



KEY SMALL BUSINESS STATISTICS

NOVEMBER 2019

Innovation, Science and Economic Development Canada
Small Business Branch
Research and Analysis Directorate

ic.gc.ca/sbstatistics

This publication is also available online in HTML in print-ready format at ic.gc.ca/sbstatistics.

To obtain a copy of this publication or an alternate format (Braille, large print, etc.), please fill out the [Publication Request form](#) or contact:

Web Services Centre
Innovation, Science and Economic Development Canada
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5
Canada

Telephone (toll-free in Canada): 1-800-328-6189
Telephone (Ottawa): 613-954-5031
TTY (for hearing-impaired): 1-866-694-8389
Business hours: 8:30 a.m. to 5:00 p.m. (Eastern Time)
Email: isde@canada.ca

Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from the Department of Industry, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that the Department of Industry is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, or as having been made in affiliation with, or with the endorsement of, the Department of Industry.

For permission to reproduce the information in this publication for commercial purposes, please fill out the [Application for Crown Copyright Clearance](#) or contact the Web Services Centre (see contact information above).

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Industry Canada, 2019

Cat. No. Iu186-1E-PDF
ISSN 1718-3456

N.B. In this publication, the masculine form refers to both women and men.

Aussi offert en français sous le titre *Principales statistiques relatives aux petites entreprises* – Novembre 2019.

TABLE OF CONTENTS

FOREWORD	2
HIGHLIGHTS	4
1. NUMBER OF BUSINESSES	6
1.1 HOW MANY SMES ARE THERE IN CANADA?	6
1.2 HOW MANY BUSINESSES APPEAR AND DISAPPEAR EACH YEAR?	8
1.3 WHAT PROPORTION OF NEW BUSINESSES SURVIVE THE FIRST 15 YEARS?	11
2. EMPLOYMENT	12
2.1 HOW MANY PEOPLE WERE EMPLOYED IN CANADA IN 2018?	12
2.2 WHAT IS THE DISTRIBUTION OF EMPLOYMENT ACROSS THE PRIVATE SECTOR?.....	13
2.3 HOW MUCH DID EMPLOYMENT GROW BETWEEN 2013 AND 2018?	16
3. GROWTH	19
3.1 WHAT IS THE PROPORTION OF HIGH-GROWTH FIRMS?	19
4. EXPORT OF GOODS	20
4.1 WHICH PROVINCES HAVE THE HIGHEST CONCENTRATIONS OF EXPORTERS?	20
4.2 HOW DO SMES CONTRIBUTE TO CANADA'S EXPORTS?	21
4.3 WHAT ARE CANADA'S MAIN EXPORT DESTINATIONS?	23
5. GROSS DOMESTIC PRODUCT	25
5.1 HOW DO SMES CONTRIBUTE TO CANADA'S GROSS DOMESTIC PRODUCT?	25

FOREWORD

Key Small Business Statistics provides statistical data on the business sector in Canada, focusing on small and medium-sized enterprises (SMEs). The current edition contains data on the following questions:

- *How many SMEs are there in Canada?*
- *How many businesses appear and disappear each year?*
- *What proportion of new businesses survive the first 15 years?*
- *How many people were employed in Canada in 2018?*
- *What is the distribution of employment across the private sector?*
- *How much did employment grow between 2013 and 2018?*
- *What is the proportion of high-growth firms?*
- *Which provinces have the highest concentrations of exporters?*
- *How do SMEs contribute to Canada's exports?*
- *What are Canada's main export destinations?*
- *How do SMEs contribute to Canada's gross domestic product?*

In this publication, the definition of a “business” or an “enterprise” may vary slightly according to the statistical sources used. Below is a list of those sources and links to the definitions used:

[Business Register](#)

[Entrepreneurship Indicators Database](#)

[Labour Force Survey](#)

[Trade by Exporter Characteristics – Goods](#)

Innovation, Science and Economic Development Canada (ISED) defines a business based upon the number of paid employees. Since self-employed and “indeterminate” businesses are not considered to have paid employees,¹ they are generally not included in this publication.

This publication defines an SME as a business establishment with 1 to 499 paid employees. More specifically:

- *a small business has 1 to 99 paid employees;*²
- *a medium-sized business has 100 to 499 paid employees; and*
- *a large business has 500 or more paid employees.*

Notes on data and statistics:

- Statistics on financing, innovation and business owner characteristics have been omitted from this edition. These statistics all come from Statistics Canada’s *Survey on Financing and Growth of Small and Medium Enterprises* (SFGSME) of 2014.
- Many statistics on self-employment are no longer included in *Key Small Business Statistics*.

This new edition and previous publications are available on the [SME Research and Statistics website](#).

1. Self-employed workers include those with incorporated and unincorporated businesses that may or may not use paid help. “Indeterminate” businesses include self-employed and contract workers.

2. Other groupings exist among this category of enterprises. For instance, enterprises with 1 to 4 employees are defined as micro-enterprises.

HIGHLIGHTS

NUMBER OF BUSINESSES

- As of December 2018, the Canadian economy totaled 1.2 million employer businesses. Of these, 1.18 million (97.9 percent) were small businesses, 22,266 (1.9 percent) were medium-sized businesses and 3,010 (0.2 percent) were large businesses.
- Between 2012 and 2016, the average number of SMEs created annually was 95,940 and the average number of businesses that disappeared annually was 90,120.
- On average, 36.7 percent of SMEs created in the goods-producing sector survived at least 15 years, compared with 31.3 percent of SMEs created in the services-producing sector.

EMPLOYMENT

- As of 2018, small businesses employed 8.4 million individuals in Canada, or 69.9 percent of the total private labour force. By comparison, medium-sized businesses employed 2.4 million individuals (19.6 percent of the private labour force) and large businesses employed 1.3 million individuals (10.5 percent of the private labour force).
- Between 2013 and 2018, small businesses were responsible for the majority (56.8 percent) of net employment growth³ in the private sector, which increased by approximately 590,800 jobs. Medium-sized businesses contributed 16.6 percent of this net employment growth and large businesses contributed 26.6 percent.

HIGH-GROWTH FIRMS

- High-growth firms (HGFs) are present in every economic sector and are not just concentrated in knowledge-based industries. Based upon employment growth from 2013 to 2016, the highest concentration of HGFs in Canada is found in the following sectors: information and cultural industries (6.7 percent); mining, quarrying, and oil and gas extraction (5.0 percent); and utilities (5.0 percent).

3. Net employment growth is the difference in total employment between two years.

EXPORT OF GOODS

- In 2018, 50,247 Canadian establishments exported goods with a value totaling \$522.8 billion.
- In 2018, Ontario had 48.8 exporters per thousand establishments, followed by Manitoba with 44.1 and Quebec with 43.6.
- In 2018, SMEs contributed 41.1 percent of the total value of exported goods.
- In 2018, Canada's main export destination was the United States, followed by China and the United Kingdom.

SMES' CONTRIBUTION TO GROSS DOMESTIC PRODUCT

- In 2015, small businesses contributed 41.7 percent to gross domestic product (GDP) generated by the private sector, while the contribution of medium-sized businesses was 13.2 percent and the contribution of large businesses was 45.1 percent.
- Over the 2011–2015 period, SMEs' contribution to GDP was 49.4 percent, on average, in the goods-producing sector, compared with 56.1 percent in the services-producing sector.

1. NUMBER OF BUSINESSES

1.1 HOW MANY SMES ARE THERE IN CANADA?

As of December 2018, there were 1.2 million employer businesses in Canada (Table 1). Of these, 1.18 million (97.9 percent) were small businesses, 22,266 (1.9 percent) were medium-sized businesses and 3,010 (0.2 percent) were large businesses.

More than half of Canada's small employer businesses are concentrated in Ontario and Quebec (429,852 and 243,029, respectively). Western Canada has a large number of small businesses, led by British Columbia, which had 184,075 small businesses as of December 2018. In the Atlantic region, Nova Scotia has the most small businesses at 29,345.

The province with the most businesses per thousand individuals aged 18 and over is Prince Edward Island (50.6), followed by Alberta (49.2). In contrast, Quebec has the smallest number of businesses per thousand individuals aged 18 and over (36.4), followed by Nova Scotia (37.7), Manitoba (37.9) and Ontario (38.0).

Table 1: Total Number of Employer Businesses by Business Size and Number of SMEs per 1,000 Provincial Population, December 2018

PROVINCE/ TERRITORY	SMALL BUSINESSES (1–99 EMPLOYEES)		MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)		LARGE BUSINESSES (500+ EMPLOYEES)		TOTAL	NUMBER OF BUSINESSES PER 1,000 INDIVIDUALS (18+ YEARS)
	NUMBER	%	NUMBER	%	NUMBER	%		
Newfoundland and Labrador	16,677	97.8	327	1.9	41	0.2	17,045	39.1
Prince Edward Island	6,165	98.3	97	1.5	10	0.2	6,272	50.6
Nova Scotia	29,345	97.9	550	1.8	68	0.2	29,963	37.7
New Brunswick	24,768	97.9	456	1.8	63	0.2	25,287	39.8
Quebec	243,029	97.9	4,695	1.9	634	0.3	248,358	36.4
Ontario	429,852	97.7	9,070	2.1	1,273	0.3	440,195	38.0
Manitoba	38,735	97.6	824	2.1	123	0.3	39,682	37.9
Saskatchewan	40,662	98.3	614	1.5	84	0.2	41,360	46.3
Alberta	161,337	98.0	2,974	1.8	366	0.2	164,677	49.2
British Columbia	184,075	98.2	2,948	1.6	341	0.2	187,364	45.4
Territories	4,045	97.0	111	2.9	7	0.1	4,163	46.0
Canada	1,178,690	97.9	22,666	1.9	3 010	0.2	1,204,366	40.3

Sources: Statistics Canada, Table 33-10-0037-01 – Canadian Business Counts, with employees, December 2018; Statistics Canada, Table 17-10-0005-01 – Population estimates on July 1st, by age and sex; and ISED calculations.

