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Business

Q U A R T E R L Y

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PERFORMANCE

Trends

■ Job creation in Canada rose by nearly 330 500 jobs (2.4 percent) in the third quarter of 2007 compared with the same period in 2006. Small businesses¹ contributed 34.5 percent of the job growth, an increase of 6.1 percentage points from the previous quarter.

■ The number of self-employed workers increased by 0.7 percent between 2000 and 2006. The rate of young self-employed workers (aged 15 to 24 years) decreased by 2.9 percent per year, while older self-employed workers (aged 55 years and over) increased by 4.7 percent per year.

■ The number of business establishments in Canada grew by 79 912 businesses to 2.4 million over the year ending in June 2007. Small businesses accounted for 97.4 percent of employer establishments; micro-businesses (those with fewer than five employees) made up 58.4 percent.

■ Total business loans outstanding² from chartered banks continued to rise in the fourth quarter of 2007, reaching \$125.6 billion. This represents an increase of 14.6 percent from the same quarter of 2006. Small loans, those less than \$0.5 million, represented 15.6 percent of total business loans, while medium-sized loans, those between \$0.5 and \$5 million, comprised 30.0 percent.

¹ Small businesses are defined as having fewer than 100 employees, medium-sized businesses having 100 to 499 employees and large businesses having 500 or more employees.

² Excluding non-residential mortgages, agricultural loans and customers' liability under acceptances.

SME PERSPECTIVE:

Training in Small Businesses

The impact of globalization and technological change over the past decade and a half has made it imperative for companies to constantly improve the skills of their workforces in order to augment productivity and maintain the firms' competitive edge. Many studies have examined the importance of employee training for business, but very few have done so by firm size. The Small Business Policy Branch of Industry Canada has completed a study of training by different sizes of firm that examines the general notion that "small businesses train less than larger firms." The findings suggest that this is too broad a conclusion for a sector as diverse as the small business population.

Using data from the *Workplace and Employee Survey* of Statistics Canada, the report draws an important distinction between the decision to undertake training (the incidence of training) and the amount spent on training (the intensity of the training). The incidence of training is less in small businesses than in medium-sized or large businesses — 49 percent of small establishments train compared with 86 percent and 96 percent of medium-sized and large establishments respectively (Table 1).

However, one of the key results of the study is that once small businesses commit to investing in employee training, they do so with the same intensity as larger firms, both in terms of the proportion of workers trained and the proportion of operating revenue spent on training. Consequently, the basis of the belief that small businesses train less is that some small businesses decide that training is not an appropriate activity; hence, the overall incidence of training is lower for small businesses.

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When the decision to undertake training is examined more closely, the study finds that business strategy and human resource practices account for much of the gap in the incidence of training between small firms and larger firms. In particular, firms that pursue an innovation and growth strategy are more likely to decide to undertake training, regardless of firm size; consequently, the incidence of training is much more comparable between the different firm-size categories. Similarly, irrespective of firm size, firms that provide performance incentives or use technology intensively also exhibit a higher incidence of training than firms that do not follow these human resource practices or have these technology characteristics. On the other hand, small firms that pursue a strategy of cost reduction have a very low incidence of training.

It is well known that a large proportion of small firms are lifestyle firms with less interest in growth and, therefore, less interest in training. Consequently, the lower incidence of training in small firms arises from the fact that, compared with the large firm population,

there are proportionately fewer firms with an interest in growth and innovation. The greater diversity of firms (in terms of motivation and business strategy) in the small business population, therefore, is the primary reason for the observed lower incidence of training. Small firms do not train less because they are small, but rather because they have different motivations and business strategies. When one analyses firms with similar business strategies and practices, firm size is not an important factor in the incidence and intensity of training.

These results have implications for the way small firms could be targeted by government policy to encourage training since training intensity is not related to size of firm and the decision to undertake training is a function of business strategy.

The report *Employee Training Decisions, Business Strategies and Human Resource Management Practices: A Study by Size of Business* is available at http://www.ic.gc.ca/epic/site/sbrp-rppe.nsf/en/h_rd02058e.html.

