

Newsletter for Small and Medium-sized Businesses

January 2014



Your opinion matters – help us improve our newsletter!



Statistics Canada has been bringing to you the monthly newsletter since October 2012. Is the newsletter meeting your needs? Please help us improve our newsletter by answering the following questions. You can send us an email with your comments. Or you can drop us a line to request an electronic feedback form. Our contact information is detailed below, towards the bottom of this newsletter, in the section titled "[Questions or comments?](#)". Thank you!

1. How useful do you find the newsletter?

- ☐ Very useful
 - ☐ Useful
 - ☐ Neither useful nor unuseful
 - ☐ Not useful – If not, tell us why:
-

2. What would be the ideal frequency of the newsletter?

- ☐ Once a month
- ☐ Once every two months
- ☐ Quarterly
- ☐ Other _____

3. Do you currently forward the newsletter to members of your association or other SMEs?

- ☐ Yes
 - ☐ No – If not, tell us why
-

4. What information would you like to see in the newsletter?

5. Other comments:



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In the news

[Canadian international merchandise trade, November 2013](#)



Canada's merchandise imports edged up 0.1% while exports were unchanged in November. As a result, Canada's trade deficit with the world went from \$908 million in October to \$940 million in November.

Merchandise trade is one component of Canada's international balance of payments (BOP), which also includes trade in services, investment income, current transfers as well as capital and financial flows.

Imports edged up to \$40.7 billion, as prices were up 0.1% and volumes remained the same. Increases in imports in most sections were almost offset by large decreases in basic and industrial chemical, plastic and rubber products, as well as in energy products.

Exports were unchanged at \$39.8 billion, as prices increased 0.7% while volumes were down 0.7%. Basic and industrial chemical, plastic and rubber products; energy products; industrial machinery, equipment and parts; and consumer goods recorded the largest declines in exports. Motor vehicles and parts had the largest increase.

[Study: The impact of Canada's firm-size disadvantage on the labour productivity gap between Canada and the United States](#)



Two papers recently released by Statistics Canada provide new comprehensive data on labour productivity differences across size classes in the two countries. They also analyze whether differences in industrial structure between Canada and the United States, along with differences in productivity performance of small firms relative to large firms, can explain the productivity gap between the two countries.

The first study, "[The Distribution of Gross Domestic Product and Hours Worked in Canada and United States across Firm Size Classes](#)," examines and compares labour productivity levels in Canada and United States in the business sector for small and large firms from 2002 to 2008. It quantifies the relative importance of small and large firms in Canada and the United States using measures of both output (GDP) and labour input (hours worked) and compares the relative labour productivity levels of small versus large firms. For this study, small firms are defined as having 0 to 499 employees while large firms are those possessing 500 or more.

The second study, "[Canada–United States Labour Productivity Gap across Firm Size Classes](#)," examines whether having a larger share of hours worked in small firms that were relatively less productive than large firms accounts for the gap in aggregate labour productivity levels between Canada and the United States.



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Firm Size and the Risk/Return Trade-off

The topic of firm size and performance continues to spark the interest of researchers and policy-makers. Small and medium-sized enterprises receive much of the attention, as they have the potential to grow significantly. However, compared with their larger counterparts, these firms are more likely to fail and are therefore riskier.



Most studies examining firm size and profitability have found that larger firms tend to be less profitable than smaller firms. But their profitability is also less volatile than for smaller firms. Based on the argument that a risk-and-return trade-off may exist, it could be the case that higher rates of return in small firms just compensate for the higher risk in these firms.

Production and disposition of tobacco products, November 2013



Canadian manufacturers produced 2.1 billion cigarettes in November, up 0.8% from the previous month. The total number of cigarettes sold decreased by 15.3% to 1.6 billion.

On a related note, the table below includes data from Statistics Canada's *Canadian Community Health Survey* which shows the number of smokers in Canada by age group from 2008 to 2012.

Current Smokers (daily or occasional) in Canada by age group, 2008-2012

Age Group	2008	2009	2010	2011	2012
Total, 12 years and over	6,009,311	5,730,321	5,967,259	5,764,843	5,933,095
12-19 years	382,961	371,279	375,512	308,353	295,709
20-34 years	1,914,422	1,765,328	1,810,337	1,840,306	1,884,976
35-44 years	1,194,987	1,088,675	1,115,304	1,087,655	1,079,377
45-64 years	2,067,504	2,085,831	2,184,460	2,080,926	2,211,004
65 years and over	449,436	419,209	481,647	447,603	462,030

The data above are a part of [CANSIM table 105-0501](#).

Notes:

1. Population aged 12 and over who reported being a current smoker.
2. Daily smoker refers to those who reported smoking cigarettes every day.
3. Does not take into account the number of cigarettes smoked.
4. Occasional smoker refers to those who reported smoking cigarettes occasionally. This includes former daily smokers who now smoke occasionally.



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Other news

International trade

As Canada is a trading nation, international trade information is invaluable to monitor and understand our economic activities. Canadians bring numerous goods and services into the country and export to foreign destinations.

On Statistics Canada's website, a wealth of information is available to help you identify markets, monitor price trends, and manage monetary, tariff and foreign exchange policies.



Service Industry Bulletins

Statistics Canada produces regular bulletins on a wide range of service industries. This month, we are featuring bulletins on the following service industries with updated statistical tables and additional information:

Consumer Goods Rental

The major component of the consumer goods rental industry was consumer electronics and appliance rental. This component replaced video tape and disc rental, which accounted for most of the industry's revenues in the past years. Within the consumer goods rental industry, the consumer electronics and appliance rental accounted for 53.9% of operating revenue.



Travel Arrangement Services



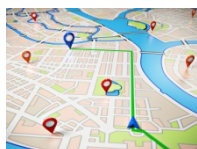
This industry group comprises tour operators, travel agencies and reservation services industries. Tour operators dominated the travel arrangement and reservation services industry group, accounting for more than three-quarters (76.0%) of total operating revenues.

Automotive Equipment Rental and Leasing

The bulk of the industry's sales were generated by the business sector, accounting for 54.6% of total sales in 2012, followed by individuals and households (39.4%). Governments and clients outside Canada combined accounted for 6.1%.



Surveying and Mapping Services



In 2012, the share of industry sales derived from surveying and mapping of the earth's surface accounted for 48.4% of total industry sales. Geophysical surveying services characterized by locating and measuring the extent of sub-surface resources, accounted for 44.4% of the industry's sales in 2012. Sales from the provision of other goods and services, which includes Geographic Information System development and customization, represented the remaining sales (7.2%).



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[Recent releases from *The Daily*](#)

The Daily is Statistics Canada's official release bulletin, the Agency's first line of communication with the media and the public. *The Daily* issues news releases on current social and economic conditions and announces new products. It provides a comprehensive one-stop overview of new information available from Statistics Canada.

Release time

The Daily is released at 8:30 a.m. Eastern time each working day. It has been published since 1932 and posted on the Statistics Canada website since June 1995.

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Questions or comments?

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About the newsletter for small and medium-sized businesses

Statistics Canada recognized that business entrepreneurs have specific information needs. Its Business Outreach Program is dedicated to serving you through this free, monthly newsletter.

Benefits of subscribing

Stay informed about the latest Statistics Canada releases that are important to business owners, managers and entrepreneurs. The releases explain how to access related information.

Learn about upcoming events and activities that will help you get the most from Statistics Canada data.

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Help us spread the word

If you know a business or an organization that may benefit from what this newsletter has to offer, please pass it on or put them in contact with us.

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