Of the 1,204,366 employer businesses in Canada, 21.5 percent are in the goods-producing sector and 78.5 percent are in the services-producing sector (Table 2). Micro-enterprises (1–4 employees)

make up 54.3 percent of Canadian businesses. By adding those businesses with 5–9 employees, this number increases to 73.5 percent. In other words, almost three out of four Canadian businesses have 1–9 employees. It should be noted that the distribution of businesses according to the number of employees varies slightly between the goods-producing and services-producing sectors.

Table 2: Number of Employer Businesses by Sector and Business Size (Number of Employees), December 2018

NUMBER OF EMPLOYEES	GOODS		SERVICES		TOTAL	
	NUMBER	% CUMULATIVE	NUMBER	% CUMULATIVE	NUMBER	% CUMULATIVE
1-4 employees	147,744	57.1	506,452	53.5	654,196	54.3
5-9 employees	49,586	76.3	180,839	72.7	230,425	73.5
10-19 employees	28,122	87.2	128,292	86.2	156,414	86.4
20-49 employees	19,845	94.9	82,985	95.0	102,830	95.0
50-99 employees	7,280	97.7	27,545	97.9	34,825	97.9
Small businesses (1-99 employees)	252,577	97.7	926,113	97.9	1,178,690	97.9
100-199 employees	3,619	99.1	11,641	99.1	15,260	99.1
200-499 employees	1,832	99.8	5,574	99.7	7,406	99.8
500 employees or more	539	100.0	2,471	100.0	3,010	100.0
Total	258,567	21.5	945,799	78.5	1,204,366	

Note: By definition, the goods-producing sector consists of agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; utilities; construction and manufacturing. The services-producing sector consists of wholesale trade; retail trade; transportation and warehousing; information and cultural industries; finance and insurance; real estate and rental and leasing; professional, scientific and technical services; management of companies and enterprises; administrative and support, waste management and remediation services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; other services (except public administration) and public administration.

Source: Statistics Canada, Table 33-10-0105-01 – Canadian Business Counts, with employees, December 2018.

The following four industries – construction; retail trade; professional, scientific and technical services; and other services (except public administration) – account for 551,090 businesses on their own, which represents 45.8 percent of Canadian businesses (Table 3). The health care and social assistance industry also accounts for a significant number of businesses: 117,251 or 9.7 percent of Canadian businesses. More than half (55.5 percent) of Canadian businesses are accounted for in these five of the 20 industries.

More than 99 percent of businesses in the following four industries are small businesses: agriculture, forestry, fishing and hunting; real estate and rental and leasing; professional, scientific and technical services; and other services (except public administration). However, only 82.3 percent of businesses in public administration and 86.0 percent of those in management of companies and enterprises are small businesses.

Table 3: Number of Employer Businesses by Sector and Number of Employees, December 2018

	SMALL BUSINESSES (1–99 EMPLOYEES)		MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)		LARGE BUSINESSES (500+ EMPLOYEES)		TOTAL
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER
Goods-Producing Sector	252,577	97.7	5,451	2.1	539	0.2	258,567
Agriculture, forestry, fishing and hunting	48,308	99.3	304	0.6	13	0.0	48,625
Mining, quarrying, and oil and gas extraction	8,750	95.7	307	3.4	88	1.0	9,145
Utilities	1,311	90.2	107	7.4	35	2.4	1,453
Construction	146,420	98.9	1,479	1.0	107	0.1	148,006
Manufacturing	47,788	93.1	3,254	6.3	296	0.6	51,338
Service-Producing Sector	926,113	97.9	17,215	1.8	2,471	0.3	945,799
Wholesale trade	57,095	97.9	1,147	2.0	69	0.1	58,311
Retail trade	142,160	97.9	3,079	2.1	35	0.0	145,274
Transportation and warehousing	68,461	98.3	1,052	1.5	138	0.2	69,651
Information and cultural industries	18,105	96.4	581	3.1	86	0.5	18,772
Finance and insurance	42,353	97.8	798	1.8	155	0.4	43,306
Real estate and rental and leasing	50,903	99.1	414	0.8	50	0.1	51,367
Professional, scientific and technical services	145,405	99.1	1,263	0.9	114	0.1	146,782
Management of companies and enterprises	6,104	86.0	711	10.0	279	3.9	7,094
Administrative and support, waste management and remediation services	51,624	96.6	1,587	3.0	210	0.4	53,421
Educational services	13,661	93.3	537	3.7	440	3.0	14,638
Health care and social assistance	114,479	97.6	2,408	2.1	364	0.3	117,251
Arts, entertainment and recreation	18,182	96.5	567	3.0	84	0.4	18,833
Accommodation and food services	80,476	98.2	1,400	1.7	64	0.1	81,940
Other services (except public administration)	110,412	99.4	575	0.5	41	0.0	111,028
Public administration	6,693	82.3	1,096	13.5	342	4.2	8,131
All Industries	1,178,690	97.9	22,666	1.9	3,010	0.2	1,204,366

Source: Statistics Canada, Table 33-10-0105-01 – Canadian Business Counts, with employees, December 2018.

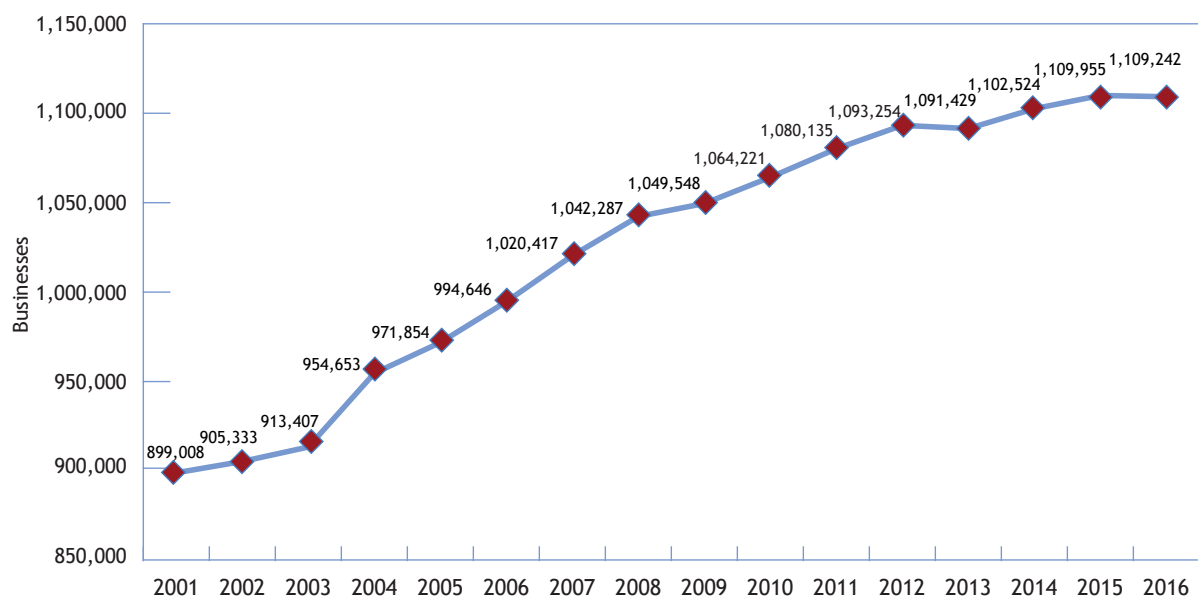
1.2 HOW MANY BUSINESSES APPEAR AND DISAPPEAR EACH YEAR?

An increase or decrease in the number of businesses is the net result of the appearance or disappearance of businesses over a given period. This is often referred to as “creative destruction.” Between 2001 and 2016, the number of businesses increased every year, except for two: in 2013 and in 2016, when more businesses disappeared (97,151 and 95,889) than were created (95,326 and 95,176),⁴

4. Statistics Canada produces several sources of data (such as the *Entrepreneurship Indicators Database* and the *Longitudinal Employment Analyses Program*) that present similar data on business births and deaths. The differences in level between these sources and the data produced by the Canadian Centre for Data Development and Economic Research (CDER) of Statistics Canada in the National Accounts Longitudinal Microdata File (NALMF) are a result of the different data sources and methodological concepts used. The data produced by the CDER through the NALMF were chosen because, in addition to providing the number of business births and deaths, the survival rate of start-up businesses is also available.

as illustrated in Figure 1.⁵ Over the last five years (from 2012 to 2016), on average, 95,940 businesses were created every year and 90,120 disappeared.

Figure 1: Number of Businesses with at Least One Employee, Canada, 2001–2016



Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.

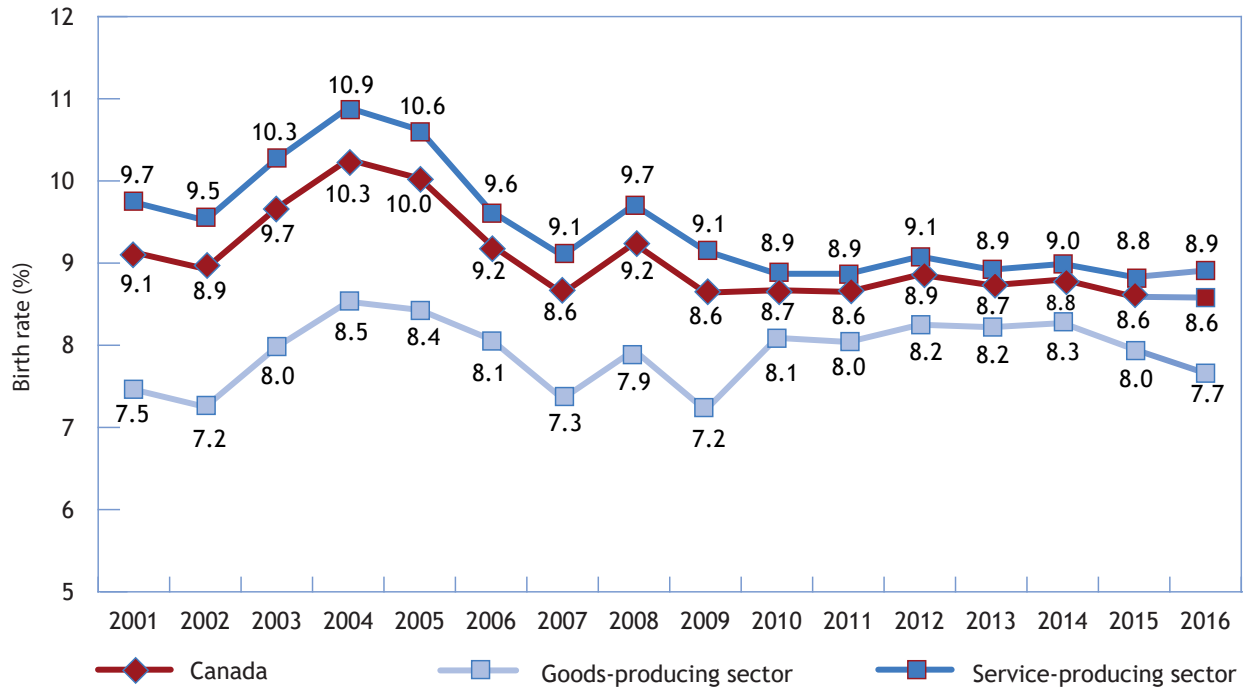
As illustrated in Figure 2, throughout the 2001–2016 period, the business birth rate was lower in the goods-producing sector than in the services-producing sector. It is noteworthy that the rate of business births in the goods-producing sector has declined over the last two years, from 8.3 percent in 2014 to 7.7 percent in 2016. Over the last five years, the average birth rate in the goods-producing sector was 8.1 percent, compared with 8.9 percent in the services-producing sector. On average, every year between 2012 and 2016, 23,520 businesses were created and 21,500 businesses disappeared in the goods-producing sector, while in the services-producing sector, 72,420 businesses were created and 68,620 businesses closed.