Table 1: Incidence and Intensity of Structured Training by Firm Size

Size of Establishment	Incidence of Structured Training (All Firms)	Intensity of Training (Training Firms Only)	
	Proportion of Establishments Supporting Training	Proportion of Employees Having Taken Training	Spending on Structured Training Relative to Operating Revenue
Small establishments	49.2	39.3	0.20
10–19 employees	39.0	44.2	0.24
20–49 employees	53.8	38.1	0.20
50–99 employees	79.2	38.2	0.19
Medium-sized establishments	86.3	41.7	0.26
100–299 employees	85.2	39.5	0.23
300–499 employees	93.1	47.3	0.34
Large establishments			
500 employees or more	96.1	41.4	0.22
All establishments	51.9	40.6	0.22

Source: Statistics Canada, *Workplace and Employee Survey*, 2001.

JOB *Creation*

According to Statistics Canada's *Survey of Employment, Payrolls and Hours*, there were 330 421 new jobs in the third quarter of 2007, an increase of 2.4 percent when compared with the same period in 2006 (Table 2). By the end of the third quarter of 2007, the total number of jobs in Canada was 14 198 314. Employment growth for small businesses increased by 2.0 percent compared with 2.7 percent for both medium-sized and large businesses. The contribution to job growth by small businesses was 34.5 percent, an increase of 6.1 percentage points from the previous quarter, while medium-sized businesses contributed 17.3 percent and large businesses 48.2 percent.

Employment performance was different in Central Canada compared with the West and the Atlantic provinces. Employment growth was low in Ontario (1.9 percent) and Quebec (1.3 percent).

In contrast, Alberta and British Columbia recorded employment growth rates of 3.9 percent and 3.3 percent, respectively, while employment growth in Newfoundland and Labrador and Prince Edward Island grew by 4.7 percent and 4.4 percent respectively.

In terms of small business employment growth in the third quarter of 2007, the rate for Ontario (2.4 percent) was higher than the provincial employment growth rate, while the rates for small businesses in Alberta (2.5 percent) and British Columbia (1.9 percent) were lower than their respective provincial employment growth rates. Small business employment growth was high in Newfoundland and Labrador (4.9 percent) and Prince Edward Island (4.1 percent), but very low in Quebec (0.5 percent) in the third quarter of 2007.

Table 2: Year-Over-Year Change¹ in Payroll Employment,² by Province and Territory, 3rd Quarter 2007

Quarter	Change		% Contribution to Total Change (Number of Employees)								
	%	Jobs	0-4	5-19	20-49	50-99	0-99	100-299	300-499	100-499	500+
Q3 2006	2.5	332 268	4.9	8.1	10.0	9.7	32.7	8.6	4.0	12.5	54.8
Q4 2006	2.3	320 298	11.6	1.0	13.0	12.2	37.8	7.2	5.3	12.6	49.6
Q1 2007	2.1	285 728	-1.7	9.9	11.9	7.5	27.7	11.8	7.6	19.4	52.9
Q2 2007	1.9	263 633	-1.2	8.1	12.4	9.1	28.4	13.0	7.4	20.4	51.2
Q3 2007	2.4	330 421	3.0	14.4	11.2	6.0	34.5	11.2	6.1	17.3	48.2
Province and Territory			Growth Rates (%)								
Newfoundland and Labrador	4.7	8 582	1.1	5.0	4.0	12.2	4.9	-5.4	30.6	3.8	4.7
Prince Edward Island	4.4	2 642	-0.9	3.0	10.2	1.4	4.1	3.1	-9.9	0.1	7.0
Nova Scotia	2.1	7 919	1.8	3.7	6.8	-0.2	3.4	1.5	-2.9	0.3	1.6
New Brunswick	3.0	9 099	0.8	1.9	4.4	1.3	2.3	0.4	22.2	5.2	3.0
Quebec	1.3	40 545	-1.2	-0.1	1.1	1.8	0.5	2.2	4.6	2.9	1.5
Ontario	1.9	102 364	2.3	3.0	2.0	2.2	2.4	0.4	1.6	0.7	2.0
Manitoba	3.9	20 076	0.1	3.7	5.9	4.7	4.0	3.6	4.8	3.9	3.9
Saskatchewan	3.4	13 750	-0.6	5.3	4.1	1.7	3.3	9.9	8.4	9.4	1.8
Alberta	3.9	64 490	2.6	4.0	2.9	-0.6	2.5	6.5	2.8	5.3	4.9
British Columbia	3.3	58 565	0.6	2.5	2.6	1.0	1.9	5.1	1.7	4.2	4.7
Yukon ³	5.2	932	-0.8	4.6	-12.8	13.9	0.0	11.8	—	—	—
Northwest Territories ³	5.1	1 151	-7.1	-3.6	11.6	-0.4	1.1	-9.0	—	—	—
Nunavut ³	2.9	305	-7.2	9.0	6.4	4.4	5.6	-8.3	—	—	—
Canada Total	2.4	330 421	1.0	2.4	2.4	1.7	2.0	2.4	3.4	2.7	2.7

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, December 2007.

