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## Analytical Paper

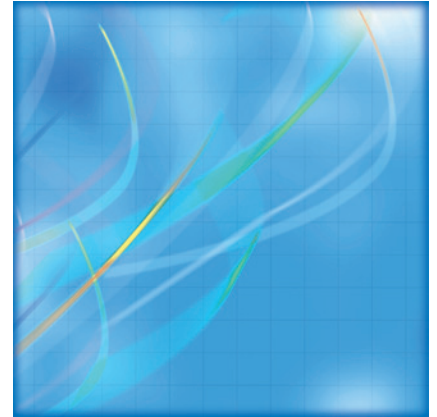
Insights on the Canadian Economy

# National and Regional Trends in Business Bankruptcies, 1980 to 2005

by Cindy Lecavalier

Micro-Economic Analysis Division  
18<sup>th</sup> floor, R.H. Coats Building, Ottawa, K1A 0T6

Telephone: 1-800-263-1136



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Micro-Economic Analysis Division  
18-F, R.H. Coats Building, 100 Tunney's Pasture Driveway  
Ottawa, K1A 0T6  
Statistics Canada

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**How to obtain more information:**  
National inquiries line: 1-800-263-1136  
E-mail inquiries: [infostats@statcan.ca](mailto:infostats@statcan.ca)

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**Note of appreciation:**

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

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## ***Executive summary***

This paper provides an overview of the long-run trend in business bankruptcies in Canada,<sup>1</sup> examines the reaction of bankruptcies by region to the stresses associated with fluctuations in the economy, and analyses the relation between the incidence of bankruptcies and the economic health of the regions. Over the past 25 years, Canadian businesses have experienced a number of tumultuous periods. After two decades of high bankruptcy associated with two major recessions and the implementation of two free trade agreements in the 1980s and 1990s, bankruptcies have returned by 2005 to levels experienced in the early 1980s. At the same time, the differences between the bankruptcy rates of Ontario, Quebec and British Columbia fell as the intensity of bankruptcies in these three provinces converged. Throughout the period, bankruptcies in these three provinces moved in concert with unemployment rates. The exceptions are Alberta and Nova Scotia, which experienced marked increases in bankruptcies in the early 1990s.

### ***1. Introduction***

The average annual number of business bankruptcies over the past 25 years is around 10,000. Bankruptcy is part of the firm life cycle: new businesses are constantly beginning operations, others are voluntarily closing their doors, and some, because of ineffective management or various adverse trends present in the market place, are unable to remain viable and are forced to declare bankruptcy.

In Canada, pursuant to the *Bankruptcy and Insolvency Act*, the Office of the Superintendent of Bankruptcy Canada (OSBC) is mandated “to supervise the administration of estates under the Act, keep records of proceedings, investigate complaints and oversee the trustees in bankruptcy....” (OSBC, 2002, p. 3). This legislation dates back to 1919 and has been amended three times to reach its present form. When the property and assets of a business or corporation are no longer sufficient to meet its financial obligations and there is no chance of remedying the situation, bankruptcy is the means of liquidating assets to the benefit of creditors.<sup>2</sup>

Business bankruptcies are of considerable interest because they provide one metric of the stress to which businesses are subject. They are indicators of the economic pressures associated with economic downturns of the country or region, or the health of business management. The growth or decline of business bankruptcies across Canada reveals how different regions react to these pressures and provides a metric for the comparison of the health of regional economies.

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1. In this document, Canada consists of the 10 provinces.
  2. Most bankruptcies examined in this paper involve businesses but some are personal bankruptcies of the self-employed. According to the Office of the Superintendent of Bankruptcy Canada, self-employed individuals whose commercial debt represents more than 50% of their total debt declare business bankruptcy instead of personal bankruptcy (OSBC, 2002).

Since the main causes of business failures have been studied by Baldwin et al. (1997), this paper takes a different approach. It examines the intensity of bankruptcy over the long run with an additional emphasis on regional differences. The first part of the study contains a national overview of business bankruptcies over time. The second part examines the way in which business insolvency in different Canadian regions reacts to economic stress. Lastly, the paper investigates whether business bankruptcy is correlated with the rate of unemployment, and whether this differs by region.

## ***2. Concepts and data***

### ***2.1 Number of bankruptcies and businesses***

This paper examines business bankruptcies, using the number of annual failures and the number of businesses in the market to derive the intensity of bankruptcy (number of bankruptcies divided by number of businesses). These data are provided respectively by the Office of the Superintendent of Bankruptcy Canada<sup>3</sup> (OSBC, 1980 to 2005) and Statistics Canada.<sup>4</sup> The business population is defined as businesses with a payroll deduction account and those remitting Employment Insurance, Canada Pension Plan or income tax on behalf of employees to the federal government. The data in the study of business bankruptcies by Baldwin et al. (1997) come from the same sources.

Since the number of bankruptcies may change because the number of businesses changes, the incidence of bankruptcies (the number of bankruptcies per 1,000 businesses) is used here to measure the intensity or severity of bankruptcies. Increases in the number of bankruptcies may occur simply because the number of businesses is growing. Defining intensity as the number of bankruptcies divided by the number of businesses allows us to ask whether the probability of failure is increasing or decreasing.

The data on bankruptcies and net liabilities presented in this paper relate to the business sector and exclude educational, health care and public administration services. The data are presented in the appendix.

### ***2.2 Losses and net liabilities***

Examining the deficits caused by business bankruptcies in relation to the value of the country's net assets also is used here to assess the severity of business insolvency over time. This measure captures the volume of financial losses caused by bankruptcies. The metric against which this is

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3. For more data on bankruptcies, consult the Internet site of the Office of the Superintendent of Bankruptcy Canada at: <http://Strategis.ic.gc.ca/epic/internet/inbsf-osb.nsf/en/home>.

4. The business population data used in this report are available from CANSIM: Remitting payroll deduction accounts, seasonally adjusted, quarterly (number), Table 178-0001. These data cover both the business and non-business sectors. However, because the number of employers in the non-business sector is relatively small and relatively constant over time, we feel that the series for the entire economy that is used here provides an accurate representation of the business sector population. Data on bankruptcies are limited to the business sector. See Table A2 for data on the number of businesses by region.

compared is the size of the country's net assets. Net assets are the differences between the assets and liabilities of a bankruptcy. With few exceptions, liabilities are greater than assets when bankruptcy occurs. Dividing the net assets (or net liabilities) of bankruptcies by the net assets of the entire economy provides a financial measure of the magnitude of the losses due to bankruptcy. The Office of the Superintendent of Bankruptcy Canada tracks the assets and liabilities of bankruptcies, while Statistics Canada's National Accounts provides values for net assets. All these values are presented in current dollars.

### 2.3 Unemployment rate

The annual unemployment rate has been selected to provide a summary measure of the economic health of a region's economy that can be compared to the incidence of bankruptcies in that region. Regional unemployment rates were calculated by taking the ratio of the number of the people unemployed in the region and the number of people in the labour force in the same region.

## 3. Portrait of business insolvency in Canada

The recessions in the early 1980s and 1990s were associated with high rates of bankruptcy for Canadian companies (see Table 1). During the early years of each of these decades, bankruptcies rose dramatically (Figure 1). The early 1990s, which coincided both with a recession and the restructuring associated with trade liberalization, experienced the highest number of bankruptcies. From 1980 to 1992, the number of bankruptcies more than doubled, climbing from 6,519 to 14,004, but dramatic improvements have occurred since that time. By 2005, the number of bankruptcies was only 7,334. The absolute number of bankruptcies has returned to where it was 25 years ago in the early 1980s.

**Table 1 Summary of some parameters, Canada, selected periods from 1980 to 2005**

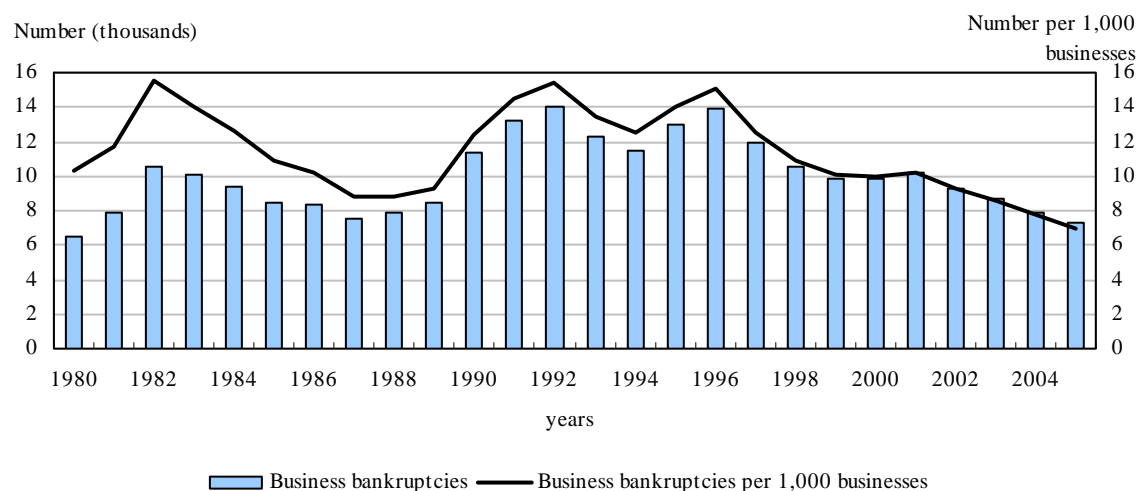
	1980 to 1988	1989 to 1998	1999 to 2005	1980 to 2005
<b>Incidence of bankruptcies (number per 1,000 businesses)</b>				
Average	11.44	13.01	8.98	11.38
Weighted average <sup>1</sup>	11.28	13.00	8.96	11.26
Standard deviation	2.31	1.88	1.25	2.46
<b>Unemployment rate (%)</b>				
Average	9.59	9.54	7.27	8.95
Weighted average	9.60	9.55	7.26	8.86
Standard deviation	1.73	1.31	0.38	1.64
<b>Gross domestic product growth rate<sup>2</sup> (%)</b>				
Annual average	7.88	4.30	5.77	5.85
Standard deviation	2.31	2.69	2.55	2.91
<b>Net asset growth rate (%)</b>				
Annual average	9.34	7.04	6.36	7.58
Standard deviation	3.43	1.71	2.03	2.68

