

May 30, 2018

Ms. Marie-Eve Belzile
Committee Clerk
Senate of Canada
Committee Directorate
Ottawa, ON K1A 0A4
Email: Marie-Eve.Belzile@sen.parl.gc.ca

Re: Telefilm Canada's Submission to the Senate Committee on Foreign Affairs and International Trade - Study on the Impact and Utilization of Canadian Culture and Arts in Canadian Foreign Policy and Diplomacy

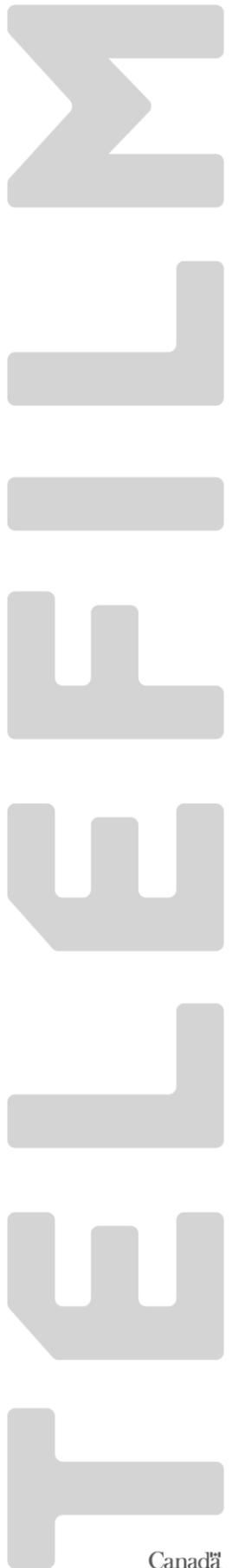
Dear Ms. Belzile:

As discussed during our recent conference call, Telefilm Canada is pleased to provide the following submission to the Senate Committee on Foreign Affairs and International Trade.

I hope that the Senate Committee finds this document useful in its deliberations.

Sincerely,


Jean-Claude Mahe
Acting Executive Director



This document represents Telefilm Canada's ("Telefilm") submission to the Standing Committee's study on the impact and utilization of Canadian culture and arts in Canadian foreign policy and diplomacy.

Telefilm welcomes the invitation to submit a written submission for consideration by the Committee. We have reviewed the record of other witnesses before the Committee and understand that the Committee is seeking to understand the role that Telefilm Canada through its support of the industry plays in cultural diplomacy.

Our submission is therefore divided into the following three sections:

- Section I provides a description of Telefilm's mandate, role and strategic priorities;
- Section II describes Telefilm Canada's international activities; and
- Section III responds to the Committee's queries regarding cultural diplomacy, and in particular how the industry's competitiveness can be strengthened internationally.

I. Telefilm's Mandate: To Foster and Promote Canada's Audiovisual Industry

1. Fifty Years of Growth

For more than fifty years, since its establishment in 1967, Telefilm has been dedicated to the development and success of Canada's audiovisual industry, helping to create a vibrant sector. Today, the audiovisual sector generates well over \$8 billion in production volume, contributes over \$12 billion to the GDP, and creates approximately 171,700 full-time jobs.¹

Telefilm's mandate is to foster and promote the audiovisual industry in Canada. In this role, the organization administers the Canada Feature Film Fund (CFFF), which represents the largest single source of financing for feature-length films in Canada. In 2016-2017, Telefilm Canada provided \$101.6 million in financial support for the development, production, distribution, international marketing, and export of 88 Canadian feature films.² Telefilm also administers the programs of the Canada Media Fund (CMF), and certifies official treaty coproductions on behalf of the Government of Canada.

In 2012, Telefilm created the Talent Fund, a private donation fund supported by companies, such as Bell Media and Corus Entertainment, and individual philanthropists. The Fund supports emerging filmmakers and international promotion. To date, the Talent Fund has raised close to \$16 million.

¹ *Profile 2017: An Economic Report on the Screen-Based Production Industry in Canada*, prepared by the CMPA and APFTQ in conjunction with the Department of Canadian Heritage, 2017.

² *Profile 2017: An Economic Report on the Screen-Based Production Industry in Canada*, prepared by the CMPA and APFTQ in conjunction with the Department of Canadian Heritage, 2017.

