



November 21, 2024

**The Right Honourable Justin Trudeau, Prime Minister of Canada**  
**The Honourable Chrystia Freeland, Minister of Finance, Deputy Prime-Minister**  
**The Honourable Pascale St-Onge, Minister of Canadian Heritage**  
House of Commons  
Ottawa, Ontario  
K1A 0A6

**Dear Prime Minister Trudeau, Minister Freeland, and Minister St-Onge,**

**Subject: Doubling Funding for the Canada Media Fund to Support Growth in Interactive Digital Media**

On behalf of the Canadian Interactive Alliance (CIAIC), I am writing to remind you of your promise to double the Canada Media Fund (CMF) budget to protect Canada's screen content production capability, effectively doubling the contribution to the Interactive Media sector to more than **\$94 million** of industry support. This will allow the CMF to unlock the full economic and cultural potential of Canada's Interactive Digital Media (IDM) sector which encompasses video games, virtual reality, augmented reality and the immersive sectors.

Interactive Digital Media represents a global powerhouse in cultural industries, generating over **\$180 billion annually**, a figure that makes the sector comparable to the Film and Television sector. In Canada, IDM contributes **\$4.1 billion** in direct GDP annually, demonstrating a significant economic return with **\$0.11 million in GDP per full-time equivalent (FTE)**, compared to **\$0.06 million per FTE** in Film and TV. The Canadian Film and TV sector contributes \$11.9 billion in GDP and employs 194,490 Canadians compared to IDM's 37,850 direct jobs, showing how much opportunity there is to grow Canada's IDM sector to reach its full potential.

Canadian businesses see this potential and last year the demand for CMF support for IDM projects was \$179 million in CMF support for IDM projects, while only \$47 million was available to allocate —leaving vital innovation on the table. With the closing of the NFB Interactive Studios, Canada's IDM sector took a further \$5.5 million reduction in support. This gap limits Canada's ability to lead globally and stifles opportunities for economic and cultural growth.

Doubling the CMF budget would yield numerous benefits:



1. **Aligning Canadian Priorities with Global Trends:** Globally, the IDM sector outperforms Film and TV in revenue and audience engagement. Increased funding ensures Canada remains competitive on the world stage and secures its position as a leader in innovation-driven storytelling consumed by audiences of all ages and demographics.
2. **Amplifying Economic Impact:** Boosting IDM funding would allow the sector to scale its GDP contributions and create more high-value jobs, reflecting its strong return on investment which will only help support the Canada creative industries. As well, Canada's IDM industry is highly export-focused, where an overwhelming proportion of revenue for Canadian-made products is generated abroad – A CIAIC review from November 2024 confirms that more than 90% of revenue from Canada's IDM sector companies comes from export markets around the world.
3. **Equity in Cultural Funding:** Aligning funding levels to match the economic output of IDM ensures fair treatment across creative sectors and maximizes public value from cultural investments.
4. **Engaging Future Generations:** As global audiences shift toward interactive and immersive media, increasing support for IDM ensures Canadian IDM studios can meet demand while producing culturally resonant content for children, youth, and adults alike.

While Film and TV remain critical to reflecting Canadian culture, it is imperative to recognize that the interactive digital media sector represents not only the future of storytelling but also a leading contributor to global and national economies. By aligning CMF funding with the needs and growth of IDM, Canada can secure its role as a leader in creative innovation, economic growth, and cultural production.

We urge you to champion this funding initiative in the upcoming federal budget and invite an opportunity to discuss further how this strategic investment will position Canada for global leadership in creative industries.

Thank you for your continued support of Canada's creative and innovative sectors.

Sincerely,

Loc Dao  
President, Canadian Interactive Alliance



## Comparison: Interactive Digital Media vs. Film and TV

Sector	Global GDP	Canadian Direct GDP	Canadian Direct FTE	\$M GDP per FTE
<b>Interactive Digital Media</b>	\$180+ billion	\$4.1 billion	37,850	\$0.11
<b>Film and TV</b>	\$230 billion	\$11.9 billion	194,490	\$0.06

Board of Directors of Canadian Interactive Alliance / l'alliance interactif Canadienne:

La Guilde du jeu vidéo du Québec

Interactive Ontario (IO)

DigiBC

Xn Québec

New Media Manitoba

Digital Alberta

SaskInteractive

Videogames PEI

Interactive Society of Nova Scotia

Interactive New Brunswick

### About the Canadian Interactive Alliance

The Canadian Interactive Alliance / L'Alliance Interactive Canadienne (CIAIC) is a not-for-profit industry alliance that represents Canada's IDM (interactive digital media) industry which includes the video game, virtual reality, augmented reality, XR, and immersive sectors. CIAIC is governed by Canada's 10 existing provincial IDM industry associations. Canada's IDM sector comprises more than 937 companies, employing 37,850 Canadians, and generates over \$5.5 billion in annual revenue.

### À propos de l'AIC

L'Alliance Interactive Canadienne / The Canadian Interactive Alliance (AIC/CIAIC) est une alliance industrielle à but non lucratif qui représente l'industrie canadienne des MNI (médias numériques interactifs). Ce secteur inclut les jeux vidéo, la réalité virtuelle, la réalité augmentée, la XR et les expériences immersives. L'AIC est dirigée par les 10 associations provinciales existantes de l'industrie des MNI au Canada. Le secteur des MNI au Canada comprend plus de 937 entreprises, employant 37 850 Canadiens, et génère plus de 5,5 milliards de dollars en revenus annuels.

Les membres de l'AIC incluent :



**Members of the CIAIC include:**

- [DigiBC](#)
- [Digital Alberta](#)
- [Interactive Society of Nova Scotia](#)
- [Interactive New Brunswick](#)
- [Interactive Ontario \(IO\)](#)
- [La Guide du jeu vidéo du Québec](#)
- [New Media Manitoba](#)
- [SaskInteractive](#)
- [Videogames PEI](#)
- [Xn Quebec](#)