

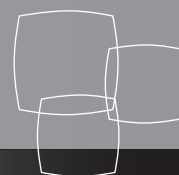


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# SMALL BUSINESS QUARTERLY

VOLUME 12, No. 1, MAY 2010

## PERFORMANCE

### *Trends*

- The number of payroll employees declined by 2.2 percent in the fourth quarter of 2009 compared with the fourth quarter of 2008. This corresponds to a net decrease of 325 721 jobs.
- Year-over-year job losses by small businesses<sup>1</sup> amounted to 35.1 percent. This is less than their share of total employment in the economy. Large firms accounted for 34.3 percent of total job losses during this period, while medium-sized firms accounted for 30.6 percent.
- Between 2007 and 2009, the number of employed individuals in Canada decreased by 0.7 percent to a total of 14.1 million. During this period, the number of self-employed individuals increased by 3.3 percent to a total of 2.7 million.
- Between 2008 and 2009, the number of business insolvencies decreased by 9.6 percent to a total number of 6729 cases. Similarly, the value of insolvencies during this period decreased by 17.6 percent to a total value of \$6.9 billion.
- During the fourth quarter of 2009, the number of business insolvencies decreased by 2.9 percent. In comparison, the year-over-year change in the number of insolvencies between Q4 2008 and Q4 2009 decreased by 14.7 percent.

<sup>1</sup> 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.

## ANALYSIS OF REGULATORY COMPLIANCE COSTS: PART 1 — *Timel/money saved, paperwork volume and methods of compliance*

It has long been a concern that excessive regulatory paperwork<sup>1</sup> and administrative tasks have distracted business owners from doing what they do best — running their businesses. It has been difficult to develop a thorough understanding of all regulatory paperwork issues and to quantify the extent of the paperwork burden. Most research has been based on opinion surveys in which business owners are asked to identify which aspects of running a business they consider most difficult. Although excessive regulatory paperwork is frequently cited by business owners as a major area of concern, the exact cost to the business is not known. Nonetheless, the problem of excessive paperwork can impede business development and have an impact on economic productivity, posing greater challenges for Canadian businesses.

In 2004, the federal government launched the Paperwork Burden Reduction Initiative (PBRI) to study and address the effects of the paperwork burden on small and medium-sized enterprise (SME) competitiveness in Canada. As part of the PBRI, the government mandated Statistics Canada to conduct a survey on the SME paperwork burden — *Survey of Regulatory Compliance Costs* — and Industry Canada to analyze the results. This survey was intended to quantify the extent of the burden and, subsequently, to provide information for policy development.

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## Preliminary Survey Findings

### Quantity of Paperwork

As part of the survey, SMEs were asked to identify, count, and report the total number of submissions they made to governments for the 12 regulations covered in the survey (Table 1). In total, 16 110 772 claims and forms were prepared and submitted in 2008 by the 685 000 SMEs included in the survey population,<sup>2</sup> an average of 25 submissions per business. The findings also show that since 2005, the total volume of submissions has decreased by 8 percent and the average number of submissions per business has decreased by 11 percent. Closer analysis reveals that most of this decline comes from fewer submissions of payroll remittances, federal/provincial sales taxes, workers' compensation claims and records of employment (ROEs).

Disentangling what might explain the decline in the number of claims/forms submitted by businesses between 2005 and 2008 is very complex because it is a result of the simultaneous influences of many factors, including employment trends, business churn, departmental policies and overall economic activities. This makes it difficult to sort out and isolate the individual effects of each factor. Despite this, however, given the many initiatives implemented by governments over the last few years to reduce the paperwork burden, it is reasonable to assume that the decline is at least partially attributable to the governments' actions.

