



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

KEY SMALL BUSINESS STATISTICS

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

ic.gc.ca/sbststatistics

Canada 



Cat. No. Iu186-1E-PDF

ISBN 1718-3456

This publication is available online and PDF format at ic.gc.ca/smeresearch. Cette publication est aussi disponible en français sous le titre *Principales statistiques relatives aux petites entreprises*. To obtain a paper 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: ised@canada.ca

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 (contact information above).

© His Majesty the King in Right of Canada, as represented by the Minister of Innovation, Science and Economic Development Canada, 2022

Table of contents

FOREWORD	4
DEFINITION	5
HIGHLIGHTS	6
1. NUMBER OF BUSINESSES	8
1.1 How many SMEs are there in Canada?	8
1.2 How many businesses appear and disappear each year?	11
1.3 What proportion of new businesses survive the first 18 years?	14
1.4 Gender-based differences in survival and birth rates.	16
2. EMPLOYMENT	19
2.1 How many people were employed in Canada in 2021?	19
2.2 What is the distribution of employment across the private sector?	20
2.3 How much did employment shrink between 2020 and 2021?	23
3. GROWTH	28
3.1 What is the proportion of high-growth firms?	28
4. EXPORT OF GOODS	31
4.1 Which provinces have the highest concentrations of exporters?	31
4.2 How do SMEs contribute to Canada's exports?	32
4.3 What are Canada's main export destinations?	34
5. GROSS DOMESTIC PRODUCT	38
5.1 How do SMEs contribute to Canada's gross domestic product?	38

FOREWORD

Key Small Business Statistics provides statistical data on the business sector in Canada, focusing on small and medium-sized enterprises (SMEs). The data are, at the time of publication, the most up-to-date statistics available to Innovation, Science and Economic Development Canada.

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](#)
- [Labour Force Survey](#)
- [Entrepreneurship Indicators Database](#)
- [Trade by Exporter Characteristics](#)



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?
- How many people were employed in Canada in 2021?
- What is the distribution of employment across the private sector?
- How much did employment grow between 2020 and 2021?
- 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?

DEFINITION

This publication defines a business based upon the number of paid employees.

Since self-employed and “indeterminate” businesses are not considered to have paid employees¹, and self-employed often do not have paid employees, these two groups are generally not included in this publication.

This publication defines a 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.

1 Self-employed workers include those with incorporated and unincorporated businesses. According to the *Labour Force Survey*, in 2021, roughly 28% of self-employed used 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 2021, there were 1.21 million employer businesses in Canada. Of these, 1.19 million (97.9%) were small businesses, 22,700 (1.9%) were medium-sized businesses, and 2,868 (0.2%) were large businesses.

Between 2015 and 2019, the average number of SMEs created annually was 101,324, and the average number of businesses that disappeared annually was 90,151.

On average, 31.7% of SMEs created in the goods-producing sector survived at least 18 years, compared with 26.4% of SMEs created in the services-producing sector.

Between 2005 and 2019, the business birth rate was lower for majority male-owned businesses than for the majority female-owned businesses. However, the survival rates were slightly higher for majority male-owned in comparison to majority female-owned businesses.



Employment

As of 2021, small businesses employed 8.2 million individuals in Canada, or 67.7% of the total private labour force. By comparison, medium-sized businesses employed 2.5 million individuals (20.4% of the private labour force) and large businesses employed 1.4 million individuals (11.8% of the private labour force).

Between 2020 and 2021, small businesses were responsible for 69.0% of the net employment change³ in the private sector, which increased by approximately 494,300 jobs. Medium-sized businesses contributed 17.4% of this net employment change and large businesses contributed 13.7%.

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



SMEs contribution to gross domestic product

In 2019, small businesses contributed 36.7% to gross domestic product (GDP) generated by the private sector, while the contribution of medium-sized businesses was 13.7% and the contribution of large businesses was 49.6%.

Over the 2015–2019 period, SME contribution to GDP was 53.2%, on average, in the goods-producing sector, compared with 51.8% in the services-producing sector.



High-growth firms

High-growth firms (HGFs) are present in every economic sector.

Based upon employment growth from 2016 to 2019, the highest concentration of HGFs in Canada is found in the following sectors: mining, quarrying, and oil and gas extraction (8.7%); information and cultural industries (6.0%); and professional, scientific and technical services (5.6%).



Export of goods

In 2021, 52,663 Canadian establishments exported goods with a value totalling \$575.2 billion.

In 2021, Ontario had 49.4 exporters per thousand establishments, followed by Manitoba with 46.5 and Quebec with 43.6.

In 2021, SMEs contributed 42.7% of the total value of exported goods.

In 2021, Canada's main export destination was the United States, followed by China and the United Kingdom.



1. NUMBER OF BUSINESSES

1.1 How many SMEs are there in Canada?

As of December 2021, there were 1.21 million employer businesses in Canada (Table 1). Of these, 1.19 million (97.9%) were small businesses, 22,700 (1.9%) were medium-sized businesses, and 2,868 (0.2%) were large businesses.

More than half of Canada's small employer businesses are concentrated in Ontario and Quebec (437,891 and 249,480, respectively). Western Canada has a large number of small businesses, led by British Columbia, which had 187,186 as of December 2021. In the Atlantic region, Nova Scotia has the most small employer businesses at 28,899.

The province with the most businesses per thousand individuals aged 18 and over is Prince Edward Island (46.2), followed by Alberta (45.7). In contrast, Nova Scotia has the smallest number of businesses per thousand individuals aged 18 and over (35.7), followed by Newfoundland and Labrador (36.3), and Quebec (36.5).

TABLE 1: TOTAL NUMBER OF EMPLOYER BUSINESSES BY BUSINESS SIZE AND NUMBER OF SMES PER 1,000 INDIVIDUALS BY PROVINCE, DECEMBER 2021

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	15,560	98.1	267	1.7	29	0.2	15,856	36.3
Prince Edward Island	6,101	98.3	99	1.6	8	0.1	6,208	46.2
Nova Scotia	28,899	98.0	534	1.8	68	0.2	29,501	35.7
New Brunswick	24,097	98.0	437	1.8	52	0.2	24,586	37.6
Quebec	249,480	97.7	5,158	2.0	690	0.3	255,328	36.5
Ontario	437,891	97.7	8,930	2.0	1,186	0.3	448,007	37.1
Manitoba	39,192	97.7	806	2.0	118	0.3	40,116	37.3
Saskatchewan	39,884	98.4	577	1.4	67	0.2	40,528	44.7
Alberta	155,467	98.0	2,835	1.8	334	0.2	158,636	45.7
British Columbia	187,186	98.3	2,970	1.6	309	0.2	190,465	43.9
Territories	3,901	97.6	87	2.2	7	0.2	3,995	42.3
Canada	1,187,658	97.9	22,700	1.9	2,868	0.2	1,213,226	39.1

Sources: Statistics Canada, Table 33-10-0304-01 — Canadian Business Counts, with employees, December 2021 Table 17-10-0005-01 — Population estimates on July 1st, by age and sex; and ISED calculations.

Of the 1,213,226 employer businesses in Canada, 21.2% are in the goods-producing sector and 78.8% are in the services-producing sector (Table 2). Micro-enterprises (1–4 employees) make up 55.3% of Canadian businesses. By adding those businesses with 5–9 employees, this number increases to 74.1%. 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 2021

Number of employees	Goods		Services		Total	
	Number	% Cumulative	Number	% Cumulative	Number	% Cumulative
1–4 employees	147,630	57.3	523,717	54.8	671,347	55.3
5–9 employees	49,490	76.5	177,958	73.4	227,448	74.1
10–19 employees	28,083	87.4	124,389	86.4	152,472	86.7
20–49 employees	19,475	95.0	83,068	95.1	102,543	95.1
50–99 employees	7,156	97.7	26,692	97.9	33,848	97.9
Small businesses 1–99 employees	251,834	97.7	935,824	97.9	1,187,658	97.9
100–199 employees	3,534	99.1	11,835	99.2	15,369	99.2
200–499 employees	1,808	99.8	5,523	99.8	7,331	99.8
500 employees or more	508	100.0	2,360	100.0	2,868	100.0
Total	257,684	21.2	955,542	78.8	1,213,226	–

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.

Sources: Statistics Canada, Table 33-10-0304-01 — Canadian Business Counts, with employees, December 2021.

The following four industries—professional, scientific and technical services; construction; retail trade; and health care and social assistance—account for 570,606 businesses, representing 47.0% of Canadian businesses (Table 3). The other services industry (except public administration) also accounts for a significant number of businesses: 109,659, or 9.0% of Canadian businesses. More than half (56.0%) of Canadian businesses are in these five of the 20 industries.

More than 99% of businesses in the following three industries are small businesses: agriculture, forestry, fishing and hunting; real estate and rental and leasing; and other services (except public administration).

However, only 85.1% of businesses in public administration and 85.4% of those in management of companies and enterprises are small businesses.

TABLE 3: NUMBER OF EMPLOYER BUSINESSES BY SECTOR AND NUMBER OF EMPLOYEES, DECEMBER 2021

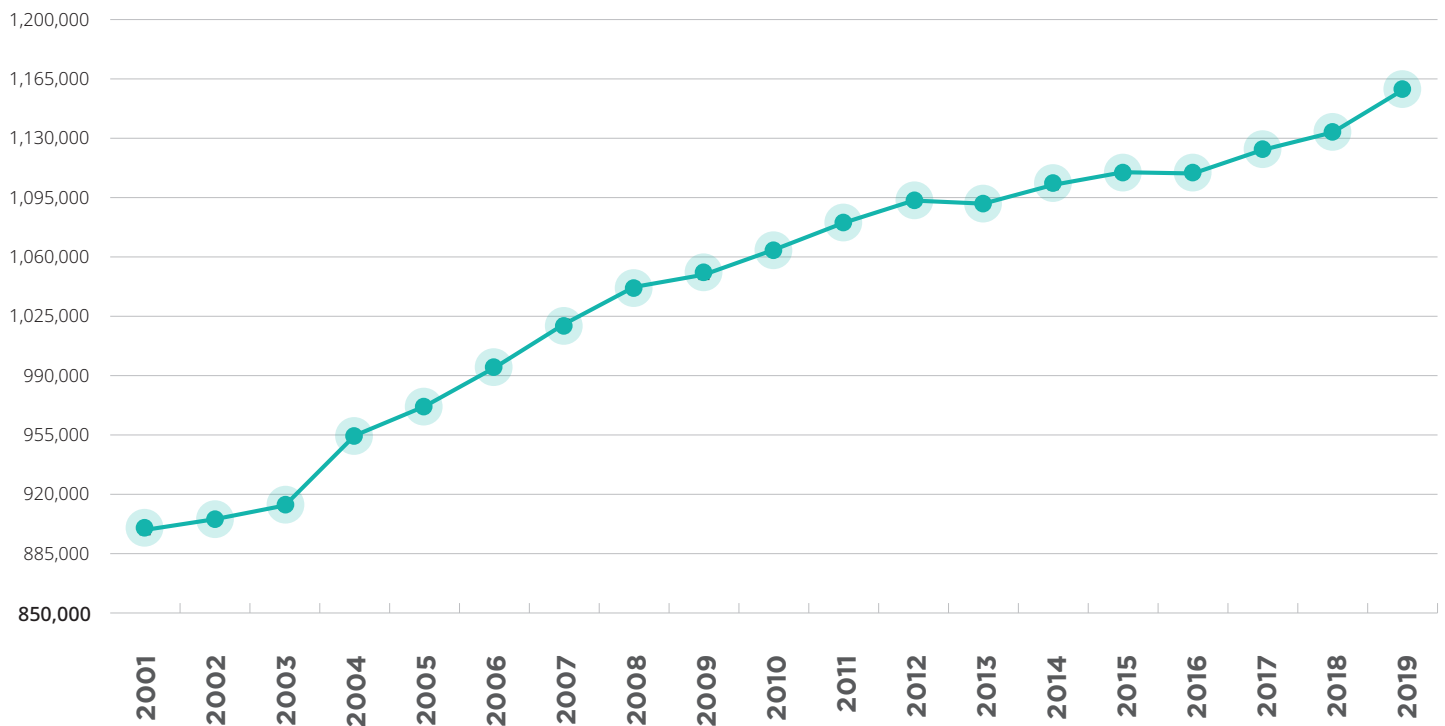
Industry	Small businesses (1–99 employees)		Medium-sized businesses (100–499 employees)		Large businesses (500+ employees)		Total
	Number	%	Number	%	Number	%	
Goods-Producing Sector	251,834	97.7	5,342	2.1	508	0.2	257,684
Agriculture, forestry, fishing and hunting	48,609	99.3	332	0.7	14	0.0	48,955
Mining, quarrying, and oil and gas extraction	7,504	95.3	287	3.6	80	1.0	7,871
Utilities	1,279	89.9	106	7.5	37	2.6	1,422
Construction	147,350	99.0	1,415	1.0	75	0.1	148,840
Manufacturing	47,092	93.1	3,202	6.3	302	0.6	50,596
Services-Producing Sector	935,824	97.9	17,358	1.8	2,360	0.2	955,542
Wholesale trade	53,636	97.8	1,136	2.1	76	0.1	54,848
Retail trade	137,517	97.4	3,590	2.5	57	0.0	141,164
Transportation and warehousing	71,381	98.3	1,064	1.5	178	0.2	72,623
Information and cultural industries	17,909	96.9	498	2.7	75	0.4	18,482
Finance and insurance	40,894	98.0	699	1.7	128	0.3	41,721
Real estate and rental and leasing	56,514	99.5	288	0.5	15	0.0	56,817
Professional, scientific and technical services	150,438	99.0	1,329	0.9	148	0.1	151,915
Management of companies and enterprises	5,676	85.4	720	10.8	252	3.8	6,648
Administrative and support, waste management and remediation services	50,610	96.8	1,483	2.8	209	0.4	52,302
Educational services	13,825	93.1	575	3.9	451	3.0	14,851
Health care and social assistance	125,233	97.3	3,029	2.4	425	0.3	128,687
Arts, entertainment and recreation	17,471	96.9	510	2.8	47	0.3	18,028
Accommodation and food services	78,757	98.7	1,009	1.3	40	0.1	79,806
Other services (except public administration)	109,162	99.5	478	0.4	19	0.0	109,659
Public administration	6,801	85.1	950	11.9	240	3.0	7,991
All Industries	1,187,658	97.9	22,700	1.9	2,868	0.2	1,213,226

