-du-Québec	0.2%
	Outaouais	0.2%
	Abitibi-Témiscamingue	0.0%

n/a: not applicable

Source: *2018–2020 Sectoral Outlook* annual exercise
Labour Market Analysis Directorate, Service Canada – Quebec Region, April 5, 2018.

The following occupations in the information, culture, arts, entertainment and recreation industry are the most likely to be affected by the expected dynamics (according to the occupation by industry matrix):

Information and cultural industries

- 6552 Other customer and information services representatives
- 7246 Telecommunications installation and repair workers
- 5131 Producers, directors, choreographers and related occupations
- 2174 Computer programmers and interactive media developers
- 5123 Journalists
- 0131 Telecommunication carriers managers
- 1451 Library assistants and clerks
- 5225 Audio and video recording technicians
- 6411 Sales and account representatives - wholesale trade (non-technical)
- 2281 Computer network technicians
- 5226 Other technical and co-ordinating occupations in motion pictures, broadcasting and the performing arts
- 5241 Graphic designers and illustrators

Arts, entertainment and recreation

- 5254 Program leaders and instructors in recreation, sport and fitness
- 5133 Musicians and singers
- 6722 Operators and attendants in amusement, recreation and sport
- 5136 Painters, sculptors and other visual artists
- 6533 Casino occupations
- 1123 Professional occupations in advertising, marketing and public relations
- 5121 Authors and writers
- 0513 Recreation, sports and fitness program and service directors
- 1226 Conference and event planners
- 5135 Actors and comedians
- 5252 Coaches.

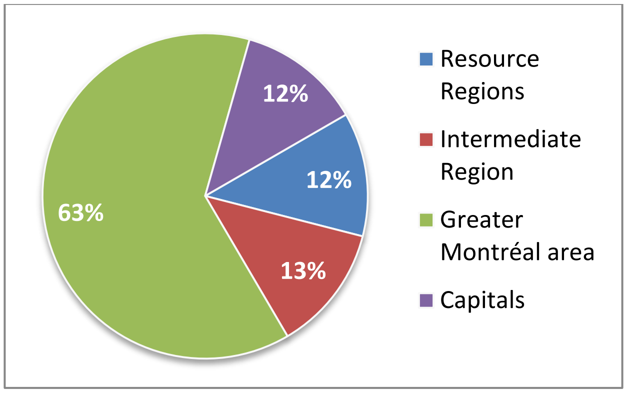
SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

	Employment 2015–2017 Average			**10-year Change in Employment**	
	Employment In thousands	**Provincial distribution**	**Regional employment share**	In thousands	as a %
All of Quebec	**178.7**	**100.0%**	**4.3%**	**15.0**	**9.1%**
Resource Regions					
Abitibi-Témiscamingue	x	x	x	x	x
Bas-Saint-Laurent	2.9	1.6%	3.4%	-1.2	-29.5%
Côte-Nord / Nord-du-Québec	x	x	x	x	x
Gaspésie–Îles-de-la-Madeleine	x	x	x	x	x
Saguenay–Lac-Saint-Jean	3.8	2.1%	2.9%	0.5	16.5%
Intermediate Regions					
Centre-du-Québec	3.1	1.7%	2.6%	0.5	19.2%
Chaudière-Appalaches	4.5	2.5%	2.1%	-0.3	-6.3%
Estrie	4.4	2.5%	2.8%	0.3	8.2%
Mauricie	4.2	2.4%	3.5%	1.2	38.5%
Greater Montréal area					
Lanaudière	9.7	5.4%	3.8%	2.1	28.1%
Laurentides	13.0	7.3%	4.2%	1.8	16.1%
Laval	6.5	3.6%	3.0%	-2.1	-24.2%
Montérégie	34.2	19.2%	4.4%	6.7	24.2%
Montréal	67.1	37.5%	6.7%	4.6	7.4%
Capitals					
Capitale-Nationale	13.6	7.6%	3.4%	1.0	7.7%
Outaouais	8.2	4.6%	4.1%	-0.1	-0.8%

x: confidential data, fewer than 1,500 people employed in this region
Source: Historical estimates based on Statistics Canada’s Labour Force Survey

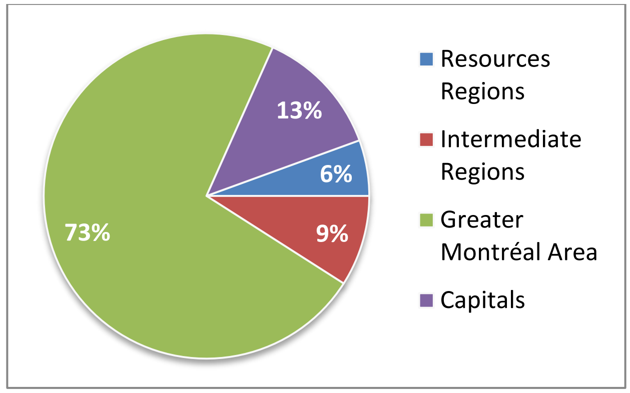
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