¹ Year-over-year 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.

³ Data for firms with 300 or more employees in the territories are suppressed due to confidentiality restrictions but are included in the size category and territorial totals.

BUSINESS *Establishments*

According to Statistics Canada's *Business Register*, there were 2 405 455 business establishments¹ in Canada in June 2007 (Table 3), an increase of 3.4 percent from June 2006. Over this period, the number of businesses in the indeterminate category² grew by 5.1 percent to 63 564 establishments. At the same time, the number of employer businesses increased by 16 348 to 1 086 487 in June 2007, an overall increase of 1.5 percent. The number of small businesses (those with fewer than 100 employees)

increased by 1.5 percent compared with 1.4 percent for medium-sized businesses (those with 100–499 employees) and 3.1 percent for large businesses (those with 500 employees or more).

In June 2007, small businesses accounted for 97.4 percent of employer establishments. Micro-businesses (those with fewer than five employees) constituted 58.4 percent of the total number of employer businesses, up from 57.5 percent in June 2006. Medium-sized establishments represented

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Table 3: Business Establishments by Size of Employment and Industry, June 2007

Industry	Employer Businesses												Distribution (%)		
	Grand Total	Indeterminate ¹	Total	Number of Employees											
				1–4	5–9	10–19	20–49	50–99	100–199	200–499	500+	1–99	100–499	500+	
Agriculture, forestry, fishing and hunting	199 480	143 771	55 709	43 292	6 255	3 516	1 924	467	176	65	14	5.2	1.0	0.4	
Mining and oil and gas extraction	18 138	8 024	10 114	5 752	1 190	1 220	1 025	460	225	178	64	0.9	1.7	2.0	
Utilities	2 501	1 031	1 470	647	227	227	164	75	43	47	40	0.1	0.4	1.2	
Construction	278 259	154 290	123 969	82 069	18 209	11 370	7 802	2 668	1 183	506	162	11.5	7.2	5.0	
Manufacturing	97 994	38 101	59 893	26 052	8 948	7 889	8 138	4 266	2 706	1 476	418	5.2	17.8	12.9	
Wholesale trade	119 644	55 406	64 238	32 867	11 535	9 092	7 057	2 269	963	377	78	5.9	5.7	2.4	
Retail trade	219 651	85 743	133 908	62 419	31 050	20 599	12 254	4 385	2 227	875	99	12.3	13.2	3.0	
Transportation and warehousing	131 612	82 005	49 607	33 492	5 935	4 226	3 537	1 281	622	372	142	4.6	4.2	4.4	
Information and cultural industries	34 457	20 247	14 210	7 774	2 057	1 602	1 543	610	347	185	92	1.3	2.3	2.8	
Finance and insurance	115 733	76 184	39 549	20 651	6 173	5 054	5 223	1 208	636	383	221	3.6	4.3	6.8	
Real estate and rental and leasing	203 707	159 327	44 380	27 974	6 804	4 484	3 203	1 081	496	256	82	4.1	3.2	2.5	
Professional, scientific and technical services	337 292	210 556	126 736	89 327	16 249	10 237	7 196	2 151	970	455	151	11.8	6.1	4.6	
Management of companies and enterprises	76 713	62 435	14 278	8 195	2 031	1 492	1 327	567	323	226	117	1.3	2.3	3.6	
Administrative and support, waste management and remediation services	112 729	61 532	51 197	29 843	8 382	5 788	4 223	1 524	794	453	190	4.7	5.3	5.8	
Educational services	25 043	12 466	12 577	6 651	2 045	1 532	1 065	418	241	193	432	1.1	1.8	13.3	
Health care and social assistance	103 111	15 707	87 404	49 648	16 701	10 550	5 903	2 058	1 299	837	408	8.0	9.1	12.6	
Arts, entertainment and recreation	44 401	25 822	18 579	10 015	3 235	2 325	1 802	660	327	150	65	1.7	2.0	2.0	
Accommodation and food services	106 096	32 621	73 475	29 502	13 718	13 276	11 361	4 134	1 057	332	95	6.8	5.9	2.9	
Other services (excluding public administration)	170 986	73 621	97 365	66 488	15 913	8 672	4 485	1 111	453	190	53	9.1	2.7	1.6	
Public administration	7 908	79	7 829	2 269	1 355	1 150	1 226	652	483	367	327	0.6	3.6	10.1	
Total all industries	2 405 455	1 318 968	1 086 487	634 927	178 012	124 301	90 458	32 045	15 571	7 923	3 250	100.0	100.0	100.0	
Share of employer businesses			100%	58.4%	16.4%	11.4%	8.3%	2.9%	1.4%	0.7%	0.3%				