Sources: Statistics Canada, Table 33–10–0304–01 — Canadian Business Counts, with employees, December 2021.

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 2019, the number of businesses increased every year, except for two: in 2013 and in 2016, when more businesses disappeared (97,217 and 95,367) than were created (95,392 and 94,654)⁴ as illustrated in Figure 1.⁵ Over the last five years (from 2015 to 2019), on average, 101,324 businesses were created every year and 90,151 disappeared.

FIGURE 1: NUMBER OF BUSINESSES WITH AT LEAST ONE EMPLOYEE, CANADA, 2001–2019



Source: Statistics Canada, Economic Analysis Division, National Accounts Longitudinal Microdata File.

⁴ Statistics Canada produces several sources of data (such as the Entrepreneurship Indicators Database and the Longitudinal Employment Analysis Program) that present similar data on business births and deaths. The differences in levels between these sources and the data produced by the Economic Analysis Division (EAD) of Statistics Canada in the National Accounts Longitudinal Microdata File (NALMF) are a result of the different data sources and methodological concepts used. For instance, Statistics Canada also developed a newly experimental series on monthly business openings and closures based on the Longitudinal Employment Analysis Program. The data produced by the EAD 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.

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.

As illustrated in Figure 2, throughout the 2001–2019 period, the business birth rate was lower in the goods-producing sector than in the services-producing sector. The rate of business births in the goods-producing sector had an overall flat trend over the last five years, from 7.9% in 2015 to 8.1% in 2019. Over the last five observed years, the average birth rate in the goods-producing sector was 7.9%, compared with 9.4% in the services-producing sector. On average, every year between 2015 and 2019, 23,567 businesses were created and 21,374 businesses disappeared in the goods-producing sector, while in the services-producing sector, 77,756 businesses were created and 68,776 businesses disappeared.

This variation between birth rates for these two sectors can be explained in part 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 2015 and 2019, the birth rate was 11.4%, 3.5%, and 1.6% for businesses with 1–4, 5–19, and 20–99 employees respectively.

FIGURE 2: BIRTH RATE FOR ENTERPRISES WITH ONE OR MORE EMPLOYEES, CANADA AND MAIN SECTORS, 2001–2019

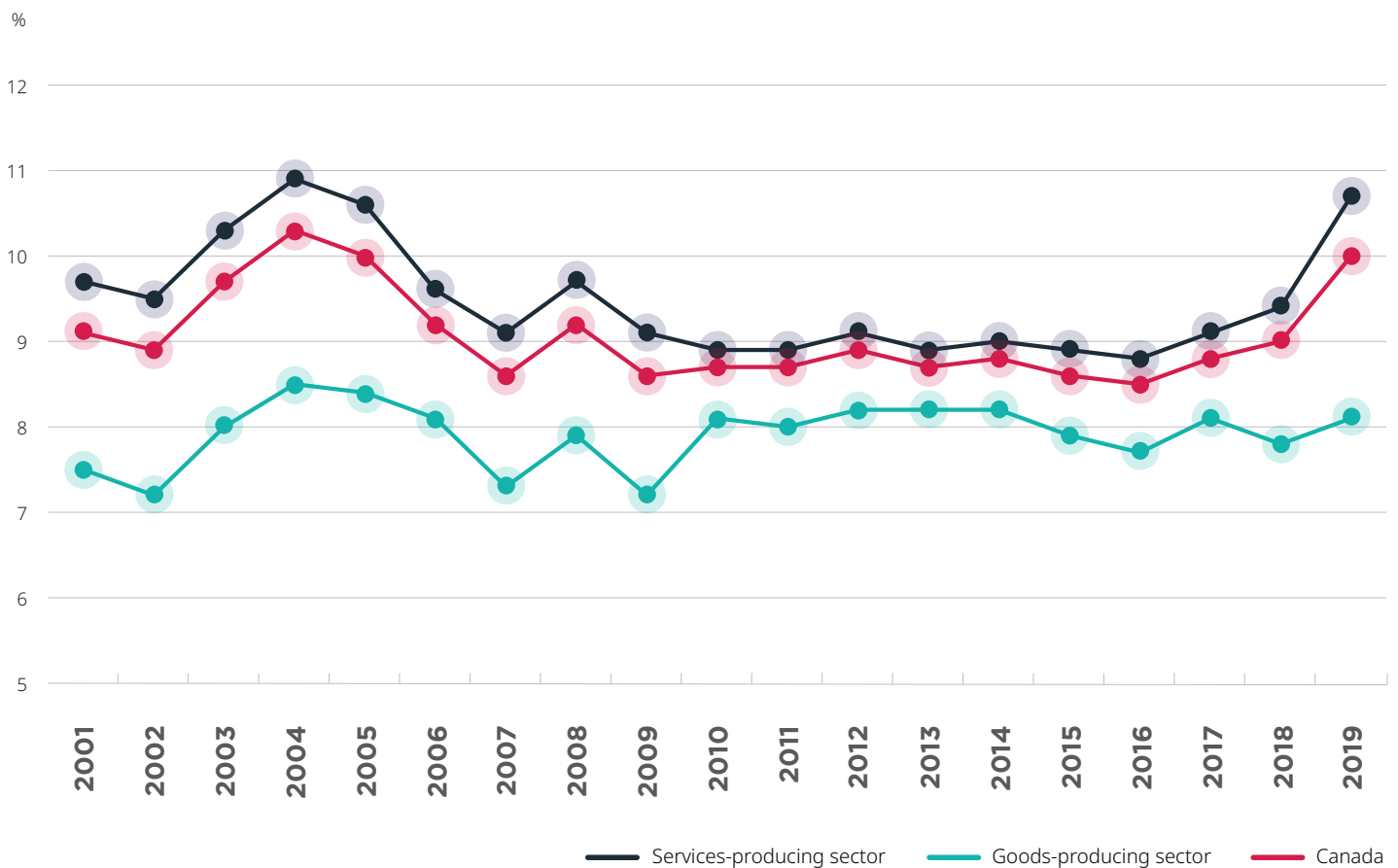
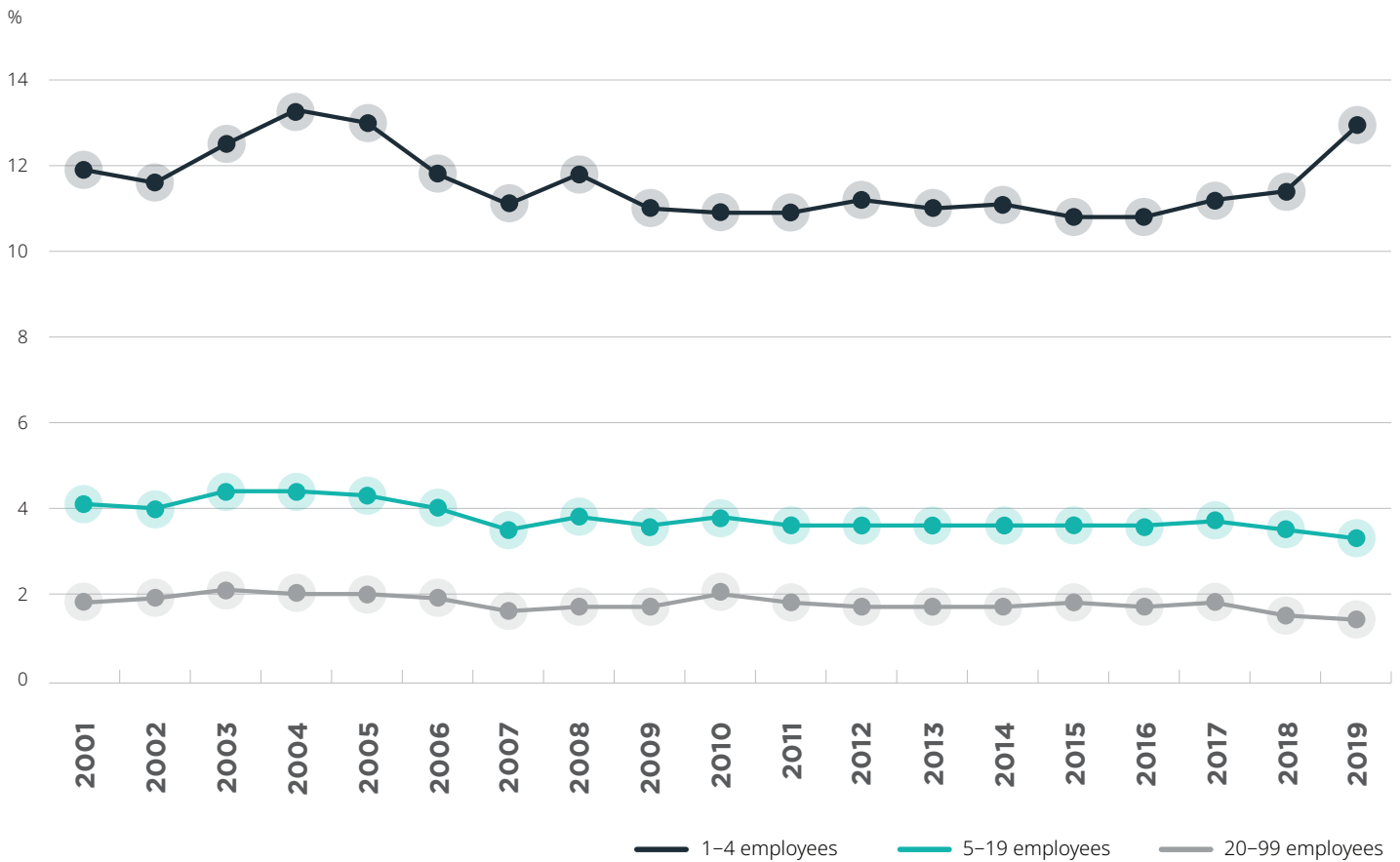


FIGURE 3: BIRTH RATE BY INITIAL BUSINESS SIZE, CANADA, 2001–2019



Source: Statistics Canada, Economic Analysis Division, National Accounts Longitudinal Microdata File.