Over the last five decades, Telefilm has supported the industry as it has attained global excellence in all areas of production. Through decades of working abroad, Telefilm has built an excellent and credible international reputation by organizing the Canada Pavilion in key markets, supporting talent at renowned festivals, and ensuring that Canadians are in the spotlight.

Our industry has become a cultural and economic force with the maturity and the proven capacity to create world-class content. Canada is now known for the significant number of talented Canadians making their mark on the international scene, high-quality productions, and a promising new generation of creators.

2. Telefilm's New Strategic Plan Prioritizes the International Market and Export

In 2018, Telefilm released a new strategic plan *See Bigger*. In line with this plan, the organization will work to strengthen Canada's position on the international marketplace by stimulating the export of Canadian content, and by promoting audiovisual content and talent. Telefilm will continue to raise the profile of Canada's industry, talent, and content among foreign buyers, investors, and audiences.

II. Telefilm Canada in the International Arena

1. Telefilm's Role as the Administrator of Official Treaty Coproductions

The growth of the audiovisual industry would not have been possible without coproductions. These international agreements, known as treaties, are signed between Canada and other countries to facilitate collaboration between Canadian and foreign producers, who pool their creative, artistic, technical and financial resources to make films, television, and digital media productions that would not otherwise be made with domestic resources alone.

As the administrator of these agreements, Telefilm has witnessed first-hand the strategic role that coproductions have played in the growth of the industry. Canada currently has signed official treaty agreements with close to 60 countries. Coproductions generated \$503 million in production activity in 2016 alone. In the last 10 years, Canadian producers partnered in over 700 international coproductions totalling over \$5 billion in production volume. Most of this activity has been with the United Kingdom, France, Australia, Germany, and Ireland, although Canadians also coproduced with a host of other countries including South Africa, Brazil, China, Israel, Singapore, and the Philippines.³

Coproduction is one of the most effective ways to strengthen the export of Canadian content. As a coproduction is considered a native production in both partner countries, it helps ensure distribution in these foreign territories. Telefilm's own research indicates that the most successful films of the past 50 years have been coproductions. For example, the 20

³ Ibid

best-performing Canadian films funded by Telefilm over the last 10 years generated 274 million dollars in gross sales; and 85 percent of these sales stemmed from Canadian international coproductions.

What's more, a study conducted by the Canadian Media Producers Association (CMPA) on the exports of feature films found that the better financed the film or television program, the more likely they are to be exportable, with a higher proportion of international pre-sales.⁴

To enhance its international promotion activities, Telefilm has recently created RdvCanada.ca, a website to promote Canada's talent and productions to the international audiovisual industry. This site is a one stop shop that includes interactive directories, information on how to create with Canada, an editorial news section, and a monthly newsletter.

2. Eurimages: Strengthening Cultural and Economic Ties with Europe

Recognizing the strategic role that coproductions represent for financing and export, Telefilm spearheaded Canada's membership in Eurimages - European Cinema Support Fund. Thanks to these efforts, in 2017 Canada became the 38th member country – and the only non-European country. The agreement improves access to international funding and helps to export Canadian cinema.

As the Honourable Mélanie Joly, Minister of Canadian Heritage rightly noted: "Our government understands the importance of supporting Canadian creators in accessing international markets and audiences. In addition to deepening Canada's relationship with its European partners, this membership will further position our country as a coproduction partner of choice and give Canada a competitive advantage on the world audiovisual stage."⁵

Telefilm is pleased to report that membership in the program has already borne fruit with seven Canadian projects selected for financing, representing a total investment of more than \$3 million.

3. An Array of Programs and Initiatives to Increase Promotion, Sales, and Exports

Telefilm offers an array of programs and initiatives that are aimed at the promotion of the industry internationally with the ultimate goal of increasing coproduction opportunities, sales, and exports of audiovisual productions. Annex 1 provides a description of the activities that Telefilm presently undertakes.

⁴ De Rosa, Maria & Burgess, Marilyn *Exporting Canadian Television Globally –Trends, Opportunities and Future Directions*, for the Canadian Media Producers Association in collaboration with AQPM, CMF and Telefilm Canada, May 2017

⁵ https://www.canada.ca/en/canadian-heritage/news/2017/03/canada_strengthensitsculturalandeconomic-tieswitheurope.html

The following are examples of noteworthy initiatives and programs that help expand the international reach of the industry, promote Canadian talent, and encourage international sales of Canadian productions.

