

Strategic Industry Analytics Project Industry Spotlight: Digital Media & Entertainment

Content production fuels regional Digital Media & Entertainment

Digital Media & Entertainment has been one of the Metro Vancouver region's top performers over the past two decades, measured by growth in both GDP and employment. Diving deeper into this industry reveals considerable variation among its nine components. The four leading components are: **production, post-production, video game design and development**, and **video game publishing**¹, which each employ more than 3,000 people across the region.

The contribution from motion picture and video distribution has been mixed: the component makes a large and growing contribution to GDP, yet employs a small number of people. Firms in this component primarily engage in the acquisition of distribution rights and the distribution of film and video productions.

In the remaining four Digital Media & Entertainment components, the contribution to regional GDP has been falling. Television broadcasting is the largest of these four by employment, but has remained flat. The remaining three components are very small: sound recording studios, other sound recording industries, and pay and specialty television each employ fewer than 100 people.

This report snapshot provides a closer look at the four rapidly growing components.

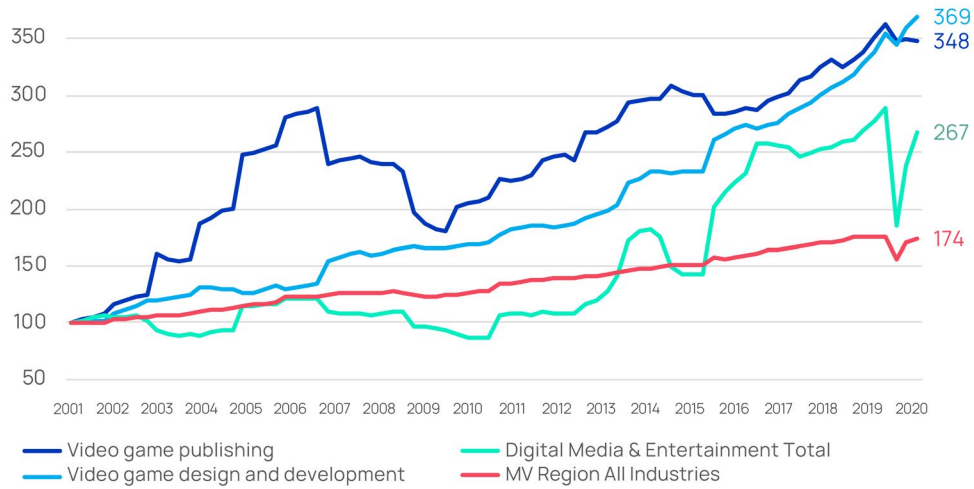
Digital Media & Entertainment contribution to GDP outpaces the regional economy, led by gaming

The total contribution to regional GDP from Digital Media & Entertainment increased 167% to \$1.8 billion. The growth easily outpaced the 74% increase in the regional economy from 2001-2020, as shown in Figure 1. Production and post-production, combined, made up nearly 40% of the industry's contribution to GDP in 2020. These components are the biggest contributors, and there is insufficient data to distinguish their cumulative percentage change from the industry total.

Film and television production benefit from tax credits, and there is another tax credit for digital animation, visual effects and post-production. The video game design and development component of Digital Media & Entertainment also benefits from the tax credit.

¹ Production means the production (or production and distribution) of motion pictures, videos, television programs, and commercials. Post-production services includes special effects, graphics, and animation.

Figure 1: Fastest growing components of Digital Media & Entertainment by cumulative percentage change in contribution to GDP (2001=100)