This variation between birth rates for these two sectors can be explained by the entry cost and different levels of competition. If this is, indeed, the case, higher birth rates would be observed in sectors with a lower entry cost or with a higher level of competition than other sectors.

The enterprise birth rate is inversely related to firm size during market entry. The more individuals employed when a business begins operations, the lower the enterprise birth rate (Figure 3). On average, between 2012 and 2016, the birth rate was 11.0 percent, 3.5 percent, 2.1 percent and 1.5 percent for businesses with 1–4, 5–19, 20–49 and 50–99 employees respectively.

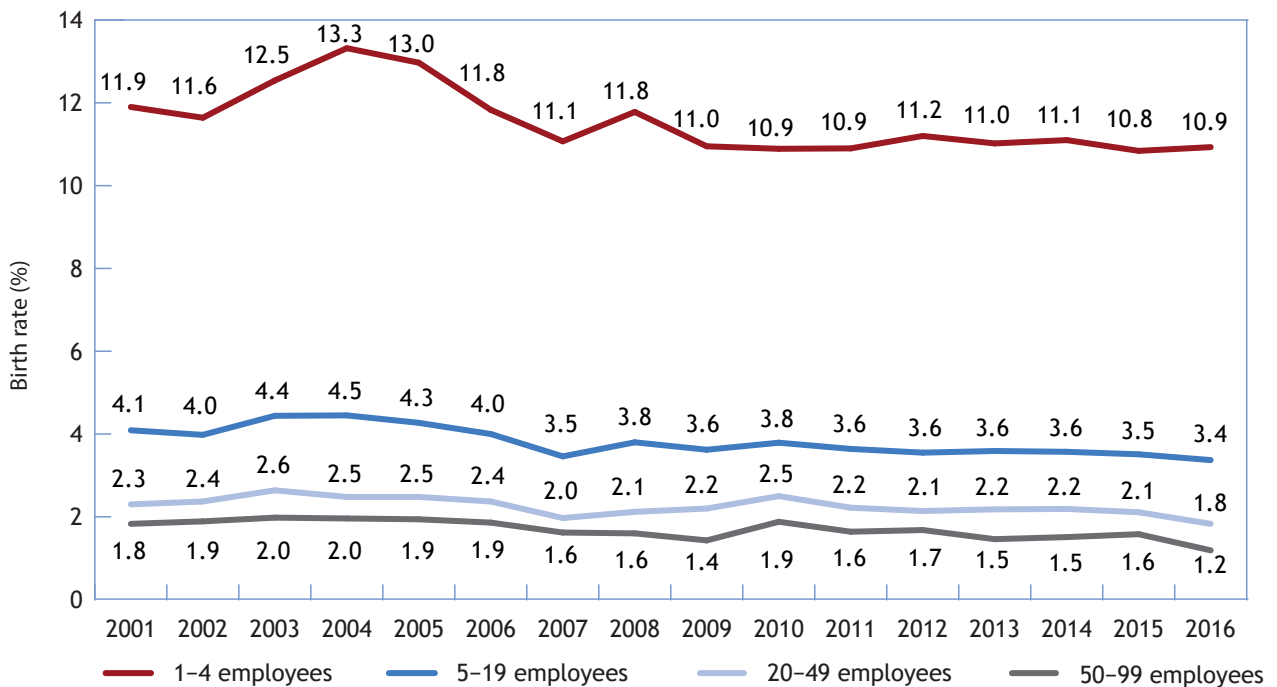
5. When updating the annual data on business births and deaths, the most recent year available is added and the previous statistics are revised accordingly. For this reason, the statistics in *Key Small Business Statistics* differ slightly from one issue to the next.

Figure 2: Birth Rate for Enterprises with One or More Employees, Canada, and Main Sectors, 2001–2016



Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.

Figure 3: Birth Rate by Initial Business Size, Canada, 2001–2016



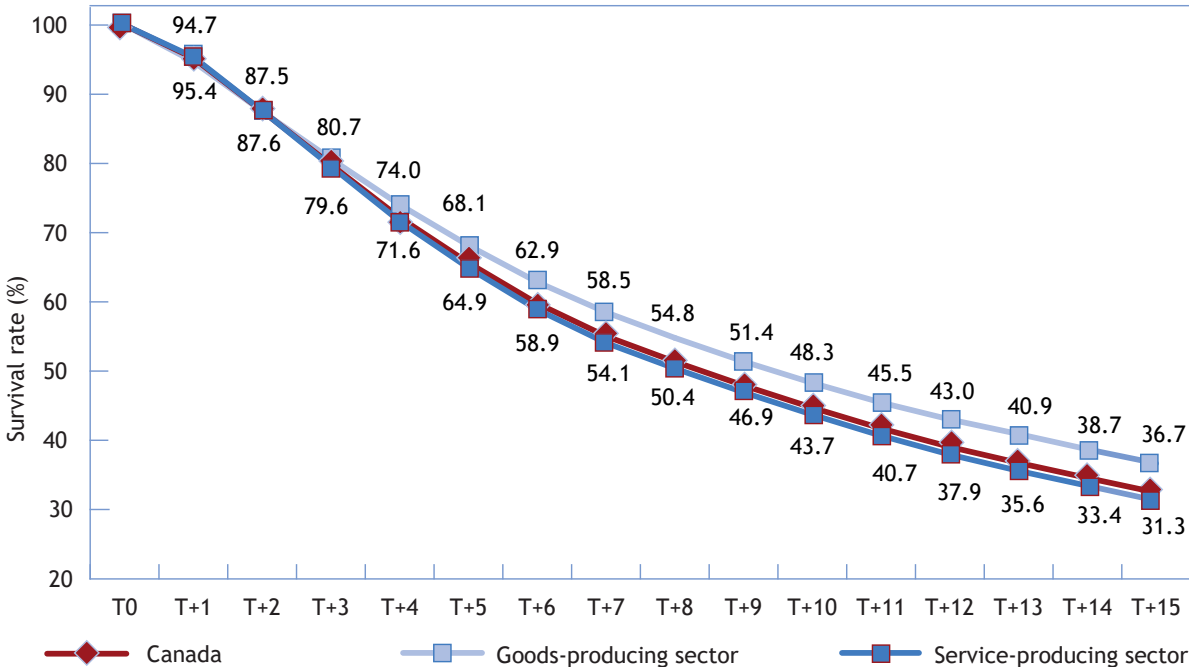
Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.

The vast majority of businesses had 1–4 employees when they began operations. Of the 95,940 businesses created on average annually from 2012–2016, close to 90.0 percent (or 86,356 businesses) had 1–4 employees when they were created. Over the course of this period, 8.5 percent, 1.2 percent and 0.3 percent of new businesses began operations with, respectively, 5–19, 20–49 and 50–99 employees. Of the average 90,120 annual closures, 91.0 percent, 8.2 percent, 0.7 percent and 0.1 percent were businesses with 1–4, 5–19, 20–49 and 50–99 employees, respectively.

1.3 WHAT PROPORTION OF NEW BUSINESSES SURVIVE THE FIRST 15 YEARS?

Businesses in the goods-producing and services-producing sectors showed similar survival rates over the course of the first two years (T + 1 and T + 2) after their creation (T0) (Figure 4). After the third year (T + 3), business survival rates in the goods-producing sector were higher than in the services-producing sector. After five years (T + 5), 68.1 percent of businesses in the goods-producing sector were still operating, compared with 64.9 percent of businesses in the services-producing sector. After 10 years (T + 10), the business survival rate for the goods-producing sector was 48.3 percent, compared with 43.7 percent for the services-producing sector. Finally, 36.7 percent of businesses in the goods-producing sector and 31.3 percent of business in the services-producing sector were still active 15 years (T + 15) after they entered the Canadian market.