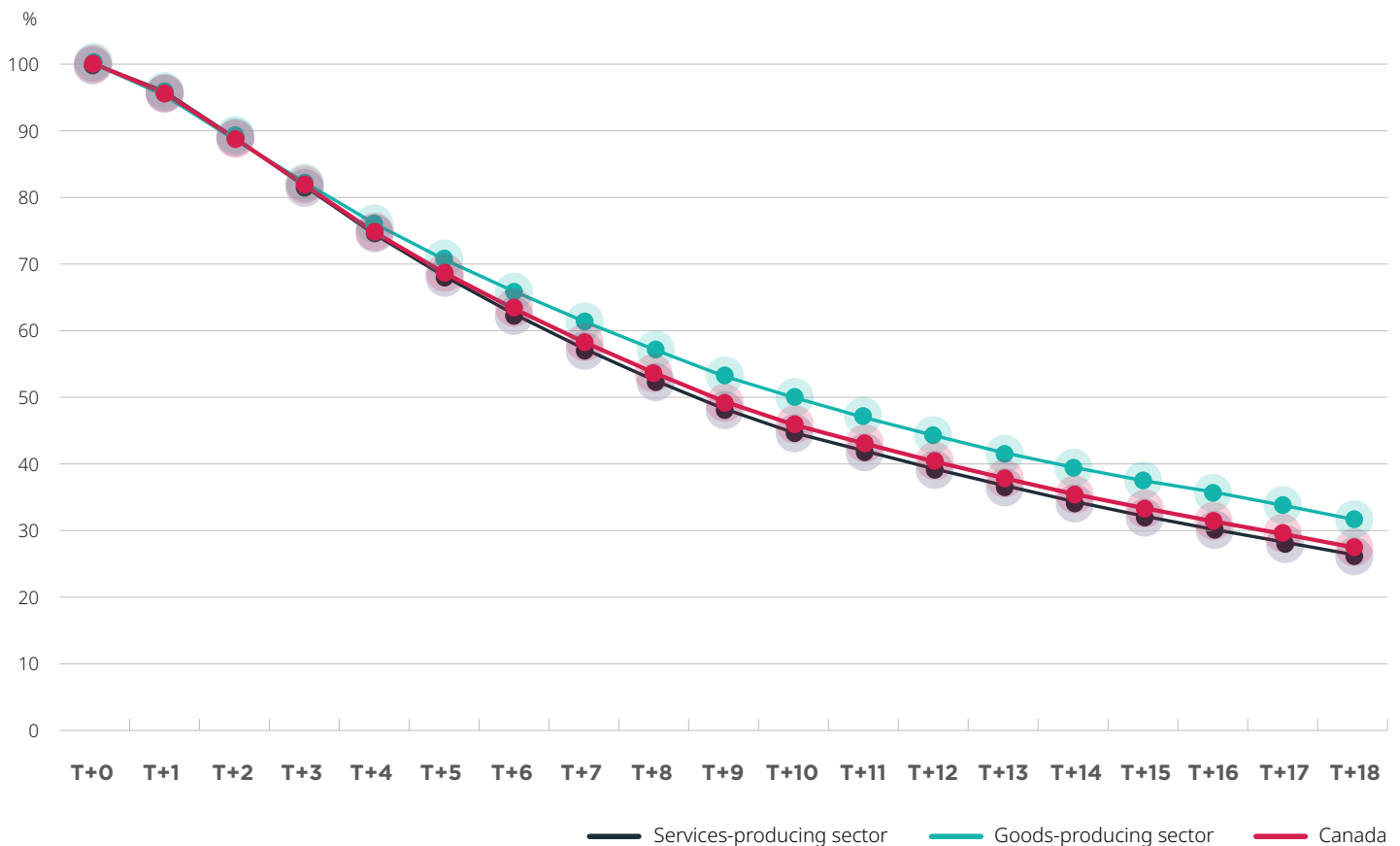
The vast majority of businesses had 1–4 employees when they began operations. Of the 101,324 businesses created on average each year from 2015 to 2019, 90.4% (or 91,563 businesses) had 1–4 employees when they were created. Over the course of this period, 8.2%, and 1.4% of new businesses began operations with 5–19 and 20–99 employees, respectively. Of the average 90,151 annual closures, 92.0%, 7.5%, and 0.4% were businesses with 1–4, 5–19, and 20–99 employees, respectively.

1.3 What proportion of new businesses survive the first 18 years?

Businesses in the goods-producing and services-producing sectors showed similar survival rates over the course of the first three years (T + 1, T + 2, and T+3) 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), 70.7% of businesses in the goods-producing sector were still operating, compared with 68.2% of businesses in the services-producing sector.

After 10 years (T + 10), the business survival rate for the goods-producing sector was 50.0%, compared with 44.7% for the services-producing sector. Finally, 31.7% of businesses in the goods-producing sector and 26.4% of businesses in the services-producing sector were still active 18 years (T + 18) after they entered the Canadian market.

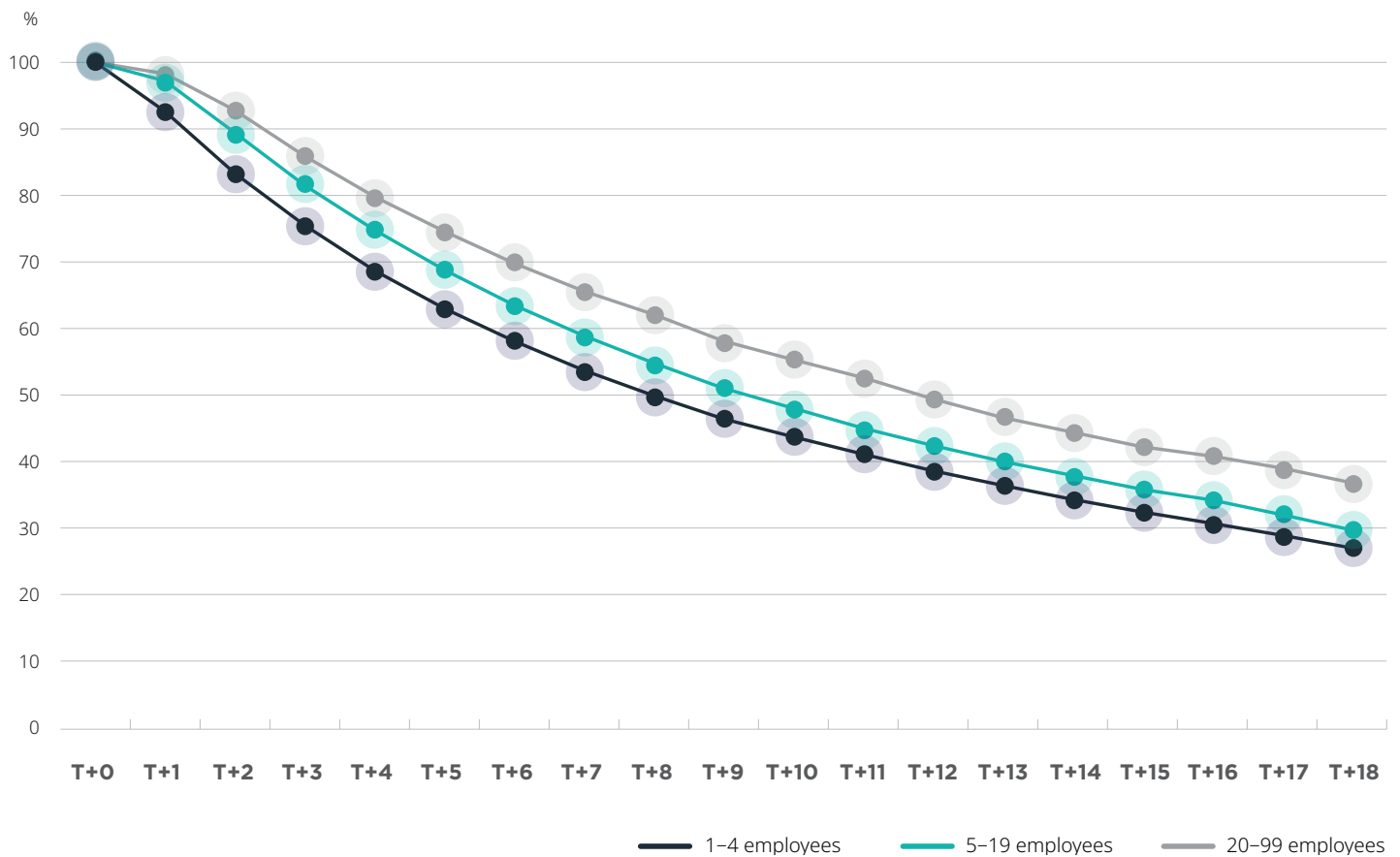
FIGURE 4: SURVIVAL RATE OF BUSINESSES WITH ONE OR MORE EMPLOYEES, GOODS-PRODUCING SECTOR AND SERVICES-PRODUCING SECTOR, CANADA



Source: Statistics Canada, Economic Analysis Division, 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, 63.0% were still active after 5 years (T + 5), 43.7% were still active after 10 years (T + 10), and 27.0% were still active after 18 years (T + 18), compared with businesses that began operations with a workforce of 20–99 employees, of which 74.6% were still active after 5 years (T + 5), 55.3% were still active after 10 years (T + 10) and 36.8% were still active after 18 years (T + 18).

FIGURE 5: SURVIVAL RATE BY INITIAL BUSINESS SIZE, CANADA



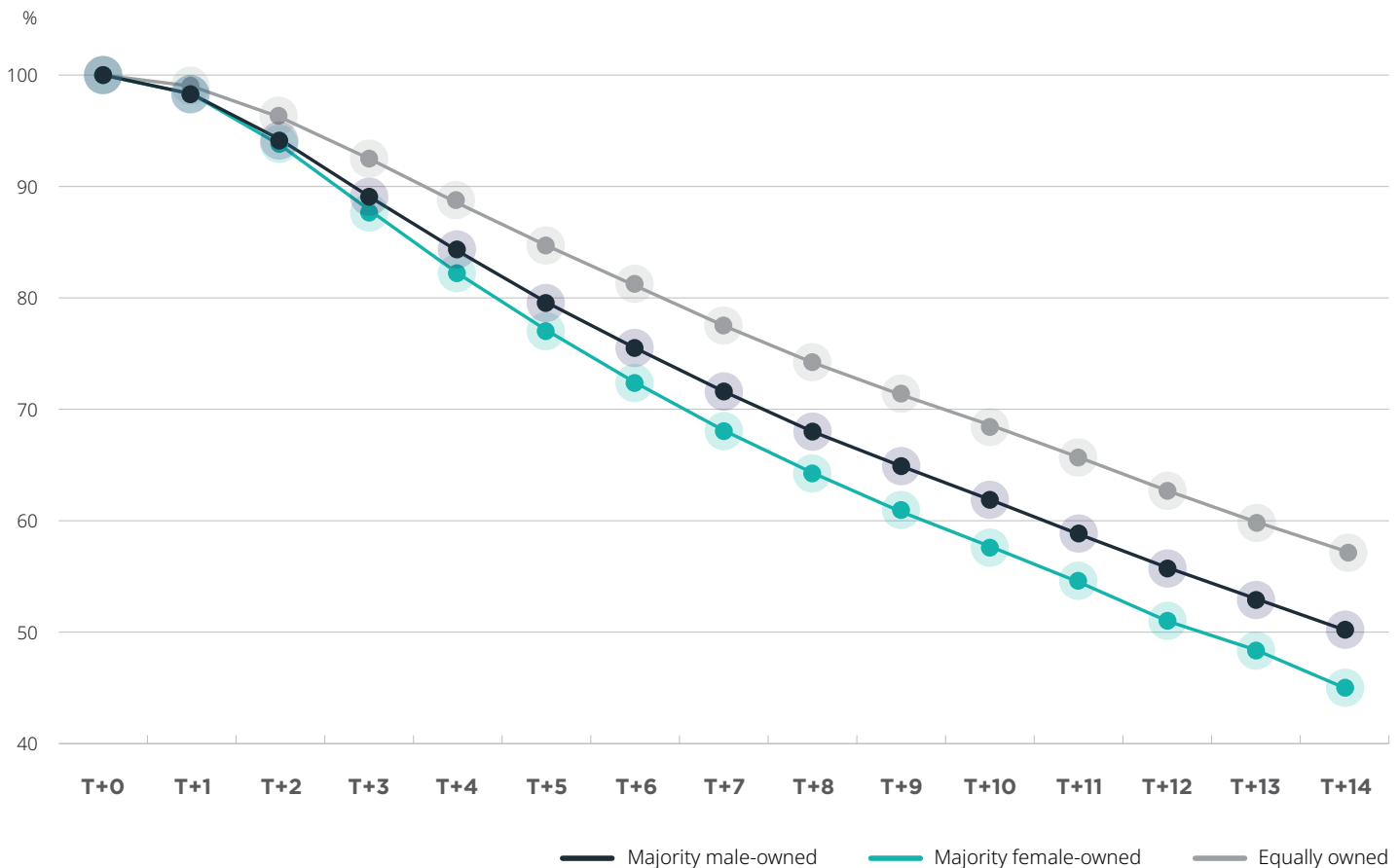
Source: Statistics Canada, Economic Analysis Division, National Accounts Longitudinal Microdata File.

