

is expected to be greater following the extraordinary sales figures for Céline Dion and Alanis Morissette. The popularity and success of headline Canadian musicians has led to a growing interest in the U.K. in Canadian music in the rock/pop, folk, and electro-acoustic music genres.

Sales of recordings are often dependent upon local live performances. It is important, particularly in the pop/rock/folk fields, that musicians be prepared to tour in the marketplace. The U.K. retains its position as one of foremost marketplaces for live performance in all musical genres. London, certainly, is considered to be the one of the most important venues in the world for classical musicians. However, ticket sales for classical music concerts are dwindling, and the audience is ageing.

Film & Television

Unlike Canada, the financing of feature films in the United Kingdom is inextricably linked to television broadcasters. Channel 4, the British Broadcasting Corporation (BBC), and, increasingly, the satellite channel BSkyB are all major investors in feature film production, not just for television broadcast but also for cinema release. Other major financiers are British Screen (a government-funded, arm's length organization akin to Telefilm Canada) and the newly formed National Lottery Fund, have pledged to spend \$168 million on film production and distribution over the next five years. There continues to be no fiscal incentive to encourage investment.

The number of U.K. productions is increasing rapidly each year (84 in 1994), with a total investment of \$955 million. These figures, however, are inflated by big U.S. productions being shot in British studios. The average budget for a co-production is \$9.5 million. The number of U.K. co-productions is increasing rapidly (28 in 1994), and Britain is Canada's largest co-production partner, with seven films in production in 1995-96. Reports in the film industry stress that co-productions are the way of the future. However, the number of U.K. productions that never get a theatrical distribution deal has risen dramatically over the last five years. In 1993, it was 52.2 percent. This

alarming trend is thought to be due to over-investment in production.

The number and size of independent distributors handling mainly non-U.S. products is small, but they are often the best distributors for Canadian films as they will spend time promoting each film individually and with care. However, their budgets are limited. Canadian films are in competition for this tiny market with Australia, France, Spain, and others, all of which have a prolific output.

Cinema audiences are on the increase, and consumers spent \$4.2 billion on feature films in 1994. The U.K. markets are dominated, as in Canada, by U.S. blockbusters (approximately 90 percent). Excluding Hollywood productions, \$525 million is available at the box office for other films. The over-35 audience ratio is increasing, which may be good news for the large number of Canadian productions that appeal to this age group.

The position of U.K. broadcasters – ITV, BBC and Channel 4 – is being challenged by the advent of a new national land-based broadcaster, Channel 5, in January 1997 and by the rapidly expanding satellite output. Audiences will be more widely dispersed amongst a wider choice of programming. Channel 4, which commissions from independent producers, has been extremely receptive to co-producing and direct commissioning from Canadian producers. The BBC has a reputation for in-house production but is becoming receptive to co-productions.

Publishing

The U.K. domestic book market had annual sales in 1993 of \$5.25 billion for all books, hardback and paperback, fiction and non-fiction.

Canadian book exports to the United Kingdom were \$17.4 million (about 4 percent of U.S. sales in Britain). The bulk of book imports from Canada are educational works. There are relatively few imports of Canadian fiction as compared to U.K.-published editions. This has

There have been major market breakthroughs recently with Canadian musical recordings, novels and film co-productions.