1. Average of the incidences of bankruptcies weighted by their proportion to the total population of businesses.

2. Value from 1981 to 2005, business sector, excluding the owner-occupied housing industry.

Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

**Figure 1 Incidence of business bankruptcies, Canada, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

### 3.1 Incidence of bankruptcies

As the annual number of bankruptcies gradually increased in the 1980s and 1990s, the number of businesses operating in Canada did so as well, climbing from slightly over 630,000 in 1980 to more than 1,046,000 in 2005, a growth rate of close to 60%. The increase in the number of firms was more pronounced in the 1980s. This stabilized in the early 1990s, and then began a slow upward trend from 1996 to the present.

The incidence of bankruptcies (the number of bankruptcies per 1,000 businesses) follows the same cyclical pattern as the number of bankruptcies (Figure 1). There are peaks in the early 1980s and 1990s, but contrary to the trend on the number of bankruptcies, the intensity of bankruptcies does not trend upward over the two decades: there is a long downward trend. Canada registered 10 bankruptcies per 1,000 businesses in 1980, falling to 7 per 1,000 in 2005. This represents a 30% reduction in the incidence of bankruptcies over the 25-year period. The highest rates of business failure were reached in 1982, with 16 bankruptcies per 1,000 businesses, and in 1992 and 1996, with 15 bankruptcies per 1,000 businesses.

The recovery after the 1991/92 recession was slower than that following the 1981/82 recession. The drop in the incidence of bankruptcies lasted five years in the first case, reaching 9 bankruptcies per 1,000 businesses. This same incidence was not achieved until 2002, some 10 years after the 1990s recession. In addition, a second rise in the incidence of bankruptcy was observed from 1995 to 1996.

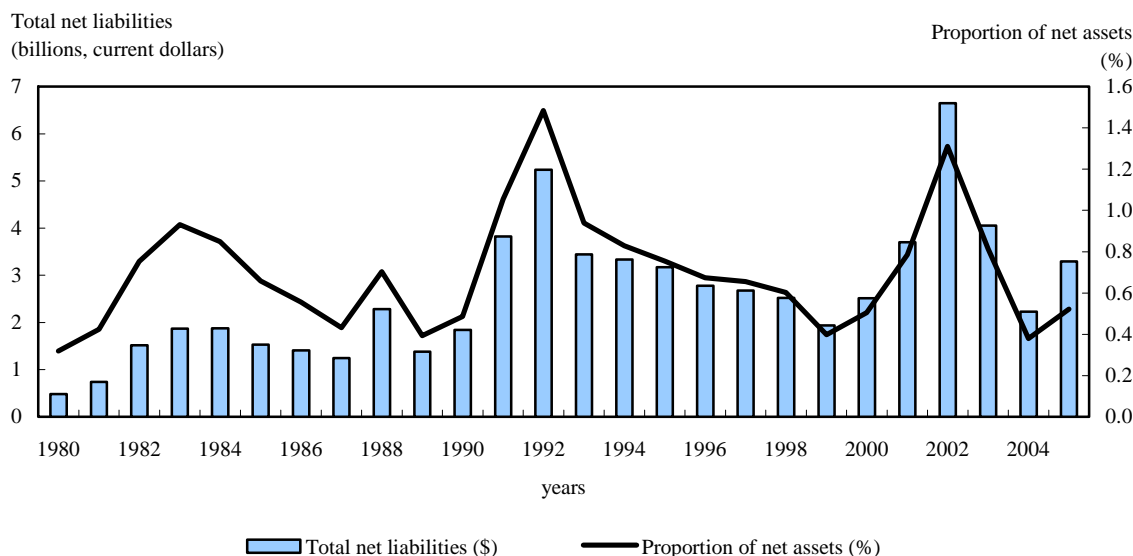
The data also show that bankruptcy intensity in the 2001 slowdown is far lower than in the period at the start of the 1980s and 1990s. Coincident with the decline of high-tech markets in 2000 and 2001, the incidence of business bankruptcies rose only slightly and then fell steadily. This reaction is contrary to the sharp increases in bankruptcy rates noted in the early 1980s and 1990s.

### 3.2 Losses for the company

Despite the perception of failure associated with bankruptcy, some argue that this experience may have beneficial effects in the long run. Armed with knowledge about their mistakes, entrepreneurs have a greater chance of succeeding the next time. But at the time of the bankruptcy, unpaid debts result in a loss for the company. The size of this loss provides a measure of the investment that a society makes in entrepreneurial ‘learning’.

Over the last 25 years, net liabilities from bankrupt businesses have increased (Figure 2). With growing liabilities, the net liabilities resulting from bankruptcies jumped from close to \$480 million in 1980 to around \$3.3 billion in 2005. Not surprisingly, net liabilities peaked in the recessionary periods in the early 1980s and 1990s. However, despite a decline in the incidence of bankruptcies in the past decade, net liabilities rose sharply from 1999 to 2002. They reached more than \$6.6 billion in 2002, a level 72% and 21% higher than in 1984 and 1992, respectively. These data lead to the conclusion that while there were fewer bankruptcies in the early 2000s, they involved large net liabilities.

**Figure 2 Total net liabilities from business bankruptcies and its proportion of Canada’s net assets, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

The losses incurred represented annually between 0.3% and 1.4% of the country’s net assets. In 1980, for example, losses equalled almost \$480 million, which is 0.32% of Canada’s net assets. This proportion was 0.52% in 2005. On an annual basis, the loss may seem insignificant, but totalled over a 25-year period, the cumulative amount is substantial.

The losses associated with bankruptcy, when calculated as a percentage of the economy’s net assets, also fluctuate with the economic cycle, increasing in each of the early 1980s, 1990s and the early 2000 period. Here the financial measure of intensity is no more severe in the early



2000s than in the 1980s. Once again, there is a decline by 2005, but there has been no long-run downward trend as there was when examining the number of bankruptcies.

### 3.3 Top-ranked bankruptcy industries

The construction and retail trade industries are the top two industries declaring the most bankruptcies every year since 1990<sup>5</sup> (Table 2). Accommodation and food services has been the third-ranking industry for 12 of the 16 years in this period. The top three industries in terms of annual bankruptcies accounted for slightly over half of the total annual bankruptcies in Canada in the early 1990s. This proportion fell to 44% in 2005.

**Table 2 Number of bankrupt businesses in the three top-ranked industries for insolvency, Canada and regions, selected periods from 1990 to 2005**

	Retail trade	Construction	Accommodation and food services	Total number of bankruptcies
<b>1990 to 1994</b>				
Canada	14,664	9,103	8,164	62,391
Atlantic	1,028	744	423	4,818
Quebec	6,192	2,631	3,760	23,793
Ontario	4,346	3,013	2,279	17,747
Prairies	2,264	1,659	1,191	10,957
British Columbia	834	1,056	511	5,076
<b>1995 to 1999</b>				
Canada	12,822	8,727	8,815	59,086
Atlantic	1,140	642	573	4,700
Quebec	5,162	2,066	3,913	22,077
Ontario	3,813	2,474	2,524	15,949
Prairies	1,929	2,366	1,267	11,534
British Columbia	778	1,179	538	4,826
<b>2000 to 2005</b>				
Canada	8,798	8,319	6,462	53,178
Atlantic	759	498	353	3,780
Quebec	2,494	1,380	1,925	13,640
Ontario	3,034	2,432	2,418	16,761
Prairies	1,654	3,018	1,191	13,263
British Columbia	857	991	575	5,734
<b>1990 to 2005</b>				
Canada	36,284	26,149	23,441	174,655
Atlantic	2,927	1,884	1,349	13,298
Quebec	13,848	6,077	9,598	59,510
Ontario	11,193	7,919	7,221	50,457
Prairies	5,847	7,043	3,649	35,754
British Columbia	2,469	3,226	1,624	15,636

Source: Office of the Superintendent of Bankruptcy Canada.

5. The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003 and by the North American Industry Classification System in 2004 and 2005.