3.1 The Canada Pavilion

Markets continue to be an important way to stimulate the sale of Canadian productions, and to facilitate pre-financing and partnerships for coproduction projects. To that end, in partnership with provincial and federal agencies as well as the private sector, Telefilm offers an array of onsite services and initiatives under the Canada Pavilion umbrella. This business and information hub is offered at Cannes, Berlin, MIFA, Sunnyside of the Doc, Honk Kong Filmart, MIPCOM and MIPTV (the world's leading audiovisual and digital content markets), along with the Canada Lounge at the Toronto International Film Festival (TIFF).

Telefilm works at bolstering the sales efforts of producers and distributors with initiatives directed at investors and buyers. Canadian delegates, national and provincial agencies, and international film industry professionals come together for an array of business development activities.

3.2 Perspective Canada

A series of market screenings, organized by Telefilm at the European Film Market (Berlin), the Hong Kong Filmart, and the Marché du film (Cannes), Perspective Canada presents completed feature films in an effort to help bolster their international exploitation and distribution.

In 2018, Telefilm expanded these efforts and created a new sales initiative for films in post-production, First Look. Building on the Perspective Canada model, First Look offers sales agents, distributors, and festival programmers a taste of the new talent and productions about to hit the marketplace. Along with the above markets, the First Look showreel was also presented during industry events organized in New York and London, in collaboration with the Consulate General in New York and the High Commission of Canada in London.

3.3 Canada Now Screening Series and Tour

In the pursuit of building audiences by continuing to build an exhibition network Canadian film in key territories, Telefilm created the Canada Now arthouse screening series and tour. Now in its second year, the initiative has expanded into several priority markets: the United Kingdom, Mexico, and China. In the United States, Canada Now expanded beyond New York City to additional cities throughout the country including Los Angeles and Washington D.C.

3.4 ITUNES – Rendez-Vous Canada

In 2017, Telefilm launched Rendez-Vous Canada on iTunes, a promotional boutique featuring a collection of Canadian feature films made available in partnership with Canadian distributors. Due to its success, the initiative continues to grow with international iterations debuting in Germany for the 2018 Berlin International Film Festival, in the United States for SXSW, and in France as part of the 2018 Cannes Film Festival promotional activities.

Films featured include the most successful titles from the recent past, titles from our country's legendary filmmakers, as well as, new emerging talent. Telefilm uses social media campaigns to drive awareness, and updates content regularly to include new releases, to tailor content to specific markets, and to highlight films selected at major film festivals.

To date the initiative has attracted over 350,000 views of Canadian films in Canada, Germany and the USA, and has produced over \$2 million in revenues for the Canadian film industry.

III. Achieving Greater Success Globally: The Way Forward

1. Towards a Strategy for Cultural Diplomacy

1.1 The Role of Culture in Furthering Cultural Diplomacy

Cultural diplomacy has always been a pillar of public diplomacy to inform and influence governments. Telefilm's activities in key territories around the world support Canada's cultural diplomacy efforts. Canadian cultural content is one of the best vehicles to expose the various elements of our national identity, to contribute positively to Canada's global image, and to advance Canada's national interests. Cultural expression helps develop our understanding of one another and give us a sense of pride in who we are as a nation. Our industry fulfils an essential and vital role in Canadian society. Its ability to create an enduring place in our lives is dependent on the creativity and talent of Canada's creators and producers.

Global Affairs supports cultural diplomacy through missions abroad. Cultural trade missions are essential whether they be large-scale trade missions like the Minister of Canadian Heritage's mission in China or smaller missions funded by Canadian Heritage. Trade missions are beneficial, providing opportunities for knowledge exchange, sharing of market intelligence and building of new relationships.

Canadian producers who work with international partners act as ambassadors, showcasing and communicating the Canadian experience, stories and values. These business relationships and exchanges make a valuable contribution to Canada's diplomacy and foreign affairs.