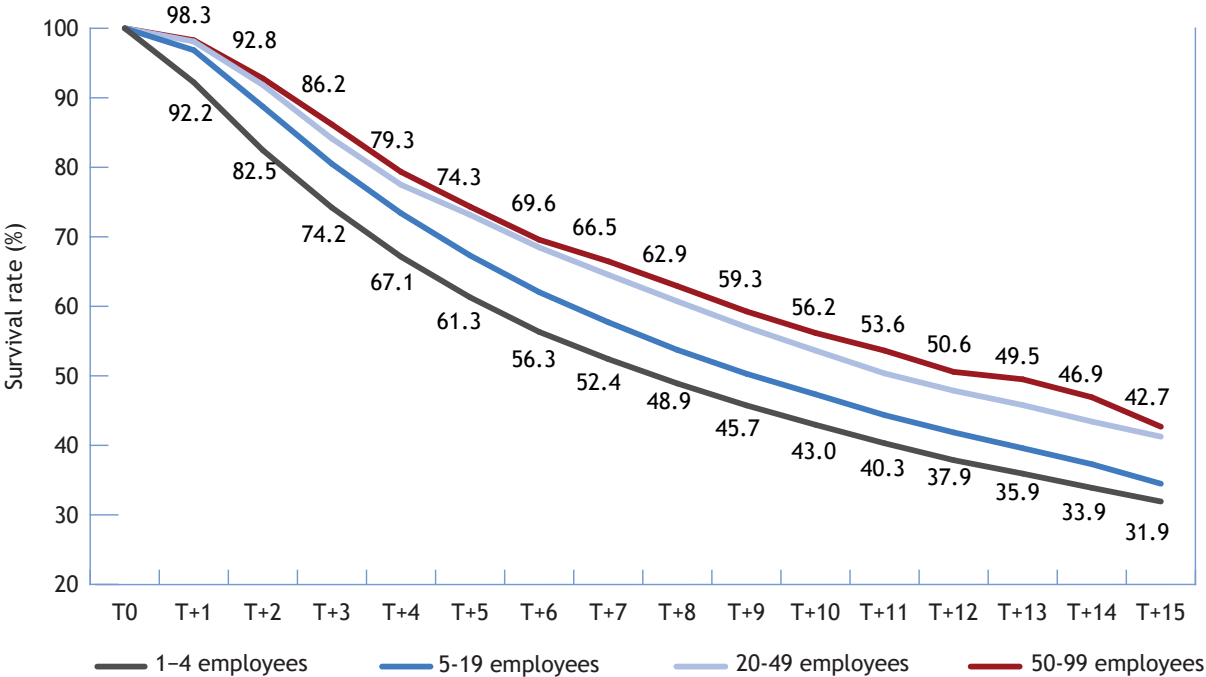
Figure 4: Survival Rate of Businesses with One or More Employees, Goods Producing Sector and Services-Producing Sector, Canada



Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.

There is a positive correlation between enterprise survival rate and initial business size (Figure 5). Businesses that began operations with a large number of employees had a higher survival rate than businesses that began with a smaller number of employees. Of businesses that began operations with 1–4 employees, 61.3 percent were still active after 5 years (T + 5), 43.0 percent were still active after 10 years (T + 10), and 31.9 percent were still active after 15 years (T + 15), compared with businesses that began operations with a workforce of 50–99 employees, of which 74.3 percent were still active after 5 years (T + 5), 56.2 percent were still active after 10 years (T + 10) and 42.7 percent were still active after 15 years (T + 15).

Figure 5: Survival Rate by Initial Business Size



Source: Statistics Canada, Canadian Centre for Data Development and Economic Research, National Accounts Longitudinal Microdata File.

2. EMPLOYMENT

2.1 HOW MANY PEOPLE WERE EMPLOYED IN CANADA IN 2018?

In 2018, approximately 15.8 million individuals were employed⁶ in Canada. Of this number, 76.0 percent worked in the private sector⁷ and 24.0 percent worked in the public sector⁸ (Table 4).

6. This number excludes self-employed individuals.
 7. Private sector employees are found in every Canadian economic sector, except public administration.
 8. Individuals who work for a local, provincial or federal government, a government service or agency, a Crown corporation, or a government-funded establishment, such as a school (including universities) or a hospital.

Table 4: Number of individuals employed in the private and public sectors, by business size, 2018

	SMALL BUSINESSES (1-99 EMPLOYEES)		MEDIUM-SIZED BUSINESSES (100-499 EMPLOYEES)		SMES (1-499 EMPLOYEES)		LARGE BUSINESSES (500+ EMPLOYEES)		TOTAL (THOUSANDS)
	NUMBER (THOUSANDS)	% SIZE	NUMBER (THOUSANDS)	% SIZE	NUMBER (THOUSANDS)	% SIZE	NUMBER (THOUSANDS)	% SIZE	
Private sector	8,384.2	69.8	2,357.5	19.6	10,741.6	89.5	1,264.2	10.5	12,005.8
% Private sector	80.0		73.7		78.6		59.5		76.0
Public sector	2,090.8	55.2	840.7	22.2	2,931.5	77.3	859.5	22.7	3,791.0
% Public sector	20.0		26.3		21.4		40.5		24.0
Total	10,474.9	66.3	3,198.2	20.2	13,673.2	86.6	2,123.6	13.4	15,796.8

Note: Figures may not add up to totals because of rounding.

Sources: Statistics Canada, *Labour Force Survey*; and ISED calculations.

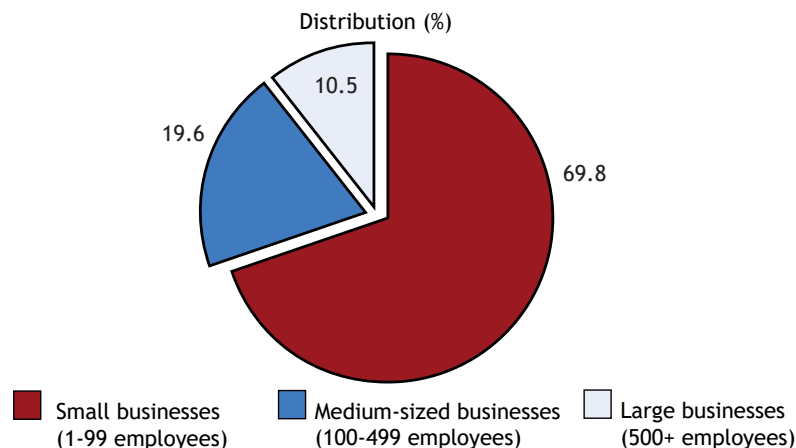
The distribution of the number of people employed according to business size varies considerably between the private sector and the public sector. In 2018, 89.5 percent of employed individuals in the private sector worked for SMEs, compared with 77.3 percent of those employed by public organizations of the same size.

Between 2013 and 2018, the number of individuals employed in Canada showed a net gain of 836,300. Just over 70 percent of this increase is attributed to the private sector and less than 30 percent to the public sector.

2.2 WHAT IS THE DISTRIBUTION OF EMPLOYMENT ACROSS THE PRIVATE SECTOR?

In 2018, private sector businesses employed slightly more than 12 million people in Canada. The majority of private sector employees worked for small businesses, specifically 69.9 percent (8.4 million), compared with 19.6 percent (2.4 million) for medium-sized businesses and 10.5 percent (1.3 million) for large businesses (Figure 6). In total, SMEs employed 89.5 percent of the private sector workforce (10.7 million individuals), highlighting the important role SMEs play in employing Canadians.

Figure 6: Distribution of Private Sector Employees by Business Size, 2018



Sources: Statistics Canada, *Labour Force Survey*; and ISED calculations.

SMEs play an essential role in employing Canadians across the country. At the provincial level, the percentage of private sector employment in SMEs is highest in Prince Edward Island and in Newfoundland and Labrador, at 96.7 percent and 95.0 percent, respectively (Table 5). In contrast, this percentage is lowest in Quebec and Ontario at 87.6 percent in each province. Total private sector employment in Ontario and Quebec amounts to 7,500,900 jobs, which represents more than 60 percent of Canadian private sector employment.

Table 5: Total Private Sector Employment by Province and Business Size, 2018

PROVINCE	SMALL BUSINESSES (1–99 EMPLOYEES)		MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)		% OF SME EMPLOYMENT	LARGE BUSINESSES (500+ EMPLOYEES)		TOTAL (THOUSANDS)
	NUMBER (THOUSANDS)	%	NUMBER (THOUSANDS)	%		NUMBER (THOUSANDS)	%	
Newfoundland and Labrador	111.4	78.7	23.0	16.2	95.0	7.1	5.0	141.5
Prince Edward Island	36.8	82.7	6.2	14.0	96.7	1.4	3.3	44.5
Nova Scotia	213.0	75.5	50.4	17.9	93.3	18.8	6.7	282.1
New Brunswick	163.3	72.3	45.4	20.1	92.5	17.0	7.5	225.7
Quebec	1,865.6	67.6	552.1	20.0	87.6	342.6	12.4	2,760.3
Ontario	3,136.1	66.2	1,018.4	21.5	87.6	586.1	12.4	4,740.6
Manitoba	285.8	72.7	69.9	17.8	90.5	37.5	9.5	393.3
Saskatchewan	259.5	78.9	50.5	15.3	94.3	18.9	5.7	328.9
Alberta	1,093.8	73.5	269.5	18.1	91.6	125.5	8.4	1,488.8
British Columbia	1,218.9	76.2	272.0	17.0	93.2	109.2	6.8	1,600.1
Canada	8,384.2	69.8	2,357.5	19.6	89.5	1,264.2	10.5	12,005.8

Note: Figures may not add up to totals because of rounding.

Sources: Statistics Canada, *Labour Force Survey*; and ISED calculations.

Distribution of employment by business size varies across industries. As shown in Table 6, SMEs account for over 90.0 percent of employment in six industries: agriculture (100 percent); other services (except public administration) (99.0 percent); accommodation and food services (98.0 percent); wholesale and retail trade (96.3 percent); construction (96.1 percent); and business, building and other support services (93.5 percent).