1.4 Gender-based differences in survival and birth rates.

Majority male-owned businesses showed higher survival rates than majority female-owned businesses over the course of the fourteen years after their creation.⁶ However, businesses owned equally by males and females had the highest survival rates over the period observed.⁷ After five years (T + 5), 77.1% of majority female-owned businesses were still operating, compared with 79.6% of majority male-owned businesses, and 84.7% of equally owned businesses.

After 10 years (T + 10), the business survival rate for majority female-owned businesses was 57.7%, compared with 61.9% for majority male-owned businesses, and 68.6% for equally owned businesses. Finally, 45.0% of majority female-owned businesses, 50.2% of majority male-owned businesses, and 57.3% of equally owned businesses were still active 14 years (T + 14) after their creation (Figure 6).⁸

FIGURE 6: SURVIVAL RATE BY GENDER MAJORITY OWNERSHIP OF BUSINESSES WITH ONE OR MORE EMPLOYEES, CANADA



Source: Statistics Canada, Economic Analysis Division, National Accounts Longitudinal Microdata File.

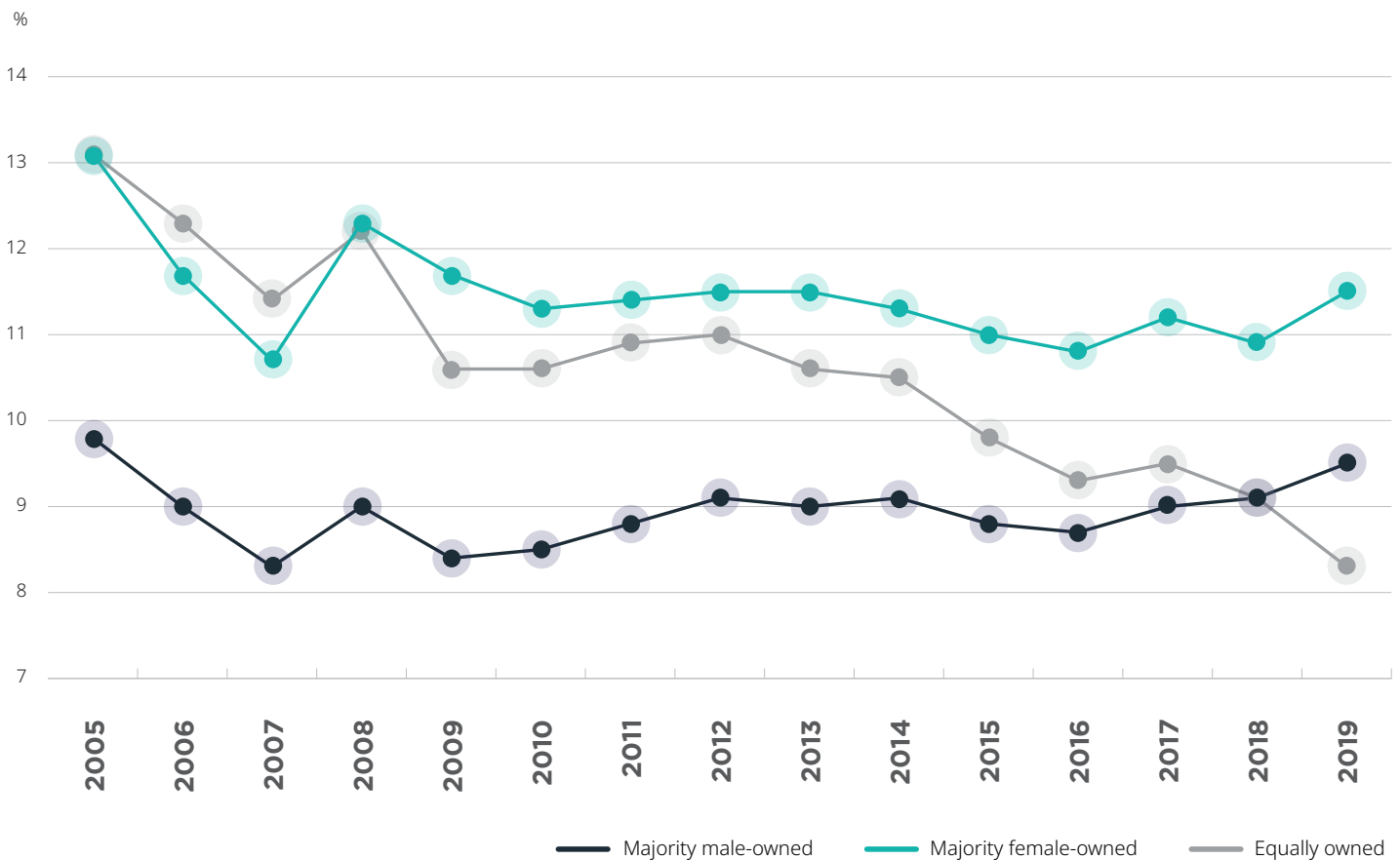
⁶ Only businesses with at least one employee are considered in the analysis of section 1.4.

⁷ The analysis was repeated by firm size and the results follow similar trends to the aggregated results.

⁸ We observed that the survival rates by gender were higher than the survival curves shown in section 1.3. This is partly due to the omission of the group of businesses for which we do not have information on gender ownership.

As shown in Figure 7, throughout the 2005–2019 period, the business birth rate was lower for majority male-owned businesses than for majority female-owned businesses. Over the last five years observed, the average birth rate for majority female-owned businesses was 11.1%, compared with 9.0% for majority male-owned businesses. On average, every year between 2015 and 2019, 11,681 businesses were created and 9,112 businesses disappeared in majority female-owned businesses, while in majority male-owned businesses, 41,347 businesses were created and 34,407 businesses disappeared.⁹

FIGURE 7: BIRTH RATE BY GENDER-MAJORITY OWNERSHIP OF BUSINESSES WITH ONE OR MORE EMPLOYEES, CANADA



Source: Statistics Canada, Economic Analysis Division, National Accounts Longitudinal Microdata File.

⁹ We observed that the Figure 7 trend differs from that of Figure 2. This difference may be again due to the omission of the group of businesses for which we do not have information on gender ownership.



2. EMPLOYMENT

2.1 How many people were employed in Canada in 2021?

In 2021, approximately 16.2 million individuals were employed¹⁰ in Canada. Of this number, 74.8% worked in the private sector¹¹ and 25.2% worked in the public sector¹² (Table 4).

TABLE 4: NUMBER OF INDIVIDUALS EMPLOYED IN THE PRIVATE AND PUBLIC SECTORS, BY BUSINESS SIZE, 2021

Sector	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	8,204.6	67.7	2,476.5	20.4	10,681.1	88.2	1,433.3	11.8	12,114.6
<i>% Private sector</i>	<i>79.4%</i>	<i>–</i>	<i>72.5%</i>	<i>–</i>	<i>77.7%</i>	<i>–</i>	<i>58.6%</i>	<i>–</i>	<i>74.8%</i>
Public sector	2,133.5	52.3	937.3	23.0	3,070.8	75.2	1,012.0	24.8	4,083.0
<i>% Public sector</i>	<i>20.6%</i>	<i>–</i>	<i>27.5%</i>	<i>–</i>	<i>22.3%</i>	<i>–</i>	<i>41.4%</i>	<i>–</i>	<i>25.2%</i>
Total	10,338.1	63.8	3,413.8	21.1	13,751.9	84.9	2,445.3	15.1	16,197.6

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 and public sectors. In 2021, 88.2% of employed individuals in the private sector worked for SMEs, compared with 75.2% of those employed by public organizations of the same size.

¹⁰ This number excludes self-employed individuals.

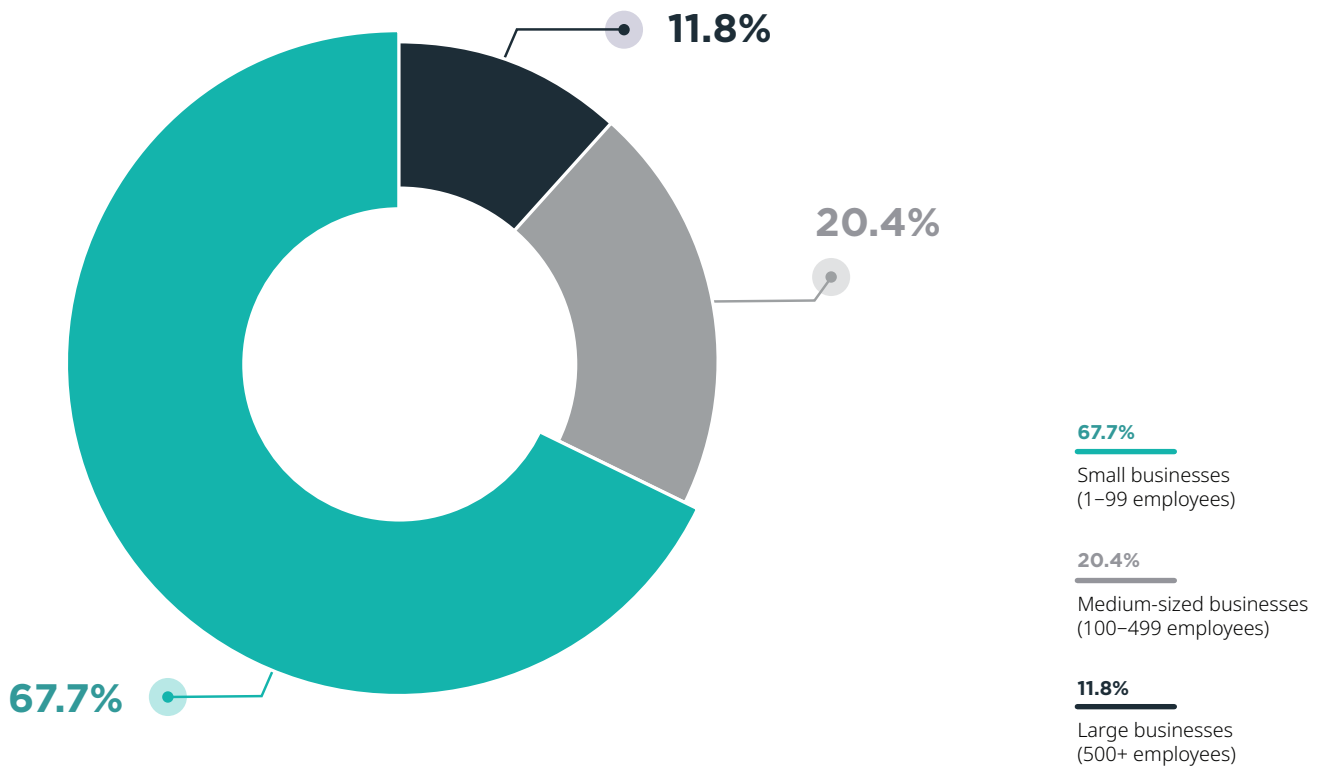
¹¹ Private sector employees are found in every Canadian economic sector, except public administration.