Telefilm takes note of one witness before the Committee who pointed out that compared to the funding of missions in Britain, France, Germany, Italy or Spain, Canada's budget is too modest. In fact, it was pointed out that Canada's resources are less by multiples of 12 and 15.⁶

Telefilm is pleased that the Global Affairs' Integrative Trade Strategy Fund was expanded to include a creative industries component, with a quarter million dollars for trade missions to

⁶ <https://sencanada.ca/en/Content/Sen/Committee/421/AEFA/36ev-53734-e>

support business-to-business initiatives that have a direct economic benefit to Canadian creative entrepreneurs in international markets.

1.2 A Strategy for Cultural Diplomacy

We understand from a review of the record thus far that the Committee is interested in formulating recommendations to the government on the development of a broad cultural diplomacy strategy that would call for better coordination among the federal government departments, provinces, territories, agencies, and other key players.⁷ Telefilm is of the view that it is indeed timely to develop a federal cultural diplomacy strategy that would leverage the resources of multiple partners, and would gladly participate in the development of such a strategy.

At one time, culture, cultural policy, and public diplomacy were identified as being the third pillar of Canadian foreign policy. It is our view that Canadian culture should once again become a major pillar of Canadian diplomacy and foreign policy. Whether it is helping to project a positive image of Canada, build networks, gain access to important persons, and assist with advocating policies, points of view or values, Canadian culture has been an effective component of the public diplomacy tool kit and plays a key role in our diplomatic efforts.

According to rankings in international diplomacy, Canada ranks twenty-fifth (out of 80 countries) in culture, based on how global perceptions define countries. These impressions have the potential to drive trade, travel, and investment, and directly affect national economies.⁸

It is clear to us that more international promotion of our industry is needed. The growth and success of our sector going forward increasingly hinges on our ability to promote the value of our industry in international markets, including the quality production services we offer. More than any other activity, promotion remains the most critical in terms of creating awareness for Canadian productions where consumers have an array of entertainment choices and platforms. There is a greater supply of products now than there has ever been.

The international audiovisual marketplace has become even more competitive with the emergence of new players such as Netflix, Amazon, and Google. The race is on to produce or acquire, at great cost, distinctive original programming that caters to international audiences.

Telefilm believes that Canadian content that speaks to the universal values of diversity, inclusion, and respect has an even greater potential for success in this new environment.

⁷ <https://sencanada.ca/en/Content/Sen/Committee/421/AEFA/53993-e>

⁸ Jeremy Kinsman, cited in, *Proceedings of the Standing Senate Committee on Foreign Affairs and International Trade*, Issue No. 36 - Evidence - Meeting of December 13, 2017. See also *The Good Country* website: <https://goodcountry.org/index/results>.

There is no doubt that compelling Canadian stories define us as a nation and can promote our unique identity and culture to the world.

A “Brand Canada strategy” should be developed as part of a cultural diplomacy strategy going forward that would target international audiences, with the ultimate goal of generating strong interest in, and demand for, Canadian content.

2. Support for Canada’s Presence Abroad

Global Affairs Canada manages and delivers resources, infrastructure and services enabling Canada’s presence abroad, including at embassies, high commissions, and consulates.

Our industry requires a robust global network in order for Canadian producers to be competitive in global markets. Canadian consulates and embassies abroad are well positioned to play an important role in gathering and disseminating strategic market intelligence.

Telefilm has had great success working with the Consulate Generals in various parts of the world. Telefilm has worked collaboratively with the Consulate General of Canada in Los Angeles to host events celebrating and promoting Canadian talent during the awards season.

A more recent initiative, *Canada Now* spearheaded by Telefilm Canada, has been made possible with the support of a myriad of partners including the Consulates General of Canada and Canadian embassies and high commissions, Global Affairs, local cultural institutions such as the American Cinematheque in Los Angeles, the Ullens Center for Contemporary Art in Beijing, the American Film Institute in Washington D.C., the Cineteca Nacional in Mexico City, film festivals including the Guanajuato International Film Festival in Mexico, local Québec government offices (Los Angeles, London), and sponsors such as Air Canada and Four Seasons.

3. An Export Strategy

The federal government’s *Creative Canada* policy identifies the importance of developing a robust export strategy to equip Canadian creators and cultural industries to thrive in a global market and exploit Canada’s competitive advantages.

Telefilm applauds the policy’s intention to expand the federal government’s international efforts through a new investment of \$125 million over five years in the Creative Export Strategy.

