



Ontario's businesses shine in second edition of landmark study of Canada's interactive digital media industry

FOR IMMEDIATE RELEASE

OTTAWA, ONTARIO, April 22, 2009 – The Canadian Interactive Alliance / l'Alliance interactive canadienne (CIAIC) today released complete results of its 2008 Canadian Interactive Industry Profile (CIIP), including an analysis of the interactive media industry in Ontario.

For 2008, the CIIP study looked only at firms that derived more than 50 per cent of their revenue from interactive digital media work, which excluded broadcasters, ISPs and other similar media enterprises. Overall, the 2008 CIIP estimates the number of interactive media companies in Canada at 2,960, collectively employing between 51,000 and 52,500 Canadians in various roles. The estimated revenue generated by these companies is \$4.7 billion annually, with \$3.8 billion of that coming from interactive digital media projects, and \$900 million from other forms of media and entertainment.

Some notable statistics and trends reported by firms included in the Ontario profile in the 2008 CIIP:

- Through the recognized gross-up method used in the survey, it is estimated that Ontario is home to approximately 950-1,050 interactive digital media companies that employ more than 16,000 people. These companies generate between \$1.3 and \$1.5 billion in annual gross revenue, and between \$1.1 and \$1.2 billion in interactive digital media revenue;
- Among the 45 per cent of Ontario companies surveyed who said they exported goods and services, revenue derived from exports accounted for 54.7 per cent of total revenue – the highest percentage of all five regions in the 2008 CIIP;
- Among small interactive media companies – defined as those firms with less than \$250,000 in annual revenue – in all five regions, Ontario's were the most prolific employers, with an average staff size of five full-time equivalent (FTE) positions;



- Interactive Ontario ranked first out of 20 associations, groups and professional organizations to which the province's interactive media firms reported belonging.

"The Ontario government has identified the entertainment and creative cluster as the fastest-growing sector of our economy over the next 10 years, led by the interactive digital media industries -- and the latest findings from the CIIP certainly bear that out," said Karen Thorne-Stone, President and CEO of the Ontario Media Development Corporation. "As we continue to strengthen Ontario's knowledge-based economy, OMDC is proud to support the interactive digital media industry through a variety of programs, funds, events and tax credits, as well as through important research projects like this."

"Interactive media continues to be a corporate priority for Telefilm Canada, and the findings of the Canadian Interactive Industry Profile demonstrate how important Telefilm has been to this growth industry," said Wayne Clarkson, Executive Director of Telefilm Canada. "Being recognized as one of the most important national funding sources is proof that Telefilm has played a part in helping to increase revenues and create jobs in the interactive media industry."

"The 2008 Canadian Interactive Industry Profile clearly shows the future potential of this fast-growing segment of the knowledge economy," said Ian Kelso, President of the CIAIC and President and CEO of Interactive Ontario. "We believe that the story of Canada's interactive digital media and its contribution to our country's GDP, employment base and global competitiveness has only just begun to be told."

Companies participating in the 2008 edition of the CIIP, which is at present the only national study of Canada's interactive media industry, reported that revenue from interactive digital media work grew a remarkable 50.9 per cent between 2006 and 2008, and a respectable 17.4 per cent rate of growth in revenue from all sources over the same period.

Other national-level statistics of note from the 2008 CIIP include:

- The vast majority – 85 per cent – of companies are wholly Canadian-owned;



- 60 to 70 per cent of interactive media projects are based on original intellectual property;
- Nearly half – 46 per cent – of industry revenue is generated through two task categories: Game Design and Development, and Website Design and Development;
- A full third of respondents said they performed work in five or more interactive digital media task categories.

Funding supporters of the 2008 CIIP are Telefilm Canada, Atlantic Canada Opportunities Agency, Ontario Media Development Corporation, Bell Broadcast and New Media Fund, and Business New Brunswick.

About CIAIC

Formed in June 2005, the Canadian Interactive Alliance/l'Alliance Interactive Canadienne is a not-for-profit association and the authoritative voice for Canada's interactive digital media industry on the national stage. Its membership is composed of seven provincial interactive media associations: Alliance Numérique, Digital Alberta, Interactive Media Alliance of PEI, Interactive Ontario, Manitoba Interactive Digital Media Association, New Media BC, and SaskInteractive.

For more on the alliance, visit the CIAIC's website at <http://www.ciaic.ca>.

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