

AS OF  
JAN 2016

THERE WERE 1.17 MILLION BUSINESSES IN CANADA

OF THESE, 1.14 MILLION (97.9%) BUSINESSES WERE SMALL BUSINESSES

SMALL BUSINESS

97.9 %

1.8 %

0.3 %

Small business

Medium business

Large business

CANADIAN DEFINITION ▶ SIZE OF BUSINESS

A micro-enterprise has... 1 to 4 paid employees

A small business has... 5 to 99 paid employees

A medium business has... 100 to 499 paid employees

A large business has... 500 or more paid employees

START-UP AND HIGH GROWTH FIRM (HGF) DEFINITION

Start-up: a business that is two years old or younger.

High Growth Firm | HGF: a business with an average annualized growth rate of greater than 20 percent, over a three-year period, and with 10 or more employees at the beginning of the period. HGF growth can be recorded in terms of revenue or employment (number of employees).

WHAT DOES SMEs MEAN IN CANADA?

01 NUMBER OF BUSINESSES

As of December 2015, the Canadian economy totalled 1.17 million employer businesses.

Of these, 1.14 million (97.9 %) were small businesses, 21,415 (1.8 %) were medium-sized businesses and 2,933 (0.3 percent) were large businesses.

In 2013, the total number of SME births was 78,430, compared with 83,240 deaths, which resulted in a net decrease of 4,810 businesses.

02 INNOVATION

Between 2011 and 2013, small businesses accounted for 27% of total research and development expenditures, spending \$13.0 billion over the period.

In 2014, the highest percentages of SMEs that innovated were found in manufacturing (61.5%), wholesale trade (50.5%) and professional, scientific and technical services (45.0%).

03 FINANCING

In 2014, 51.3% of SMEs sought external financing, compared with 48.7% that did not request external financing.

Lacking both a credit history and the collateral needed to secure a loan, over 80% of start-ups used personal financing to finance their new businesses.

04 EMPLOYMENT

As of 2015, small businesses employed over 8.2 million individuals in Canada, or 70.5% of the total private labour force.

By comparison, medium-sized businesses accounted for 19.8% (2.3 million individuals) and large businesses accounted for 9.7% (1.1 million individuals) of the private sector workforce.

Small businesses were responsible for the vast majority (87.7%) of net employment change between 2005 and 2015 (1.2 million jobs), compared with 7.7% for medium-sized businesses and 4.6% for large businesses.

05 EXPORTS

In 2013, Canada exported goods totalling \$420 billion, of which \$106 billion (25.2%) was exported by SMEs.

In 2014, 73,000 SMEs (11.8%) exported goods and services.

At the end of 2015, Canada's exports of goods and services were 31% as large as GDP and amounted to \$611 billion.

06 SMALL BUSINESS CONTRIBUTION TO GDP

In 2014, small businesses contributed an average of 30% to the gross domestic product (GDP) of their province.

Small businesses in British Columbia and Alberta contributed the highest share to their provincial GDP at 33% and 32% respectively.

Small businesses in Saskatchewan and Quebec contributed 30% to their provincial GDP.