Source: Statistics Canada, *Business Register*, June 2007.

¹ The indeterminate category consists of incorporated or unincorporated businesses that do not have a Canada Revenue Agency payroll deductions account. The workforce of such businesses may consist of contract workers, family members and/or owners.

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2.1 percent of employer businesses, while large firms accounted for 0.3 percent.

More than one third of small establishments were active in three sectors: professional, scientific and technical services (11.8 percent); construction (11.5 percent); and retail trade (12.3 percent).

Medium-sized businesses were most heavily concentrated in manufacturing (17.8 percent), retail trade (13.2 percent) and health care and social assistance (9.1 percent).

¹ For an individual business establishment to be included in Statistics Canada's *Business Register*, the company to which it belongs must meet one of the following criteria: have at least one paid employee (with payroll deductions remitted to the Canada Revenue Agency), have annual sales revenues of \$30 000, or be incorporated and have filed a federal corporate income tax return at least once in the previous three years. Some business establishments can belong to the same company and each company owns at least one business establishment.

² The indeterminate category consists of incorporated or unincorporated businesses that do not have a Canada Revenue Agency payroll deductions account. The workforce of such businesses may consist of contract workers, family members and/or owners.

SELF-Employment

According to Statistics Canada's *Labour Force Survey*, the number of self-employed workers increased by an average of 0.7 percent during the period 2000 to 2006.

Table 4 shows the distribution and annualized growth rate of self-employed workers by age group. The period 2000 to 2006 was not very favourable for young self-employed individuals — the number of self-employed in the 15–24 age group fell by 2.9 percent per year, the highest drop among the different age groups. These young self-employed workers accounted for 3.7 percent of total self-employment in 2006, down from 4.9 percent in 2000. In contrast, older self-employed workers (55 years and over) had an impressive average growth rate of 4.7 percent per year. There were moderate changes in both the 30 to 54 age group (a decline of 0.1 percent per year) and the 25 to 29 age group (growth of 0.2 percent per year).

However, the picture was different for different classes of self-employed, especially those who were incorporated compared with those who were unincorporated. In the young age group (15–24 years of age), between 2000 and 2006, incorporated self-employed

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CANADA BUSINESS Services

Interactive Business Planner

Canada Business, a government information service for business and start-up entrepreneurs, offers the Interactive Business Planner (IBP) to assist business owners in preparing a business plan to explain the business concept, summarize the objectives of the business, identify the required human and financial resources, and outline why the business will succeed.

The IBP is the first business planning software product designed specifically to operate on the World Wide Web to assist entrepreneurs in preparing a 3-year business plan for their new or existing business.

The IBP online tool will:

- prompt users to research their options, recognize opportunities and risks, and think about their business concept;
- provide definitions and tips;
- provide sample business plans to assist in generating a benchmark as a point of comparison with the progress and performance of the business; and
- assist in identifying cash needs.

To locate the Interactive Business Planner, visit www.CanadaBusiness.ca/ibp.

For further information on how to start or grow your business, contact your local member of the Canada Business Network by visiting www.Canadabusiness.ca.

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individuals without paid help had the highest average growth rate (13.3 percent); those with paid help grew by 5.5 percent per year. Among the unincorporated self-employed (15–24 years of age), there were significant annual declines over the same period — those without paid help fell by 4.3 percent and those with paid help declined by 2.2 percent.

A similar picture emerges when comparing the unincorporated and incorporated self-employed in the 55 years and over group. In this age group, incorporated classes of self-employed had much higher growth rates between 2000 and 2006 than the unincorporated classes. The incorporated

self-employed without paid help grew by 11.3 percent annually and those in this age group with paid help grew by 6.3 percent. In contrast, the unincorporated self-employed 55 years and over group without paid help grew by 3.2 percent per year and the unincorporated self-employed with paid help rose by only 2.7 percent per year.

Stronger growth among the incorporated self-employed across all age groups suggests that these are likely long-term self-employed individuals who are committed to this method of earning a living rather than those who have been “pushed” into self-employment by conditions in the paid-employment sector.

Table 4: Distribution and Growth of Self-Employed Workers (percentage) by Age, Canada, 2000 and 2006

Age	Self-Employed			Incorporated						Unincorporated						Unpaid Family Workers		
	Average Growth		Proportion	With Paid Help			Without Paid Help			With Paid Help		Proportion	Without Paid Help		Proportion	Average Growth		Proportion
	2000–2006	2000		2000–2006	2000	2006	2000–2006	2000	2006	2000–2006	2000		2000–2006	2000	2006	2000–2006	2000	
15 years and over	0.7	100.0	100.0	1.8	100.0	100.0	5.7	100.0	100.0	-1.6	100.0	100.0	-0.1	100.0	100.0	-4.6	100.0	100.0
15–24 years	-2.9	4.9	3.7	5.5	0.9	1.2	13.3	1.5	2.1	-2.2	1.8	1.7	-4.3	7.2	5.1	-2.4	30.5	37.5
25–29 years	0.2	5.8	5.6	-2.0	4.5	3.4	8.0	5.1	5.7	-5.0	4.9	3.6	0.3	6.9	7.1	1.5	4.6	7.4
30–54 years	-0.1	68.7	64.6	0.7	74.3	69.4	3.7	72.7	65.6	-2.5	73.7	68.5	-0.8	64.9	61.8	-6.4	45.9	37.1
55 years and over	4.7	20.6	26.0	6.3	20.3	26.0	11.3	20.7	26.5	2.7	19.7	26.2	3.2	21.0	26.0	-5.1	19.0	18.0

Source: Statistics Canada, *Labour Force Survey*, 2006, special tabulations.

VENTURE *Capital*

The Role of Business Incubators in Enhancing the Probability of Success for Start-ups

Business incubators specialize in providing space, services, advice and support designed to assist new and growing businesses to become established and profitable. Studies confirm

that business incubators can have a powerful impact on the survival prospects of start-up firms.

Business incubators, also described as entities designed to support the entrepreneurial process and help increase survival rates for innovative start-up companies, are not a new concept. However, their form and function have been evolving with changes in the economy, technology and capital markets.

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Modern business incubators offer clients a menu of specialized services and resources such as:

- equipped office space;
- laboratory space, specialized equipment, technical support and library services;
- mentoring, networking and training;
- business planning, management, marketing, accounting and financial advice;
- facilitated linkages to sources of angel, venture capital and debt financing;
- legal support; and
- guidance with regulatory compliance.

A 2005 Statistics Canada survey¹ confirmed that business incubators are effective in supporting successful start-ups. Of the 83 operating Canadian business incubators surveyed in 2005, the study found that only 5.4 percent of their client firms closed during that year, while 23 percent left after having achieved a certain level of development that allowed them to survive on their own.

Furthermore, the study found that their client firms raised over \$50 million in venture capital financing, over \$1 million in angel financing and over \$2 million in government grants, which all provide an indication of the level of investor confidence in the quality of incubated firms. The U.S. National Business Incubation Association estimates the survival rate of incubated companies at about 80 percent, a remarkable level, after five years in business. It is clear that business incubators present opportunities for eligible businesses that should not be overlooked by entrepreneurs.

Many of Canada's business incubators are members of the Canadian Association of Business Incubation (CABI).² A list of some business incubators in Canada is provided in the online version of this issue (February 2008, Vol. 9, no. 4) at www.ic.gc.ca/SMEquarterly.

The *Venture Capital Monitor*, another Industry Canada quarterly publication, will feature technology incubators in future issues and can be found at www.sme-fdi.ic.gc.ca/vcmonitor.

¹ www.statcan.ca publication number 88F0006XIE. Statistics Canada will be launching a new survey of Canadian business incubators in 2008.

