

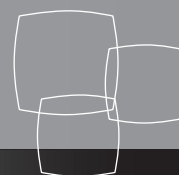


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SMALL BUSINESS QUARTERLY

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PERFORMANCE

Trends

■ The number of payroll employees increased in the third quarter of 2008 by 216 584 compared with the third quarter of 2007, corresponding to an annual growth rate of 1.5 percent. Small businesses¹ contributed 28.7 percent of the job growth in the third quarter of 2008, while large firms contributed 65.3 percent. The contribution to job growth from medium-sized firms has been consistently declining over the past five quarters from 17.7 percent in the third quarter of 2007 to 6.0 percent in the third quarter of 2008.

■ There were 2 386 313 business establishments in Canada in June 2008, a decrease of 0.8 percent from June 2007. Within this same period the number of small enterprises increased by 0.3 percent. This was offset by a 13.9-percent decrease in the number of medium-sized businesses and a 9.5-percent decrease in the number of large businesses.

■ The number of self-employed workers decreased from 2 651 200 in the third quarter of 2007 to 2 646 400 in the third quarter of 2008, a decline of 0.2 percent.

■ Outstanding debt on small loans (i.e. loans less than \$1 million) declined by 2.7 percent, from 2006 to 2007, to \$92.7 billion at the end of December 2007, while debt outstanding to large firms increased by 15.2 percent to \$401.8 billion during that same period.²

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 Figures from "Survey of Suppliers of Business Financing" on page 6.

SMALL BUSINESS FINANCING PROFILES

Financing Innovative Small and Medium-Sized Enterprises in Canada

Although innovation is crucial for maintaining firm competitiveness and increasing standards of living, obtaining financing for innovation can be difficult as innovative activities and assets are often intangible and, hence, cannot be pledged as collateral. This also makes it difficult to accurately assess the monetary values of such ventures. In addition, innovative firms are usually considered more risky due to the uncertainty of the success of the innovation. Using data from the SME Financing Data Initiative *Survey on Financing of Small and Medium Enterprises*, 2004, which provides details on financing and other activities of small and medium-sized enterprises (SMEs), a recent study by Industry Canada uses research and development (R&D) intensity to identify innovative firms (SMEs that spend more than 20 percent of their total investment expenditures on R&D) and non-innovative firms (those that spend 20 percent or less of their investment expenditures on R&D) and assess the financing experience of these two categories of firms.

In 2004, innovative SMEs represented 4.2 percent of the estimated 1.4 million SMEs in Canada. The two types of firms displayed different characteristics (Table 1).

Innovative SMEs are younger (active for less than two years) and smaller (zero full-time equivalent employees) than non-innovative SMEs: 22.9 percent of innovative SMEs started selling goods or services between 2002 and 2004

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compared with only 10.7 percent of non-innovative SMEs; 65.1 percent of innovative SMEs had no full-time equivalent employees compared with 48.2 percent of non-innovative SMEs. Innovative firms were predominantly established in professional services sectors (22.6 percent) and knowledge-based industries (18.0 percent) and non-innovative firms were mainly established in the wholesale/retail (15.2 percent), professional services (11.0 percent) and agriculture/primary (10.1 percent) sectors. Ontario had the highest share of innovative SMEs (49.5 percent), followed by Quebec (24.1 percent).

This study also demonstrates that innovative SMEs had greater financing needs than non-innovative SMEs, but were less successful in obtaining the financing requested, and faced more restrictive terms and conditions than non-innovative SMEs.

Main Findings

- In 2004, 34.5 percent of innovative SMEs in Canada sought external financing compared with 23.2 percent of non-innovative SMEs. Among innovative SMEs, 54.2 percent were approved for financing compared with 83.0 percent of non-innovative SMEs.
- Innovative SMEs were twice as likely to be turned down by credit suppliers as non-innovative SMEs (24.5 percent versus 11.8 percent). Similarly, innovative SMEs were about six times more likely to have their loan application still under review at the time the survey was conducted.
- Innovative SMEs and non-innovative SMEs were more likely to request debt financing over other financial instruments. However, a higher proportion of innovative SMEs (30.8 percent) requested debt financing than non-innovative SMEs (18.0 percent).
- Debt financing accounted for the highest share of the total financing authorized for non-innovative SMEs, whereas equity financing accounted for the highest share of the total financing authorized for innovative SMEs. Although only 4.9 percent of innovative SMEs requested equity financing, this type of financing represented 44.3 percent of the total financing received, most of which was raised from venture capitalists, friends and relatives.
- Innovative SMEs were about six times more likely to use the financing requested for research and development than non-innovative SMEs (16.6 percent versus 2.8 percent).