Table 6: Total Private Sector Employment by Industrial Sector and Business Size, 2018

	SMALL BUSINESSES (1–99 EMPLOYEES)		MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)		% OF SME EMPLOYMENT	LARGE BUSINESSES (500+ EMPLOYEES)		TOTAL (THOUSANDS)
	NUMBER (THOUSANDS)	%	NUMBER (THOUSANDS)	%		NUMBER (THOUSANDS)	%	
Goods-Producing Sector	1,944.0	62.6	777.2	25.0	87.6	384.9	12.4	3,106.1
Agriculture, forestry, fishing and hunting	110.8	94.2	6.8	5.8	100.0	0.0	0.0	117.6
Mining, quarrying, and oil and gas extraction	146.9	50.0	72.7	24.8	74.8	74.1	25.2	293.7
Utilities	8.1	40.0	6.0	29.5	69.4	6.2	30.6	20.3
Construction	844.4	82.3	140.9	13.7	96.1	40.4	3.9	1,025.7
Manufacturing	833.9	50.6	550.8	33.4	84.0	264.2	16.0	1,648.8
Services-Producing Sector	6,440.1	72.4	1,580.3	17.8	90.1	879.3	9.9	8,899.7
Wholesale and retail trade	1,956.0	77.9	461.2	18.4	96.3	93.6	3.7	2,510.9
Transportation and warehousing	356.2	57.2	157.7	25.3	82.5	109.0	17.5	622.9
Finance, insurance, real estate and leasing	545.9	60.9	175.7	19.6	80.4	175.4	19.6	896.9
Professional, scientific and technical services	664.2	66.9	225.5	22.7	89.6	103.2	10.4	992.9
Business, building and other support services	429.5	75.7	101.1	17.8	93.5	36.9	6.5	567.5
Educational services	70.8	62.7	19.7	17.5	80.2	22.4	19.8	112.9
Health care and social assistance	541.8	55.7	193.8	19.9	75.6	236.9	24.4	972.5
Information, culture and recreation	339.6	64.1	116.9	22.0	86.1	73.7	13.9	530.2
Accommodation and food services	1,013.2	90.0	89.7	8.0	98.0	22.6	2.0	1,125.5
Other services (except public administration)	523.0	92.2	39.1	6.9	99.0	5.4	1.0	567.4
Total	8,384.2	69.8	2,357.5	19.6	89.5	1,264.2	10.5	12,005.8

Note: Figures may not add up to totals because of rounding.

Sources: Statistics Canada, *Labour Force Survey*; and ISED calculations.

The total number of employees working for small businesses in 2018 was, in order of magnitude, wholesale and retail trade (1.96 million); accommodation and food services (1.01 million); construction (0.84 million); and manufacturing (0.83 million). These industries alone accounted for 55.4 percent of all jobs in small businesses in Canada. Overall, industries in the goods-producing sector accounted for 25.9 percent of total employment and 23.2 percent of employment in small businesses.

Agriculture had the highest share of employees working in small businesses (1–99 employees), specifically 110,800 out of the total of 117,600 employees in the industry, or approximately 94 percent.

2.3 HOW MUCH DID EMPLOYMENT GROW BETWEEN 2013 AND 2018?

Between 2013 and 2018, total net employment change in the private sector was 590,800, which corresponds to an average annual growth rate of 1.0 percent (Table 7). The net employment change among small businesses was 335,800, compared with 98,200 among medium-sized businesses, or an average annual growth rate of 0.8 percent and 0.9 percent, respectively. Consequently, the contribution to net employment change by small businesses was 56.8 percent and 16.6 percent by medium-sized businesses. SMEs were responsible for 73.4 percent of net employment change over the last five years (Figure 7).

Table 7: Average Annual Growth Rate and Contribution to Net Employment Change in the Private Sector by Province and Business Size, 2013–2018

PROVINCE	SMALL BUSINESSES (1–99 EMPLOYEES)			MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)			LARGE BUSINESSES (500+ EMPLOYEES)			TOTAL		
	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)
Newfoundland and Labrador	-0.6	-3.3	48.0	-0.8	-0.9	13.3	-6.1	-2.6	38.7	-0.9	-6.8	100
Prince Edward Island	0.9	1.6	57.3	2.9	0.8	29.3	6.2	0.4	13.4	1.3	2.8	100
Nova Scotia	0.3	3.6	-	-2.4	-6.4	-	2.9	2.5	-	0.0	-0.3	100
New Brunswick	-0.8	-6.3	151.0	1.6	3.4	-81.4	-1.4	-1.3	30.4	-0.4	-4.2	100
Quebec	0.3	26.8	24.2	1.0	26.4	23.9	3.7	57.3	51.9	0.8	110.5	100
Ontario	1.1	168.6	57.4	1.2	61.3	20.9	2.3	63.7	21.7	1.3	293.6	100
Manitoba	0.8	11.0	106.2	-1.8	-6.8	-65.7	3.7	6.2	59.5	0.5	10.4	100
Saskatchewan	0.9	11.4	131.2	-1.1	-2.8	-32.1	0.1	0.1	0.9	0.5	8.7	100
Alberta	0.2	12.1	-	-0.8	-11.4	-	0.2	1.5	-	0.0	2.2	100
British Columbia	1.9	110.3	63.4	2.8	34.6	19.9	6.4	29.1	16.7	2.3	173.9	100
Canada	0.8	335.8	56.8	0.9	98.2	16.6	2.7	156.8	26.5	1.0	590.8	100

* AAGR: Average annual growth rate.

** NEC: Net employment change from 2013–2018.

*** CNEC: Contribution to net employment change. For small businesses in Canada, for example, CNEC = 431.6/639.2, or 67.5 percent. If the total change is very small, such as in New Brunswick, CNEC by business size is not indicated in the table.

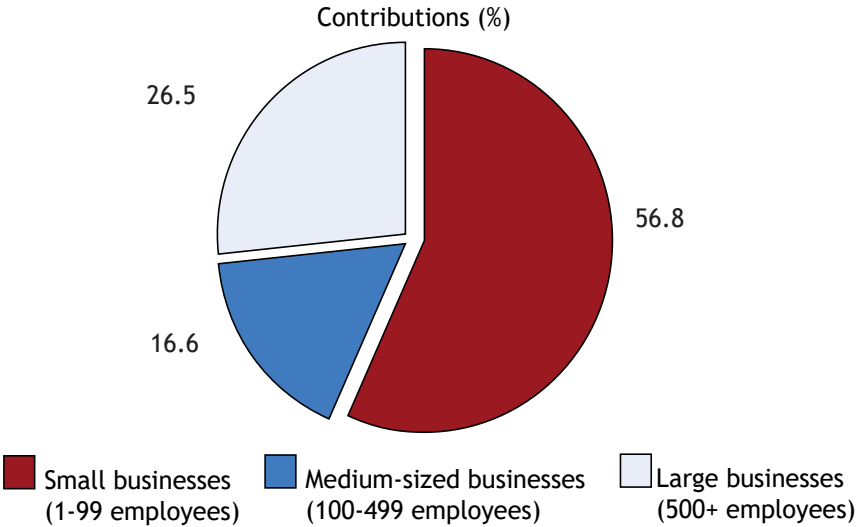
Sources: Statistics Canada, *Labour Force Survey*; and ISED calculations.

Over the last five years, private sector employment has increased in seven of the 10 provinces. Newfoundland and Labrador, Nova Scotia and New Brunswick are the three provinces that saw a drop in private sector employment. In Newfoundland and Labrador, employment dropped across all business size categories, while Nova Scotia experienced a decrease in medium-sized businesses, and New Brunswick in both small and large enterprises.

Only three provinces showed employment increases across all size categories: Quebec, Ontario and British Columbia. This last province also posted the greatest annual average growth (2.3 percent) in private sector employment over the last five years.

Over the 2013–2018 period, close to 94 percent of net employment change was attributable to businesses in the services-producing sector; employment in the goods-producing sector showed a negligible increase (Table 8).

Figure 7: Contribution to Net Employment Change of Private Sector Businesses by Business Size, 2013–2018



Sources: Statistics Canada, Labour Force Survey; and ISED calculations.

The most significant net employment changes observed in the services-producing sector were the increases in professional, scientific and technical services (127,400) and in wholesale and retail trade (90,300). These two industries alone accounted for close to 40 percent of the net change in the services-producing sector. The contribution to net employment change by SMEs in these two industries was 86.6 percent for the professional, scientific and technical services sector and 71.4 percent for wholesale and retail trade. The services-producing sector did not produce any notable decrease in employment between 2013 and 2018.

A positive net employment change was observed in the construction industry and in manufacturing: 60,800 and 3,800 jobs, respectively, which were partly offset by negative net employment changes (26,500 jobs) observed in the other three industries making up the goods-producing sector.

Table 8: Average Annual Growth Rate and Contribution to Net Employment Change by Industrial Sector and Business Size, 2013–2018

	SMALL BUSINESSES (1–99 EMPLOYEES)			MEDIUM-SIZED BUSINESSES (100–499 EMPLOYEES)			LARGE BUSINESSES (500+ EMPLOYEES)			TOTAL		
	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)	AAGR* (%)	NEC** (THOUSANDS)	CEC*** (%)
Goods-Producing Sector	0.4	38.3	100.5	-0.3	-12.5	-32.7	0.6	12.2	32.2	0.2	38.1	100
Agriculture, forestry, fishing and hunting	-0.8	-4.5	153.7	5.4	1.6	-53.7	0.0	0.0	0.0	-0.5	-2.9	100
Mining, quarrying, and oil and gas extraction	-2.3	-18.2	93.5	-2.4	-9.2	47.2	2.3	7.9	-40.7	-1.3	-19.5	100
Utilities	-5.0	-2.4	57.5	-3.6	-1.2	29.1	-1.7	-0.5	13.4	-3.6	-4.1	100
Construction	1.4	58.3	96.0	0.6	4.0	6.6	-0.8	-1.6	-2.6	1.2	60.8	100
Manufacturing	0.1	5.0	131.4	-0.3	-7.6	-198.4	0.5	6.4	167.0	0.0	3.8	100
Services-Producing Sector	1.0	297.5	53.8	1.5	110.6	20.0	3.7	144.6	26.2	1.3	552.7	100
Wholesale and retail trade	0.5	43.8	48.5	0.9	20.7	22.9	6.7	25.8	28.6	0.7	90.3	100
Transportation and warehousing	0.7	11.7	21.6	2.3	16.8	30.9	5.5	25.7	47.5	1.8	54.2	100
Finance, insurance, real estate and leasing	0.6	15.3	21.0	2.5	20.7	28.4	4.8	36.9	50.6	1.7	72.9	100
Professional, scientific and technical services	2.8	85.6	67.2	2.3	24.3	19.1	3.8	17.5	13.7	2.8	127.4	100
Business, building and other support services	0.4	7.9	51.6	1.0	4.7	30.4	1.6	2.8	18.0	0.6	15.4	100
Educational services	4.3	13.5	67.1	3.7	3.3	16.5	3.2	3.3	16.5	4.0	20.1	100
Health care and social assistance	2.0	50.3	57.0	1.2	11.2	12.6	2.4	26.8	30.4	1.9	88.2	100
Information, culture and recreation	0.9	14.3	79.5	0.6	3.3	18.4	0.1	0.4	2.1	0.7	18.0	100
Accommodation and food services	1.0	48.2	83.7	1.4	6.0	10.4	3.3	3.4	5.9	1.1	57.6	100
Other services (except public administration)	0.3	6.9	79.0	-0.1	-0.3	-3.0	10.4	2.1	23.9	0.3	8.8	100
Total	0.8	335.8	56.8	0.9	98.2	16.6	2.7	156.8	26.5	1.0	590.8	100

* AAGR: Average annual growth rate.