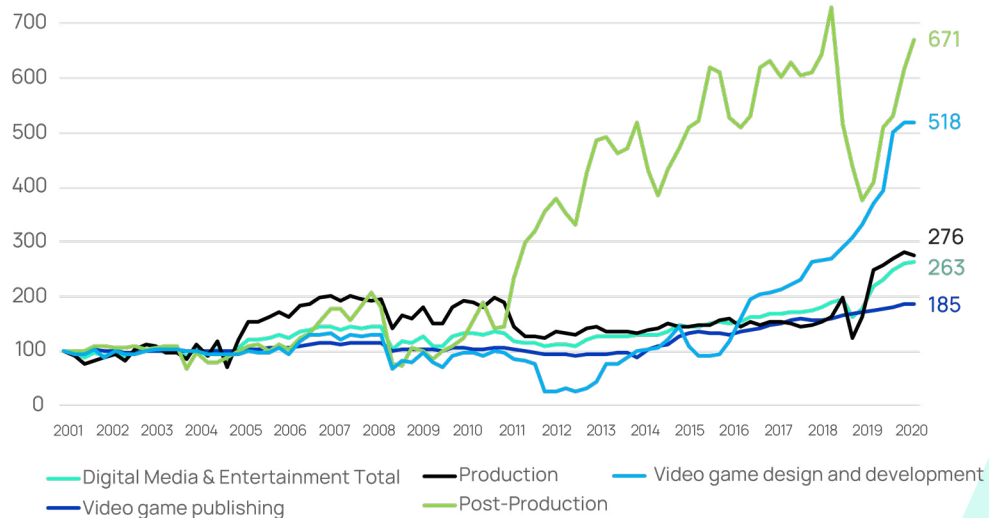
SOURCE: INVEST VANCOUVER STRATEGIC INDUSTRIES ANALYTICS PROJECT

Starting from a small base, the largest percentage gains were in the video game-related components. The contribution to regional GDP from video game design and development increased 269% to \$29.3 million in 2020, while the contribution from video game publishing increased 248% to \$11.26 million.

Digital Media & Entertainment employment growth has accelerated since 2014

The 163% increase in employment in Digital Media & Entertainment, 2001-2021, was much greater than the 57% increase in the region as a whole. Employment growth has been particularly robust since 2014 and greatly accelerated with the pandemic recovery. The content-producing components of Digital Media & Entertainment, shown in Figure 2, had the greatest cumulative percentage change in employment in the industry, 2001-2021. The starting values in 2001 have been set to 100 to allow easy comparison of the relative changes in employment.

Figure 2: Fastest growing components of Digital Media & Entertainment by cumulative percentage change in employment (2001 = 100)



SOURCE: INVEST VANCOUVER STRATEGIC INDUSTRIES ANALYTICS PROJECT

Digital Media & Entertainment highlights in the Metro Vancouver region:

- From a small base (just 489 people in 2001), post-production employment increased almost seven-fold to 3,283 in 2021. Post-production employment has been subject to wild fluctuations, but the overall trend has been rapid growth since 2011. Post-production includes animation and visual effects from firms such as Western FX Studios, the Sequence Group, Goldtooth, Method Studios, Zoic, Sony Picture Imageworks, Image Engine, and Industrial Light & Magic (ILM).
- Despite occasional periods of slower growth, jobs in video game design and development surged 418% to 3,981 at firms such as Eastside Games, Phoenix Labs, and Electronic Arts.
- The region grew as a film and television production center, with production jobs rising 176% to 8,828.
- Video game publishing jobs saw a comparatively modest increase of 85% to 3,077.

About the Strategic Industries Analytics Project

There is a critical need for granular data covering some of the Metro Vancouver region's export-oriented industries to support data-driven identification of economic development opportunities and to guide investment attraction efforts. The Strategic Industries Analytics (SIA) project fills this need with regional datasets for components of selected industries covering 20 years of gross domestic product (GDP), employment, labour hours, and capital stock. Analysis of these datasets supports a granular understanding of key industries. Invest Vancouver is releasing the results to provoke further investigation, discussion, and collaboration among public and private sector stakeholders and will use the analysis to narrow its focus and guide future investment attraction efforts.

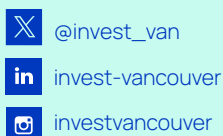
Read the full report for more about the regional economy, and more granular findings on industries of interest like High-tech Services and Transportation & Logistics.

About Invest Vancouver

Invest Vancouver is the economic development leadership service for the Metro Vancouver region. By working to secure strategic investment, promote the region to a global audience, and advise decision-makers through forward-thinking economic research and policy analysis, Invest Vancouver is amplifying opportunity and advancing shared prosperity for all residents in the region.

Interested in investing in the region's thriving Digital Media & Entertainment industry?

Contact info@investvancouver.ca



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