- Innovative SMEs face more restrictive financing terms and conditions than non-innovative SMEs, e.g., innovative SMEs paid higher interest rates and received shorter term loans

These findings are part of a multi-phase study. A multivariate analysis is under way to examine these areas more deeply over the coming year.

For a copy of the preliminary report, *Small Business Financing Profiles: Financing Innovative Small and Medium-Sized Enterprises in Canada*, visit www.sme-fdi.gc.ca over the next month or so.

Table 1: Comparison between Innovative and Non-Innovative SMEs, 2004

Characteristics	Innovative SMEs (percentage)	Non-Innovative SMEs (percentage)
Age When Firm Started Selling Goods or Services		
1–2 years old (2002–2004)	22.9	10.7
3–6 years old (1999–2001)	25.1	18.8
7 years+ (prior to 1999)	52.0	70.5
Export Activity		
Exporters	21.4	7.7
Revenues generated from exports	41.2	31.9
Growth Intention		
Intent to expand the business	72.7	37.6
Industry		
Agriculture/primary	2.9	10.1
Manufacturing	5.0	4.8
Wholesale/retail	10.8	15.2
Professional services	22.6	11.0
Knowledge-based industries	18.0	5.5
Tourism	5.2	8.3
Provincial Distribution		
Atlantic	2.6	6.1
Quebec	24.1	20.0
Ontario	49.5	36.3
Prairies	11.6	21.7
British Columbia	12.0	15.7
Number of Full-Time Equivalent Employees		
Zero full-time equivalent employees	65.1	48.2

Source: SME Financing Data Initiative, Statistics Canada, *Survey on Financing of Small and Medium Enterprises*, 2004.

JOB *Creation*

According to Statistics Canada's *Survey of Employment, Payrolls and Hours*, growth in the number of payroll employees stood at 1.5 percent in the third quarter of 2008 over the same period in 2007 (Table 2). This corresponds to a net increase of 216 584 jobs and pushes the total number of payroll employees in Canada up to 14 398 625. Small business employment increased by 1.1 percent, outpacing the 0.6-percent growth rate for medium-sized businesses but lagging behind the 2.3-percent growth in employment in large firms. As a result, the contribution of small businesses to overall job growth was 28.7 percent, its lowest level since the first quarter of 2007. The contribution of medium-sized firms to job growth was 6.0 percent, down for a fifth consecutive quarter. Large businesses contributed

65.3 percent of the job growth, almost 20 percentage points higher than in the third quarter of 2007.

Employment increased in every province and territory except Prince Edward Island and Nunavut, where the number of payroll jobs decreased by 1.9 percent and 2.1 percent respectively. Growth in employment was well below the national average in New Brunswick (0.6 percent) and Quebec (0.7 percent). Alberta, at 2.9-percent growth in employment, posted the highest growth rate among provinces and territories, followed by Newfoundland and Labrador and Saskatchewan, which both recorded a growth rate of 2.6 percent.

Table 2: Year-Over-Year Change¹ in Payroll Employment² by Province and Territory, 3rd Quarter 2008