### SME Perceptions of Government Paperwork Burden Reduction Initiative

The federal government has not been alone in its efforts to reduce the paperwork burden. Most provinces and several municipalities have launched a number of initiatives aimed at simplifying compliance and streamlining business-to-government interactions. Approaches taken have varied. All have been driven, however, by the desire to reduce the time and cost of compliance imposed on businesses. What has remained uncertain, however, is whether they have actually reduced the time and cost and, if so, to what degree. Through the *Survey of Regulatory Compliance Costs*, Statistics Canada attempted to answer this question. First, it was discovered that about 26 percent of SMEs in the survey population were aware of the federal, provincial and/or municipal governments' initiatives to reduce the paperwork burden. Second, of those that were aware of the initiatives, about 39 percent, or 69 459 SMEs, reported saving time and/or money.

### Methods of Compliance

An important issue to consider when examining the implications of paperwork compliance on businesses is the methods by which they "prepare" and "submit" their claims and forms. The survey was designed to help improve governments' understanding of this. Two key findings emerged from the survey:

*Table 1: Total and Average Number of Claims and Forms Submitted by SMEs, 2005 and 2008*

Regulation	Total Submissions			Average Submissions per Business		
	2005	2008	Change	2005	2008	Change
Payroll Remittances	5 259 837	5 041 111	-218 726	14	12	-2
Record of Employment	2 268 413	1 658 020	-610 393	10	4	-6
T4 Summary / Individual T4 (including RL forms in Quebec)	389 149	407 142	17 993	1	1	0
Workers' Compensation Remittances	1 141 345	1 035 044	-106 301	5	3	-2
Workers' Compensation Claims	262 130	152 912	-109 218	4	0.4	-3.6
Federal/Provincial Business Income Tax Filing	627 799	651 256	23 457	1	1	0
Federal/Provincial Sales Tax	3 838 855	3 647 849	-191 006	7	6	-1
Corporate Tax Instalments	1 762 877	1 737 607	-25 270	7	3	-4
Corporate Registration	428 580	483 437	54 857	1	1	0
Mandatory Statistics Canada Surveys	698 821	637 144	-61 677	3	1	-2
Municipal Operating Licences and Permits	363 436	290 089	-73 347	2	0.4	-1.6
Provincial Operating Licences and Permits	429 804	369 161	-60 643	2	1	-1
All Regulations	17 471 046	16 110 772	-1 360 274	28	25	-3

Source: Statistics Canada, *Survey of Regulatory Compliance Costs*, 2005 and 2008; and author's calculations.

Note: For the 2008 iteration of the survey, T4 summary / individual T4 requirements were broadened to include RL and RLZ-1 forms, which in the region of Quebec are the provincial equivalents of the individual T4 and T4 summary. Also, the definition of income tax filing was broadened from T1/T2 income tax filing to include provincial income tax filing as well.

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- The majority of SMEs that do not rely on external service provider assistance still prepare the majority of claims and forms manually (using paper and pencil records). A lack of available electronic preparation methods and the cost to switch to electronic preparation methods could explain this finding.
- Only a small percentage of SMEs submit claims and forms electronically. This may be partially explained by the fact that some government departments have not yet updated their information technology and communication systems to allow paperwork to be submitted electronically, limiting SMEs to downloading paper claims and forms online.

This article presents some preliminary findings of the 2008 *Survey of Regulatory Compliance Costs*. A more detailed report

can be accessed on Industry Canada's PBRI website at [www.reducingpaperburden.gc.ca/eic/site/pbri-iafp.nsf/eng/h\\_sx00133.html](http://www.reducingpaperburden.gc.ca/eic/site/pbri-iafp.nsf/eng/h_sx00133.html). A future article will focus on the time and cost burden associated with regulatory compliance, and also the opinions of SMEs on how to simplify paperwork requirements.

<sup>1</sup> Regulatory paperwork refers to claims, forms and submissions that businesses are required to fill out and submit, either on paper or electronically, to stay in compliance with government regulations. This includes income tax forms, sales tax submissions, payroll reports such as T4s and T4 summaries, employment-related information requests such as the record of employment, survey questionnaires, and workers' compensation claims and forms. For this analysis, regulatory paperwork excludes routine ongoing record-keeping activities that small and medium-sized enterprises (SMEs) perform as part of the day-to-day operation of their business.

