



Innovation, Science and  
Economic Development Canada

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Canada

# KEY SMALL BUSINESS STATISTICS

Innovation, Science and Economic Development Canada  
Small Business Branch  
Small Business and Entrepreneurship Research Directorate

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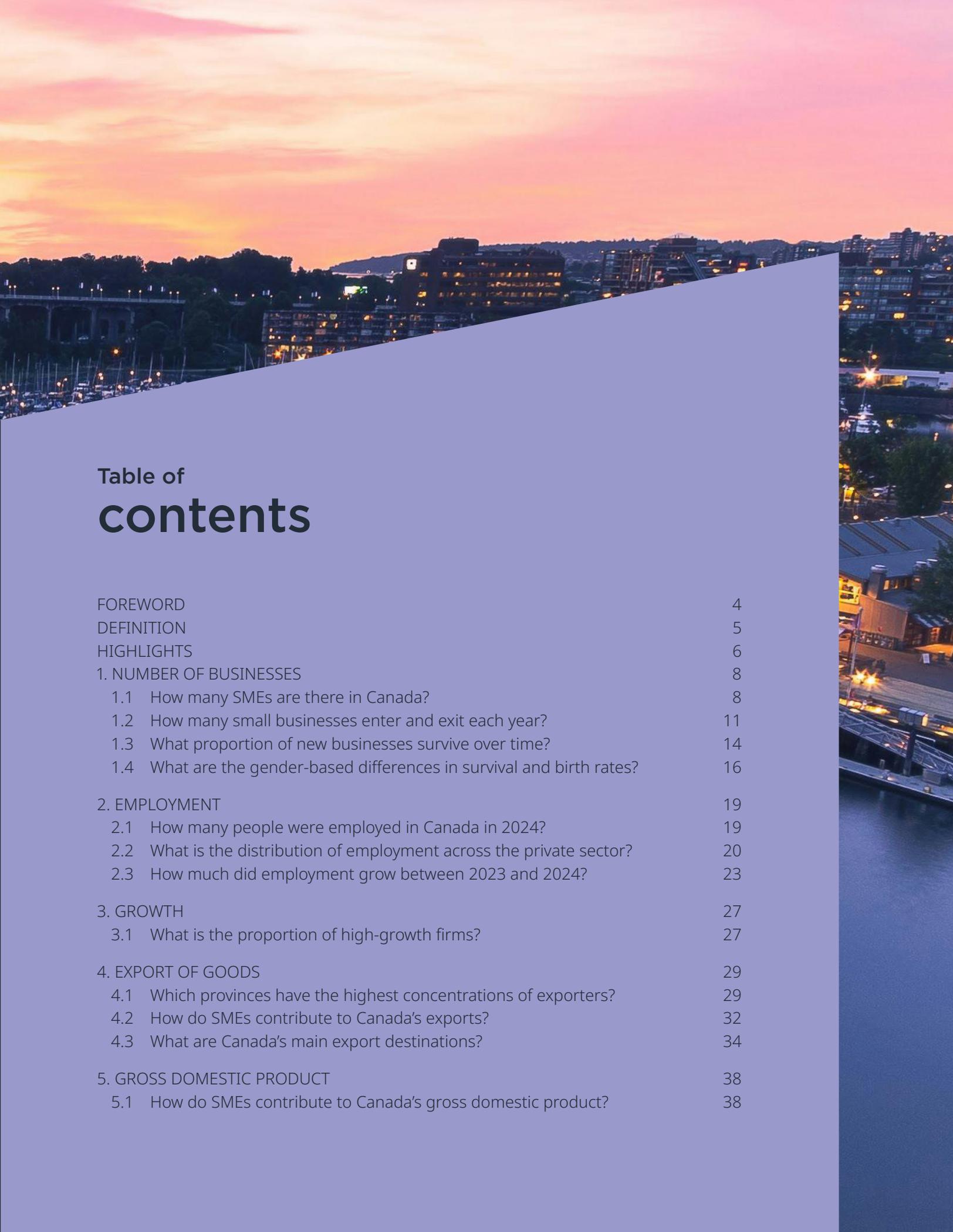
Cat. No. Iu186-1E-PDF

ISSN 1718-3456

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# FOREWORD

*Key Small Business Statistics* provides statistical data on the business sector in Canada, focusing on small and medium-sized enterprises (SMEs). The data are, at the time of publication, the most up-to-date statistics available to Innovation, Science and Economic Development Canada.