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 2007	2.3	318 993	2.5	15.5	11.7	6.7	36.4	10.8	6.9	17.7	45.9
Q4 2007	2.3	324 165	-2.5	18.8	11.4	6.8	34.5	9.6	6.1	15.7	49.8
Q1 2008	2.2	297 141	4.5	13.6	10.6	10.2	38.9	3.8	4.2	8.1	53.0
Q2 2008	2.0	284 102	5.5	11.3	11.5	10.9	39.1	1.9	5.5	7.3	53.5
Q3 2008	1.5	216 584	3.5	-0.5	12.1	13.6	28.7	0.2	5.9	6.0	65.3
Province and Territory			Growth Rates (%)								
Newfoundland and Labrador	2.6	5 084	-0.2	-1.2	2.9	12.0	2.0	4.4	1.6	3.6	3.0
Prince Edward Island	-1.9	-1 182	-4.7	-1.3	-2.5	0.8	-1.8	-4.8	-7.5	-5.4	-0.4
Nova Scotia	1.4	5 652	0.5	-2.1	0.8	6.5	0.9	0.4	4.4	1.5	1.9
New Brunswick	0.6	1 967	-0.7	-0.5	-1.6	0.9	-0.6	-0.7	12.2	2.5	1.2
Quebec	0.7	23 186	-3.6	0.8	2.0	1.8	0.7	1.3	2.3	1.6	0.4
Ontario	1.4	74 555	3.8	-1.0	1.8	1.8	1.2	-0.8	1.2	-0.3	2.1
Manitoba	1.7	8 960	0.4	-0.7	2.9	6.1	1.9	-3.0	16.9	2.3	1.4
Saskatchewan	2.6	10 870	0.6	0.2	1.6	6.8	1.8	2.3	-3.6	0.3	4.0
Alberta	2.9	49 297	1.9	-0.8	-0.9	4.9	0.8	-0.7	1.5	0.0	6.1
British Columbia	2.0	37 584	0.1	1.9	3.0	0.9	1.7	1.1	1.1	1.1	2.8
Yukon	1.4	256	2.8	0.5	7.5	-23.0	-1.7	5.4	12.8	8.4	1.7
Northwest Territories ³	2.4	580	6.9	-1.9	-0.7	-6.5	-1.6	22.5	—	—	—
Nunavut ³	-2.1	-221	-10.8	1.4	3.5	-9.2	-2.0	2.6	—	—	—
Canada Total	1.5	216 584	0.8	-0.1	1.6	2.4	1.1	0.0	2.0	0.6	2.3

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, September 2008.

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 Northwest Territories and Nunavut are suppressed due to confidentiality restrictions but are included in the size category and territorial totals.

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Compared with the same quarter of 2007, the third quarter of 2008 saw small business employment increasing at a slower rate than the respective provincial rate in ten of the provinces and territories. The strongest increase in the number of payroll jobs in small business was in Newfoundland and Labrador (2.0 percent), followed by

Manitoba (1.9 percent) and Saskatchewan (1.8 percent). At the other end of the spectrum, Prince Edward Island, New Brunswick and the three territories all recorded decreases in small business employment between the third quarter of 2007 and the third quarter of 2008.

BUSINESS *Establishments*

According to Statistics Canada's *Business Register*, there were 2 386 313 business establishments¹ in Canada in June 2008 (Table 3), a decrease of 0.8 percent from June 2007. Within this same period the number of small enterprises increased

by 0.3 percent. This was offset by a 13.9-percent decrease in the number of medium-sized businesses and a 9.5-percent decrease in the number of large businesses. The number of indeterminate businesses was 1 300 594, representing

Table 3: Business Establishments by Size of Employment and Industry, June 2008

Industry	Employer Businesses													
	Grand Total	Indeterminate ¹	Total	Number of Employees								Distribution (%)		
				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	168 895	119 357	49 538	35 287	7 820	3 692	1 983	512	185	53	6	4.6	1.2	0.2
Mining, quarrying, and oil and gas extraction	19 426	9 482	9 944	5 555	1 435	1 272	950	380	167	129	56	0.9	1.5	1.9
Utilities	2 302	981	1 321	463	271	224	152	86	52	38	35	0.1	0.4	1.2
Construction	270 933	150 728	120 205	71 394	25 809	12 762	7 168	1 972	761	267	72	11.2	5.1	2.4
Manufacturing	92 521	35 250	57 271	19 279	11 667	9 335	8 748	4 104	2 416	1 322	400	5.0	18.5	13.6
Wholesale trade	116 619	53 205	63 414	29 230	14 303	10 273	6 633	1 882	728	303	62	5.9	5.1	2.1
Retail trade	212 244	78 311	133 933	52 710	40 222	22 503	11 213	4 138	2 193	863	91	12.3	15.1	3.1
Transportation and warehousing	130 005	80 670	49 335	31 452	7 487	4 678	3 508	1 189	534	350	137	4.5	4.4	4.7
Information and cultural industries	34 593	21 078	13 515	6 835	2 365	1 647	1 544	552	309	165	98	1.2	2.3	3.3
Finance and insurance	127 688	92 232	35 456	19 116	6 123	4 189	4 314	829	430	280	175	3.3	3.5	6.0
Real estate and rental and leasing	201 297	161 593	39 704	26 389	7 117	3 449	1 874	532	192	114	37	3.7	1.5	1.3
Professional, scientific and technical services	323 160	203 838	119 322	88 714	14 990	8 383	4 798	1 394	610	318	115	11.1	4.6	3.9
Management of companies and enterprises	95 866	81 277	14 589	8 702	2 168	1 330	1 199	532	304	218	136	1.3	2.6	4.6
Administrative and support, waste management and remediation services	107 827	57 650	50 177	26 601	10 930	6 024	3 828	1 403	773	428	190	4.6	5.9	6.5
Educational services	24 579	12 104	12 475	5 470	2 450	1 826	1 349	498	245	207	430	1.1	2.2	14.6
Health care and social assistance	107 184	19 735	87 449	48 588	18 503	10 148	5 724	2 097	1 269	741	379	8.0	9.9	12.9
Arts, entertainment and recreation	40 328	22 861	17 467	8 030	3 817	2 467	1 932	705	332	127	57	1.6	2.3	1.9
Accommodation and food services	104 823	30 745	74 078	20 990	18 066	16 614	12 734	4 336	950	308	80	6.8	6.2	2.7
Other services (except public administration)	197 991	69 311	128 680	91 006	22 871	9 250	4 022	911	405	168	47	12.1	2.8	1.6
Public administration	8 032	186	7 846	1 621	1 357	1 321	1 450	784	562	414	337	0.6	4.8	11.5
Total all industries	2 386 313	1 300 594	1 085 719	597 432	219 771	131 387	85 123	28 836	13 417	6 813	2 940	100.0	100.0	100.0
Share of employer businesses			100.0%	55.0%	20.2%	12.1%	7.8%	2.7%	1.2%	0.6%	0.3%			