<sup>2</sup> The survey frame covers five industries — manufacturing; retail trade; professional, scientific and technical services; accommodation and food services; and other services — in five regions — Atlantic Canada, Quebec, Ontario, the Prairies and British Columbia — and is representative of about 685 000 of the 2.3 million business establishments in Canada.

## JOB *Creation*

According to the latest *Survey of Employment, Payrolls and Hours* from Statistics Canada, the number of payroll employees declined by 2.2 percent in the fourth quarter of 2009 compared with the fourth quarter of 2008. This decline, which was the fourth consecutive quarterly loss, corresponds to a net decrease of 325 721 jobs (Table 2). Although small firms contributed the most to this loss, job losses were shared among the three sizes of firms. The year-over-year contribution to job losses by small businesses was 35.1 percent, closely followed by large firms at 34.3 percent and medium-sized businesses at 30.6 percent. Over the past three quarters, the year-over-year contribution to job losses has declined substantially in small businesses while it has increased in medium-sized and large firms.

Between the fourth quarter of 2008 and the fourth quarter of 2009, the highest job declines were reported in mining and oil and gas extraction (15.8 percent), forestry (11.9 percent)

and manufacturing (10 percent). The manufacturing sector experienced the greatest number of jobs lost at 162 880, of which 21.4 percent (34 826 jobs) were lost among small businesses and 52.4 percent (85 268 jobs) were lost among large businesses. Other industries where small businesses experienced significant decreases in employment were professional, scientific and technical services (14 360 jobs), construction (13 704 jobs) and retail trade (13 406 jobs).

Job losses in small firms are spread across most industries, whereas they were heavily concentrated in the manufacturing sector for large firms (a loss of 85 268 jobs). Jobs were created by all sizes of firm in health care and social assistance, public administration and educational services. In addition, large firms created 15 821 jobs in finance and insurance.

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*Table 2: Year-Over-Year Net Change<sup>1</sup> in Payroll Employment<sup>2</sup> by Industry, 4th Quarter 2009*