¹² 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.

2.2 What is the distribution of employment across the private sector?

In 2021, private sector businesses employed 12.1 million people in Canada. Most of these employees, 67.7% (8.2 million), worked for small businesses, compared with 20.4% (2.5 million) for medium-sized businesses and 11.8% (1.4 million) for large businesses (Figure 8). In total, SMEs employed 88.2% of the private sector workforce (10.7 million individuals), highlighting the important role SMEs play in employing Canadians.

FIGURE 8: DISTRIBUTION OF PRIVATE SECTOR EMPLOYEES BY BUSINESS SIZE, 2021



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 Saskatchewan, at 96.2% and 94.0%, respectively (Table 5). In contrast, this percentage is lowest in Ontario (85.9%) and Quebec (86.5%). Total private sector employment in Ontario and Quebec amounts to 7,556,100 jobs, which represents 62.4% of Canadian private sector employment.

TABLE 5: TOTAL PRIVATE SECTOR EMPLOYMENT BY PROVINCE AND BUSINESS SIZE, 2021

Province	Small businesses (1–99 employees)		Medium-sized businesses (100–499 employees)		SME employment	Large businesses (500+ employees)		Total (thousands)
	Number (thousands)	%	Number (thousands)	%	%	Number (thousands)	%	
Newfoundland and Labrador	99.3	75.5	23.5	17.8	93.4	8.7	6.6	131.5
Prince Edward Island	36.5	79.9	7.5	16.3	96.2	1.7	3.8	45.7
Nova Scotia	211.0	73.8	56.2	19.7	93.4	18.8	6.6	286.0
New Brunswick	156.2	70.0	47.9	21.5	91.5	19.0	8.5	223.1
Quebec	1,782.0	64.8	596.3	21.7	86.5	370.0	13.5	2,748.4
Ontario	3,082.5	64.1	1,048.7	21.8	85.9	676.4	14.1	4,807.7
Manitoba	286.5	70.9	79.9	19.8	90.6	37.8	9.4	404.2
Saskatchewan	251.1	77.6	53.2	16.4	94.0	19.3	6.0	323.6
Alberta	1,064.4	73.2	246.4	16.9	90.1	144.0	9.9	1,454.8
British Columbia	1,235.0	73.1	317.0	18.8	91.9	137.6	8.1	1,689.6
Canada	8,204.7	67.7	2,476.6	20.4	88.2	1,433.4	11.8	12,114.6

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% of employment in seven industries: agriculture (98.7%); accommodation and food services (98.8%); other services (except public administration) (98.5%); construction (95.8%); wholesale and retail trade (94.7%); and business, building and other support services (92.5%).

TABLE 6: TOTAL PRIVATE SECTOR EMPLOYMENT BY INDUSTRIAL SECTOR AND BUSINESS SIZE, 2021

Industry	Small businesses (1–99 employees)		Medium-sized businesses (100–499 employees)		SME employment	Large businesses (500+ employees)		Total (thousands)
	Number (thousands)	%	Number (thousands)	%	%	Number (thousands)	%	
Goods-Producing Sector	1,929.2	62.0	802.7	25.8	87.8	378.2	12.2	3,110.1
Agriculture, forestry, fishing and hunting	107.1	88.4	12.5	10.3	98.7	1.6	1.3	121.1
Mining, quarrying, and oil and gas extraction	136.2	48.7	65.4	23.4	72.1	77.9	27.9	279.6
Utilities	5.5	40.7	3.6	26.7	67.4	4.4	32.6	13.6
Construction	850.1	82.0	143.1	13.8	95.8	43.0	4.2	1,036.3
Manufacturing	830.3	50.0	578.1	34.8	84.9	251.2	15.1	1,659.6
Services-Producing Sector	6,275.4	69.7	1,673.8	18.6	88.3	1,055.2	11.7	9,004.5
Wholesale and retail trade	1,940.8	75.8	485.6	19.0	94.7	135.2	5.3	2,561.6
Transportation and warehousing	356.5	57.2	154.8	24.9	82.1	111.5	17.9	622.8
Finance, insurance, real estate and leasing	569.5	56.3	206.7	20.4	76.7	235.4	23.3	1,011.7
Professional, scientific and technical services	787.5	64.9	281.2	23.2	88.1	144.0	11.9	1,212.8
Business, building and other support services	399.7	74.4	97.2	18.1	92.5	40.3	7.5	537.1
Educational services	67.2	58.3	22.1	19.1	77.4	26.1	22.6	115.4
Health care and social assistance	559.5	54.1	219.4	21.2	75.3	255.1	24.7	1,034.0
Information, culture and recreation	305.8	59.7	117.4	22.9	82.7	88.7	17.3	512.0
Accommodation and food services	809.3	93.2	48.1	5.5	98.8	10.8	1.2	868.1
Other services (except public administration)	479.6	90.7	41.3	7.8	98.5	8.1	1.5	529.0
Total	8,204.7	67.7	2,476.6	20.4	88.2	1,433.4	11.8	12,114.6

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

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

The industrial sectors for which the most small-business employees worked were, in descending order, wholesale and retail trade (1.94 million); construction (0.85 million); manufacturing (0.83 million), and accommodation and food services (0.81 million). These industries alone accounted for 54.0% of all jobs in small businesses in Canada.

Overall, industries in the goods-producing sector accounted for 25.7% of total employment and 23.5% of employment in small businesses.

Accommodation and food services had the highest share of employees working in small businesses (1–99 employees) with 809,300 out of the total of 868,100 employees in the industry (93.2%).

2.3 How much did employment shrink between 2020 and 2021?

In 2020, the COVID-19 pandemic posed significant challenges to the Canadian economy. The resulting economic contraction significantly impacted 2020 employment statistics. However, in 2021, the economy started recovering with a positive net employment change in the private sector of 716,800, which corresponds to an annual growth rate of 6.3% (Table 7). The net employment change among small businesses was 494,300, compared with 124,500 among medium-sized businesses, or an annual growth rate of 6.4% and 5.3%, respectively. Consequently, the contribution to net employment change was 69.0% from small businesses and 17.4% from medium-sized businesses. SMEs were responsible for 86.4% of net employment change over the last year (Figure 9).

TABLE 7: ANNUAL GROWTH RATE AND CONTRIBUTION TO NET EMPLOYMENT CHANGE IN THE PRIVATE SECTOR BY PROVINCE AND BUSINESS SIZE, 2020–2021

Province	Small businesses (1–99 employees)			Medium-sized businesses (100–499 employees)			Large businesses (500+ employees)			Total		
	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)
Newfoundland and Labrador	-0.3	-0.3	-13.7	-3.5	-0.9	-45.1	52.4	3.0	158.8	1.5	1.9	100
Prince Edward Island	6.1	2.1	104.5	-0.6	-0.04	-2.2	-2.7	-0.05	-2.4	4.6	2.0	100
Nova Scotia	5.2	10.4	61.0	12.8	6.4	37.2	1.7	0.3	1.8	6.4	17.1	100
New Brunswick	2.4	3.7	52.4	4.2	1.9	27.4	8.1	1.4	20.2	3.3	7.0	100
Quebec	5.8	98.3	76.7	4.4	25.1	19.6	1.3	4.8	3.7	4.9	128.2	100
Ontario	5.7	166.7	62.7	4.9	49.1	18.5	8.0	49.9	18.8	5.8	265.7	100
Manitoba	6.9	18.4	76.9	9.1	6.7	27.9	-2.9	-1.1	-4.7	6.3	24.0	100
Saskatchewan	5.2	12.5	76.0	9.9	4.8	29.1	-4.2	-0.84	-5.1	5.3	16.4	100
Alberta	9.5	92.4	90.8	-0.3	-0.8	-0.8	7.6	10.2	10.0	7.5	101.8	100
British Columbia	7.9	90.0	58.9	11.3	32.2	21.1	28.4	30.5	19.9	9.9	152.7	100
Canada	6.4	494.3	69.0	5.3	124.5	17.4	7.3	98.0	13.7	6.3	716.8	100

* AGR: Annual growth rate.

** NEC: Net employment change from 2020–2021.

*** CEC: Contribution to net employment change. For small businesses in Canada, for example, CEC = 494.3/716.8, or 69.0%.

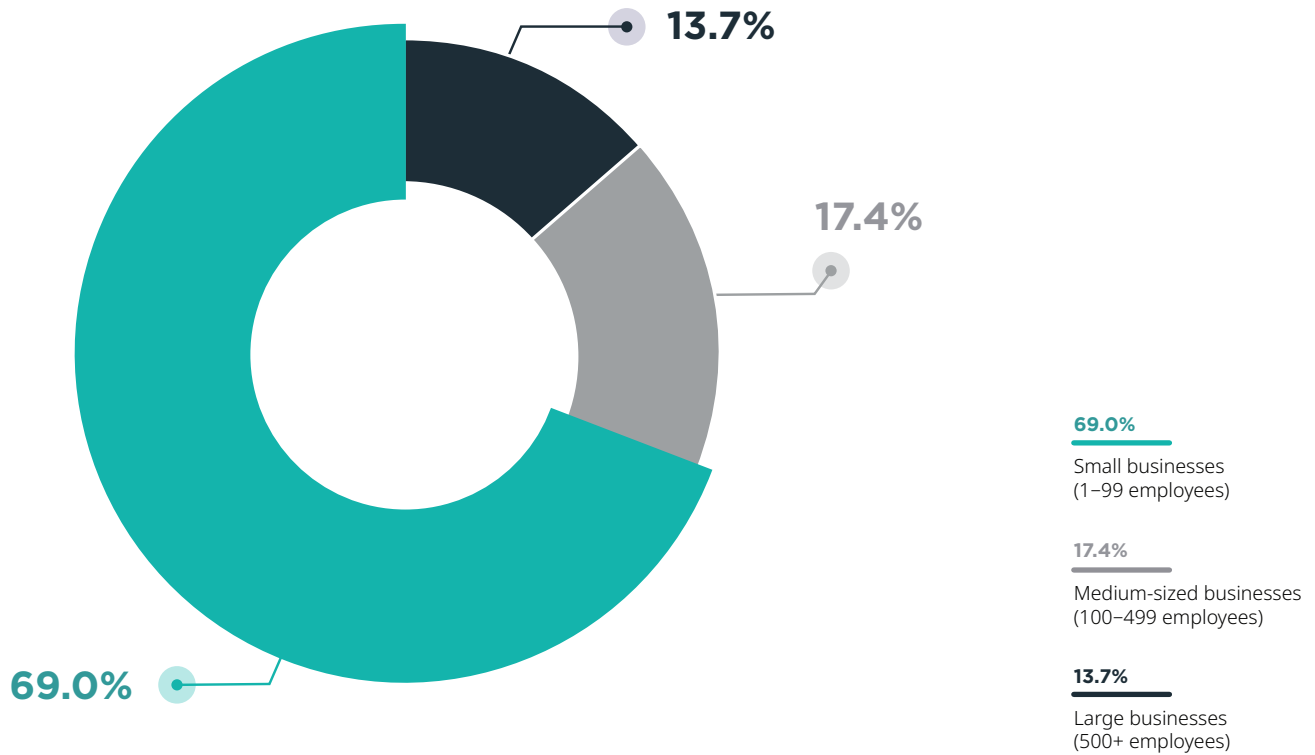
Note: Figures may not add up to totals because of rounding.

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

Between 2020 and 2021, private sector employment increased in all provinces. Among small businesses, employment increased in all provinces except Newfoundland and Labrador where it decreased slightly by 0.3%. Alberta posted the highest annual growth (9.5%). Five provinces showed employment increases across all size categories: Nova Scotia, New Brunswick, Quebec, Ontario, and British Columbia. British Columbia posted the greatest annual average growth (9.9%) in private sector employment.