** NEC: Net employment change from 2013–2018.

*** CNEC: Contribution to net employment change. For small businesses in Canada, for example, CNEC = 431.6/639.2, or 67.5 percent. If the total change is very small, such as in New Brunswick, CNEC by business size is not indicated in the table.

Sources: Statistics Canada, *Labour Force Survey*, and ISED calculations.

3. GROWTH

3.1 WHAT IS THE PROPORTION OF HIGH-GROWTH FIRMS?

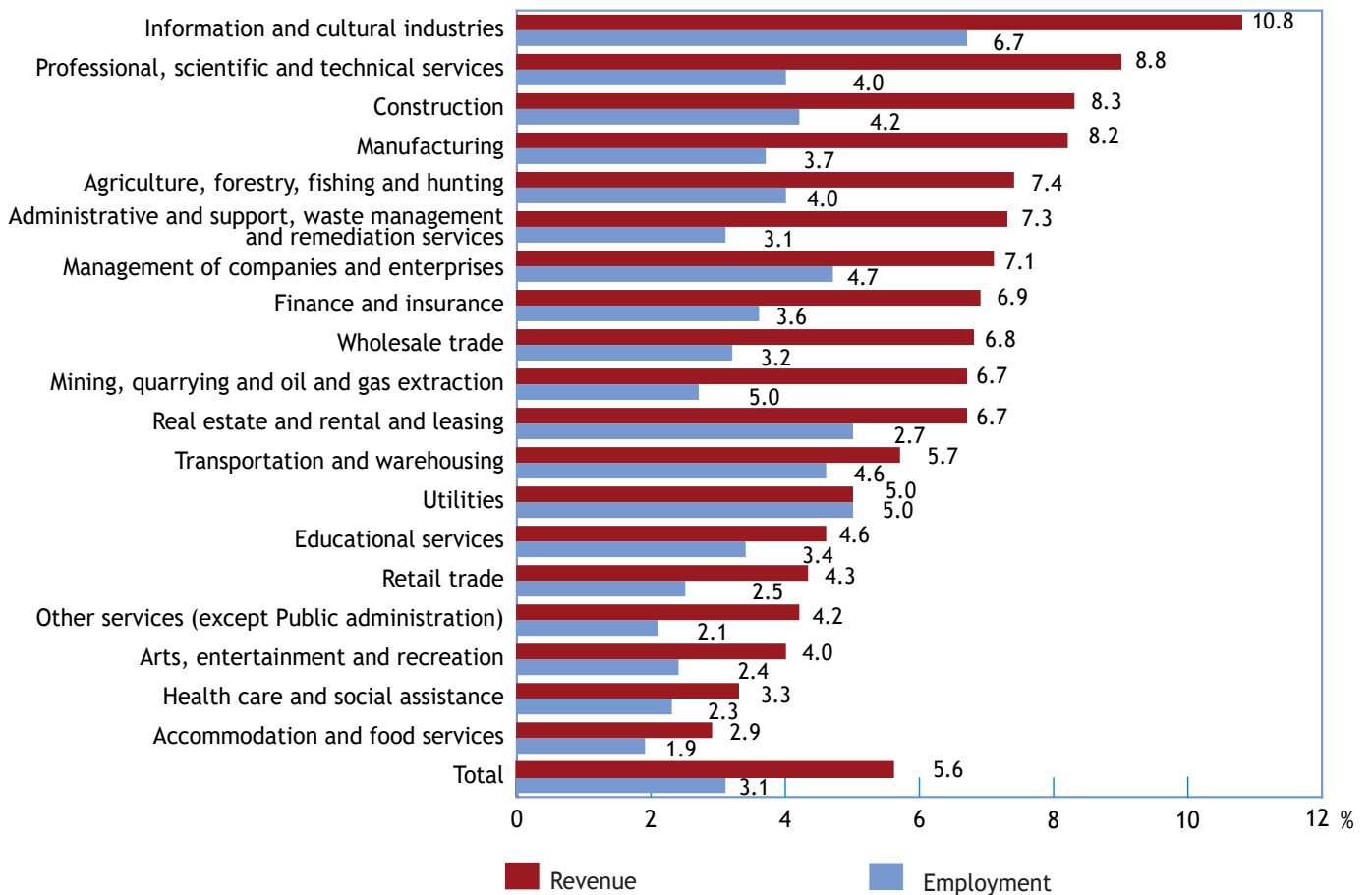
Firms that achieve high growth in a short period of time tend to make a large contribution in terms of employment and wealth creation. Based upon a recent study,⁹ high-growth firms¹⁰ contributed to 41 percent of the total net employment change between 2009 and 2012. Although policy-makers tend to associate high-growth firms with innovative high-tech firms, the reality, as discussed below, is that these firms are found across all industrial sectors.

Figure 8 presents percentages of high-growth firms across different industries, between 2013 and 2016, based upon revenue and employment. As shown, there are high-growth firms in all industries. In the goods-producing sector, the largest share of high-growth firms, based upon revenue, is found in the following industries: construction (8.3 percent); manufacturing (8.2 percent); and agriculture, forestry, fishing and hunting (7.4 percent). In the services-producing sector, industries with the largest share of high-growth firms are information and cultural industries (10.8 percent); professional, scientific and technical services (8.8 percent); and administrative and support, waste management, and remediation services (7.3 percent). Overall, the share of high-growth firms based upon revenue is just under double the share based upon employment (5.6 percent versus 3.1 percent).

9. Innovation, Science and Economic Development Canada, [The Contribution to Canadian Net Employment Change by High-Growth Firms](#), December 2017.

10. According to the Organisation for Economic Co-operation and Development, high-growth firms are firms with 10 or more employees that have experienced average annual growth of 20 percent, in terms of employment or revenue, over three consecutive years.

Figure 8: Percentage of High-Growth Firms by Industry, Based upon Revenue and Employment Growth, 2013–2016



Source: Statistics Canada, Entrepreneurship Indicators Database.

4. EXPORT OF GOODS

4.1 WHICH PROVINCES HAVE THE HIGHEST CONCENTRATIONS OF EXPORTERS?

Exporting is vital to Canada’s economy. It is a driver of economic growth and is strongly correlated with real gross domestic product growth. Furthermore, exporting can provide a strategically important means of growing a firm by expanding its market beyond the confines of Canada’s relatively small domestic market.

Exporters are found in all provinces. In 2018, out of the 50,247 establishments that exported goods, 42.7 percent were operating in Ontario (Table 9). Ontario had the highest concentration of exporters

at 48.8 exporters per thousand establishments, respectively. The lowest concentration of exporters was found in the territories and Newfoundland and Labrador, at 14.9 and 18.2 exporters per thousand establishments, respectively.

In Canada, the average value of exports per establishment was \$10.4 million in 2018. This includes establishments located in the territories, which had the highest average value of exports, at slightly more than \$35.1 million per establishment, followed by Alberta and Newfoundland and Labrador at \$23.0 million and \$22.6 million per establishment, respectively. This can probably be explained by the fact that the territories and these two provinces specialize in the exploitation of natural resources.

Table 9: Provincial Exports by Number of Establishments and Value of Goods Exported, 2018

	NUMBER OF EXPORTERS	DISTRIBUTION (%)	NUMBER OF EXPORTERS PER 1,000 ESTABLISHMENTS	VALUE OF EXPORTS (\$ BILLIONS)	DISTRIBUTION (%)	AVERAGE VALUE OF EXPORTS BY ESTABLISHMENT (\$ BILLIONS)
Canada	50,247		41.7	522.8		10.4
Newfoundland and Labrador	310	0.6	18.2	7.0	1.3	22.6
Prince Edward Island	242	0.5	38.6	1.5	0.3	6.3
Nova Scotia	1,017	2.0	33.9	5.4	1.0	5.3
New Brunswick	786	1.6	31.1	12.5	2.4	15.9
Quebec	10,827	21.5	43.6	86.1	16.5	8.0
Ontario	21,480	42.7	48.8	200.3	38.3	9.3
Manitoba	1,749	3.5	44.1	19.3	3.7	11.0
Saskatchewan	1,440	2.9	34.8	18.6	3.6	12.9
Alberta	5,203	10.4	31.6	119.7	22.9	23.0
British Columbia	7,131	14.2	38.1	50.1	9.6	7.0
Territories	62	0.1	14.9	2.2	0.4	35.1

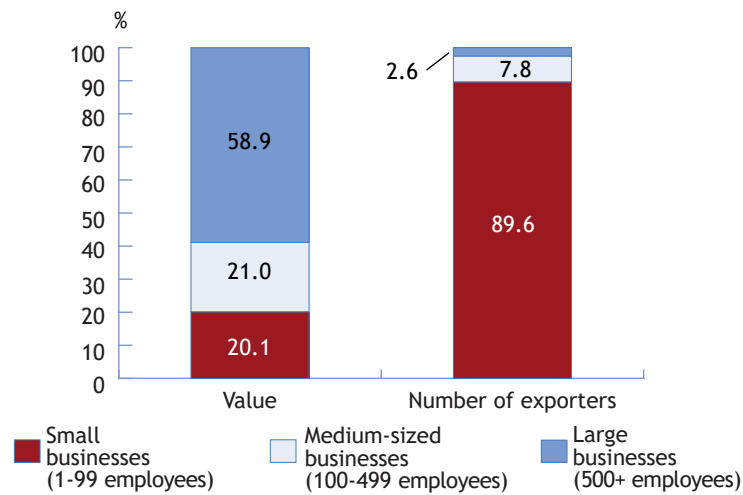
Note: Figures may not add up to totals because of rounding.