Source: Statistics Canada, *Business Register*, June 2008.

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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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.

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54.5 percent of total business establishments. By industry, the sectors with the most business establishments were professional, scientific and technical services (323 160 establishments) and construction (270 933 establishments). The sectors with the fewest business establishments were public administration and utilities, with 8032 and 2302 establishments respectively.

As shown in Table 3, small businesses accounted for 97.8 percent of employer businesses in June 2008. Micro-businesses (those with fewer than five employees) constituted 55 percent of the total number of employer businesses, down from 58.4 percent in June 2007. Medium-sized establishments represented 1.8 percent of employer businesses, while large firms accounted for 0.3 percent.

Four sectors accounted for almost 50 percent of small business establishments: retail trade (12.3 percent), other services (12.1 percent), construction (11.2 percent) and professional, scientific and technical services (11.1 percent). Medium-sized businesses were heavily concentrated in manufacturing (18.5 percent), retail trade (15.1 percent) and health care and social assistance (9.9 percent). Large businesses were mostly established in the educational services (14.6 percent) and manufacturing (13.6 percent) sectors.

SELF-Employment

According to Statistics Canada's *Labour Force Survey*, the number of self-employed Canadians decreased slightly from 2 651 200 in the third quarter of 2007 to 2 646 400 in the third quarter of 2008 (Table 4). This decrease contrasts with the continuous increase since 1990, when the self-employed numbered only 1.8 million.

Between 1990 and 2008, growth in the number of self-employed came mostly from those aged 55 years and over, doubling from 350 000 to 723 000. This increase reflects an aging but still active population. In contrast, the number of self-employed aged 15 to 24 years fell by 26 percent over the same period, declining from 129 300 in 1990 to 95 600 in 2008.

An additional development has been the increasing importance of the incorporated self-employed who, it can be argued, will have more attachment to self-employed activity. In 1990, 32.5 percent of the self-employed were incorporated, and this number has increased gradually to 40.9 percent in 2008. Concomitantly, there has been a long-term decline in the percentage of unincorporated self-employed. In the short run, although the total number of unincorporated self-employed fell from 1.57 million in 2007 to 1.54 million in 2008, the number of incorporated self-employed continued to grow over this period from 1.05 million to 1.08 million.

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CANADA BUSINESS Services

FINANCING a Business

Canada Business is a government information and referral service for Canadian businesses and start-up entrepreneurs. Included in its services is general advice, free of charge, on how to secure financing for start-up capital or ongoing expenses such as payroll, rent or inventory. In addition, working capital may be needed to cover operating expenses and a cash reserve for emergency situations. The following provides a general outline on assessing financial needs and seeking financing.

Projecting Financing Needs

Assessing requirements begins with the preparation of three projected financial statements:

- An **income statement** to estimate total expected revenue and expenses.
- A **cash-flow statement** to show the flow of cash in and out of a business over a period of time.
- A **balance sheet** to outline forecasted business assets minus liabilities in order to determine net worth.

Sources of Financing

Although people usually think of obtaining financing from external sources, it is possible to free up funds through a variety of internal means: setting up an efficient accounting system to turn receivables into cash, having an effective inventory system to ensure the right amount of stock, approaching suppliers for extended payment terms, asking customers to prepay or allowing employees to invest in the business.

When seeking financial assistance outside the business, two things must be demonstrated: a feasible repayment plan, and a willingness to invest and risk a reasonable amount of one's own money.

For further information on starting and growing a business, contact Canada Business.

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Growth in the incorporated self-employed is particularly pronounced for the 15 to 24 years age group. In 1990, only 7.7 percent of self-employed in this age group were incorporated compared with 18.9 percent in 2008. This change is the largest among all age groups and could indicate self-employment is perceived as a valid long-term career path among young adults

who, therefore, choose to incorporate. A similar, but weaker, trend is also evident for the self-employed aged 25 to 29 years. Overall, the level of incorporation is highest among the 30 to 54 years age group (43.1 percent), while the self-employed aged 15 to 24 years are the least incorporated age group (18.9 percent).

Table 4: Self-Employed Workers by Age from 1990 to the Third Quarter of 2008 (non-seasonally adjusted)

Age	Self-Employed (000)			Incorporated (000)			Unincorporated (000)		
	1990	2007	2008	1990	2007	2008	1990	2007	2008
15 years and over	1836.6	2651.2	2646.4	596.9	1053.4	1082.9	1172.5	1570.0	1535.3
15–24 years	129.3	93.3	95.6	9.9	15.3	18.1	103.1	69.1	66.6
25–29 years	167.5	166.6	154.1	44.8	50.8	53.6	118.1	113.7	98.5
30–54 years	1189.8	1681.1	1673.7	440.4	704.8	722.0	717.0	964.9	943.7
55 years and over	350.0	710.1	723.0	101.7	282.5	289.2	234.3	422.2	426.3
Share of Each Age Group by Status of Self-Employed*									
15 years and over				32.5%	39.7%	40.9%	63.8%	59.2%	58.0%
15–24 years				7.7%	16.4%	18.9%	79.7%	74.1%	69.7%
25–29 years				26.7%	30.5%	34.8%	70.5%	68.2%	63.9%
30–54 years				37.0%	41.9%	43.1%	60.3%	57.4%	56.4%
55 years and over				29.1%	39.8%	40.0%	66.9%	59.5%	59.0%

Source: Statistics Canada, *Labour Force Survey*.

* Percentages do not add to 100 horizontally because of the presence of unpaid family workers, which are not shown in the table.

BUSINESS *Financing*

Survey of Suppliers of Business Financing

On December 5, 2008, Statistics Canada released results from the baseline *Survey of Suppliers of Business Financing*. This survey, launched in 2001, measures loan and leasing amounts outstanding to Canadian firms as well as losses from loans and leases incurred by a wide array of financial providers, including domestic banks, credit unions, Caisses populaires, leasing companies, government and insurance companies, with assets of \$5 million or more. To collect data for 2007, Statistics Canada surveyed a representative sample of 1315 financial service providers.

The main highlights from the survey are:

- Outstanding debt on small loans¹ (i.e. loans less than \$1 million) declined by 2.7 percent in 2007 to reach \$92.7 billion (Table 5). Debt outstanding to large firms increased by 15.2 percent to reach \$401.8 billion. In 2007, SMEs' market share of total debt outstanding was 18.7 percent, a 2.8 percentage point decrease from the previous year and the lowest level since 2003.

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¹ Loans of less than \$1 million are generally considered to belong to SMEs. This does not exclude the possibility of a few large firms with loans of less than \$1 million and a few SMEs with loans of more than \$1 million.

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- Market share of traditional debt suppliers, such as banks, Caisses populaires and credit unions, reached 79.2 percent in 2007, an increase of 4.2 percentage points from the previous year.
- Total lease amounts outstanding from SMEs increased by 9.3 percent in 2007 to reach \$16.4 billion, while total lease amounts outstanding to large firms increased by 25.4 percent to reach \$8.9 billion. Leasing represents 15 percent of SMEs' financing. Since 2003, SMEs have used leasing to a greater extent at the expense of debt financing.
- In 2007, the main lease suppliers were finance companies (45.5 percent), leasing companies (22.9 percent), banks (16.6 percent) and all other suppliers (15.0 percent).

Table 5: Total Debt and Leasing Outstanding

Authorization Level	Total Debt Outstanding (\$ billions)				
	2003	2004	2005	2006	2007
Less than \$1 million	96.2	91.4	93.5	95.3	92.7
Percentage change		-5.0	2.3	1.9	-2.7
Market share (%)	27.2	25.1	23.3	21.5	18.7
\$1 million to \$4.9 million	78.2	80.8	88.2	95.8	99.3
Percentage change		3.3	9.2	8.6	3.7
Market share (%)	22.1	22.2	22.0	21.6	20.1
\$5 million plus	179.8	192.2	219.5	253.0	302.5
Percentage change		6.9	14.2	15.3	19.6
Market share (%)	50.8	52.7	54.7	57.0	61.2
Total	354.2	364.4	401.2	444.1	494.5
Percentage change		2.9	10.1	10.7	11.3

Authorization Level	Total Lease Amounts Outstanding (\$ billions)				
	2003	2004	2005	2006	2007
Less than \$1 million	10.0	11.8	14.5	15.0	16.4
Percentage change		18.0	22.9	3.4	9.3
Market share (%)	51.5	67.0	69.4	67.9	64.8
\$1 million plus	9.4	5.8	6.4	7.1	8.9
Percentage change		-38.3	10.3	10.9	25.4
Market share (%)	48.5	33.0	30.6	32.1	35.2
Total	19.4	17.6	20.9	22.1	25.3
Percentage change		-9.3	18.8	5.7	14.5

Source: Statistics Canada, *Survey of Suppliers of Business Financing*.

ENTREPRENEURSHIP Education Survey

Small enterprises and entrepreneurship have been identified as major drivers of innovation, competitiveness and growth in today's Canadian economy. Reports have found entrepreneurship to be positively correlated with various measures of economic performance (firm growth, survival, innovation and productivity). One means to better leverage these entrepreneurial talents and ensure that potential entrepreneurs have the requisite skills and are best prepared for the risk and challenges they will face is through promotion of entrepreneurship education. In particular, it would be instructive to understand how the teaching of entrepreneurship and sound business skills within higher education institutions compares across Canada and with other countries.

On October 28, 2008, in collaboration with the European Union Commission, the Small Business and Tourism Branch of Industry Canada launched a national survey to identify the incidence and quality of entrepreneurship programs offered through Canadian higher education institutions. This initiative seeks to extend current knowledge on entrepreneurship education by posing a broad range of questions across a large number of educational institutions and mapping the teaching of entrepreneurship across participating colleges and universities within Canada and the European Union.

The goal of this survey is to identify entrepreneurship courses, enrolment rates, programs, resources and support available to students in order to map the teaching of entrepreneurship across Canadian colleges and universities. In addition, the results will assess Canada's international position in encouraging and developing entrepreneurial skills by comparing the incidence and quality of entrepreneurship programs across European Union countries, which are also conducting a similar survey.

This project aims to ensure Canadian colleges and universities have access to sound and comparable information regarding entrepreneurship education in order to identify best practices and improve, if necessary, their programs. Overall, this project will contribute towards improving Canada's entrepreneurship performance and promoting economic growth.

Results from the Entrepreneurship Education Survey will be released in 2009. For further details on the survey, contact the editor of the *Small Business Quarterly* (see contact information on page 8).

RECENT *Developments*

INTERNATIONAL CONSORTIUM *on Entrepreneurship*

The International Consortium on Entrepreneurship (ICE) recently released a report ranking select countries on four performance indicators and 66 business environment indicators. Canada is a member of the ICE, whose goal is to develop objective and consistent evidence on entrepreneurship, including specific topic areas that can be benchmarked across countries.

The recently released report provides a comprehensive overview of all available policy-relevant indicators relating to entrepreneurship, along with a quality assessment to enable policy-makers to evaluate the quality of policy analysis based on the given indicators.

The 2008 version of the indicators report is available at <http://ice.foranet.dk/Publications.aspx>.

OECD REPORT:

Measuring Entrepreneurship: A Digest of Indicators

In November 2008, the Organisation for Economic Co-operation and Development (OECD) and Eurostat released a joint publication entitled *Measuring Entrepreneurship: A Digest of Indicators*. The publication provides consistent data on firm start-ups, survival and growth firms, including gazelles (young high-growth companies). The publication is a significant step not only because it is a joint OECD-Eurostat effort but also because the definitions used have been rendered more consistent across the different countries. Additional material is also provided on administrative burden, financing, entrepreneurial capacities, and research and development technology.

The report is available at www.oecd.org/statistics/entrepreneurshipindicators.

Small Business Quarterly Small Business and Tourism 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 and Tourism Branch of Industry Canada.

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