Over the 2020–2021 period, 84.4% of total net employment change was attributable to businesses in the services-producing sector, while 15.6% was attributable to businesses in the goods-producing sector (Table 8).

FIGURE 9: CONTRIBUTION TO NET EMPLOYMENT CHANGE FROM PRIVATE SECTOR BUSINESSES BY BUSINESS SIZE, 2020–2021



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 wholesale and retail trade (145,500) and in professional, scientific and technical services (135,800). These two industries alone accounted for 47.0% of the net change in the services-producing sector. The contribution to net employment change by SMEs in these two industries was 85.6% for wholesale and retail trade and 74.2% for professional, scientific and technical services.

The manufacturing, construction, and mining, quarrying, and oil and gas extraction industries saw the most significant increase in net employment change in the goods-producing sector: 65,900, 34,400, and 15,700 jobs, respectively.

TABLE 8: ANNUAL GROWTH RATE AND CONTRIBUTION TO NET EMPLOYMENT CHANGE BY INDUSTRIAL SECTOR AND BUSINESS SIZE, 2020–2021

Industry	Small businesses (1–99 employees)			Medium-sized businesses (100–499 employees)			Large businesses (500+ employees)			Total		
	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)	AGR* (%)	NEC** (thousands)	CEC*** (%)
Goods-Producing Sector	4.4	80.7	73.3	5.8	44.1	40.0	-3.7	-14.7	-13.3	3.7	110.2	100
Agriculture, forestry, fishing and hunting	-2.4	-2.6	57.4	-13.5	-2.0	42.5	-0.5	0.0	0.2	-3.7	-4.6	100
Mining, quarrying, and oil and gas extraction	7.8	9.8	62.4	4.2	2.6	16.6	4.4	3.3	20.9	6.0	15.7	100
Utilities	-11.2	-0.7	53.5	-14.0	-0.6	45.6	-0.2	0.0	0.8	-8.7	-1.3	100
Construction	2.5	20.7	60.0	9.2	12.1	35.0	4.2	1.7	5.0	3.4	34.4	100
Manufacturing	6.9	53.6	81.3	5.9	32.0	48.5	-7.3	-19.7	-29.8	4.1	65.9	100
Services-Producing Sector	7.1	413.6	69.1	4.9	77.6	13.0	11.3	107.0	17.9	7.1	598.1	100
Wholesale and retail trade	4.4	82.5	56.7	9.5	42.1	28.9	18.3	20.9	14.4	6.0	145.5	100
Transportation and warehousing	5.7	19.3	51.6	3.7	5.5	14.7	12.8	12.6	33.8	6.4	37.4	100
Finance, insurance, real estate and leasing	9.3	48.4	73.0	-0.8	-1.7	-2.5	9.0	19.5	29.4	7.0	66.3	100
Professional, scientific and technical services	14.2	97.9	72.1	1.0	2.9	2.1	32.1	35.0	25.8	12.6	135.8	100
Business, building and other support services	8.9	32.6	85.8	11.8	10.2	27.0	-10.8	-4.9	-12.8	7.6	37.9	100
Educational services	7.5	4.7	53.3	7.7	1.6	17.9	10.8	2.5	28.8	8.3	8.8	100
Health care and social assistance	8.9	45.6	60.5	9.4	18.9	25.1	4.5	10.9	14.4	7.9	75.4	100
Information, culture and recreation	10.0	27.9	52.5	9.0	9.7	18.2	21.2	15.5	29.3	11.6	53.1	100
Accommodation and food services	3.7	29.1	177.2	-17.2	-10.0	-60.6	-20.2	-2.7	-16.6	1.9	16.4	100
Other services (except public administration)	5.6	25.6	119.0	-3.9	-1.7	-7.7	-23.0	-2.4	-11.3	4.2	21.5	100
Total	6.4	494.3	69.8	5.2	121.7	17.2	6.9	92.4	13.0	6.2	708.3	100

* AGR: Annual growth rate.

** NEC: Net employment change from 2020–2021.

*** CEC: Contribution to net employment change. For small businesses in Canada, for example, CEC = 494.3/716.8, or 69.0%.

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

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



BANANA REPUBLIC 99

BANANA REPUBLIC 99

BANANA REPUBLIC

3. GROWTH

3.1 What is the proportion of high-growth firms?

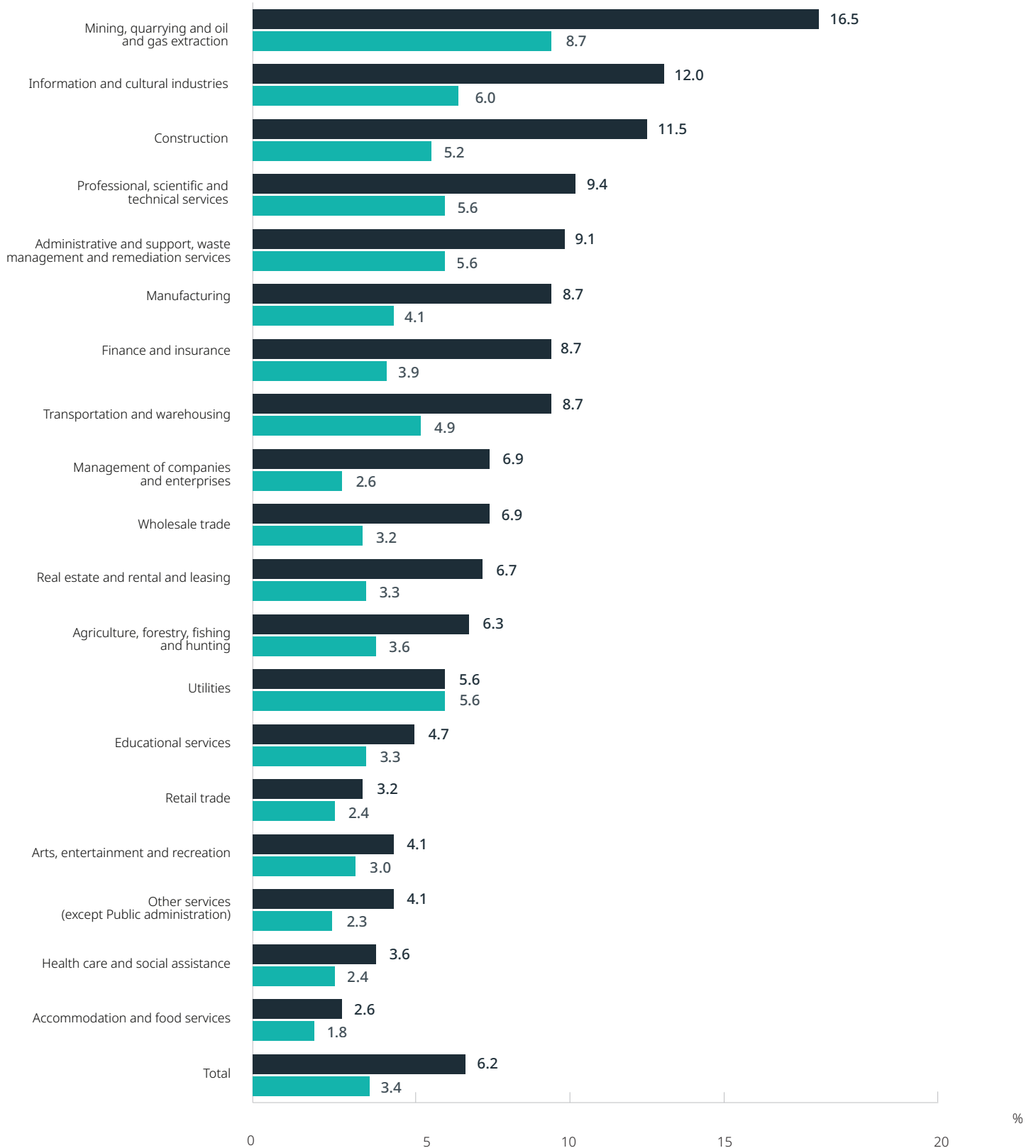
Firms that achieve high growth in a short period of time tend to make a large contribution in terms of employment and wealth creation. Based upon a 2017 study,¹³ high-growth firms¹⁴ contributed to 41% of the total net employment change between 2009 and 2012. High-growth firms, as discussed below, are found across all industrial sectors.

Figure 10 presents percentages of high-growth firms across different industries between 2016 and 2019 based on 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: mining, quarrying, and oil and gas extraction (16.5%); construction (11.5%); and manufacturing (8.7%). In the services-producing sector, industries with the largest share of high-growth firms are information and cultural industries (12.0%); professional, scientific and technical services (9.4%); and administrative and support, waste management and remediation services (9.1%). Overall, the share of high-growth firms based on revenue is just under double the share based on employment (6.2% versus 3.4%).

13 Innovation, Science and Economic Development Canada, *The Contribution to Canadian Net Employment Change by High-Growth Firms*, December 2017.

14 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 greater than 20%, in terms of employment or revenue, over three consecutive years.

FIGURE 10: PERCENTAGE OF HIGH-GROWTH FIRMS BY INDUSTRY, BASED ON REVENUE AND EMPLOYMENT GROWTH, 2016–2019



Source: Statistics Canada, Entrepreneurship Indicators Database.



AVIS

P A R C



Centre
historique



Sainte-Catherine



CLU

4. EXPORT OF GOODS

4.1 Which provinces have the highest concentrations of exporters?

Exports are vital to Canada's economy. They drive economic growth and are strongly correlated with real gross domestic product growth. Furthermore, exports can provide a strategically important means of growing a business by expanding its market beyond the confines of Canada's relatively small domestic market.

Exporters are found in all provinces. In 2021, out of the 52,663 establishments that exported goods, 42.1% were operating in Ontario (Table 9). Ontario had the highest concentration of exporters at 49.4 per thousand establishments. The lowest concentration of exporters was found in the Territories and in

Newfoundland and Labrador, with 16.8 and 18.6 exporters per thousand establishments, respectively.

In Canada, the average value of exports per establishment was \$10.9 million in 2021. This includes establishments located in the Territories, which had the highest average value of exports at \$45.0 million per establishment, followed by Newfoundland and Labrador at \$40.4 million and Alberta at \$23.8 million.

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, 2021

Province/Territory	Number of exporters	Distribution (%)	Numbers of exporters per 1,000 establishments	Value of exports (\$ billions)	Distribution (%)	Average value of exports by establishments (\$ millions)
Newfoundland and Labrador	295	0.6	18.6	11.9	2.1	40.4
Prince Edward Island	258	0.5	41.6	1.7	0.3	6.7
Nova Scotia	993	1.9	33.7	5.7	1.0	5.7
New Brunswick	798	1.5	32.5	14.7	2.6	18.5
Quebec	11,137	21.1	43.6	97.2	16.9	8.7
Ontario	22,145	42.1	49.4	191.4	33.3	8.6
Manitoba	1,869	3.5	46.6	26.6	4.6	14.2
Saskatchewan	1,560	3.0	38.5	24.4	4.2	15.6
Alberta	5,975	11.3	37.7	142.5	24.8	23.8
British Columbia	7,566	14.4	39.7	56.1	9.8	7.4
Territories	67	0.1	16.8	3.0	0.5	45.0
Canada	52,663	–	43.4	575.2	–	10.9