The strategy should ensure that the right conditions are in place so that Canada can continue to be a leading partner in coproductions.

The federal government's Global Affairs Department aims to "contribute to inclusive Canadian and global prosperity with an emphasis on expanding and deepening trade and investment relationships with large, fast-growing markets... and traditional partners."⁹ The Department has identified key priority sectors for exports. Despite its importance to global trade, the creative economy is not listed as a priority sector. The feature film and television sectors are key components of the creative economy and should be identified as priority sectors in a national export strategy which would be supported by all government departments – in particular the Global Affairs Department, which plays a leading role on the international stage.

There are lessons to be learned from the United Kingdom and France that have developed robust and effective export strategies for their screen-based industries.

The UK is exemplary in terms of its promotional campaign to brand Great Britain to the world. A similar campaign could be developed and implemented for Canada.

France has established an agency for promotion through UniFrance. The success of French films worldwide is directly attributable to the work of UniFrance in terms of promotion, distribution, and sales.

The international promotion of Canadian culture is essential to our national identity, a strong contributor to our economy and a vehicle to furthering national interests.

As such, Telefilm submits that cultural diplomacy can contribute immensely to engage the cultural sector in advancing Canada's international trade, development, and foreign policy goals.

⁹ Global Affairs Department website.

Annex A: An Overview of Telefilm Canada's International Activities

1. Programs that Support the Sales and Export of Films

1.1 International Marketing and Festival Participation Program

Telefilm supports the international launch of Canadian productions through special marketing activities at festivals.

The International Marketing and Festival Participation Program supports Canadian production companies looking to finance the promotion and international marketing of their productions officially selected at an international festivals, as well as producers invited to an international coproduction forum. Participation in major festivals abroad creates significant visibility for Canadian films by giving them access to sources of investment and additional distribution and marketing initiatives.

Since 2012, Telefilm has supported 257 participations of Canadian productions and festivals and events, and has invested close to \$3M to help hundreds of Canadian talents be discovered on the international scene.

In 2016-2017, Telefilm increased the number of projects supported by 51% and increased the money allocated by 35%. This is the result of a 2016 program expansion announcement that included 34 new international festivals, increased financial assistance to short films, and travel grants to producers invited to participate in international coproduction markets.

The Program encourages the promotion, the development, and the export of Canadian culture.

1.3 The Export Assistance Program

The Export Assistance Program provides financial incentives to foreign distribution companies acquiring Canadian feature films for exploitation in selected territories. Telefilm is presently reviewing the guidelines to broaden the scope of the program.

In line with Telefilm Canada's strategic priorities, the Program aims to support the promotion and international marketing strategy of Canadian productions, increase the recognition of Canadian content and talent on the international scene, and make Canadian independent cinema competitive.

1.2 Perspective Canada

Perspective Canada is a series of market screenings organized by Telefilm at the European Film Market (Berlin), the Hong Kong Filmart, and the Marché du film (Cannes) that presents completed feature films in an effort to help bolster their international exploitation and distribution.

II. Services and Initiatives Under the Canada Pavilion that Support Promotion, Sales, Exports and Coproduction Networking Opportunities

Telefilm Canada leads the organization of the Canada Pavilion at key markets abroad to stimulate international sales and facilitate coproduction networking opportunities. This is done in partnership with members of the International Business Development Group, which offers strategic and operational support to Canadian companies. The International Business Development Group is composed of federal, provincial, and industry partners working together to increase the international competitiveness of the Canadian audiovisual industry. Member institutions are: the Canada Media Fund (CMF), Association québécoise de la production médiatique (AQPM), Canadian Media Producers Association (CMPA), the Department of Canadian Heritage, Alberta Film, Creative BC, Film Nova Scotia, Manitoba Film and Music, New Brunswick Film, Newfoundland Film Development Corporation (NFLDC), Ontario Media Development Corporation (OMDC), Société de développement des entreprises culturelles (SODEC), and Telefilm Canada acting as Chair.

III. Sales Initiatives

1. CANADA NOW

This initiative is a curated series of films that aims to: champion creative Canadian talent and its industry abroad; develop audiences by continuing to build exhibition network; promote brand consciousness of Canada; provide test audiences for buyers; reinforce strategic relationships and build awareness and appreciation with decision-makers, influencers and audiences; stimulate sales; and optimize impact with social and traditional media.