Source: Statistics Canada, Table 12-10-0098-01 – Trade in goods by exporter characteristics, by industry of establishment (x 1,000).

4.2 HOW DO SMES CONTRIBUTE TO CANADA'S EXPORTS?

In 2018, Canada's exports of goods increased to \$522.8 billion, of which 41.1 percent was attributable to SMEs (Figure 9). More than 50,000 Canadian establishments exported goods, the vast majority of which were SMEs (97.4 percent).

Figure 9: Contribution of SMEs to the Export of Goods by Number of Exporters and Value of Exports, Canada, 2018

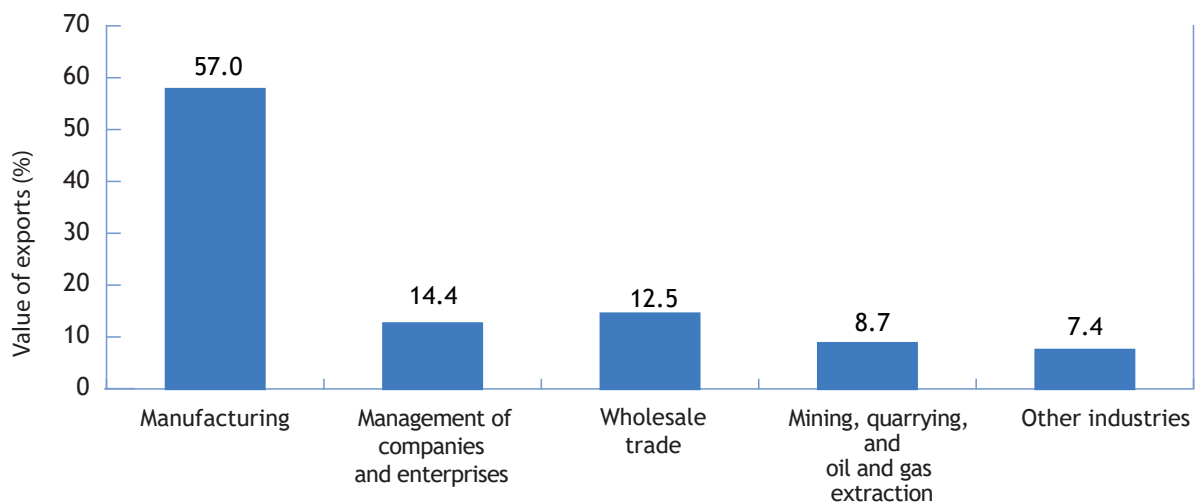


Sources: Statistics Canada, Table 12-10-0094-01 – Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.

Even if virtually all Canadian industrial sectors export goods, four in particular account for over 90 percent of the total value of goods exported in 2018 (Figure 10). Manufacturing accounted for almost 57.0 percent of the total value of goods exported in 2018, followed by management of companies and enterprises (14.4 percent), wholesale trade (12.5 percent), and mining, quarrying, and oil and gas extraction (8.7 percent).

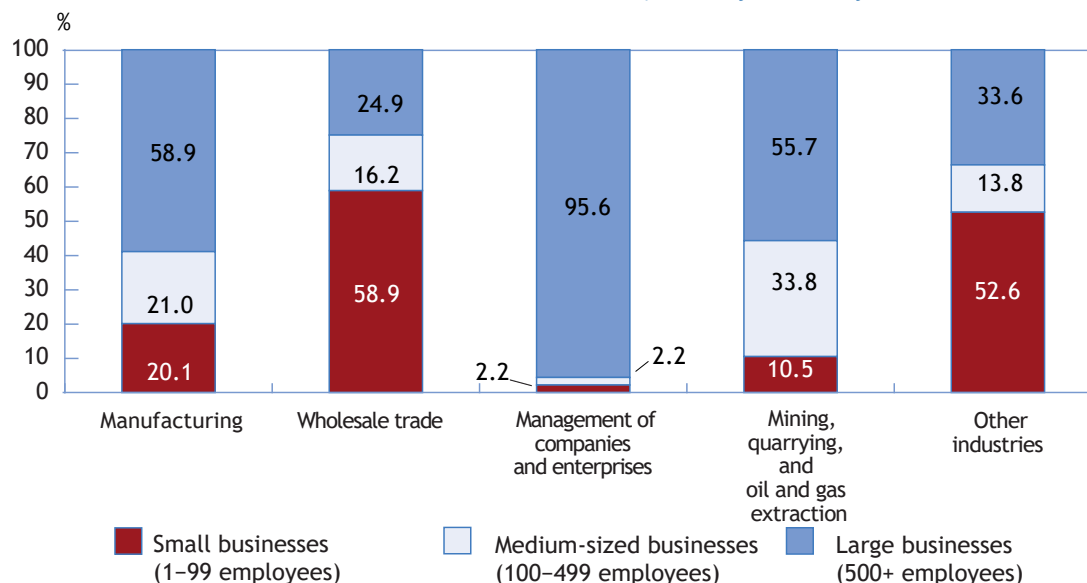
The contribution of SMEs to exports of goods varies by industrial sector (Figure 11). In 2018, the contribution of SMEs to the total value of goods exported was 75.1 percent in wholesale trade and 66.4 percent in “other industries.” At the other end of the scale, the contribution of SMEs to the value of exports of goods was only 4.4 percent in management of companies and enterprises and 41.1 percent in manufacturing.

Figure 10: Main Industries Involved in the Export of Goods by Value of Exports, Canada, 2018



Source: Statistics Canada, Table 12-10-0094-01 – Trade in goods by exporter characteristics, by enterprise employment size and industry.

Figure 11: Contribution of SMEs to the Total Value of Exports by Industry, Canada, 2018



Source: Statistics Canada, Table 12-10-0094-01 — Trade in goods by exporter characteristics, by enterprise employment size and industry.

4.3 WHAT ARE CANADA’S MAIN EXPORT DESTINATIONS?

Between 2013 and 2018, the value of goods exported increased to an average annual growth rate of 4.3 percent, totaling almost \$523 billion (Table 10). This 4.3 percent annual growth rate is a little higher than that observed for exports to the United States (4.0 percent), the main destination for Canadian goods exports.

From 2013 to 2018, the value of exports to the United States by small businesses as a percentage of the value of total exports by small businesses increased from 74.5 percent to 76.3 percent; for medium-sized businesses, the increase was from 67.5 percent to 70.0 percent. On the other hand, this percentage decreased for large businesses, with exports of goods to the United States by large businesses dropping from 77.8 percent to 74.8 percent (Table 11). In other words, SMEs concentrated on exporting to the United States between 2013 and 2018, while large businesses diversified their export destinations.

Of the 20 main destinations for exports of Canadian goods in 2018, the highest contribution attributable to SMEs toward the total value of goods exported came from exports destined for the United Kingdom, the third-most significant destination at 70.1 percent of the total value of goods exported by SMEs. Canadian SMEs also accounted for more than 50 percent of the total value of goods exported to three other countries among the 20 main destinations: Switzerland (66.1 percent), Brazil (59.9 percent) and Indonesia (53.1 percent).

In 2018, the second-most significant destination for goods produced by small businesses was China, followed by Japan. The United Kingdom was the second-most significant destination for medium-sized businesses, with China in third.

Table 10: Twenty Main Destinations for Exports of Canadian Goods, 2013 and 2018

	2013					2018					
	RANK	VALUE (\$ BILLIONS)	CONTRIBUTION (%)			RANK	VALUE (\$ BILLIONS)	AAGR* 2013- 2018	CONTRIBUTION (%)		
			SMALL BUSINESSES	MEDIUM-SIZED BUSINESSES	LARGE BUSINESSES				SMALL BUSINESSES	MEDIUM-SIZED BUSINESSES	LARGE BUSINESSES
United States	1	318.9	18.9	16.6	64.4	1	387.3	4.0	20.7	19.9	59.5
China	3	19.4	19.7	20.2	60.1	2	26.0	6.0	19.3	24.5	56.2
United Kingdom	2	13.1	4.6	59.1	36.3	3	15.6	3.6	7.4	62.7	29.9
Japan	4	10.3	20.1	21.1	58.9	4	12.6	4.1	18.4	14.5	67.1
Mexico	5	4.8	17.1	15.4	67.5	5	7.6	9.7	11.2	24.0	64.8
South Korea	8	3.2	24.2	14.8	61.0	6	5.7	12.2	30.2	14.0	55.8
The Netherlands	7	3.3	11.8	16.9	71.3	7	4.5	6.2	13.6	10.9	75.5
Germany	9	3.1	17.9	15.2	66.9	8	4.0	5.3	17.6	18.8	63.6
India	11	2.5	22.4	30.7	46.9	9	3.9	9.0	15.6	23.4	61.0
Hong Kong	6	4.6	23.7	16.4	59.9	10	3.5	-5.1	18.7	14.1	67.2
Belgium	13	2.2	33.1	27.7	39.2	11	3.5	9.5	10.7	14.0	75.3
France	10	2.9	10.4	16.9	72.8	12	3.1	1.5	13.8	17.6	68.6
Italy	16	1.8	14.1	15.7	70.2	13	2.9	10.2	10.4	16.1	73.5
Norway	14	2.0	9.8	2.1	88.2	14	2.4	3.3	3.8	3.3	92.9
Indonesia	15	1.8	16.7	43.5	39.9	15	2.1	2.7	7.2	45.9	46.9
Spain	22	0.9	17.4	9.3	73.3	16	2.0	17.8	13.4	12.5	74.0
Brazil	12	2.3	12.1	41.7	46.2	17	1.9	-3.6	9.9	50.0	40.1
Taiwan	20	1.3	21.6	11.2	67.3	18	1.9	7.6	27.3	10.0	62.8
Saudi Arabia	23	0.8	25.3	10.7	63.9	19	1.8	17.4	8.8	7.5	83.7
Switzerland	17	1.7	5.6	6.6	87.8	20	1.8	0.8	59.9	6.1	33.9
Rest of the world		22.7	31.6	19.3	49.1		28.8	4.9	26.6	19.3	54.1
Total		423.6	19.1	18.6	62.3		522.8	4.3	20.1	21.0	58.9

* AAGR : Average annual growth rate.

