

SECTOR: Consumer Products and Services

SUB-SECTOR: CULTURAL INDUSTRIES: Book Publishing; Film & Video; Performing Arts; Sound Recording.

Officer: D. Shaw

U.S. Market Opportunities: A: A soft U.S. economy held **book publishers'** receipts to \$16 billion in 1990. The outlook for 1991 is for an 8% increase to \$17.3 billion. 1990 U.S. book imports grew by 10% to \$880 million with exports of \$1.4 billion.

Demographic, economic and technological trends should help the U.S. publishing market achieve average growth of 3.5% in constant dollars through 1995. Elementary and high school enrolment is projected to rise by 3 million, improving markets for text and juvenile books. Sales of trade books should be aided by the formation of over 6 million households and the addition of 10 million persons to the high income, heavy reading population segment aged 35 to 54. Markets for college textbooks and technical, scientific and professional books may not increase as rapidly since college enrolments are not expected to grow and library budgets will be addressing serial subscriptions and electronic information requirements as well as budgets for books.

B: The U.S. market for **film & video** appears to be levelling off after years of expansion. Combined box office and video rental receipts are still expected top \$15 billion in 1991. The market continues to have a voracious appetite.

C: The U.S. market for **Performing Arts** is virtually inexhaustible, but dominated by companies that cater primarily to popular tastes. The pervasiveness of popular American culture tends to overshadow the fact that rich markets for "High Culture" exist in virtually every region of the United States.

D: Growth rates in the **Sound Recording** sector are expected to stabilize around 5% p.a. over the next few years with most activity in the sale of pre-recorded CDs and cassettes.

Canadian Capabilities: A: All segments of the **Cultural Industries** are normally at a size-related disadvantage vis-a-vis their U.S. counterparts. However, Canadian **publishers** often produce excellent products. Particularly notable are Children's books, young adults' fiction, guidebooks and self-help publications.

B: Even where **Film & Video** product excels, Canadian firms often lack capital and distribution facilities to penetrate the U.S. market. However, Canadian technical and production facilities are first rate and readily accessible to U.S. film makers.

C: Canadian **Arts Performers** are innovative, talented and many are of international calibre. Performers in modern dance, mime and music are particularly capable. Performances abroad reinforce an image of Canadian culture and sophistication among U.S. business and professional leaders.

D: Because of U.S. domination of the **Sound Recording** industry, to be recognized Canadian artists must be contracted by U.S. producers. Nevertheless, the Canadian industry possesses considerable technical expertise.