Quarter	Change		% Contribution to Total Net Change (Number of Employees)								
	%	Jobs	0-4	5-19	20-49	50-99	0-99	100-299	300-499	100-499	500+
Q4 2008	1.0	142 106	-1.1	7.9	6.1	1.8	14.7	-1.3	5.1	3.8	81.6
Q1 2009	-0.8	-109 679	16.0	29.7	10.7	29.9	86.2	37.9	6.3	44.2	-30.4
Q2 2009	-2.3	-331 761	15.3	9.2	11.9	19.0	55.4	14.0	12.8	26.9	17.7
Q3 2009	-2.5	-372 315	-4.4	20.7	14.7	19.2	50.1	14.7	14.3	29.0	20.9
Q4 2009	-2.2	-325 721	4.3	9.7	7.3	13.7	35.1	19.9	10.7	30.6	34.3
Industry	Change (Jobs)										
Forestry	-11.9	-5 510	-523	-1 015	-980	-506	-3 024	45	-185	-140	-2 346
Mining and Oil and Gas Extraction	-15.8	-32 601	-764	-1 301	-1 449	-1 227	-4 741	-784	-2 144	-2 928	-24 932
Utilities	-3.8	-4 667	43	-17	-6	26	46	-460	-147	-607	-4 106
Construction	-2.3	-19 703	-4 415	541	-4 180	-5 650	-13 704	-10 384	-2 667	-13 051	7 050
Manufacturing	-10.0	-162 880	-2 116	-5 265	-12 870	-14 575	-34 826	-26 251	-16 534	-42 785	-85 268
Wholesale Trade	-4.3	-32 711	-1 205	-2 355	-2 504	-3 411	-9 475	-4 557	2 362	-2 195	-21 040
Retail Trade	-1.9	-36 262	-1 362	-9 663	-107	-2 274	-13 406	-13 609	-2 332	-15 941	-6 916
Transportation and Warehousing	-3.9	-27 311	-938	-3 793	-2 906	-3 958	-11 595	-3 533	-6 115	-9 648	-6 067
Information and Cultural Industries	-3.8	-12 628	-509	-131	-323	-1 182	-2 145	-3 255	-1 956	-5 211	-5 274
Finance and Insurance	1.8	11 843	48	-3 035	-1 321	462	-3 846	380	-511	-131	15 821
Real Estate and Rental and Leasing	-2.2	-5 391	542	-1 776	-350	-1 744	-3 328	-139	-274	-413	-1 649
Professional, Scientific and Technical Services	-3.6	-27 304	-2 851	-3 182	-2 112	-6 215	-14 360	-4 051	-4 674	-8 725	-4 218
Management of Companies and Enterprises	-4.4	-5 303	327	-1 272	-881	-365	-2 191	934	1 353	2 287	-5 398
Administrative and Support, Waste Management and Remediation Services	-5.7	-43 487	431	-1 197	-1 638	-971	-3 375	-5 724	-6 799	-12 523	-27 589
Educational Services	1.1	13 288	-537	369	839	-426	245	-1 104	3 164	2 060	10 982
Health Care and Social Assistance	3.3	51 856	1 794	484	4 905	3 128	10 311	6 467	5 987	12 454	29 091
Arts, Entertainment and Recreation	2.4	5 577	225	-1 232	-215	-100	-1 322	807	397	1 204	5 693
Accommodation and Food Services	-2.0	-21 893	875	-140	1 831	-7 189	-4 623	750	-6 850	-6 100	-11 169
Other Services (excluding Public Administration)	-0.7	-3 578	-2 913	1 715	-676	407	-1 467	-1 341	-501	-1 842	-268
Public Administration	3.3	32 945	-295	550	1 196	1 063	2 514	964	3 664	4 628	25 803
<b>Canada Total</b>	<b>-2.2</b>	<b>-325 721</b>	<b>-14 141</b>	<b>-31 714</b>	<b>-23 748</b>	<b>-44 708</b>	<b>-114 311</b>	<b>-64 845</b>	<b>-34 766</b>	<b>-99 611</b>	<b>-111 799</b>

Source: Statistics Canada, *Survey of Employment, Payrolls and Hours*, March 2010.

<sup>1</sup> 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.

<sup>2</sup> *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.

# SELF-Employment

According to the latest figures from the *Labour Force Survey*, the number of employed individuals in Canada decreased by 0.7 percent between 2007 and 2009. During this period, the number of self-employed individuals increased by 3.3 percent to a total of 2.7 million.

Growth in self-employment was mostly associated with an increase in the number of both incorporated and unincorporated self-employed individuals without paid help. The number of incorporated self-employed individuals without paid help grew by 8.1 percent, from 448 700 to 485 200, between 2007 and 2009. During the same period, the number of unincorporated self-employed individuals without paid help grew by 4.6 percent, from 1.28 million to 1.34 million. In contrast, the number of incorporated self-employed individuals with paid help increased by 2.9 percent, while the number of unincorporated self-employed individuals with paid help decreased by 8.6 percent.

At the provincial level, Ontario has the highest number of self-employed individuals at just over one million. Prince Edward Island recorded the highest year-over-year growth in the number of self-employed individuals at 9.7 percent, from 9300 to 10 200, between 2007 and 2009. Growth in self-employment was also high in Saskatchewan at 6.7 percent and Nova Scotia at 6.1 percent.

Incorporated self-employment with paid help grew the most in British Columbia (9.0 percent), followed by Saskatchewan (7.0 percent) and Ontario (5.9 percent). Newfoundland and Labrador recorded the greatest decline (22.9 percent) in incorporated self-employed individuals with paid help, falling from 7000 to 5400. Incorporated self-employment without paid help rose significantly in many of the smaller provinces: Prince Edward Island (50 percent), Nova Scotia (50 percent) and New Brunswick (21.6 percent). Only one province, Ontario, recorded a decrease (1.7 percent) in the number of incorporated self-employed individuals without paid help, while Newfoundland and Labrador had zero percent growth.