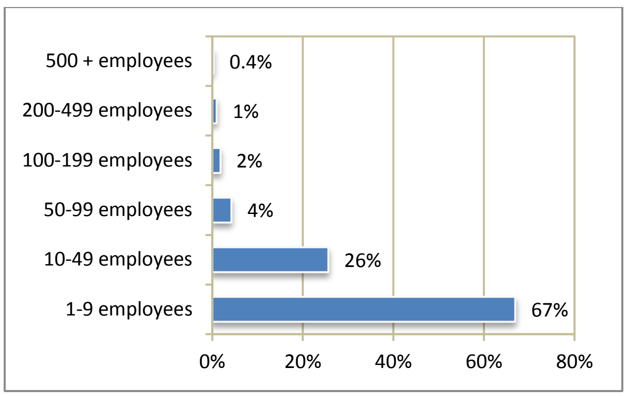
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



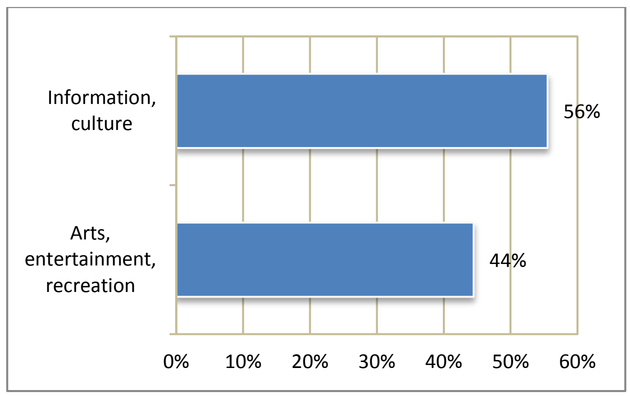
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



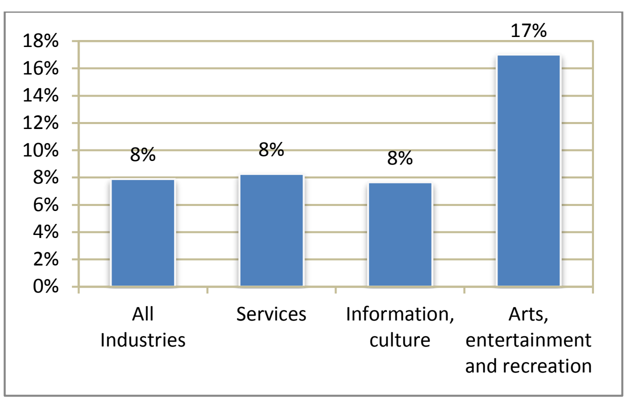
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry segment



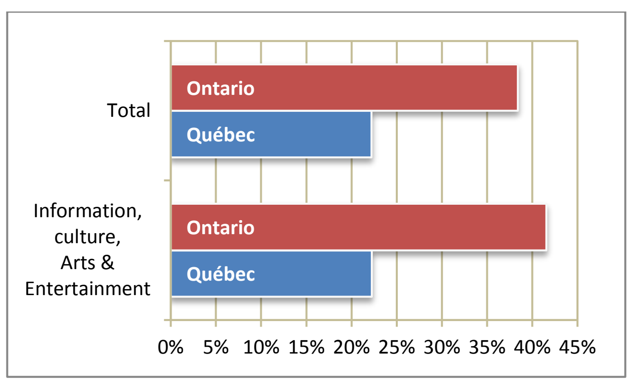
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment



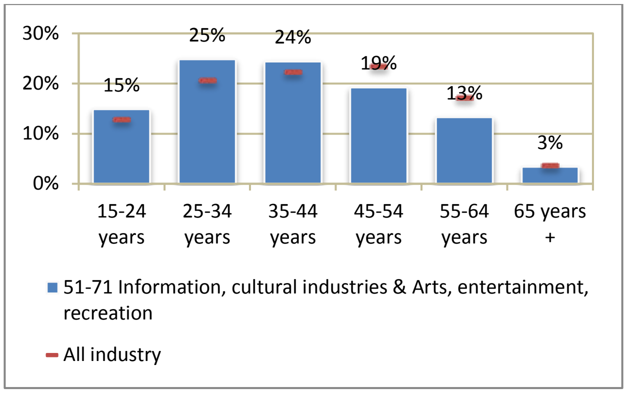
Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

Share of total employment and industry in Canada



Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Employed Labour Force Aged 15 Years and Over



Source: Statistics Canada, 2016 Census, special tabulation for ESDC

Employment distribution by skill type

National Occupational Classification	
0. Management	11%
1. Business, finance and administration	16%
2. Natural and applied sciences and related	10%
3. Health	1%
4. Education, law and social, community and government services	2%
5. Art, culture, recreation and sport	32%
6. Sales and service	19%
7. Trades, transport and equipment operators	6%
8. Natural resources, agriculture and related production	2%
9. Manufacturing and utilities	0%

Source: Statistics Canada, 2016 Census, special tabulation for ESDC

FOR MORE INFORMATION

- Job Bank (Canada) – Job Market Trends and News: Information on job, skills and local labour market trends is important for making career decisions. In addition, information on wages, labour supply, labour demand and other factors helps employers recruit, train and retain workers and make business and investment decisions.
- North American Industry Classification System (NAICS) Canada 2012:
  Information and cultural industries NAICS 51 &
  Arts, Entertainment and Recreation Industry NAICS 71

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi