



Industry
Canada Industrie
Canada

SMALL

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Business

Q U A R T E R L Y

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PERFORMANCE

Trends

Between the second quarter of 2004 and the second quarter of 2005, small businesses (those with fewer than 100 employees) created approximately 20 200 jobs or 12.8 percent of net new jobs in the Canadian economy.

Business bankruptcies numbered 218 in the second quarter of 2005, a decrease of 1.5 percent from the same quarter of 2004.

Total business loans outstanding¹ from chartered banks amounted to \$100.3 billion in the second quarter of 2005, an increase of 7.6 percent from the same quarter of 2004. Business loans of less than \$500 000 accounted for 19.4 percent of the total.

There were 2.53 million self-employed workers in the third quarter of 2005, an increase of 2.0 percent from the same quarter of 2004.

¹ Excluding non-residential mortgages, agricultural loans and customers' liability under acceptances.

ESTIMATING INFORMAL

Investment in Canada

Informal investors¹ are crucial players in the development of innovative firms. They tend to operate behind a veil of anonymity, but understanding their role and appreciating the scale of their investment activity is essential if Canada is to understand how best to nurture and encourage these investors.

Estimating Informal Investment in Canada was prepared by Equinox Management Consultants Ltd. for the Small Business Policy Branch of Industry Canada. This report uses data from the *Survey on Financing of Small and Medium Enterprises*² to estimate the flow and potential stock of capital available for informal investment.

Investment Activity

The report estimates that the annual flow of informal investments in 2001 was \$11.4 billion and the potential stock of capital available for other business ventures by Canadian owners was \$12.9 billion. In addition, the authors estimated the flow of Canadian angel investment³ to be, at a minimum, \$3.5 billion in 2001.

The report also shows that:

- 72 percent of surveyed informal market investors acted as operators⁴ in the firms they invested in;
- 51 percent of all informal investment capital was invested at arm's length, whereas 49 percent went to firms owned by investors' friends and family; and

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- investors who did not invest in firms owned by friends or family and who did not play an active role in operating the firms they invested in appear to invest more frequently and in larger amounts than investors in other categories.

Returns on Investment

For the first time, the 2001 *Survey on Financing of Small and Medium Enterprises* collected data on business owners' realized rates of return on their informal investments — an area where there had previously been no Canadian information. Table 1 provides a breakdown of rates of return by category of informal investor.

The authors consider investors in Category 1 to be primarily angel investors. This group was less likely to lose money and more likely to earn high returns (more than 50 percent) compared with investors in the other categories, e.g., those who invested in firms owned by

friends and family. Although not conclusive because of a low response rate in the sample, this evidence supports the idea that returns on investments by angel investors are higher than those by non-angel investors and suggests that distinct categories of informal investors may have different levels of success in their investments.

For more information on *Estimating Informal Investment in Canada*, please contact Brad Belanger at (613) 946-7287 or via email at belanger.brad@ic.gc.ca.

¹ Informal investments are equity investments in private, start-up small and medium-sized enterprises in which an individual invests his or her own capital. The investor may or may not have a role in managing the firm.

² Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2001.

³ Angel investors are individuals who provide their own capital for business start-ups in exchange for an equity stake in the firm.

⁴ An operator is defined as an individual taking an active role in managing the firm.

Table 1: Rates of Return by Category of Informal Investor, 2001

	Category 1. Invested at Arm's Length, Did Not Act as Operator	Category 2. Invested in Friends, Family, Did Not Act as Operator	Category 3. Invested at Arm's Length, Acted as Operator	Category 4. Invested in Friends, Family, Acted as Operator
Rate of Return	(%)			
Lost money	26.7	62.4	50.2	47.3
Earned 1–50 percent	40.7	25.8	38.8	37.0
Earned more than 50 percent	32.6	11.8	11.0	15.7

Source: Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2001.

JOB Creation

According to Statistics Canada's *Survey of Employment, Payrolls and Hours*, slightly more than 157 000 net jobs (payroll jobs) were created between the second quarter of 2004 and the second quarter of 2005 (Table 2). This gain is much higher than the 91 000 net jobs created between the second quarters of 2003 and 2004. Table 2 shows that all categories of business — small (fewer than 100 employees), medium-sized (100–499 employees) and large (500 employees and over) — contributed to job growth between the second quarters of 2004 and 2005. Large firms, however, were mainly responsible for this growth at 82.4 percent of net new jobs, compared with 12.8 percent for small businesses and 4.7 percent for medium-sized businesses. In the small business category, the two smallest sub-categories posted net job declines.

Table 3 presents a breakdown of net changes in average payroll employment by industry and business size. Net change is the difference between the average level of employment in the four quarters ending the second quarter of 2005 and the average level

in the preceding four quarters. Slightly more than 158 000 net jobs were created during the period. The largest job losses (34 404) occurred in manufacturing and represented 22 percent of the net total. In contrast, three industries created 64 percent of the Canadian net total: retail trade (36 percent); administration and support, waste management and remediation services (17 percent); and construction (11 percent). Among small businesses, the number of jobs dropped by 5687, but, overall, the net job changes differed greatly from one industry to another. For example, small businesses in the construction industry posted a net gain of 11 291 jobs, whereas small businesses in the manufacturing and wholesale trade sectors lost 9935 and 9022 jobs respectively. There is also considerable disparity in the contributions of the various small business categories: firms with 5–19 employees created around 58 000 jobs, whereas those with 50–99 employees lost more than 33 000, partly because of major job losses in the accommodation and food services sector (a loss of 12 044 jobs).

Table 2: Year-over-year Net Change¹ in Payroll Employment² by Firm Size, Canada, Q1 2002 to Q2 2005

Quarter	Change, y/y		% Contribution to Total Net Change by Size of Firm (Number of Employees)								
	%	Jobs	0–4	5–19	20–49	50–99	100–99	100–299	300–499	100–499	500+
Q1 2002	0.9	110 112	-10.5	32.3	43.0	36.9	101.8	-8.3	-26.6	-34.9	33.1
Q2 2002	1.7	220 493	-2.2	5.4	36.8	37.7	77.6	14.1	-16.2	-2.2	24.6
Q3 2002	2.9	372 033	-0.5	1.0	24.0	25.4	50.0	16.8	-8.6	8.2	41.9
Q4 2002	3.7	468 689	-1.0	2.0	22.3	23.6	46.9	13.1	-1.9	11.1	41.9
Q1 2003	3.3	417 394	1.6	-0.2	17.6	19.7	38.7	13.1	2.8	15.9	45.4
Q2 2003	2.3	295 106	4.5	0.3	9.6	9.5	23.9	12.4	4.4	16.8	59.3
Q3 2003	1.0	132 639	9.1	-5.9	14.5	15.5	33.2	16.4	11.5	28.0	38.8
Q4 2003	0.7	88 037	7.4	-15.4	18.6	29.6	40.2	17.3	13.9	31.2	28.6
Q1 2004	0.5	60 967	1.4	20.6	16.5	26.6	65.1	0.8	-39.9	-39.1	74.0
Q2 2004	0.7	91 118	-20.6	95.2	-29.6	-46.8	-1.8	-32.1	21.4	-10.7	112.5
Q3 2004	1.2	158 951	-19.1	59.9	-10.2	-30.3	0.3	-9.6	3.1	-6.5	106.3
Q4 2004	1.2	160 950	-12.1	58.6	-13.5	-33.1	-0.2	0.4	-0.7	-0.2	100.4
Q1 2005	1.2	156 058	-7.7	32.9	-21.6	-31.1	-27.6	6.6	11.4	18.0	109.6
Q2 2005	1.2	157 368	-3.9	-6.0	12.4	10.3	12.8	25.0	-20.2	4.7	82.4

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, September 2005.

¹ Year-over-year net change in payroll employment is calculated as the variation between the level of employment in a given quarter and the level in the same quarter a year before.

² *Survey of Employment, Payrolls and Hours* data exclude self-employed workers who are not on a payroll, and employees in the following industries: agriculture, fishing and trapping, private household services, religious organizations and military personnel of defence services. The data breaking down employment by size of firm also exclude unclassified industries.

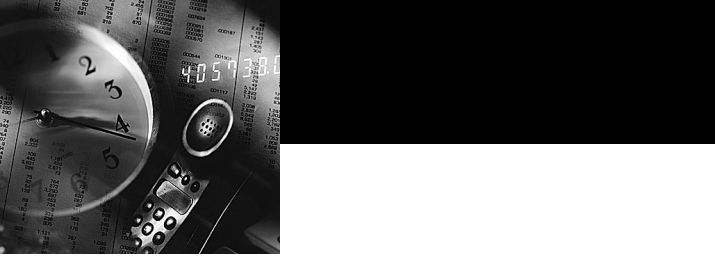


Table 3: Year-over-year Annual Net Change¹ in Payroll Employment² by Industry and Firm Size, Q3 2004 to Q2 2005

Industry	Total Net Change		Total Net Change by Size of Firm (Number of Employees)								
	%, y/y	Jobs, y/y	0-4	5-19	20-49	50-99	0-99	100-299	300-499	100-499	500+
Forestry	-5.4	-2 886	-501	-451	-258	-112	-1 322	-19	-9	-28	-1 537
Mining and oil and gas extraction	3.3	5 063	233	464	447	56	1 200	18	2 031	2 049	1 813
Utilities	3.5	4 109	64	-11	60	-513	-401	-821	540	-281	4 790
Construction	2.7	17 828	-917	6 864	2 757	2 587	11 291	4 252	2 419	6 671	-133
Manufacturing	-1.7	-34 404	-2 032	-1 815	-1 990	-4 098	-9 935	-1 777	-5 787	-7 563	-16 906
Wholesale trade	-0.9	-6 405	-2 428	1 866	-4 112	-4 348	-9 022	2 360	866	3 226	-607
Retail trade	3.6	57 670	-5 415	14 224	-814	-8 840	-846	-723	2 067	1 344	57 171
Transportation and warehousing	2.6	15 512	-42	425	-395	-759	-772	2 003	684	2 686	13 598
Information and cultural industries	0.8	2 853	-131	126	-417	-85	-507	-2 118	1 327	-792	4 151
Finance and insurance	0.6	3 716	-1 733	1 102	-802	238	-1 195	1 213	2 476	3 689	1 221
Real estate and rental and leasing	4.3	9 996	-534	2 971	-477	-261	1 700	1 701	691	2 392	5 903
Professional, scientific and technical services	0.5	3 363	1 081	4 449	-844	463	5 150	5 280	-2 587	2 693	-4 479
Management of companies and enterprises	2.3	2 087	253	523	432	-595	613	-41	-184	-224	1 698
Administration and support, waste management and remediation services	4.4	27 134	277	308	-2 017	252	-1 179	685	-1 300	-615	28 927
Educational services	1.7	16 373	239	532	-1 002	-991	-1 221	1 488	-3 171	-1 683	19 277
Health care and social assistance	0.9	13 050	1 303	6 856	-4 306	-3 295	558	-1 516	-5 983	-7 499	19 990
Arts, entertainment and recreation	1.0	2 467	-199	1 472	1 384	-321	2 336	-158	-1 761	-1 919	2 049
Accommodation and food services	1.2	11 343	-3 161	9 983	2 230	-12 044	-2 992	-3 510	4 474	965	13 371
Other services (excluding public administration)	1.2	5 810	-3 340	7 905	-2 850	-875	840	0	1 021	1 021	3 949
Public administration	0.5	3 655	-28	43	-96	96	16	453	-373	80	3 560
Canada total³	1.2	158 332	-17 009	57 834	-13 068	-33 444	-5 687	8 771	-2 559	6 213	157 806

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, September 2005.

¹ The year-over-year change in net payroll employment is calculated as the difference between the average level of employment in the four quarters ending the second quarter of 2005 and the average level in the preceding four quarters.

² *Survey of Employment, Payrolls and Hours* data exclude self-employed workers who are not on a payroll, and employees in the following industries: agriculture, fishing and trapping, private household services, religious organizations and military personnel of defence services. The data breaking down employment by size of firm also exclude unclassified industries.

³ Total net change in employment within each industry and by firm size may not add up due to rounding.





Data as of September 30, 2005

SELF-Employment

Using data from Statistics Canada's *Labour Force Survey* for 2004, Industry Canada's Small Business Policy Branch has compared the profiles of self-employed workers in individual industries in 1989 and 2004.

For several decades, employment in Canada has been shifting from the goods sector to services. This trend has been even more pronounced among self-employed workers. Table 4 shows that between 1989 and 2004, the proportion of self-employed workers in the services sector rose from 63.2 percent to 73.0 percent, an increase of 9.8 percentage points at the expense of the goods sector. This increase is almost three times higher than that for employees (3.6 percentage points), where the proportion of workers in the service sector rose from 71.7 percent to 75.3 percent.

This reduction in the goods sector is primarily the result of the very substantial drop in the proportion of self-employed workers in agriculture (17.1 percent in 1989 versus 8.5 percent in 2004). On the services side, two industries showed a marked increase in self-employment: professional, scientific and technical services gained 6.1 percentage points and management of companies and administrative and other support services gained 2.2 percentage points. The trade sector, however, posted a relative drop in the share of all self-employed workers. In 1989, this sector represented the lion's share of self-employed workers in the services sector with 16.5 percent; 15 years later, this sector had dropped to second place with 12.3 percent. In fact, during this period, the number of self-employed workers in the trade sector increased by only 0.2 percent, the lowest annual increase of all industries in the services sector.

This shift in employment to the tertiary sector was evident in all categories of self-employed workers. The greatest increase in self-employed workers in the services sector occurred in unincorporated businesses (up more than 11 percentage points). Conversely, for incorporated self-employed workers with paid help, the employment shares between goods and services remained relatively stable between 1989 and 2004. Furthermore, and unlike other categories of self-employed workers, the employment share of incorporated self-employed workers with paid help in agriculture increased between 1989 and 2004, which offset the drop in other goods sector industries.

Canada's real Gross Domestic Product (GDP)... increased by 3.2 percent (annualized) in the second quarter of 2005, following a 2.1-percent rise in the previous quarter. The higher growth reflected a sharp decline in imports (-3.5 percent), which resulted in the first positive contribution to growth from net exports since the second quarter of 2004. Domestic spending, particularly by households and business, grew a solid 2.9 percent and was the main contributor to overall growth, though the pace slowed from the unsustainable 6.2-percent rise in the first quarter. On the business side, corporate profits (before taxes) advanced 9.5 percent, and were at a record level of 14.0 percent of GDP. On the personal side, consumer spending and disposable income grew at the same pace, leaving the savings rate at -0.5 percent.

Consumer spending... rose by 2.4 percent, down from 6.7-percent growth in the previous quarter. As in the first quarter, purchases of durable and semi-durable goods, such as motor vehicles and home appliances, led the increase.

Housing investment... rebounded 7.9 percent in the second quarter of 2005, following a 1.5-percent decline in the first quarter. Low mortgage rates, rising income and solid consumer confidence continue to support housing activity.

Business investment in machinery and equipment... continued to grow, but at a slower pace (3.2 percent versus 13.7 percent in the first quarter). Strong growth in machinery and equipment investment in recent quarters bodes well for enhancing productivity performance. Non-residential construction grew 4.1 percent in the second quarter, the fifth consecutive advance, down from 13.1-percent growth in the first quarter.

Corporate profits (before taxes)... have increased on average 17.4 percent in the last eight quarters, leading to a record high both in levels and as a percentage of GDP. Profits in the second quarter of 2005 were concentrated in the non-financial sector, particularly in the mining, oil and gas industries, which benefit from high commodity prices.

The current account surplus... was \$18.7 billion (annualized) in the second quarter, \$5.2 billion higher than in the previous quarter. This marked the 24th consecutive quarterly surplus.

Real GDP at industry level (at basic prices¹)... rose by 0.2 percent in July, 0.3 percent in June and 0.4 percent in May. The increase was concentrated in mining, oil and gas extraction, which benefited from higher crude oil prices. Output in manufacturing declined for the fifth time in six months and stood 1.3 percent below its level in January 2005.

¹ GDP measured at market prices is measured at purchaser's prices, including taxes paid. GDP at basic prices is GDP calculated at market prices, less taxes paid on products plus any subsidies on consumption.

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Table 4: Self-employment (Percentage) in Canada by Category of Worker¹ and Industry, 1989–2004

	Employees		Self-employed		Incorporated				Unincorporated			
					With paid help		No paid help		With paid help		No paid help	
	1989	2004	1989	2004	1989	2004	1989	2004	1989	2004	1989	2004
Goods-producing sector	28.3	24.7	36.8	27.0	32.0	31.2	32.4	25.9	38.7	27.1	36.3	24.6
Agriculture	1.2	0.9	17.1	8.5	3.6	4.7	8.6	7.4	16.9	7.5	21.9	9.8
Forestry, fishing, mining, oil and gas	2.3	1.8	2.5	2.0	2.3	2.2	1.1	2.8	3.9	2.9	2.5	1.5
Utilities	1.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	5.3	4.8	12.2	12.7	16.4	15.3	17.8	12.6	12.7	13.0	9.4	11.6
Manufacturing	18.3	16.3	5.0	3.8	9.7	9.0	4.6	3.0	5.3	3.7	2.4	1.8
Services-producing sector	71.7	75.3	63.2	73.0	68.0	68.8	67.6	74.1	61.3	72.9	63.7	75.4
Trade	15.7	16.3	16.5	12.3	25.1	20.3	20.8	12.8	16.2	14.2	11.5	8.0
Transportation and warehousing	5.2	4.9	4.2	5.8	3.6	4.7	5.0	8.2	2.9	3.8	5.1	6.1
Finance, insurance, real estate and leasing	6.7	6.0	4.3	6.0	5.9	5.6	6.3	7.8	2.5	4.4	4.3	6.1
Professional, scientific and technical services	3.6	4.8	8.5	14.6	9.2	11.3	14.8	23.8	10.6	13.2	7.1	13.9
Management of companies and administrative and other support services	2.2	3.6	3.8	6.0	3.9	4.1	4.8	3.9	3.2	4.6	4.0	7.8
Educational services	7.2	7.3	1.1	1.9	0.5	0.7	0.0	1.2	0.1	0.5	2.0	3.1
Health care and social assistance	9.8	11.3	7.3	8.8	3.7	5.1	2.3	3.2	9.2	14.3	9.7	11.2
Information, culture and recreation	4.1	4.5	3.6	4.8	2.6	2.6	3.4	4.7	1.6	2.1	5.2	6.6
Accommodation and food services	6.1	6.8	4.0	3.5	6.8	7.3	1.7	1.6	6.7	6.4	1.6	1.6
Other services	3.9	3.5	9.8	9.3	6.6	7.1	7.9	7.0	8.1	9.3	13.2	11.1
Public administration	7.2	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All industries	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics Canada, *Labour Force Survey*, special tabulation.

¹ Unpaid family workers are not shown in this table due to their small number.

BUSINESS *Bankruptcies*

There were 2018 business bankruptcies in Canada in the second quarter of 2005, continuing the year-over-year downward trend with a slight drop of 1.5 percent compared with the same period in 2004. This figure also represents a quarter-to-quarter drop of 4.9 percent. Four industries made up 55 percent of these bankruptcies: construction (393), retail trade (311), accommodation and food services (220), and transportation and warehousing (182).

On the other hand, liabilities involved in bankruptcies posted a year-over-year increase of 8.9 percent, rising from a total of \$671 million in the second quarter of 2004 to a total of

\$731 million in the second quarter of 2005. The average liability was \$362 000 per bankrupt enterprise, representing an annual increase of 10.6 percent. Although accounting for only 9 percent of business bankruptcies, the transportation and warehousing sector posted the highest average level of bankruptcy at \$976 000, followed by the management of companies and enterprises sector with average liabilities of \$895 000 for only eight bankrupt firms. On the other hand, in the construction industry, which accounted for the largest number of bankruptcies (19.4 percent), the average bankrupt business liability of \$186 000 was well below the national average.



Data as of September 30, 2005

(continued from page 5)

Employment... rose by 28 000 (0.2 percent) in August and 138 000 since the beginning of the year. This is in comparison with an increase of 130 000 in the first eight months of 2004. The rise in August was concentrated in goods employment, which rose by 24 600 (0.6 percent), with solid gains in the construction and resources sectors. Employment in manufacturing fell by 8500 (0.4 percent), the fourth decline in five months. Employment growth in the services sector was flat. Despite the increase in employment, the unemployment rate was unchanged at 6.8 percent.

The Consumer Price Index (CPI)... inflation (year-over-year change in prices) was 2.6 percent in August, up sharply from 2.0 percent in July because of soaring gasoline prices. Core inflation, which excludes the eight most volatile components and indirect taxes, rose to 1.7 percent, up from 1.4 percent in July but still below the mid-point of the official 1–3 percent target range.

The economic outlook... remains positive on the heels of a stronger-than-expected performance in the second quarter. Although energy prices have risen substantially, low interest rates, healthy employment gains and corporate profits still support consumer and business confidence and spending. The September *Consensus Forecast* survey, which was taken after Hurricane Katrina, expects real GDP growth of 2.8 percent in 2005, up from 2.6 percent three months ago. Although the *Consensus Forecast* survey expected 2.9-percent growth for 2006, unchanged from three months ago, the strength of the Canadian dollar and rising energy prices are still significant risks to the outlook. The outlook for U.S. growth — 3.5 percent in 2005 and 3.3 percent in 2006 — has remained stable, reflecting the view that the economic impact of Hurricane Katrina will be limited.

The Bank of Canada... increased the target for the overnight rate by 25 basis points to 2.75 percent on September 7. The Bank indicated that risks to its outlook remain balanced, and it would monitor developments closely in light of rising energy prices and evidence of weakening world demand. In the United States, the Federal Reserve continued to raise the federal funds rate on September 20 by 25 basis points to 3.75 percent, well above the 1.0 percent rate in June 2004 when it started tightening. In its latest statement, the Federal Reserve noted that recent developments, including Hurricane Katrina, would not pose a persistent threat to its longer-term economic outlook, and so it will likely continue to raise interest rates at a measured pace.

The Canadian dollar... closed at US\$0.860 on September 30, 2005, a 13-year high and up about 9.0 percent since mid-May. The upward trend in the dollar has been mostly the result of higher energy prices.

The "Economic Snapshot" is prepared by the Micro-Economic Policy Analysis Branch of Industry Canada. Please address comments to Kevin Koch at 613-948-4068 or at koch.kevin@ic.gc.ca

FINANCING

Canada Small Business Financing Act: Comprehensive Review Report 1999–2004

The Canada Small Business Financing (CSBF) Program represents a strategic partnership between the federal government and lending institutions to extend the supply of credit to small businesses and thus offers an efficient and effective mechanism for facilitating asset-based debt financing to small businesses.

Under the provisions of the *Canada Small Business Financing Act*, the Minister of Industry tabled a comprehensive review of the first five years of the CSBF Program (1999–2004) in Parliament in April 2005.

The overall purpose of the review was to examine the provisions and operations of the program and how successful it has been in facilitating small businesses' access to financing. Highlights from the five-year report include the following:

- The CSBF Program remains relevant to the needs of small business, supporting nearly \$5.4 billion in lending through about 66 000 loans.
- Loans delivered major economic benefits such as job creation, higher sales growth for CSBF Program borrowers, higher business survival rates and higher operating profits.
- The net cost to government of CSBF Program loans made during the reporting period is estimated at about \$114 million on a net-present-value basis over the maximum 10-year life of the loans.
- It seems unlikely that the program could recover all of its costs without unduly compromising the program objective of facilitating financing to small businesses that would not likely obtain it otherwise.

A number of issues were identified for consultation with stakeholders regarding how the Canada Small Business Financing (CSBF) Program would be improved and made even more successful. They included how program parameters are defined, types of financing/program eligibility and the needs of social enterprises. Such consultations were carried out in summer 2005 with a view toward a report back to stakeholders in the fall.

For more information regarding the comprehensive review or the CSBF Program, please visit www.strategis.ic.gc.ca/sbresearch/csbfa

RECENT *Developments*

Key Small Business Financing Statistics

Launched in August 2005, *Key Small Business Financing Statistics* is a reference document on the state of financing for Canadian small and medium-sized enterprises (SMEs). It is part of a series of research products prepared by Industry Canada through the SME Financing Data Initiative. *Key Small Business Financing Statistics* provides information about the SME marketplace, including financing activity, access to financing, and financial and ownership structures.

Key Small Business Financing Statistics can be found at www.strategis.gc.ca/sbfstatistics

The 22nd Conference of the Canadian Council for Small Business and Entrepreneurship

The 22nd Conference of the Canadian Council for Small Business and Entrepreneurship (CCSBE) was held from October 27 to October 29 in Waterloo, Ontario. Under the theme "Fostering and Incubating Canadian Entrepreneurship: Best Practices," academics, policy-makers, business support professionals, economic development officers and practitioners have examined the provision of capital, marketing advice, logistical assistance, research parks, targeted technological development, and fostering and incubating Canadian entrepreneurship.

For more information on the CCSBE and the October conference, please visit www.ccsbe.org

Small Business Quarterly Small Business Policy Branch

The *Small Business Quarterly* (SBQ) provides a quick and easy-to-read snapshot of the recent performance of Canada's small business sector. The SBQ is published by the Small Business Policy Branch of Industry Canada.

If you want to subscribe, please send your request to prg-sbpb@ic.gc.ca. If you have questions or comments about the content, please send them to the editor:

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