It is impossible to ignore a number of unique regional patterns. One of these was the repeated presence, in the early 1990s, of the primary sector (more specifically the agriculture sector) and the fishing and hunting industry among the three sectors with the most bankruptcies in the Prairies and the Atlantic regions respectively. The transportation and warehousing industry was also significant for a few years in the Prairies and in the Atlantic region. In addition, we note that the other services industry frequently appears in the top-three ranking industries for Quebec, the Prairies region and British Columbia.

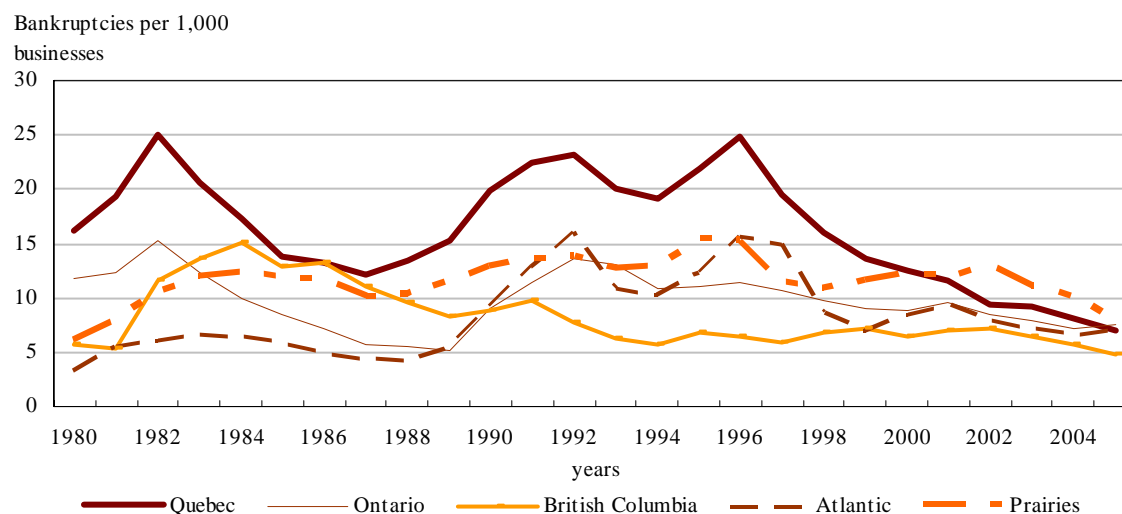
#### ***4. Reaction to economic stress: Regional differences***

Since regional economies differ from one another, the history of bankruptcies might well be expected to differ across regions. Not all regions have followed the national trend exactly in the 1980s and 1990s for several reasons. First, industry composition differs. Secondly, in the 1990s, the competitive forces that arose from the signing of the Canada–United States Free Trade Agreement in 1989 varied across regions. Thirdly, specific events associated with the disappearance of the cod fishery in the Atlantic region, and agricultural events in the Prairie economy, affected some regions in the 1990s more than others.

Each region responds in its own way both to national economic forces and to unique regional circumstances. Despite the diversity of their business insolvency history over the past 25 years, most regions have displayed similar fluctuations in bankruptcies (Figure 3). But while there were substantial differences early in the period, there has been a marked convergence in recent years. Quebec's bankruptcy rate was over 25 per 1,000 businesses in 1982, while it stood around 6 per 1,000 business in the Atlantic region—a difference of almost 20 per 1,000 between the largest and smallest rate. Only a difference of 3 bankruptcies per 1,000 businesses separated the regions in 2005, with incidences ranging from 5 bankruptcies per 1,000 businesses (British Columbia) to 8 bankruptcies per 1,000 businesses (Prairies).

With the 1980s recession, all regions saw a rise in their bankruptcy incidence. British Columbia was the only exception, having recorded a slight decrease in 1981. However, after this, British Columbia followed the national trend, with its incidence of bankruptcies tripling until 1984, from 5 to 15 bankruptcies per 1,000 businesses. The introduction of the free trade agreements and the onset of another recession in Canada in the 1990s appeared to have had no significant impact on the solvency of businesses of British Columbia, which continued to record a drop in the incidence of bankruptcies until 2005. In 2005, British Columbia had the lowest rate of business failures of all regions, with 5 cases per 1,000 businesses.

**Figure 3 Number of bankruptcies per 1,000 businesses, by region, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

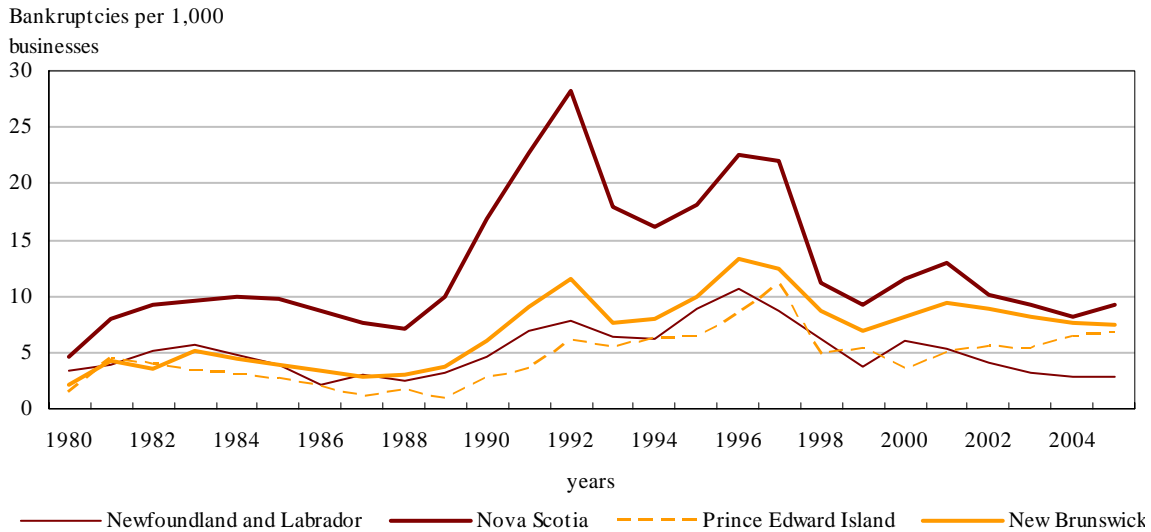
Quebec was by far the region with the highest incidence of bankruptcies up until 2001. Even in 1987, a period of growth across Canada, its bankruptcy incidence remained higher than that of the other regions. Quebec experienced its worst performance in 1982, with 25 bankruptcies per 1,000 businesses. This incidence fell by almost half to 12 bankruptcies per 1,000 businesses in 1987. However, in 1992 and 1996, increases were observed, bringing the incidence rate close to 1982 levels. This makes Quebec the only region intensely affected by both recessions. Since then, Quebec's bankruptcy rate decreased by 18 bankruptcies per 1,000 businesses to achieve its lowest level in 25 years at 7 bankruptcies per 1,000 businesses. These numbers represent the largest decrease observed in the country.

The 1980s and 1990s recessions also affected Ontario. Its trend was similar to that of Quebec. However, its businesses were affected to a lesser degree in 1981 and 1982 as its bankruptcy rate rose by only 3 bankruptcies per 1,000 businesses. While all regions saw their incidence of bankruptcies begin to rise again after a period of decline, Ontario's incidence, like that of British Columbia, continued to decline until 1989. The recession in 1991/92 drove its bankruptcy rate to 14 per 1,000 businesses. A very slight increase was also observed in 1996. In 2005, Ontario's incidence was 7 bankruptcies per 1,000 businesses, the result of a general decline that began in 1993.

During the 1980s, the incidence of bankruptcies in the Atlantic region was the lowest in the country, with between 3 and 7 bankruptcies per 1,000 businesses depending on the year. Bankruptcies in Atlantic businesses increased in the 1990s—as the fishing industry went through traumatic adjustments to declining fish stocks. The Atlantic region registered a 400% increase in its incidence of bankruptcies from 1988 to 1992, reaching 16 bankruptcies per 1,000 businesses. The increase was caused mainly by the experience of Nova Scotia (Figure 4-1). This province generally had a higher insolvency rate than its three neighbours, but the difference widened disproportionately from 1989 to 1998, mainly because of the situation in the fishing industry. If not for this drastic rise in the incidence of bankruptcies, the Atlantic region would have experienced a significantly lower incidence of business bankruptcy in the 1990s. By 2005,

bankruptcies in Atlantic Canada declined to 7 per 1,000 businesses, only 4 more per 1,000 than 25 years ago.

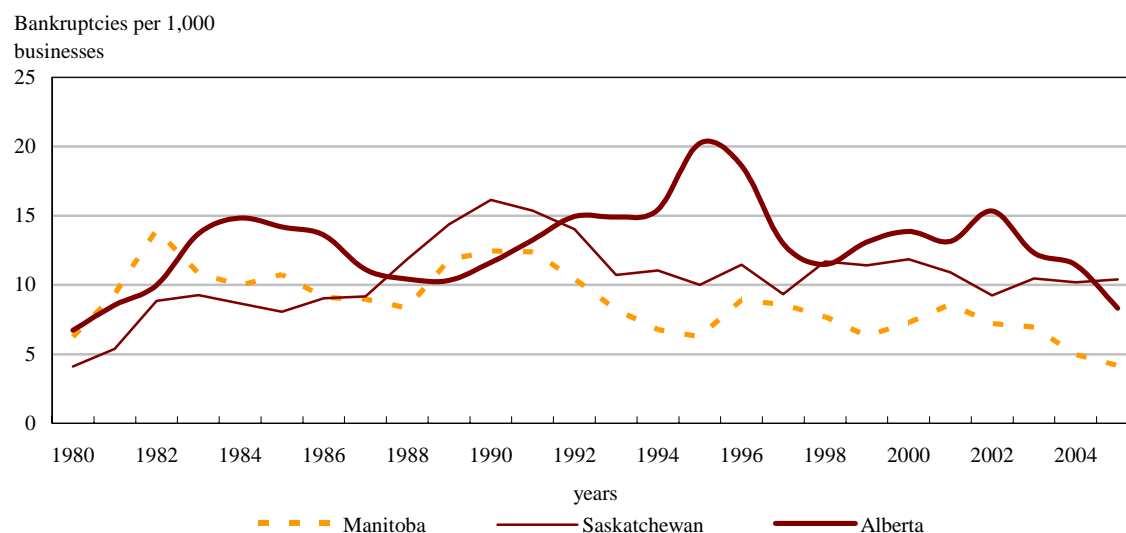
**Figure 4-1 Incidence of bankruptcies — Atlantic provinces, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

The business sector in the Prairie region also generally followed the national trend. A sharp increase in the incidence of bankruptcies was observed from 1980 to 1982: from 6 to 11 bankruptcies per 1,000 businesses. The region did not return to the 1980 rate afterwards because the recovery ended in 1988 and the incidence of bankruptcies rose slowly to the level of 14 and 15 bankruptcies per 1,000 businesses in 1992 and in 1995/96, respectively. The incidence of bankruptcies then fell until 2005, broken by a slight increase in 2002. Alberta largely defined the pattern for the Prairie region (Figure 4-2). Business solvency in that province was adversely affected at different times than in Manitoba and Saskatchewan; specifically, from 1983 to 1986, from 1994 to 1997 and in 2002. The construction industry, as well as the ‘other’ services industry, accounted for a major part of the increase in Alberta’s businesses bankruptcies in 1995 and 2002.

**Figure 4-2 Incidence of bankruptcies — Prairie provinces, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

## ***5. The response of bankruptcies to regional economic fluctuations***

To what extent are business failures related to the economic health of a region? If a strong economy produces a better economic environment for businesses, should we expect to see a decline in the incidence of bankruptcies? To examine this issue, we compare the trend in the intensity of bankruptcies to the regional unemployment rate.

The relation between the unemployment rate and the incidence of bankruptcies varies widely by region across Canada (Table 3). Overall, there is a high correlation (77%) between these two measures for Canada. Considered individually, Ontario, Quebec and British Columbia show a strong correlation between the unemployment rate and the incidence of bankruptcies. The correlation between the two variables is 0.94 in British Columbia, followed by 0.80 in Quebec and 0.79 in Ontario. The Atlantic and Prairies regions show a weak correlation between the unemployment and bankruptcy rates at 0.32 and 0.49 respectively.

The Spearman correlation coefficient provides values quite similar to these Pearson linear correlation coefficients, except in the case of the Atlantic region and British Columbia where the correlation is much lower. The Spearman coefficient uses the ranking of the values of the unemployment rate and incidence of bankruptcies rather than the values themselves, which are used to calculate the Pearson correlation coefficient. The Spearman correlation coefficient is more appropriate when dealing with a non-linear relation between two variables.

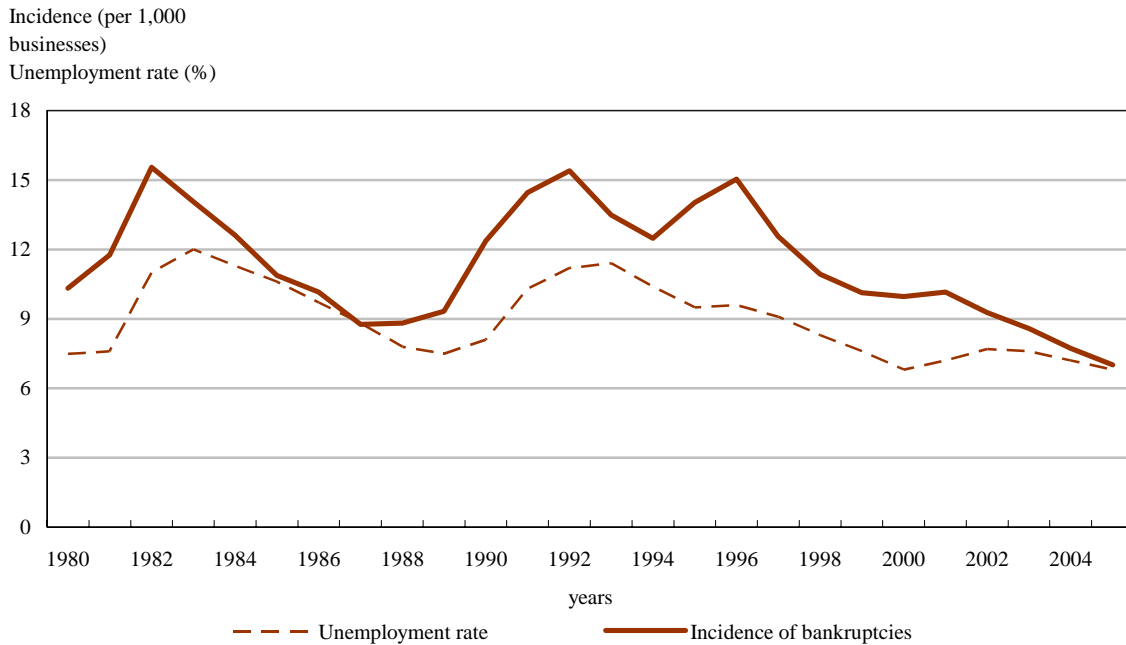
**Table 3 Correlation between the unemployment rate and the incidence of business bankruptcies, Canada and regions, 1980 to 2005**

Regions	Correlation coefficient (Pearson)	Correlation coefficient (Spearman)
Canada	0.77	0.74
Atlantic	0.32	0.18
Quebec	0.80	0.83
Ontario	0.79	0.74
Prairies	0.49	0.47
British Columbia	0.94	0.83

Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

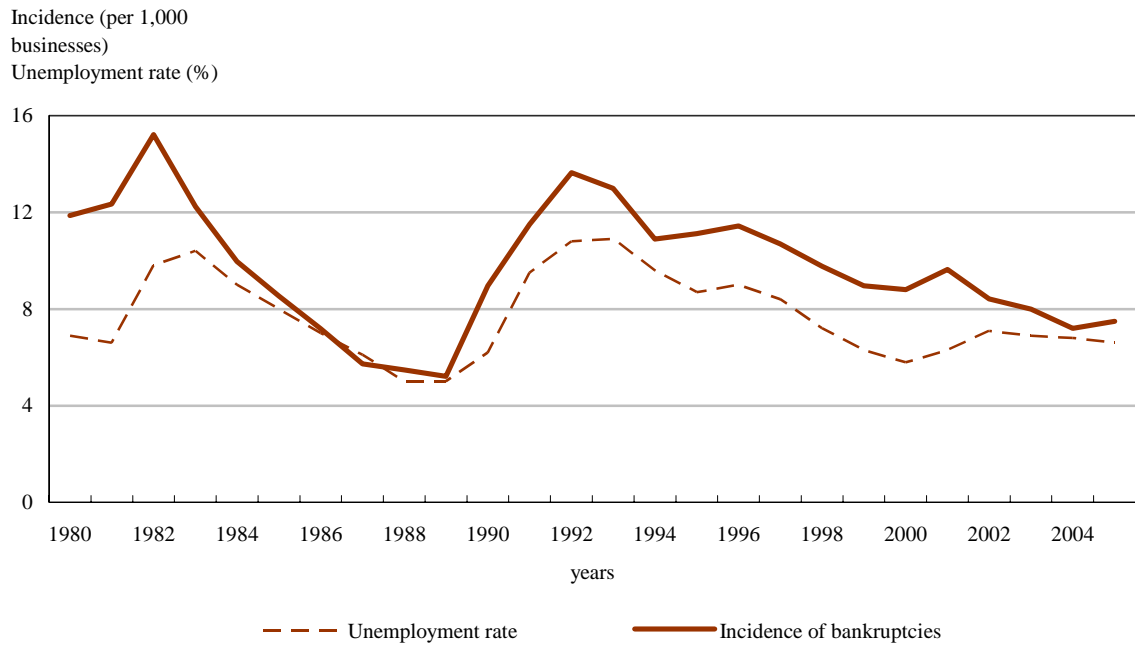
There is a strong correlation between the unemployment rate and the incidence of bankruptcies for the entire period from 1980 to 2005 among the large provinces, while the relationship is weaker for the Atlantic and Prairie provinces. The reason for the weaker correlation in these two regions is that there were a few years when the incidence of bankruptcies did not move closely with the unemployment rate. Figures 5-1 to 5-6 show the comparison between the unemployment rate and the national and regional incidences of bankruptcies.

**Figure 5-1 Unemployment rate and incidence of bankruptcies — Canada, 1980 to 2005**



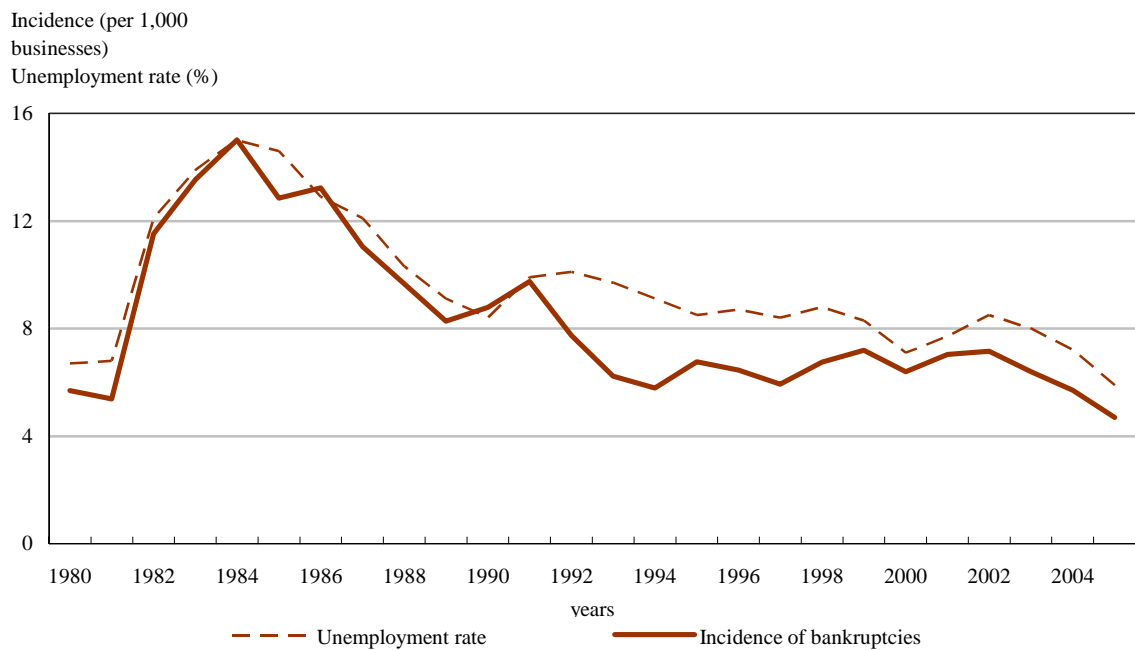
Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

**Figure 5-2 Unemployment rate and incidence of bankruptcies — Ontario, 1980 to 2005**



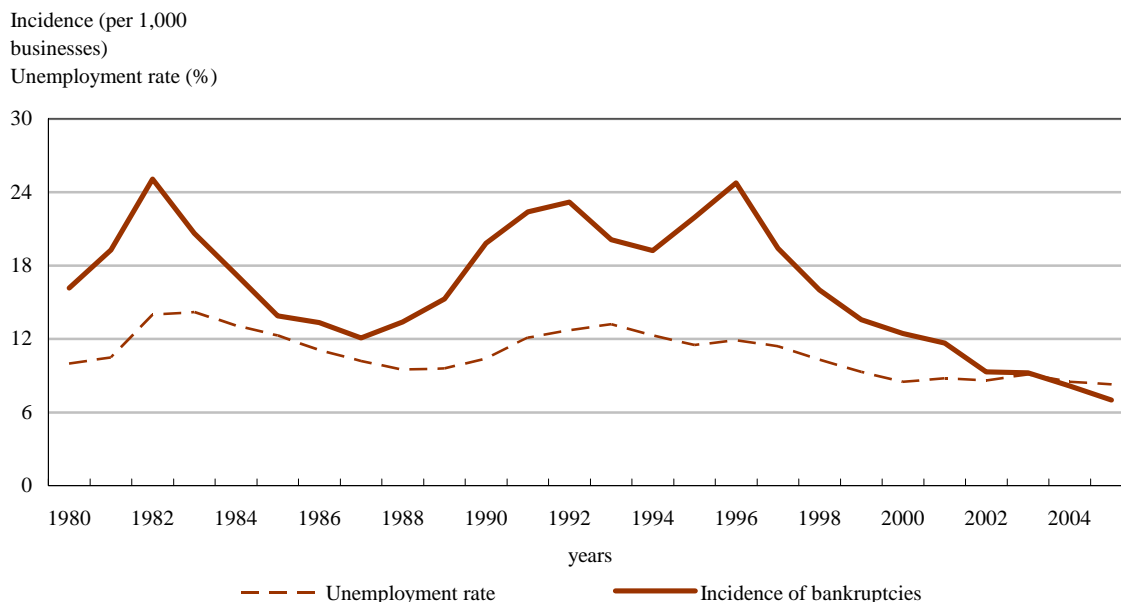
Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

**Figure 5-3 Unemployment rate and incidence of bankruptcies — British Columbia, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

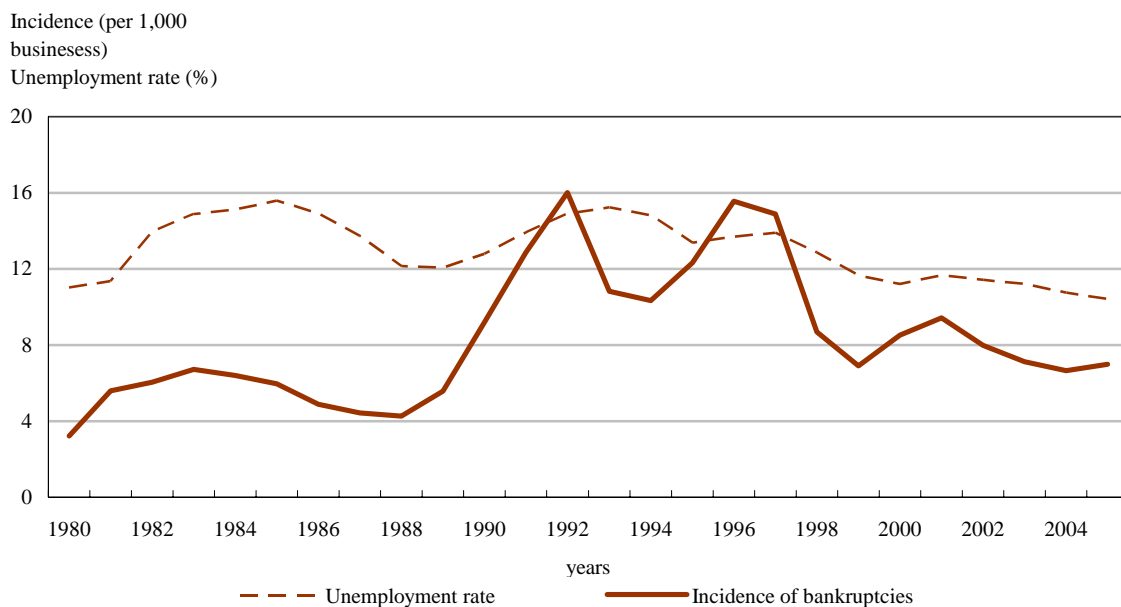
**Figure 5-4 Unemployment rate and incidence of bankruptcies — Quebec, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

In the Atlantic region, after 1989, the incidence of bankruptcies increased faster than the unemployment rate. The incidence of bankruptcies then fell sharply for two years before climbing again until 1996. The unemployment rate, for its part, decreased slightly from 1993 to 1995. During this period of time, the fishing industry went through dramatic restructuring.

**Figure 5-5 Unemployment rate and incidence of bankruptcies — Atlantic region, 1980 to 2005**

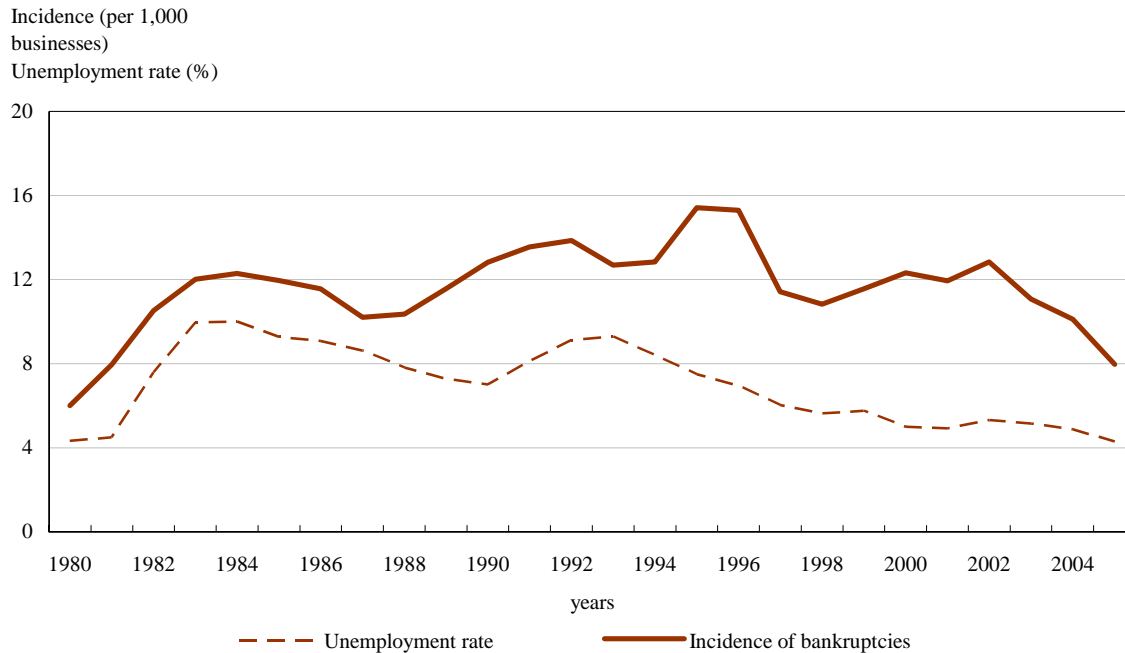


Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.