² www.cabi.ca/

CORPORATIONS Canada

Helping Businesses Benefit from Federal Incorporation

As part of its statutory responsibility for the administration of the *Canada Business Corporations Act* (CBCA), Corporations Canada takes the lead in helping businesses file for federal incorporation. It provides leading-edge resources, tools and information designed to make it easy for entrepreneurs across the country to file for federal incorporation, as well as to meet their legal obligations under the CBCA, once incorporated.

Many of the businesses in Canada that incorporate federally under the CBCA intend to operate, at some point, in more than one province or territory. Federal incorporation, coupled with registration at the provincial and territorial levels, ensures that a business can carry on its activities under its corporate name anywhere in Canada. This feature of federal incorporation is one of the many benefits that make filing for incorporation under the CBCA a wise business decision.

Most experts agree that incorporation offers the following advantages, as a form of business organization:

- It creates a **Separate Legal Identity** — Once incorporated, your company's separate legal status, rights and liabilities continue to exist until the company is dissolved.
- It offers **Limited Liability** — In case of business setbacks, corporate law limits the liability of individual shareholders.
- It provides access to **Lower Corporate Tax Rates** — A corporation is taxed separately from its owners and generally pays lower taxes.

In addition to these advantages, there are a number of other benefits that come your way when you file for incorporation at the federal level.

Heightened Protection for Your Corporate Name

An approved federal corporate name offers an extra degree of protection of rights to that name. Specifically, federal incorporation allows your business to operate using its corporate name right across Canada, which is important if you decide to expand your business to other provinces or territories.

- **Online Payment and Filing** is easy and saves you money — File your application for incorporation online and pay only \$200. Filing your annual return online is another bargain at only \$20.
- **Practical Information, Tools and Resources** — Access guides, frequently asked questions (FAQs), information kits and forms are all available online at the Corporations Canada website.
- **High-Quality Service** — When you need help with your federal incorporation, Corporations Canada's friendly, knowledgeable and supportive staff are as close as your telephone.
- **Flexibility and Recognition** — Federal incorporation not only allows your business to operate anywhere in Canada, it offers your company greatly improved global recognition.

All in all, filing for federal incorporation has never been easier, or offered so many benefits. For more information about Corporations Canada or to tap into all of the resources available to your business, visit www.corporationscanada.ic.gc.ca or call toll-free (866) 333-5556.

RECENT *Developments*

International Consortium on Entrepreneurship (ICE): *Quality Assessment of Entrepreneurship Indicators 2007*

Produced annually by the International Consortium on Entrepreneurship (ICE), the *Quality Assessment of Entrepreneurship Indicators 2007* compares 71 entrepreneurship determinants across 30 Organisation for Economic Co-operation and Development (OECD) countries. The report uses data from the World Bank, OECD and other organizations to generate the rankings. To ensure validity, the report provides an assessment of the reliability and quality of the underlying data used in each indicator.

The "Quality Manual" can be found at <http://ice.foranet.dk/publications.aspx>

Fraser Institute: *Measuring Business Creation in Canada and the United States*

Related in December 2007, this report examines and compares business creation in Canada and the United States using two measures: i) *Business Creation* — the number of new businesses created in one year that did not exist in the previous year and ii) *Net Business Creation* — the number of new businesses, less the number of terminated businesses, divided by total businesses, over a particular period of time.

The study shows that while most business creation occurs amongst smaller firms, the rate of business creation decreases as firm size increases. A similar pattern was found when breaking down net business creation by firm size.

Furthermore, the report showed that business creation varied by industry sector.

For a copy of the report, search for "Business Creation" at www.fraserinstitute.org.

Organisation for Economic Co-operation and Development (OECD): *A Framework for Addressing and Measuring Entrepreneurship*

Entrepreneurship and entrepreneurs have been recognized as a source of employment, productivity and innovation. In November 2007, *A Framework for Addressing and Measuring Entrepreneurship* was released at the third meeting of the OECD Entrepreneurship Indicators Steering Group, in Paris. The framework defines the numerous facets of entrepreneurship and ways in which to monitor entrepreneurial activity to enable policy-makers to continue to develop and provide support towards encouraging entrepreneurship.

A direct link to the framework is provided in the online version of this issue (February 2008, Vol. 9, no. 4) at www.ic.gc.ca/SMEquarterly.

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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