Unincorporated self-employed with paid help was the only category to show declines in most of the provinces, except for Prince Edward Island (18.8 percent) and Nova Scotia (7.9 percent). In the other three categories of self-employed individuals, most provinces had positive growth rates between 2007 and 2009.

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## SME Direct

Since 2005, Industry Canada has operated *SME Direct*, a website devoted to providing information to small and medium-sized enterprises (SMEs). Last year, over 120 000 individuals accessed *SME Direct*. This website provides information to the entrepreneur who wants to learn how to prepare a business plan and enter the market for the first time. The site is also a great resource for established small business owners who are interested in expanding their business.

The goal of *SME Direct* is to serve as the “one-stop shop” for Canadian SMEs by providing the most recent and relevant information on a variety of topics:

- **Technology:** Enhance business operations through adoption of new technology such as e-business, web 2.0
- **Finance:** Provide access to financing programs, including a lease or buy calculator and industry-specific reports
- **Human resources:** Improve human resource practices to enhance information systems and improve cost savings
- **Succession planning:** Provide resources on exit strategies
- **Marketing:** Provide techniques to promote products and services and to develop relationships with customers

Users of the website enjoy free, unlimited access to many resources, including comprehensive guides, databases, reports, and diagnostic and benchmarking tools, as well as interactive quizzes and tutorials.

Visit [www.ic.gc.ca/smedirect](http://www.ic.gc.ca/smedirect) to learn more.

**SME Direct**  
Small Business?  
**Big Ideas**

[www.ic.gc.ca/smedirect](http://www.ic.gc.ca/smedirect)

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*Table 3: Self-Employed Workers and Employees by Province, Canada, 2007 and 2009 (thousands)*

Province**	Employees			Self-Employed*			Incorporated						Unincorporated					
							With Paid Help			Without Paid Help			With Paid Help			Without Paid Help		
	2007	2009	Percent Change	2007	2009	Percent Change	2007	2009	Percent Change	2007	2009	Percent Change	2007	2009	Percent Change	2007	2009	Percent Change
Newfoundland and Labrador	193.2	194.2	0.5	23.9	20.7	-13.4	7.0	5.4	-22.9	2.5	2.5	0.0	2.8	2.6	-7.1	11.4	10.1	-11.4
Prince Edward Island	60.0	59.3	-1.2	9.3	10.2	9.7	2.4	2.3	-4.2	0.6	0.9	50.0	1.6	1.9	18.8	4.6	4.9	6.5
Nova Scotia	390.5	392.1	0.4	57.1	60.6	6.1	13.3	13.6	2.3	5.0	7.5	50.0	7.6	8.2	7.9	30.6	30.8	0.7
New Brunswick	320.7	323.6	0.9	42.2	42.9	1.7	12.4	12.2	-1.6	3.7	4.5	21.6	5.6	4.9	-12.5	20.2	21.0	4.0
Quebec	3 299.6	3 279.6	-0.6	552.1	564.6	2.3	130.6	132.4	1.4	95.3	106.6	11.9	55.3	45.7	-17.4	266.2	275.6	3.5
Ontario	5 606.7	5 503.9	-1.8	987.1	1 022.1	3.5	211.6	224.0	5.9	160.4	157.7	-1.7	107.3	98.8	-7.9	497.6	533.5	7.2
Manitoba	507.7	523.4	3.1	88.8	83.6	-5.9	16.6	17.3	4.2	9.8	10.1	3.1	10.6	9.3	-12.3	48.7	45.0	-7.6
Saskatchewan	408.7	421.3	3.1	93.0	99.2	6.7	18.5	19.8	7.0	11.7	14.0	19.7	9.7	9.7	0.0	51.3	54.3	5.8
Alberta	1 623.2	1 636.4	0.8	336.2	351.7	4.6	88.5	82.7	-6.6	90.7	106.2	17.1	19.3	17.9	-7.3	135.5	142.4	5.1
British Columbia	1 841.0	1 813.3	-1.5	425.3	446.1	4.9	94.0	102.5	9.0	68.9	75.3	9.3	40.7	39.3	-3.4	219.3	226.7	3.4
Canada	14 251.4	14 147.2	-0.7	2 615.0	2 701.7	3.3	594.8	612.2	2.9	448.7	485.2	8.1	260.7	238.4	-8.6	1 285.5	1 344.4	4.6

Source: Statistics Canada, *Labour Force Survey*.