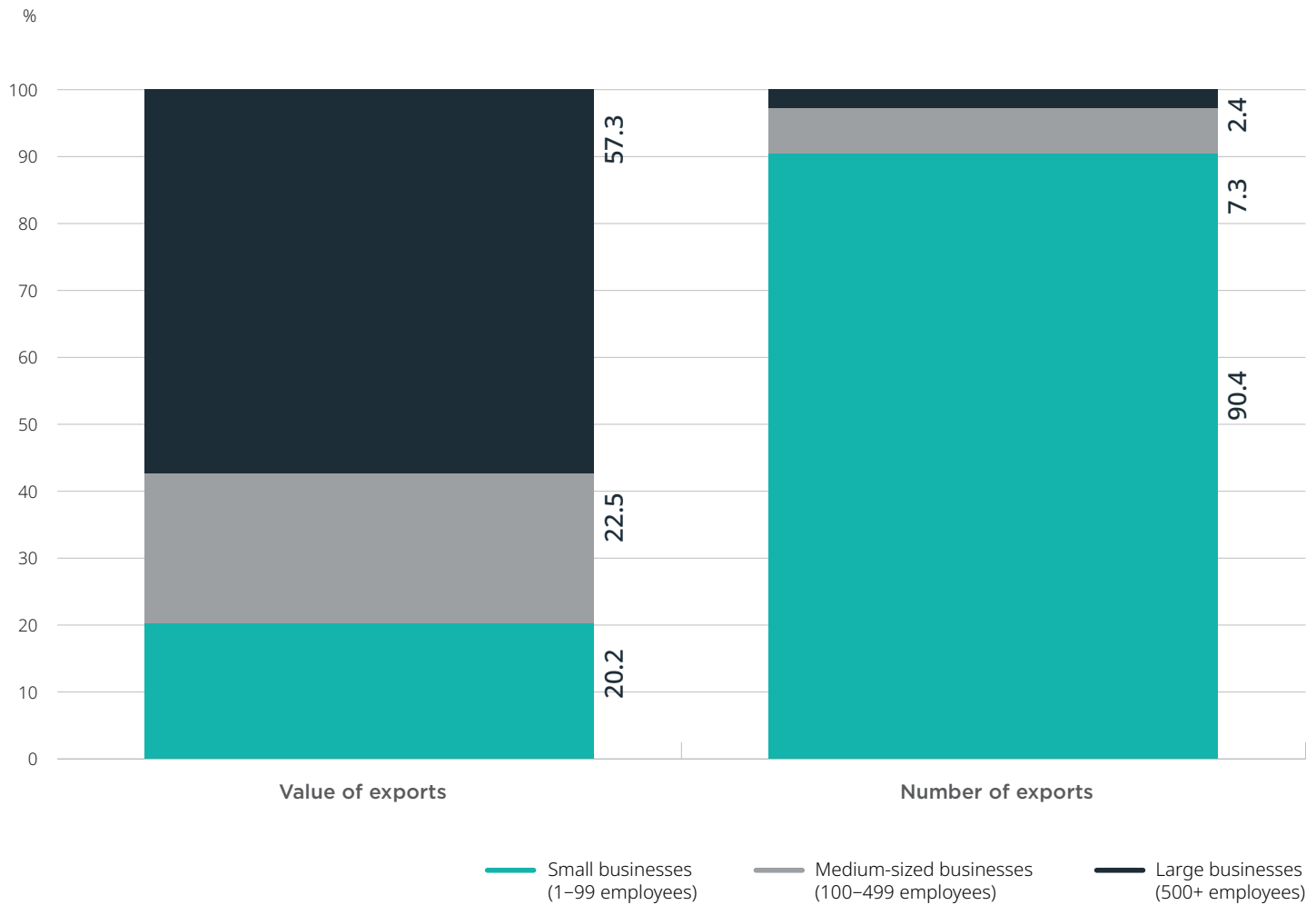
Note: Figures may not add up to totals because of rounding.

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 2021, Canada’s exports of goods totalled \$575.1 billion, of which 42.7% was attributable to SMEs (Figure 11). A total of 52,663 Canadian establishments exported goods, the vast majority of which were SMEs (97.6%).

FIGURE 11: CONTRIBUTION OF SMES TO THE EXPORT OF GOODS BY NUMBER OF EXPORTERS AND VALUE OF EXPORTS, CANADA, 2021



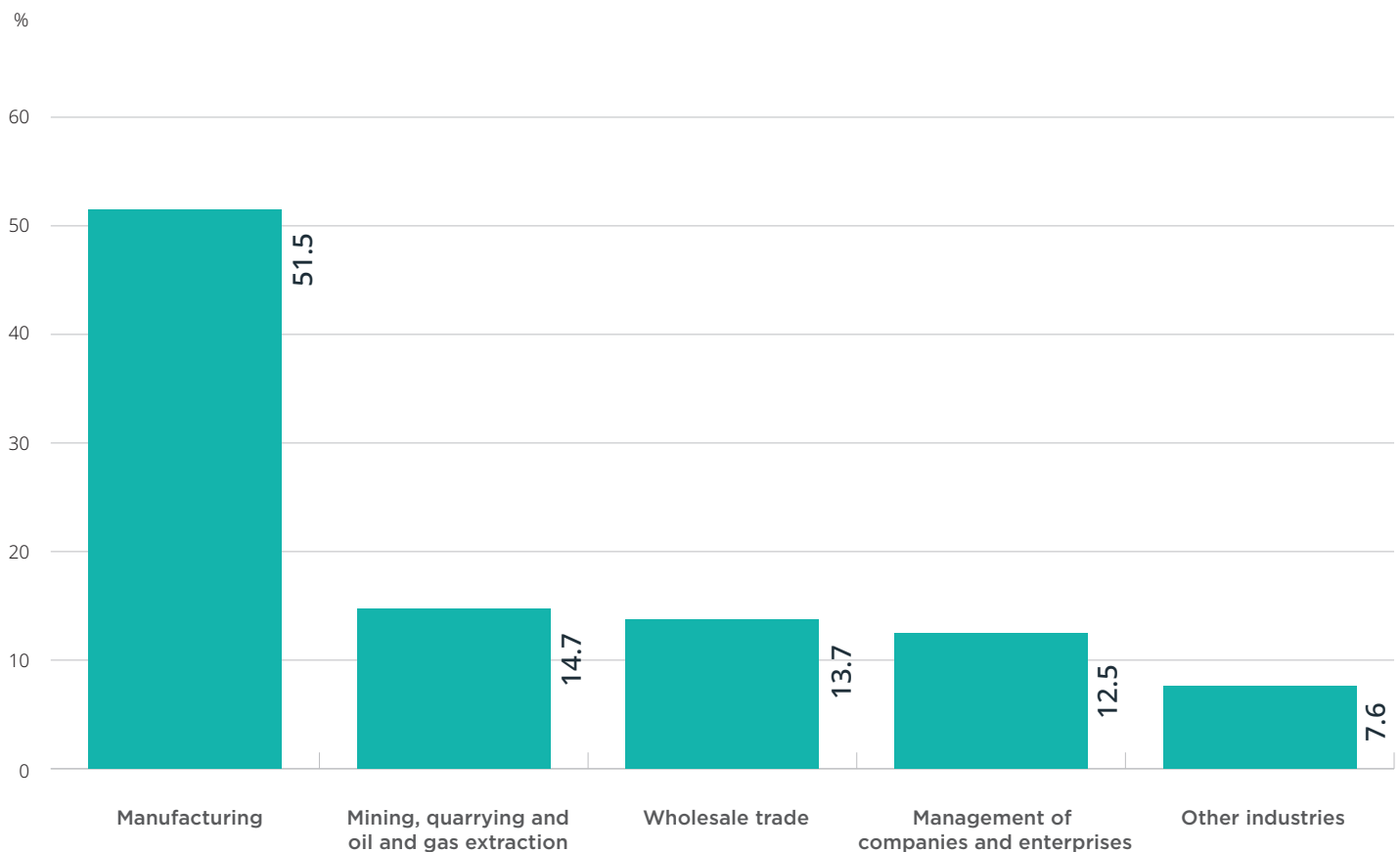
Note: Figures may not add up to 100% because of rounding.

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

While virtually all Canadian industrial sectors export goods, four sectors accounted for over 90% of the total value of goods exported in 2021 (Figure 12). Manufacturing accounted for 51.5%, followed by mining, quarrying, and oil and gas extraction (14.7%), wholesale trade (13.7%), and management of companies and enterprises (12.5%).

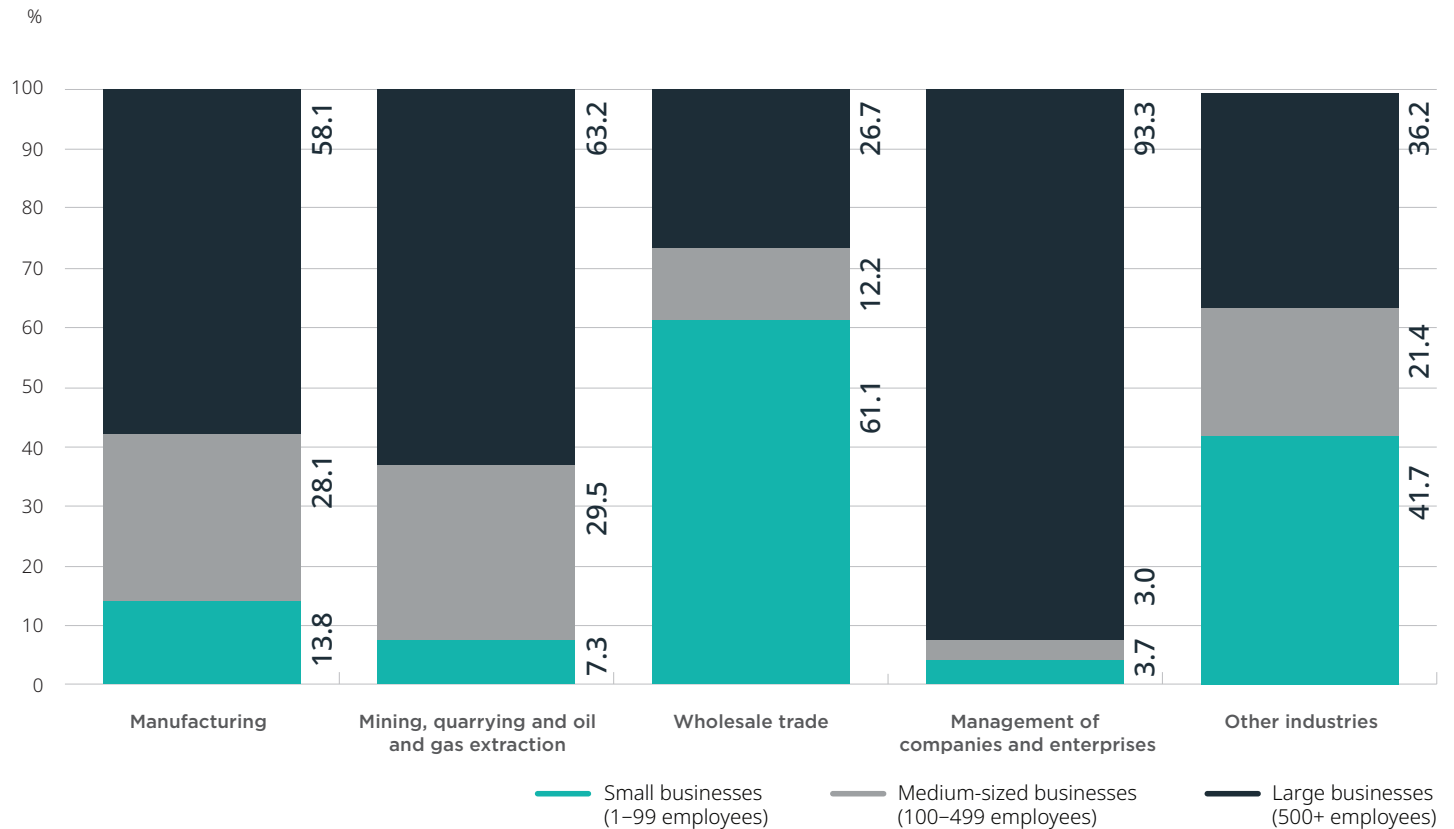
The contribution of SMEs to the export of goods varied by industrial sector (Figure 13). In 2021, the contribution of SMEs to the total value of goods exported was 73.3% in wholesale trade and 63.1% in “other industries.” At the other end of the scale, the contribution of SMEs to the value of goods exported was only 6.7% in management of companies and enterprises, and 41.9% in manufacturing.

FIGURE 12: MAIN INDUSTRIES INVOLVED IN THE EXPORT OF GOODS BY VALUE OF EXPORTS, CANADA, 2021



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

FIGURE 13: CONTRIBUTION OF SMES TO THE TOTAL VALUE OF EXPORTS BY INDUSTRY, CANADA, 2021



Note: Figures may not add up to 100% because of rounding.