The Prairies region also experienced years where the incidence of bankruptcies diverged from movements in the unemployment rate. While the unemployment rate fell from 1994 to 1996, the incidence of bankruptcies rose quickly and stabilized before returning to its normal level in 1997. Farming on the Prairies experienced unique events that contributed to these peculiarities. In the mid-1990s, the increase in bankruptcies occurred in the construction and ‘other’ services industries.

**Figure 5-6 Unemployment rate and incidence of bankruptcies — Prairies region, 1980 to 2005**



Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

The comparison of the two measures clearly reveals that only a few years altered the correlation coefficient for the Atlantic and Prairies regions. If the years that were strongly affected by unique events are excluded, the overall correlation between the unemployment rate and incidence of bankruptcies for these two regions is similar to that of the other regions. It should be noted that the 1981/82 recession does not appear to have significantly affected the two measures, since the correlation remained strong during that period.

## ***Conclusion***

The intensity of business bankruptcies in Canada has changed a great deal over the last 25 years. Recessions in the early 1980s and 1990s, and the coming into force of free trade agreements in 1989 and 1994 were associated with significant increases in bankruptcies in Canada both in terms of numbers and intensity relative to numbers of businesses. By contrast, the economic slowdown in the early 2000s did not produce the same marked increase in bankruptcies.

In more recent years, the number of bankruptcies has fallen to 25-year lows. By 2005, the absolute number of bankruptcies declined back to the levels of the early 1980s. The rate of bankruptcy declined over the entire period, returning to levels in 2005 below those in the early 1980s.

But while the number of bankruptcies has declined over time (both absolutely and relative to the total number of firms), financial losses have not. In 2005, they were higher than in the early 1980s. In addition, while less numerous, bankruptcies are producing larger losses in the 2000s. Improvements in survival therefore have been concentrated primarily in smaller firms. While there are fewer firms going bankrupt, the average size of the bankruptcies has been increasing.

Over time, regional bankruptcies have not only generally declined, they have also converged. Quebec's incidence was once higher than that of other regions and its rate rose and fell drastically with the economic fluctuations of the 1980s and 1990s. But Quebec's businesses now register an incidence of bankruptcies similar to that of the other regions. The difference between the bankruptcy rates of the different regions has recently fallen to 25-year lows.

The response of regional bankruptcy numbers to fluctuations in regional economies (as measured by the unemployment rate) has been similar for Quebec, Ontario, and British Columbia. It was less responsive for some of the smaller provinces, where specific circumstances associated with fisheries or construction affected these regional economies. In the Atlantic region, for example, the events of the 1990s had a major impact on the insolvency of businesses in that region, particularly in Nova Scotia. Similarly, the Prairies registered a sharper increase in its incidence of bankruptcies from 1995 to 1997, primarily because of what was happening in Alberta.

## Appendix

**Table A1 Number of business bankruptcies, Canada and regions, 1980 to 2005**

Years	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia
1980	6,519	167	2,571	2,591	710	480
1981	7,892	302	3,252	2,826	1,020	492
1982	10,562	335	4,291	3,524	1,378	1,034
1983	10,104	412	3,817	2,969	1,637	1,269
1984	9,441	418	3,293	2,527	1,741	1,462
1985	8,512	408	2,760	2,266	1,770	1,308
1986	8,346	349	2,780	2,012	1,790	1,415
1987	7,544	331	2,653	1,692	1,624	1,244
1988	7,878	332	3,030	1,689	1,685	1,142
1989	8,498	443	3,501	1,643	1,890	1,021
1990	11,397	737	4,566	2,843	2,127	1,124
1991	13,228	1,042	5,107	3,567	2,245	1,267
1992	14,004	1,302	5,232	4,147	2,295	1,028
1993	12,265	887	4,520	3,901	2,112	845
1994	11,497	850	4,368	3,289	2,178	812
1995	12,954	1,000	5,018	3,340	2,637	959
1996	13,875	1,233	5,641	3,422	2,644	925
1997	11,889	1,197	4,480	3,277	2,061	874
1998	10,535	707	3,744	3,062	2,017	1,005
1999	9,833	563	3,194	2,848	2,165	1,063
2000	9,847	701	2,948	2,874	2,370	954
2001	10,152	773	2,757	3,202	2,361	1,059
2002	9,265	641	2,173	2,819	2,555	1,077
2003	8,659	572	2,160	2,721	2,228	978
2004	7,921	533	1,930	2,491	2,069	898
2005	7,334	560	1,672	2,654	1,680	768

Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

**Table A2 Number of businesses, Canada and regions, 1980 to 2005**

<b>Years</b>	<b>Canada</b>	<b>Atlantic</b>	<b>Quebec</b>	<b>Ontario</b>	<b>Prairies</b>	<b>British Columbia</b>
1980	631,633	51,760	159,127	218,285	118,092	84,369
1981	671,011	53,950	168,713	228,778	128,215	91,355
1982	678,949	55,417	171,082	231,634	131,020	89,796
1983	718,849	61,340	184,999	242,425	136,319	93,766
1984	748,334	65,212	190,369	253,675	141,720	97,358
1985	782,355	68,324	198,725	265,411	148,132	101,763
1986	821,458	71,395	208,348	279,941	154,808	106,966
1987	861,079	74,467	219,427	295,490	159,092	112,603
1988	893,249	77,752	226,156	308,290	162,752	118,299
1989	910,748	79,342	229,172	315,424	163,476	123,334
1990	921,570	80,098	230,215	317,396	165,868	127,993
1991	914,829	80,951	228,047	310,256	165,618	129,957
1992	909,291	81,266	225,575	303,945	165,632	132,873
1993	908,908	81,893	224,784	300,037	166,515	135,679
1994	921,265	82,212	227,130	301,915	169,757	140,251
1995	923,096	81,225	228,614	300,564	170,955	141,738
1996	922,852	79,212	227,725	299,274	173,412	143,229
1997	945,616	80,362	230,705	306,578	180,501	147,470
1998	963,696	81,317	233,753	313,647	186,181	148,798
1999	969,856	81,514	235,108	317,994	187,317	147,923
2000	987,409	82,306	236,765	326,592	192,471	149,275
2001	998,677	81,953	236,223	332,428	197,686	150,387
2002	998,196	80,295	233,424	334,979	198,979	150,519
2003	1,009,210	80,180	234,087	340,581	201,338	153,024
2004	1,024,341	80,136	236,326	345,916	204,504	157,459
2005	1,046,753	80,022	238,097	354,406	210,601	163,627

Source: Statistics Canada.

**Table A3 Number of bankruptcies per 1,000 businesses, Canada and regions, 1980 to 2005**

Years	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia
1980	10.3	3.2	16.2	11.9	6.0	5.7
1981	11.8	5.6	19.3	12.4	8.0	5.4
1982	15.6	6.0	25.1	15.2	10.5	11.5
1983	14.1	6.7	20.6	12.2	12.0	13.5
1984	12.6	6.4	17.3	10.0	12.3	15.0
1985	10.9	6.0	13.9	8.5	11.9	12.9
1986	10.2	4.9	13.3	7.2	11.6	13.2
1987	8.8	4.4	12.1	5.7	10.2	11.0
1988	8.8	4.3	13.4	5.5	10.4	9.7
1989	9.3	5.6	15.3	5.2	11.6	8.3
1990	12.4	9.2	19.8	9.0	12.8	8.8
1991	14.5	12.9	22.4	11.5	13.6	9.7
1992	15.4	16.0	23.2	13.6	13.9	7.7
1993	13.5	10.8	20.1	13.0	12.7	6.2
1994	12.5	10.3	19.2	10.9	12.8	5.8
1995	14.0	12.3	21.9	11.1	15.4	6.8
1996	15.0	15.6	24.8	11.4	15.2	6.5
1997	12.6	14.9	19.4	10.7	11.4	5.9
1998	10.9	8.7	16.0	9.8	10.8	6.8
1999	10.1	6.9	13.6	9.0	11.6	7.2
2000	10.0	8.5	12.5	8.8	12.3	6.4
2001	10.2	9.4	11.7	9.6	11.9	7.0
2002	9.3	8.0	9.3	8.4	12.8	7.2
2003	8.6	7.1	9.2	8.0	11.1	6.4
2004	7.7	6.7	8.2	7.2	10.1	5.7
2005	7.0	7.0	7.0	7.5	8.0	4.7

Sources: Statistics Canada and the Office of the Superintendent of Bankruptcy Canada.