\* Includes unpaid family workers.

\*\* Self-employment figures for Yukon, Northwest Territories and Nunavut are not available.

## BUSINESS *Insolvencies*

Businesses in Canada have faced many economic and financial challenges over the last two years. In addition to statistics on credit spreads, exchange-rate fluctuations, overall production levels, manufacturing output, and the global demand for goods and services, statistics on business insolvencies can be useful for assessing the overall health of the Canadian economy.

Figure 1 compares the value and number of business insolvencies in Canada between 2007 and 2009. The number of business

insolvencies in Q4 2009 was 1525, which is 2.9 percent lower than in the previous quarter. On an annual basis, the number of business insolvencies decreased by 9.6 percent in 2009 to 6729 from 7445 in 2008. This could be partly explained by the fact that the Canadian economy moved out of recession in 2009 as the gross domestic product growth turned positive.

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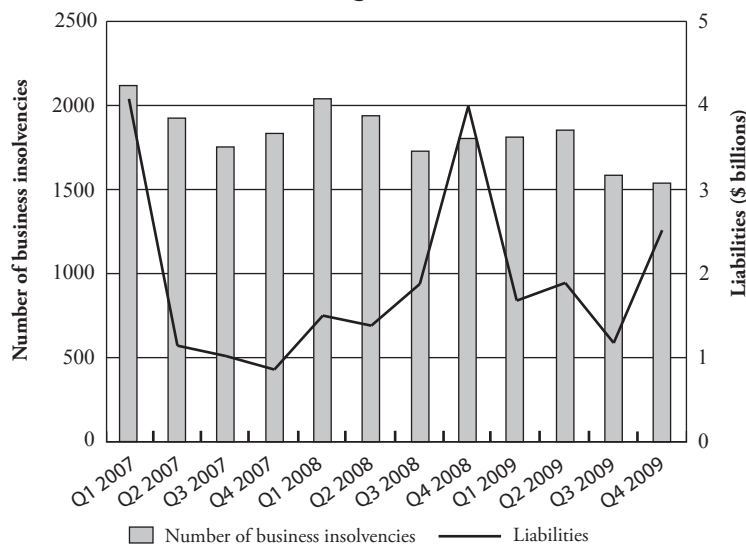
# CANADA SMALL BUSINESS Financing Program

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In terms of the “value of insolvency liabilities,” recent figures indicate that the value has almost returned to 2007 levels, that is, the value of business insolvencies in 2009 was \$6.9 billion compared with \$6.8 billion in 2007. Compared with 2008, the value of business insolvencies has decreased significantly, decreasing by 17.6 percent from \$8.4 billion in 2008 to \$6.9 billion in 2009. The economic recovery has likely helped improve businesses’ cash positions and could help explain this lower figure.

The average value of business insolvencies on a quarter-by-quarter basis has followed a similar trend as the total value of business insolvencies between 2007 and 2009. The average value moved steadily downwards from \$1.9 million in Q1 2007 to \$429 000 in Q4 2007. It subsequently increased and peaked in Q4 2008 at \$2.2 million and then moved slightly downwards to reach \$1.6 million in Q4 2009. On an annual basis, the average value of business insolvencies increased from \$893 000 in 2007 to \$1.1 million in 2008, followed a 9-percent decline to \$1 million in 2009.

*Figure 1: Business Insolvencies, 1st Quarter 2007 to 4th Quarter 2009*



Source: Office of the Superintendent of Bankruptcy Canada ([www.osb.ic.gc.ca](http://www.osb.ic.gc.ca)).

Small businesses are an important part of Canada’s economy, but they face unique challenges when seeking financing. The Canada Small Business Financing Program makes it easier for small businesses to obtain loans from financial institutions by sharing the risks with lenders.

