

- New markets or distribution channels are opening up all over the world and these offer significant sales potential for Canadian products (pay TV, cable, video cassette). In particular, products for U.S. Pay TV services were identified as already showing significant opportunities for Canadian companies. It was reported that companies like Home Box Office (HBO) are actually seeking out and commissioning Canadian programming.
- Some smaller companies producing low budget theatrical productions such as "thrillers" identified non-North American and non-Western markets as important. These films and markets can be an important source of revenue and can also be used to achieve financial capabilities required to compete in the domestic and U.S. markets.
- Foreign sales to major markets were also said to be important for the status, reputation and, thereby, the future financial viability of companies.

#### 4.2.2 Major Export Markets

- Industry representatives report that for both television and theatrical feature films, the United States is the largest foreign market. For Canadian companies it holds the greatest potential simply because of its proximity.
- While the U.S. market represents the most significant world market, it is also considered to be one of the most difficult to break, being dominated by major, integrated, American firms.
- The U.S. market is sub-divided geographically as well as consisting of a variety of distribution modes. Besides the theatre and television markets, there are many other new and growing markets such as pay television, cable television and home entertainment (video cassettes).