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?

The COVID-19 pandemic has posed significant challenges to exports for Canadian businesses. As the economy started to recover between 2020 and 2021, the value of goods exported increased. Exports to the United States, the top destination for Canadian goods exports, increased by 25.9% (Table 10).

From 2020 to 2021, 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 74.6% to 78.4%; for medium-sized businesses, the increase was from 68.2% to 74.0%. This also increased for large businesses, with exports of goods to the United States increasing from 73.2% to 73.7% (Table 11).

Among the 10 main destinations for exports of Canadian goods in 2021, the highest contribution attributable to SMEs to the total value of goods exported came from exports to the United Kingdom, the third leading destination, with 68.7% of the total value of goods exported by SMEs.

In 2021, the second-leading destination for goods produced by small businesses was China, followed by Japan. The United Kingdom and China were the second- and third-leading destinations for medium-sized businesses, respectively.

TABLE 10: TEN MAIN DESTINATIONS FOR EXPORTS OF CANADIAN GOODS, 2020 AND 2021

	2020					2021					
	Rank	Value (\$ billions)	Contribution (%)			Rank	Value (\$ billions)	AGR* 2020-21 (%)	Contribution (%)		
			Small businesses	Medium-sized businesses	Large businesses				Small businesses	Medium-sized businesses	Large businesses
United States	1	341.4	20.5	21.8	57.7	1	429.7	25.9	21.2	22.3	56.5
China	2	24.2	19.1	20.4	60.5	2	27.9	15.3	16.8	14.6	68.7
United Kingdom	3	19.3	3.5	67.3	29.1	3	15.7	-19.0	5.3	63.3	31.3
Japan	4	12.1	14.7	11.6	73.7	4	13.9	15.5	13.8	9.3	76.9
Mexico	5	5.8	12.5	24.0	63.5	5	7.8	34.0	21.1	16.8	62.1
Germany	6	5.5	14.7	12.6	72.7	6	6.1	12.1	15.1	11.6	73.3
South Korea	8	4.6	30.8	13.9	55.3	7	5.5	20.7	24.2	18.1	57.7
Netherlands	7	4.7	14.3	16.1	69.6	8	4.3	-8.4	11.1	14.0	74.9
France	11	3.4	12.0	16.3	71.7	9	3.7	6.1	13.4	16.8	69.8
Belgium	13	2.4	16.3	16.1	67.6	10	3.5	46.3	11.2	19.0	69.8
Rest of the world	-	48.6	25.5	22.2	52.3	-	57.1	17.5	21.8	23.6	54.5
Total	-	471.9	19.9	23.1	57.0	-	575.2	21.9	20.2	22.5	57.3

* AGR: 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: TEN MAIN DESTINATIONS FOR EXPORTS OF CANADIAN GOODS AND DISTRIBUTION OF THE VALUE OF EXPORTS BY DESTINATION FOR EACH BUSINESS SIZE CATEGORY IN CANADA, 2020 AND 2021

	2020					2021					
	Rank	Value (\$ billions)	Contribution (%)			Rank	Value (\$ billions)	AGR* 2020-21 (%)	Contribution (%)		
			Small businesses	Medium-sized businesses	Large businesses				Small businesses	Medium-sized businesses	Large businesses
United States	1	341.4	74.6	68.2	73.2	1	429.7	25.9	78.4	74.0	73.7
China	2	24.2	4.9	4.5	5.4	2	27.9	15.3	4.0	3.1	5.8
United Kingdom	3	19.3	0.7	12.0	2.1	3	15.7	-19.0	0.7	7.7	1.5
Japan	4	12.1	1.9	1.3	3.3	4	13.9	15.5	1.7	1.0	3.3
Mexico	5	5.8	0.8	1.3	1.4	5	7.8	34.0	1.4	1.0	1.5
Germany	6	5.5	0.9	0.6	1.5	6	6.1	12.1	0.8	0.6	1.4
South Korea	8	4.6	1.5	0.6	0.9	7	5.5	20.7	1.1	0.8	1.0
Netherlands	7	4.7	0.7	0.7	1.2	8	4.3	-8.4	0.4	0.5	1.0
France	11	3.4	0.4	0.5	0.9	9	3.7	6.1	0.4	0.5	0.8
Belgium	13	2.4	0.4	0.4	0.6	10	3.5	46.3	0.3	0.5	0.7
Rest of the world	-	48.6	13.2	9.9	9.4	-	57.1	17.5	10.7	10.4	9.5
Total	-	471.9	100	100	100	-	575.2	21.9	100	100	100

* AGR: 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?

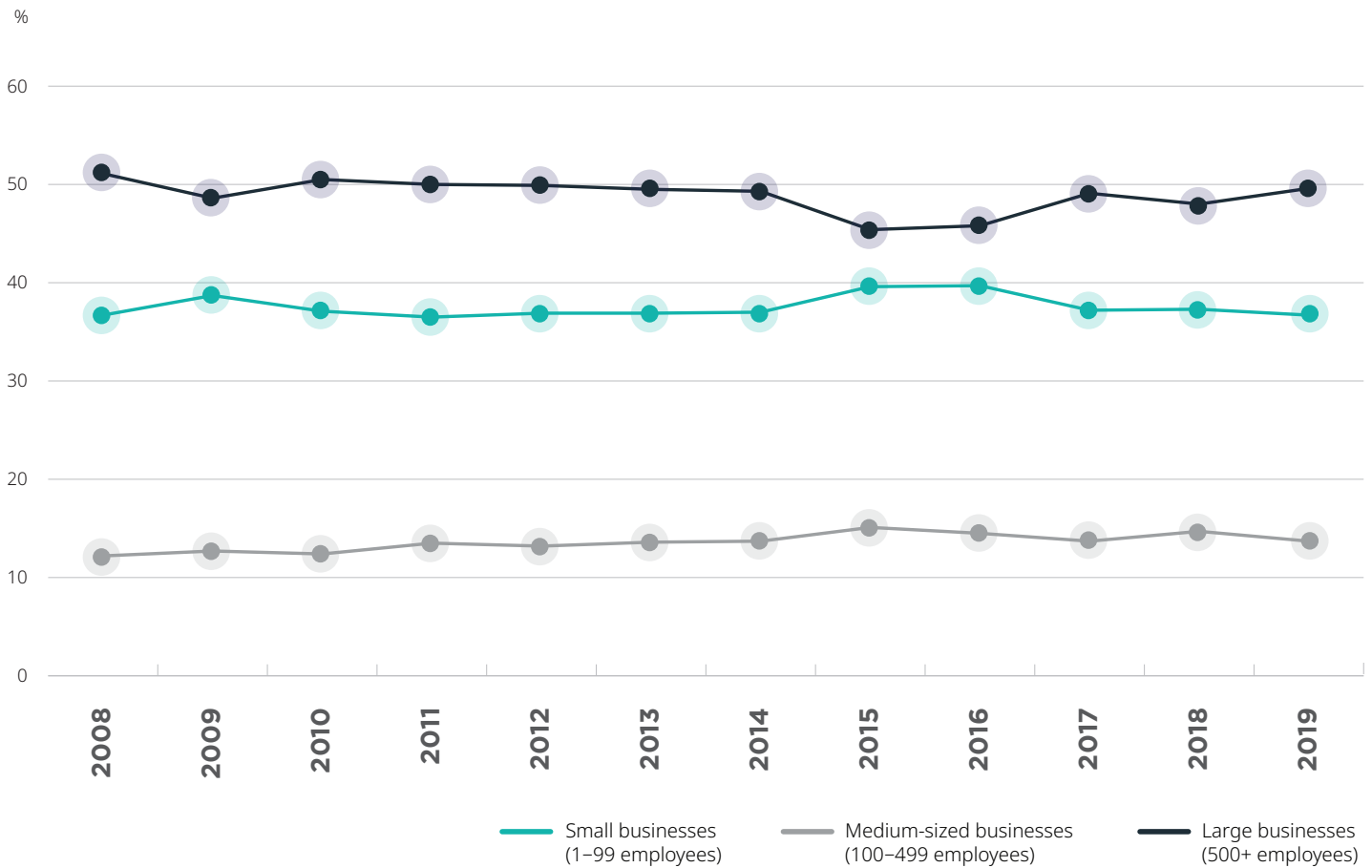
Gross domestic product (GDP) is a key measure of economic production that can be used to compare the value added of any two industries, i.e., the value that an industry adds to its inputs through its activities. The main advantage of the GDP concept is that it avoids double counting; hence, it is considered superior in gauging economic performance compared to, 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 2008–2019 period.¹⁵

Based on Statistics Canada estimates, the contribution to GDP by business size varies slightly throughout the 2008–2019 period (Figure 14). The contribution of large firms decreased slightly between 2008–2019 with a more significant drop between 2014 and 2016, followed by an uptick between 2016–2019. In contrast, the contribution of small firms trended up slightly over the 2008–2016 period with a more significant uptick between 2014–2016, followed by a decrease thereafter to return to 2008 levels in 2019. The contribution of medium-sized firms to GDP trended up slightly between 2008 and 2019.

More recently, from 2015 to 2019, the average contribution of small firms to GDP was 38.1%, that of medium-sized firms, 14.3%, and that of large firms, 47.6%. In other words, SMEs accounted for more than 50.0% of the value added to the country's output.

¹⁵ Statistics Canada made significant changes to the methodology used to generate the estimates of GDP by business size. For this reason, caution should be applied in comparing the GDP statistics in this issue of the *Key Small Business Statistics* with those in previous issues.

FIGURE 14: CONTRIBUTION TO GDP BY BUSINESS SIZE, CANADA, 2008–2019



Source: Statistics Canada.

The contribution of SMEs to GDP varied across industrial sectors (Table 12). The average contribution of SMEs to GDP over the 2015–2019 period was 53.2% in the goods-producing sector, compared with 51.8% in the services-producing sector.

In the goods-producing sector, the average contribution of SMEs to GDP was 92.9% in agriculture and 81.6% in construction. For the other three industries in the goods-producing sector, the average contribution of SMEs to GDP was less than 50%.

TABLE 12: CONTRIBUTION TO GDP BY BUSINESS SIZE AND INDUSTRIAL SECTOR, AVERAGE FROM 2015–2019

Industry	Small businesses (1–99 employees)	Medium-sized businesses (100–499 employees)	SMEs (1–499 employees)	Large businesses (500+ employees)
	Contribution (%)	Contribution (%)	Contribution (%)	Contribution (%)
Goods-Producing Sector	36.4	16.7	53.2	46.8
Agriculture forestry fishing and hunting	84.8	8.1	92.9	7.1
Mining and oil and gas extraction	15.6	18.4	34.1	65.9
Utilities	1.6	1.3	2.8	97.2
Construction	66.3	15.3	81.6	18.4
Manufacturing	25.1	21.2	46.4	53.6
Services-Producing Sector	39.0	12.8	51.8	48.2
Wholesale trade	36.3	18.7	54.9	45.1
Retail trade	43.6	11.5	55.1	44.9
Transportation and warehousing	28.4	11.1	39.4	60.6
Finance, insurance, real estate and leasing	24.7	11.3	36.0	64.0
Professional, scientific and technical services	50.2	14.3	64.5	35.5
Administrative and support waste management and remediation services	39.0	15.9	54.8	45.2
Educational services	76.6	14.3	90.9	9.1
Health care and social assistance	78.9	5.9	84.8	15.2
Information, culture and recreation	13.5	10.4	23.9	76.1
Accommodation and food services	62.5	16.9	79.5	20.5
Other services (except public administration)	74.2	10.6	84.8	15.2
Total	38.0	14.3	52.4	47.6

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

Source: Statistics Canada.

In the services-producing sector, the greatest contributions of SMEs to GDP were observed in the educational services (90.9%), health care and social assistance (84.8%), and other services except public administration (84.8%) sectors. SMEs in information, culture and recreation (23.9%); finance, insurance, real estate and rental and leasing (36.0%); and transportation and warehousing (39.4%) had, on average, lower contributions to GDP.





ic.gc.ca/sbstatistics