Canada Now is part of Telefilm Canada's strategy to increase and strengthen the recognition and demand for Canadian content and partners around the world. The screening tour contributes to developing a network of exhibition space for filmmakers working outside of traditional distribution the opportunity to connect to the art house circuit, generate revenue, and tour their films in foreign countries.

2. Itunes – Rendezvous Canada Stores (Canada, US, Germany, France)

Launched for Canada 150 in January 2017, the store offers the best in Canadian film to audiences. A collection of Canadian feature films made available in partnership with Canadian distributors, it provides a showcase of well over 150 of the best Canadian movies, released between 2005 to today. This is a destination for new Canadian film releases, a place to discover great content in both official languages, as well as content from emerging filmmakers, women, and Indigenous talent. The content is regularly updated to highlight films selected at major film festivals and events. Telefilm uses social campaigns to drive awareness of boutiques in Canada, Germany, France, and the US. To date, this initiative has resulted in the sales of 250,000+ units worldwide and counting with revenues evaluated at over \$2,000,000 and counting.

International boutiques

Rendezvous Kanada – iTunes Germany. Launched for Berlin International Film Festival 2018 (February 15-25, 2018). The *Rendezvous Kanada* boutique on iTunes Germany has over 70 titles.

Rendezvous Canada – iTunes USA. Launched for SXSW 2018 (March 9-18, 2018). The *Rendezvous Canada* boutique on iTunes USA featured nearly 100 titles.

Rendez-vous Canada – iTunes France. Launched at the same time as the Cannes Film Festival (May 8th, 2018). The *Rendezvous Canada* boutique on iTunes France features 85 titles.

3. Telefilm Canada signature events at TIFF

Eye on TIFF, organized by Telefilm Canada in New York, Los Angeles, London, and Paris, is organized by Telefilm Canada to offer an exclusive pre-festival screening of some of Canada's most anticipated titles programmed at the Toronto International Film Festival to international distributors, sales agents, talent agents, festival programmers, and exhibitors in the aim of driving international sales.

New in 2017: in response to the growing success of the initiative, Eye on TIFF expanded to target the international acquisitions and exhibition communities in London and Paris. UniFrance partnered with Telefilm to present a showreel of French titles in New York, Los Angeles, and Paris.

4. Elephant

Elephant is an ongoing project to restore and digitally remaster heritage Québec feature films in the aim of preserving Québec's cinema legacy. In honour of Canada 150, with the support of Telefilm, Elephant subtitled nearly 50 titles into Spanish. As a result of this initiative, a number of classic films are available for Spanish-language film festivals in the United States and Latin America, as well as on iTunes, enabling Spanish-speaking film-lovers to further discover homegrown Canadian films.

5. VIA Rail Canada: On-train Canadian Content

VIA Rail's On-Train Entertainment System provides complimentary access to more than 200 hours of Canadian content—movies, daily news and TV shows—to passengers making the 3.6 million trips along the Quebec City–Windsor corridor every year. Content is accessible through any laptop, tablet, or smartphone.

To mark Canada 150, nearly 50 Canadian films were made available to travellers on demand. To date, the initiative has attracted 150,000 views of Canadian films. Telefilm along with partners Via Rail and Séville, a subsidiary of Entertainment One, plan to expand the project going forward to ensure more Canadian travelers can enjoy homegrown content.

6. NFB.ca: *Emerging Talents*

The National Film Board of Canada's *Emerging Talents* online channel offers a rental selection of micro-budget first feature films from talented emerging filmmakers. The channel is presented by Telefilm Canada and the Talent Fund through the Talent to Watch Program, which supports emerging filmmakers from across the country—including those from Indigenous and Official-Language Minority Communities—seeking to produce their first feature films and to leverage digital platforms. The current NFB.ca lineup includes Julie Lambert's *Girls on the Hunt (Un film de chasse de filles)* and Sonia Bonspille Boileau's *Le dep*.

7. Solaris: Expanding International Audiences

In partnership with distributors, Telefilm has made Canadian feature films available internationally in six languages on multiple digital platforms, via the Under The Milky Way digital film distribution/marketing service.