Note: Figures may not add up to totals because of rounding.

Source: Statistics Canada, Table 12-10-0095-01 – Trade in goods by exporter characteristics, by enterprise employment size and country of destination.

Table 11: Twenty Main Destinations for Exports of Canadian Goods, distribution of the value of exports by destination for each category of business size, Canada, 2013 and 2018

	2013					2018					
	RANK	VALUE (\$ BILLIONS)	CONTRIBUTION (%)			RANK	VALUE (\$ BILLIONS)	AAGR* 2013-2018	CONTRIBUTION (%)		
			SMALL BUSINESSES	MEDIUM-SIZED BUSINESSES	LARGE BUSINESSES				SMALL BUSINESSES	MEDIUM-SIZED BUSINESSES	LARGE BUSINESSES
United States	1	318.9	74.5	67.5	77.8	1	387.3	4.0	76.3	70.0	74.8
China	3	19.4	4.7	5.0	4.4	2	26.0	6.0	4.8	5.8	4.7
United Kingdom	2	13.1	0.7	9.8	1.8	3	15.6	3.6	1.1	8.9	1.5
Japan	4	10.3	2.5	2.8	2.3	4	12.6	4.1	2.2	1.7	2.7
Mexico	5	4.8	1.0	0.9	1.2	5	7.6	9.7	0.8	1.7	1.6
South Korea	8	3.2	1.0	0.6	0.7	6	5.7	12.2	1.6	0.7	1.0
The Netherlands	7	3.3	0.5	0.7	0.9	7	4.5	6.2	0.6	0.4	1.1
Germany	9	3.1	0.7	0.6	0.8	8	4.0	5.3	0.7	0.7	0.8
India	11	2.5	0.7	1.0	0.4	9	3.9	9.0	0.6	0.8	0.8
Hong Kong	6	4.6	1.3	1.0	1.0	10	3.5	-5.1	0.6	0.5	0.8
Belgium	13	2.2	0.9	0.8	0.3	11	3.5	9.5	0.4	0.4	0.8
France	10	2.9	0.4	0.6	0.8	12	3.1	1.5	0.4	0.5	0.7
Italy	16	1.8	0.3	0.4	0.5	13	2.9	10.2	0.3	0.4	0.7
Norway	14	2.0	0.2	0.1	0.7	14	2.4	3.3	0.1	0.1	0.7
Indonesia	15	1.8	0.4	1.0	0.3	15	2.1	2.7	0.1	0.9	0.3
Spain	22	0.9	0.2	0.1	0.2	16	2.0	17.8	0.3	0.2	0.5
Brazil	12	2.3	0.3	1.2	0.4	17	1.9	-3.6	0.2	0.9	0.2
Taiwan	20	1.3	0.3	0.2	0.3	18	1.9	7.6	0.5	0.2	0.4
Saudi Arabia	23	0.8	0.3	0.1	0.2	19	1.8	17.4	0.1	0.1	0.5
Switzerland	17	1.7	0.1	0.1	0.6	20	1.8	0.8	1.0	0.1	0.2
Rest of the world		22.7	8.9	5.6	4.2		28.8	4.9	7.3	5.1	5.1
Total		423.6	100	100	100		522.8	4.3	100	100	100

* AAGR : Average annual growth rate.

Note: Figures may not add up to totals because of rounding.

Source: Statistics Canada, Table 12-10-0095-01 – Trade in goods by exporter characteristics, by enterprise employment size and country of destination.

5. GROSS DOMESTIC PRODUCT

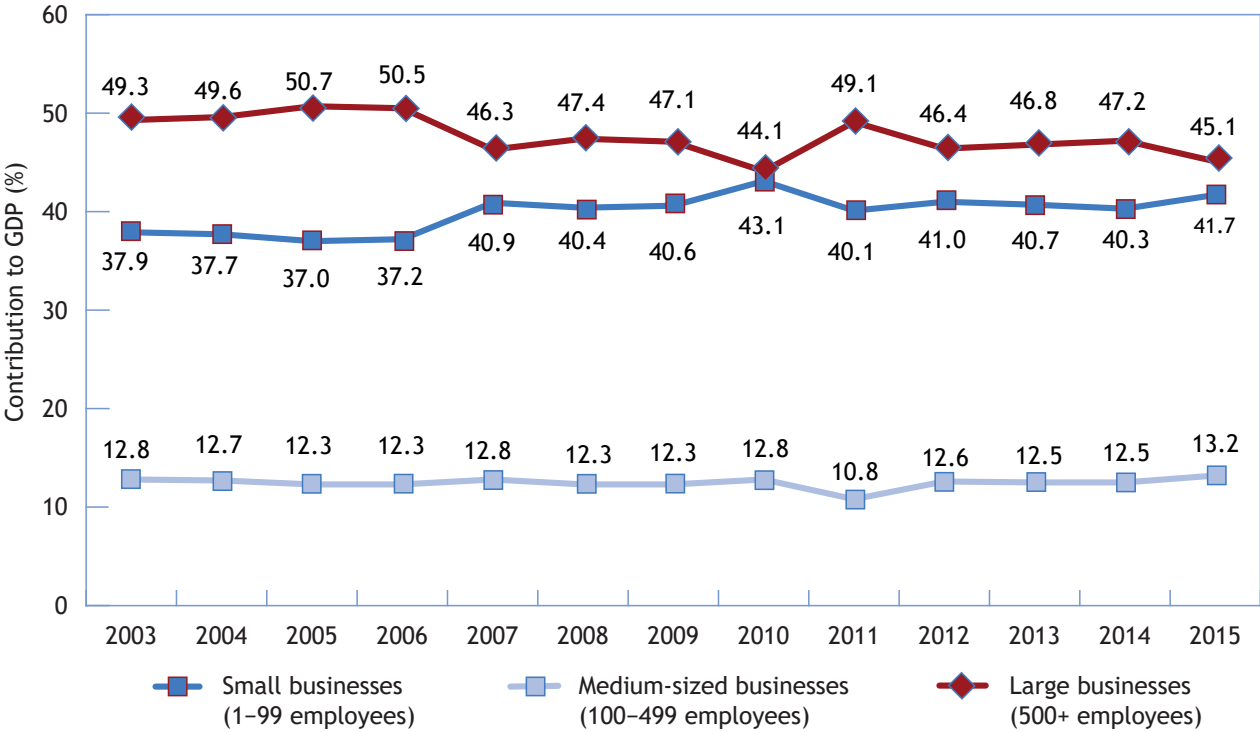
5.1 HOW DO SMES CONTRIBUTE TO CANADA'S GROSS DOMESTIC PRODUCT?

Gross domestic product (GDP) is a key measure of economic production that can be used to compare any two industries' value added, i.e., the value that an industry, through its activities, adds to its inputs. The main advantage of the GDP concept is that it avoids double counting; hence, it is considered

superior in gauging economic performance over, for example, revenue, number of businesses or even employment. Statistics Canada recently produced estimates of GDP generated by the private sector by business size for the 2003–2015 period.

Based on Statistics Canada estimates, the contribution to GDP by business size did not vary significantly throughout the 2003–2015 period (Figure 12). On average, from 2011 to 2015, the contribution of small businesses to GDP was 40.8 percent, the contribution of medium-sized businesses was 12.3 percent and the contribution of large businesses was 46.9 percent. In other words, SMEs accounted for more than 50.0 percent of the value added to the country’s output.

Figure 12: Contribution to GDP by Business Size, Canada, 2003–2015



Source: Statistics Canada.

The contribution of SMEs to GDP varied more from one industrial sector to another (Table 12). The average contribution of SMEs to GDP over the 2011–2015 period was 49.4 percent in the goods-producing sector, compared with 56.1 percent in the services-producing sector.

For the goods-producing sector, the average contribution of SMEs to GDP was 95.7 percent in agriculture and 79.9 percent in construction. For the other three industries in the goods-producing sector, the average contribution of SMEs to GDP was less than 50 percent.

Table 12: Contribution to GDP by Business Size and Industrial Sector, Average from 2011–2015

	CONTRIBUTION (%)			
	SMALL BUSINESSES (1-99 EMPLOYEES)	MEDIUM-SIZED BUSINESSES (100-499 EMPLOYEES)	SMEs	LARGE BUSINESSES (500+ EMPLOYEES)
Goods-Producing Sector	35.2	14.3	49.5	50.6
Agriculture, forestry, fishing and hunting	90.6	5.1	95.7	4.4
Mining, quarrying, and oil and gas extraction	14.7	8.5	23.2	76.8
Utilities	5.0	5.6	10.6	89.4
Construction	65.6	14.3	79.9	20.1
Manufacturing	26.1	21.0	47.1	52.9
Services-Producing Sector	44.5	11.6	56.1	43.9
Wholesale trade	38.7	18.4	57.1	42.9
Retail trade	47.2	10.8	58.0	42.0
Transportation and warehousing	32.3	10.9	43.2	56.8
Finance, insurance, real estate and leasing	35.8	8.0	43.8	56.2
Professional, scientific and technical services	56.2	13.1	69.3	30.7
Business, building and other support services	42.1	16.1	58.3	41.7
Educational services	69.2	12.6	81.9	18.1
Health care and social assistance	86.8	5.1	92.0	8.0
Information, culture and recreation	11.9	7.9	19.7	80.3
Accommodation and food services	64.3	15.6	79.9	20.1
Other services (except public administration)	79.6	6.5	86.1	13.9
Total	40.6	12.7	53.3	46.7

Note: Figures may not add up to totals because of rounding.

Source: Statistics Canada.

For the services-producing sector, the greatest contribution of SMEs to GDP was 92.0 percent observed in health care and social assistance, 86.1 percent in other services (except public administration), and 81.9 percent in educational services. The information, culture and recreation (19.7 percent); finance, insurance, real estate and leasing (43.8 percent), and transportation and warehousing (43.2 percent) industries had, on average, lower contributions to GDP from SMEs.