**Table A4 Net liabilities<sup>1</sup> resulting from business bankruptcies, Canada and regions, 1980 to 2005**

Years	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia
current dollars						
1980	478,789,600	9,368,700	188,307,250	186,573,600	51,018,250	43,521,800
1981	741,406,350	28,426,300	327,824,200	230,013,600	79,153,250	75,989,000
1982	1,517,176,900	49,772,750	507,339,550	470,479,800	216,538,850	273,045,950
1983	1,870,808,050	44,945,300	507,750,350	514,720,200	372,832,250	430,559,950
1984	1,876,605,750	30,356,050	431,932,750	390,245,850	555,614,800	468,456,300
1985	1,528,950,200	26,420,850	323,870,100	327,549,300	507,076,150	344,033,800
1986	1,409,042,050	25,597,300	278,200,000	271,909,300	427,829,900	405,505,550
1987	1,244,587,630	35,586,785	306,831,327	259,481,550	347,270,364	295,417,604
1988	2,285,713,233	35,391,352	377,288,806	251,613,313	1,372,498,700	248,921,062
1989	1,382,119,429	46,388,978	496,621,541	269,724,366	321,593,476	247,791,068
1990	1,846,414,781	119,703,896	690,978,021	581,880,433	268,808,282	185,044,149
1991	3,822,312,462	149,601,672	1,701,150,649	1,354,670,262	375,125,943	241,763,936
1992	5,238,246,164	140,474,527	2,324,138,010	1,983,603,151	438,533,307	351,497,169
1993	3,439,552,188	124,624,956	1,178,538,462	1,704,281,089	268,213,368	163,894,313
1994	3,336,325,180	94,822,645	1,110,363,657	1,720,816,216	227,469,087	182,853,575
1995	3,168,730,393	110,340,417	874,942,687	1,661,806,620	308,404,095	213,236,574
1996	2,773,880,797	136,981,598	901,413,544	1,245,261,105	283,988,257	206,236,293
1997	2,679,892,987	83,285,614	746,730,200	1,099,294,110	364,541,452	386,041,611
1998	2,523,738,613	311,238,301	604,687,024	731,113,573	261,297,038	615,402,677
1999	1,940,835,546	81,620,455	450,072,453	834,919,627	326,703,804	247,519,207
2000	2,517,369,891	89,386,966	465,626,133	1,176,595,566	465,003,889	320,757,337
2001	3,698,975,792	99,575,784	747,241,210	1,510,897,064	864,662,588	476,599,146
2002	6,645,153,732	271,008,764	462,959,728	3,817,048,595	571,261,252	1,522,875,393
2003	4,052,619,346	118,001,446	555,393,252	2,887,161,833	261,751,222	230,311,593
2004	2,231,695,908	153,756,118	410,096,433	1,038,082,457	274,112,248	355,648,652
2005	3,292,939,123	79,622,256	1,798,271,044	882,908,239	206,645,029	325,492,555

1. In publications from the Office of the Superintendent of Bankruptcy Canada, liabilities are referred to as deficits.  
Source: Office of the Superintendent of Bankruptcy Canada.

**Table A5 Unemployment rate, Canada and regions, 1980 to 2005**

Years	Canada	Atlantic	Quebec	Ontario	Prairies	British Columbia
			%			
1980	7.5	11.0	10.0	6.9	4.3	6.7
1981	7.6	11.4	10.5	6.6	4.5	6.8
1982	11.0	14.0	14.0	9.8	7.6	12.1
1983	12.0	14.9	14.2	10.4	10.0	13.9
1984	11.3	15.1	13.1	9.0	10.0	15.0
1985	10.6	15.6	12.3	8.0	9.3	14.6
1986	9.7	14.9	11.1	7.0	9.1	12.9
1987	8.8	13.7	10.2	6.1	8.6	12.1
1988	7.8	12.2	9.5	5.0	7.8	10.3
1989	7.5	12.1	9.6	5.0	7.3	9.1
1990	8.1	12.8	10.4	6.2	7.0	8.4
1991	10.3	13.9	12.1	9.5	8.1	9.9
1992	11.2	14.9	12.7	10.8	9.1	10.1
1993	11.4	15.3	13.2	10.9	9.3	9.7
1994	10.4	14.8	12.3	9.6	8.4	9.1
1995	9.5	13.4	11.5	8.7	7.5	8.5
1996	9.6	13.7	11.9	9.0	6.9	8.7
1997	9.1	13.9	11.4	8.4	6.0	8.4
1998	8.3	12.9	10.3	7.2	5.6	8.8
1999	7.6	11.7	9.3	6.3	5.8	8.3
2000	6.8	11.2	8.5	5.8	5.0	7.1
2001	7.2	11.7	8.8	6.3	4.9	7.7
2002	7.7	11.4	8.6	7.1	5.3	8.5
2003	7.6	11.2	9.1	6.9	5.2	8.0
2004	7.2	10.8	8.5	6.8	4.9	7.2
2005	6.8	10.4	8.3	6.6	4.3	5.9

Source: Statistics Canada.

**Table A6-1 Number of bankruptcies by industry — Canada, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	429	484	421	388	330	307	315	276	272	287	263	272	228	266
Fishing and trapping	179	173	230	79	118	122	161	84	59	22	18	12	10	17
Logging and forestry	111	150	179	86	74	91	126	173	145	151	143	203	150	163
Mining, quarrying and oil well	50	52	67	50	24	49	30	31	45	66	66	32	61	64
Manufacturing	986	1,110	1,135	988	959	966	1,070	862	802	750	776	913	804	800
Construction	1,662	2,010	1,989	1,705	1,737	2,144	1,960	1,673	1,507	1,443	1,490	1,407	1,360	1,409
Transportation and storage	826	966	858	665	517	513	746	802	601	714	860	1,074	932	862
Communication and other utility	98	97	116	123	94	155	161	147	144	116	118	126	135	145
Wholesale trade	787	917	984	785	718	806	897	749	568	479	552	519	480	541
Retail trade	2,721	3,035	3,190	2,923	2,795	2,924	3,094	2,576	2,265	1,963	1,821	1,814	1,448	1,418
Finance and insurance	113	166	173	152	149	119	125	92	85	89	87	120	117	153
Real estate operator and insurance agent	264	434	450	433	378	442	415	272	233	175	190	133	138	126
Business service	696	830	976	978	772	902	1,064	850	766	725	752	804	758	716
Accommodation, food and beverage service	1,422	1,556	1,872	1,636	1,678	1,973	2,063	1,802	1,584	1,393	1,307	1,308	1,033	1,051
Other service	1,053	1,248	1,361	1,274	1,154	1,442	1,638	1,500	1,459	1,460	1,404	1,415	1,611	928
<b>NAICS<sup>2</sup> industries</b>												<b>2004</b>	<b>2005</b>	
Agriculture, forestry, fishing and hunting												412	400	
Mining and oil and gas extraction												66	52	
Utilities												12	9	
Construction												1,339	1,314	
Manufacturing												737	699	
Wholesale trade												390	337	
Retail trade												1,203	1,094	
Transportation and warehousing												802	690	
Information and cultural industries												140	115	
Finance and insurance												118	100	
Real estate and rental and leasing												175	166	
Professional, scientific and technical services												512	425	
Management of companies and enterprises												39	39	
Administrative and support, waste management and remediation services												330	341	
Arts, entertainment and recreation												174	155	
Accommodation and food services												930	833	
Other services (except public administration)												542	565	

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.



**Table A6-2 Number of bankruptcies by industry — Atlantic region, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	18	18	19	22	11	17	18	17	6	8	10	14	9	9
Fishing and trapping	149	135	221	64	106	108	140	72	9	45	3	6	6	3
Logging and forestry	13	19	18	5	13	11	15	30	24	12	21	52	19	22
Mining, quarrying and oil well	1	1	0	1	0	0	0	3	0	0	6	1	0	2
Manufacturing	35	33	63	46	40	45	40	51	40	41	81	54	69	63
Construction	116	178	197	114	139	156	159	149	77	101	94	96	68	69
Transportation and storage	77	109	101	91	53	46	99	108	52	52	64	111	111	90
Communication and other utility	5	7	16	19	12	22	30	26	3	17	11	12	18	6
Wholesale trade	24	39	78	54	42	33	46	45	20	33	46	37	31	36
Retail trade	133	231	249	222	193	246	273	327	136	158	137	159	122	118
Finance and insurance	4	7	17	5	8	7	11	7	4	12	10	5	11	15
Real estate operator and insurance agent	19	49	43	32	43	35	48	33	11	11	7	5	10	6
Business service	23	50	61	49	44	75	79	73	35	44	35	37	33	41
Accommodation, food and beverage service	70	78	111	85	79	115	141	127	93	97	69	84	51	42
Other service	50	88	105	78	67	84	134	129	53	76	107	100	83	50

<b>NAICS<sup>2</sup> industries</b>	<b>2004</b>	<b>2005</b>
Agriculture, forestry, fishing and hunting	42	39
Mining and oil and gas extraction	1	0
Utilities	1	0
Construction	87	84
Manufacturing	19	18
Wholesale trade	32	30
Retail trade	111	112
Transportation and warehousing	71	77
Information and cultural industries	2	6
Finance and insurance	9	7
Real estate and rental and leasing	15	11
Professional, scientific and technical services	18	26
Management of companies and enterprises	3	0
Administrative and support, waste management and remediation services	21	24
Arts, entertainment and recreation	11	19
Accommodation and food services	51	56
Other services (except public administration)	39	51

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.