## Eligibility

Small businesses operating for profit in Canada with gross annual revenues of \$5 million or less are eligible for loans under this program. Farming businesses, not-for-profit organizations, or charitable and religious organizations are not eligible for loans under this program.

## Loans can be used to finance up to 90 percent of the cost of:

- purchasing or improving land, real property or immovables;
- purchasing leasehold improvements or improving leased property; or
- purchasing or improving new or used equipment.

## Amount of financing

Any one business can obtain up to a maximum amount of \$500 000, of which no more than \$350 000 can be used for purchasing leasehold improvements or improving leased property and purchasing or improving new or used equipment.

## Interest rates

The interest rate is determined by the financial institution. The following two options are available:

- Variable rate: The maximum chargeable is the lender’s prime lending rate plus 3 percent.
- Fixed rate: The maximum chargeable is the lender’s single family residential mortgage rate for the term of the loan plus 3 percent.

## How to apply for a loan

Financial institutions deliver the program and make all credit decisions. Small businesses must visit their local bank, credit union or Caisses populaire to obtain a loan under the program.

## For more information on the Canada Small Business Financing Program

Tel. (toll-free): 866-959-1699

Fax: 613-952-0290

Email: [CSBFP-PFPEC@ic.gc.ca](mailto:CSBFP-PFPEC@ic.gc.ca)

Website: [www.ic.gc.ca/csbfp](http://www.ic.gc.ca/csbfp)

# RECENT *Developments*

## STATE OF ENTREPRENEURSHIP *Report*

Industry Canada's report, *The State of Entrepreneurship in Canada* is now available. The report charts entrepreneurial activity in Canada over time and compares it with other leading countries. Entrepreneurial performance indicators observed include birth and death rates, survival rates, high-growth firms and gazelles, and research and development expenditures. In addition, the report provides some details on the owners of Canadian small and medium-sized enterprises as important entrepreneurial activity takes place within these firms. Finally, the report identifies areas of strength, areas for improvement and future research opportunities.

The full report is available at [www.ic.gc.ca/sbresearch/sbreports](http://www.ic.gc.ca/sbresearch/sbreports).

### *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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## OECD REPORT:

### *Science, Technology and Industry Scoreboard 2009*

Released in December 2009, the Organisation for Economic Co-operation and Development (OECD) *Science, Technology and Industry Scoreboard 2009* explores recent developments in matters relating to innovation, science, technology and globalization. In this regard, it compares characteristics of OECD member and major non-member economies and provides information on the economic crisis and other global challenges. Findings reveal that overall foreign direct investment (FDI) inflows to G7 countries dropped by 15 percent in 2008 owing to the economic crisis, a trend that is expected to continue in 2009. The report indicates that research and development intensity in Canada declined from 2.1 percent of the gross domestic product in 2004 to 1.8 percent in 2008, which is similar with the OECD average (1.9 percent) but below the G7 average (2.2 percent) for 2008.

For more information on the OECD *Science, Technology and Industry Scoreboard 2009*, or to purchase a copy of the report, visit [www.oecd.org/sti/scoreboard](http://www.oecd.org/sti/scoreboard).

## UPCOMING *Event*

### CANADIAN COUNCIL FOR SMALL BUSINESS AND ENTREPRENEURSHIP (CCSBE)

#### *Annual Conference, October 28–30, 2010*

The Canadian Council for Small Business and Entrepreneurship is an organization whose goal is to promote and advance the development of small business and entrepreneurship through research, education and training, networking, and dissemination of scholarly and policy-oriented information.

The CCSBE Annual Conference will be hosted by the Bissett School of Business at Mount Royal University in Calgary, Alberta, October 28–30. The theme, Entrepreneurship and Community, seeks to explore the multi-faceted impact entrepreneurs and small businesses have on their communities through their ventures, business and community outreach.

For information on the conference, visit [www.ccsbe2010.info/](http://www.ccsbe2010.info/).