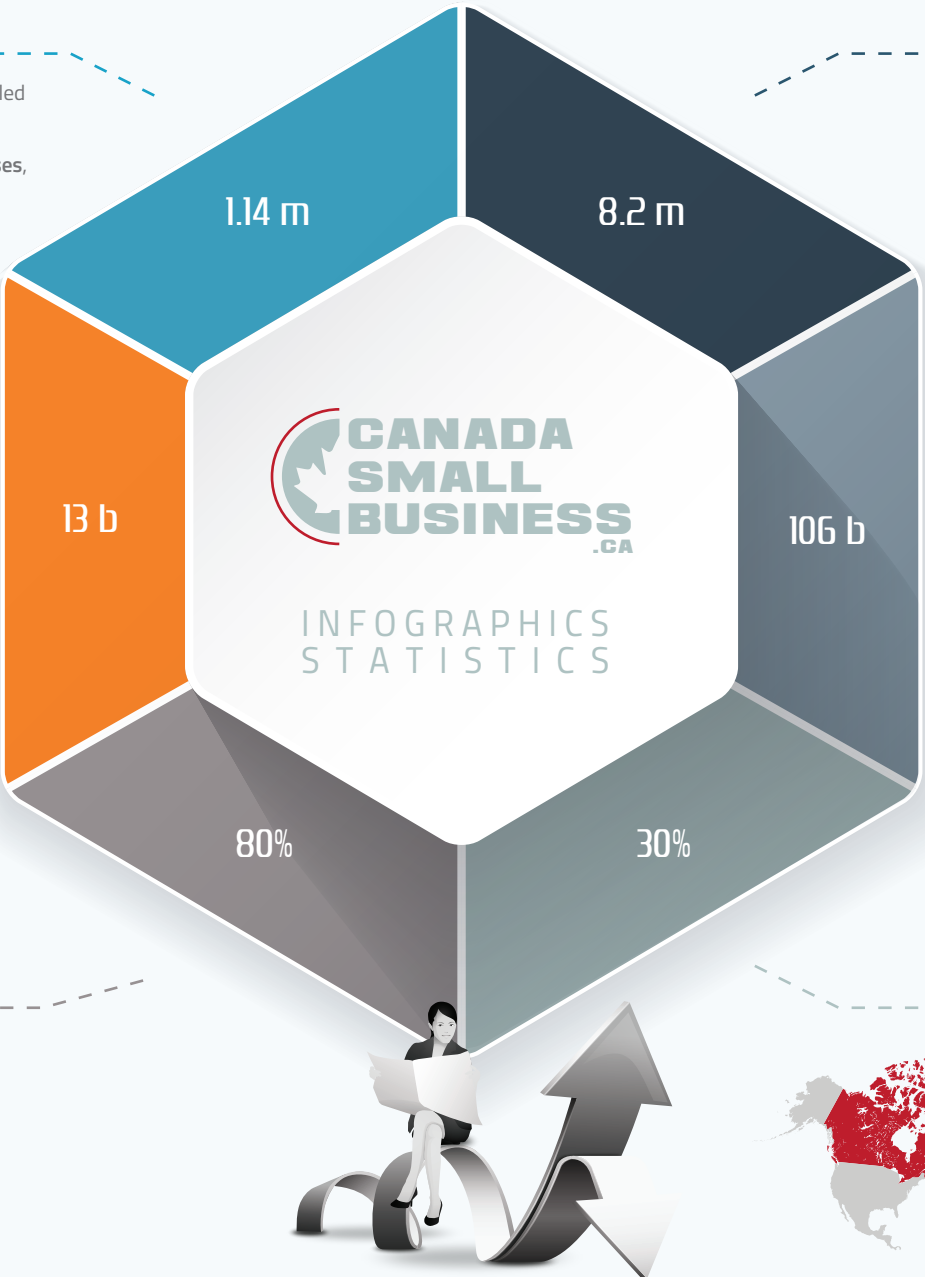


Figure | 1D

Provinces and Territories

Total Number of Employer Businesses by Size and Number of Small and Medium-Sized Businesses per 1,000 Provincial Population, December 2015

Provinces/Territories	Employer Businesses				Number of SMEs per 1,000 Population (aged 15+ years)
	Small (1–99)	Medium (100–499)	Large (500+)	Total	
Newfoundland and Labrador	17,174	307	45	17,526	39.1
Prince Edward Island	5,838	83	14	5,935	48.7
Nova Scotia	29,298	556	68	29,922	37.3
New Brunswick	25,002	443	64	25,509	40.0
Quebec	235,075	4,301	590	239,966	34.7
Ontario	407,175	8,437	1,189	416,801	36.3
Manitoba	37,776	829	107	38,712	37.3
Saskatchewan	40,453	644	88	41,185	45.5
Alberta	165,792	3,076	437	169,305	50.0
British Columbia	176,014	2,623	329	178,966	45.2
Yukon	1,723	34	0	1,757	57.3
Northwest Territories	1,606	51	1	1,658	48.5
Nunavut	704	31	1	736	29.6
Canada	1,143,630	21,415	2,933	1,167,978	39.2
Percentage (%)	97.9	1.8	0.3	100.0	

SOURCE ▶ Statistics Canada | Business Register, December 2015 - Industry Canada | Innovation, Science and Economic Development Canada, June 2016 - Researched & Produced by | K Shalizi