**Table A6-3 Number of bankruptcies by industry — Quebec, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	76	91	73	58	69	44	71	61	54	58	54	69	33	53
Fishing and trapping	15	17	4	4	3	4	4	3	4	7	3	2	4	1
Logging and forestry	47	50	73	29	30	32	63	71	64	51	55	65	54	64
Mining, quarrying and oil well	4	8	6	5	5	5	1	5	2	10	9	2	1	4
Manufacturing	443	517	523	456	431	469	561	409	344	355	306	326	269	251
Construction	557	620	595	403	456	513	506	441	304	302	332	279	208	207
Transportation and storage	230	226	228	170	132	159	216	232	152	160	184	230	176	164
Communication and other utility	40	24	24	12	21	34	53	30	22	29	28	25	27	27
Wholesale trade	400	458	460	373	368	417	526	427	237	316	218	191	184	185
Retail trade	1,231	1,283	1,311	1,231	1,136	1,254	1,347	979	683	889	600	557	395	375
Finance and insurance	46	56	31	26	25	20	34	26	24	18	18	18	33	49
Real estate operator and insurance agent	94	165	162	182	156	164	155	94	62	94	66	40	38	39
Business service	245	279	312	341	291	348	420	295	286	279	254	214	190	188
Accommodation, food and beverage service	634	755	857	736	778	947	965	820	529	652	495	369	259	312
Other service	504	558	573	494	467	608	719	587	427	514	326	370	302	241

<b>NAICS<sup>2</sup> industries</b>	<b>2004</b>	<b>2005</b>
Agriculture, forestry, fishing and hunting	74	71
Mining and oil and gas extraction	9	2
Utilities	2	0
Construction	186	168
Manufacturing	287	261
Wholesale trade	106	108
Retail trade	310	257
Transportation and warehousing	146	129
Information and cultural industries	58	42
Finance and insurance	54	40
Real estate and rental and leasing	52	38
Professional, scientific and technical services	103	99
Management of companies and enterprises	15	15
Administrative and support, waste management and remediation services	66	82
Arts, entertainment and recreation	41	28
Accommodation and food services	286	204
Other services (except public administration)	135	128

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.

**Table A6-4 Number of bankruptcies by industry — Ontario, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	36	24	29	29	23	36	24	23	17	27	30	36	38	31
Fishing and trapping	2	2	3	4	3	1	7	4	4	4	5	0	0	5
Logging and forestry	11	5	10	16	9	12	10	17	16	9	8	22	19	24
Mining, quarrying and oil well	6	6	3	3	1	9	2	4	3	2	4	9	2	4
Manufacturing	300	318	326	317	289	275	273	244	221	215	221	326	271	281
Construction	482	668	696	648	519	602	513	489	467	403	405	393	404	410
Transportation and storage	183	237	239	192	133	99	142	197	137	171	226	371	253	250
Communication and other utility	25	30	35	43	27	35	43	48	47	47	43	39	33	45
Wholesale trade	184	224	277	211	174	194	214	163	139	153	169	175	173	204
Retail trade	725	882	976	895	868	820	855	780	726	632	633	592	498	504
Finance and insurance	33	68	88	86	88	69	49	42	34	33	33	47	35	49
Real estate operator and insurance agent	61	125	134	143	97	103	98	87	74	68	58	43	38	35
Business service	221	266	362	363	235	251	293	274	291	237	251	296	309	262
Accommodation, food and beverage service	336	387	565	506	485	487	546	525	488	478	427	530	418	362
Other service	238	325	404	445	338	347	353	380	398	369	361	323	328	255

<b>NAICS<sup>2</sup> industries</b>	<b>2004</b>	<b>2005</b>
Agriculture, forestry, fishing and hunting	67	54
Mining and oil and gas extraction	2	5
Utilities	6	9
Construction	356	464
Manufacturing	283	274
Wholesale trade	157	123
Retail trade	393	414
Transportation and warehousing	221	226
Information and cultural industries	45	40
Finance and insurance	25	25
Real estate and rental and leasing	37	55
Professional, scientific and technical services	214	189
Management of companies and enterprises	10	9
Administrative and support, waste management and remediation services	113	125
Arts, entertainment and recreation	76	65
Accommodation and food services	322	359
Other services (except public administration)	164	218

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.

**Table A6-5 Number of bankruptcies by industry — Prairies region, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	276	330	283	267	215	196	200	165	181	191	145	140	132	148
Fishing and trapping	0	1	0	1	0	1	3	2	2	1	2	1	0	2
Logging and forestry	7	11	13	7	6	18	15	28	27	17	33	24	29	18
Mining, quarrying and oil well	33	31	53	35	16	33	25	17	32	61	45	19	55	52
Manufacturing	101	125	112	109	123	106	115	88	99	68	69	77	83	105
Construction	307	301	321	331	399	598	519	378	414	457	485	489	529	532
Transportation and storage	229	236	192	143	149	167	230	199	180	277	328	295	317	267
Communication and other utility	24	20	33	41	29	45	31	34	44	24	27	42	45	52
Wholesale trade	98	94	94	82	88	105	67	69	41	26	54	65	54	77
Retail trade	428	457	489	451	439	449	458	350	320	352	298	347	298	285
Finance and insurance	18	15	18	19	19	15	25	4	11	7	11	12	13	20
Real estate operator and insurance agent	64	69	88	59	70	120	95	41	38	18	45	35	40	33
Business service	132	137	161	149	151	181	215	170	99	113	133	153	142	140
Accommodation, food and beverage service	236	238	240	226	251	307	301	232	227	200	204	223	203	242
Other service	174	180	198	192	223	296	345	284	302	353	491	439	615	255

<b>NAICS<sup>2</sup> industries</b>	<b>2004</b>	<b>2005</b>
Agriculture, forestry, fishing and hunting	170	188
Mining and oil and gas extraction	54	41
Utilities	1	0
Construction	543	440
Manufacturing	80	75
Wholesale trade	71	50
Retail trade	239	187
Transportation and warehousing	273	187
Information and cultural industries	12	13
Finance and insurance	23	20
Real estate and rental and leasing	50	44
Professional, scientific and technical services	116	74
Management of companies and enterprises	1	7
Administrative and support, waste management and remediation services	82	71
Arts, entertainment and recreation	28	32
Accommodation and food services	176	143
Other services (except public administration)	150	108

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.

**Table A6-6 Number of bankruptcies by industry — British Columbia, 1990 to 2005**

<b>SIC<sup>1</sup> industries</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Agricultural and related service	23	21	17	12	12	14	2	10	8	9	24	13	16	25
Fishing and trapping	13	18	2	6	6	8	7	3	1	4	5	3	0	6
Logging and forestry	33	65	65	29	16	18	23	27	39	37	26	40	29	35
Mining, quarrying and oil well	6	6	5	6	2	2	2	2	0	1	2	1	3	2
Manufacturing	107	117	111	60	76	71	81	70	86	83	99	130	112	100
Construction	200	243	180	209	224	275	263	216	223	202	174	150	151	191
Transportation and storage	107	158	98	69	50	42	59	66	72	62	58	67	75	91
Communication and other utility	4	16	8	8	5	19	4	9	7	20	9	8	12	15
Wholesale trade	81	102	75	65	46	57	44	45	39	43	65	51	38	39
Retail trade	204	182	165	124	159	155	161	140	162	160	153	159	135	136
Finance and insurance	12	20	19	16	9	8	6	13	10	21	15	38	25	20
Real estate operator and insurance agent	26	26	23	17	12	19	19	17	16	16	14	10	12	13
Business service	75	98	80	76	51	47	57	38	53	54	79	104	84	85
Accommodation, food and beverage service	146	98	99	83	85	117	110	98	120	93	112	102	102	93
Other service	87	97	81	65	59	107	87	120	169	258	119	183	283	127

<b>NAICS<sup>2</sup> industries</b>	<b>2004</b>	<b>2005</b>
Agriculture, forestry, fishing and hunting	59	48
Mining and oil and gas extraction	0	4
Utilities	2	0
Construction	167	158
Manufacturing	68	71
Wholesale trade	24	26
Retail trade	150	124
Transportation and warehousing	91	71
Information and cultural industries	23	14
Finance and insurance	7	8
Real estate and rental and leasing	21	18
Professional, scientific and technical services	61	37
Management of companies and enterprises	10	8
Administrative and support, waste management and remediation services	48	39
Arts, entertainment and recreation	18	11
Accommodation and food services	95	71
Other services (except public administration)	54	60

1. Standard Industrial Classification, 1980.

2. North American Industry Classification System.

Note: The Office of the Superintendent of Bankruptcy Canada classifies business bankruptcies by the 1980 Standard Industrial Classification from 1990 to 2003, and by the North American Industry Classification System in 2004 and 2005.

Source: Office of the Superintendent of Bankruptcy Canada.

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