*Below is a list of data sources and links:*

- [Business Register](#)
- [Entrepreneurship Indicators Database](#)
- [Survey of Employment, Payrolls and Hours \(SEPH\)](#)
- [Trade by Exporter – Goods](#)



## The current edition contains data on the following questions:

- How many SMEs are there in Canada?
- How many businesses enter and exit each year?
- What proportion of new businesses survive over time?
- How many people were employed in Canada in 2024?
- What is the distribution of employment across the private sector?
- How much did employment grow between 2023 and 2024?
- What is the proportion of high-growth firms?
- Which provinces have the highest concentrations of exporters?
- How do SMEs contribute to Canada's exports?
- What are Canada's main export destinations?
- How do SMEs contribute to Canada's gross domestic product?

# DEFINITION

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Throughout the report, unless otherwise indicated, a business is defined at the enterprise level.<sup>1</sup> Businesses are also classified according to the number of paid employees. Therefore, enterprises without paid employees are not generally included in this publication.

Small and medium-sized enterprises (SMEs) are defined as those with 1 to 499 paid employees. More specifically:

- ✓ a small business has 1 to 99 paid employees; <sup>2</sup>
- ✓ a medium-sized business has 100 to 499 paid employees; and
- ✓ a large business has 500 or more paid employees.

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<sup>1</sup> Statistics Canada defines business locations, establishments and enterprises as follows: A **location** is a production unit at a single geographical location at which or from which economic activity is conducted, and for which employment data are available. An **establishment** is the most homogeneous unit of economic production for which the business maintains accounting records. Establishments may be comprised of more than one location. An **enterprise** is an institutional unit that directs and controls the allocation of resources relating to its business operations, and for which financial statements are maintained from which international transactions, an international investment position and a financial position for the unit can be derived. Enterprises may be comprised of more than one establishment. Previous editions of this publication featured Statistics Canada's *Canadian Business Counts* calculated at the establishment and location levels. Furthermore, starting from the 2023 edition, employment is calculated at the enterprise level instead of the establishment level used in previous editions. In light of these changes, caution should be applied in comparing statistics in this report with those in previous *Key Small Business Statistics* reports.

<sup>2</sup> Other groupings exist among this category of enterprises. For instance, enterprises with 1 to 4 employees are defined as micro-enterprises.

# HIGHLIGHTS



## Number of businesses

As of December 2024, there were 1.10 million employer businesses in Canada. Of these, 1.08 million (98.2%) were small businesses, 16,953 (1.5%) were medium-sized businesses, and 3,380 (0.3%) were large businesses.

Between 2001 and 2022, the number of small businesses increased every year, except for three: in 2013, 2016, and 2020.

Between 2017 and 2021, the average number of small businesses created annually was 18,480 in the goods-producing sector and 62,550 in the services-producing sector. The average number of small businesses that exited annually was 16,880 in the goods-producing sector and 57,629 in the services-producing sector.

On average, 28.5% of small businesses created in the goods-producing sector survived at least 21 years, compared with 23.0% of small businesses created in the services-producing sector.

Between 2005 and 2022, the business birth rate was lower for majority male-owned businesses than for majority female-owned businesses. However, the difference in birth rates between majority male-owned and majority female-owned businesses decreased over time. The survival rate of businesses during the seventeen years following their inception was slightly higher for majority male-owned than for majority female-owned businesses, with the gap widening over time.



## Employment

As of 2024, small businesses employed 5.8 million individuals in Canada, or 46.6% of the total private labour force. By comparison, medium-sized businesses employed 2.1 million individuals (17.0% of the private labour force) and large businesses employed 4.5 million individuals (36.4% of the private labour force).

Between 2023 and 2024, total employment in the private sector increased modestly, from 12,521.8 to 12,528.7 (+0.1%), with relatively marginal increases in the employment of small and large businesses and a slight decrease in the employment of medium-sized businesses.



## SMEs contribution to gross domestic product

Over the 2018–2022 period, SME contribution to gross domestic product (GDP) was 50.2%, on average, in the goods-producing sector, compared with 46.4% in the services-producing sector.

In 2022, SMEs accounted for nearly half of the GDP generated by the private sector. Small businesses contributed 33.2% to GDP generated by the private sector, while the contribution of medium-sized businesses was 14.0%.<sup>3</sup>

From 2008 to 2022, the contribution of medium-sized firms increased from 11.6% to 14.0%, while the GDP share of small firms was largely unchanged.

<sup>3</sup> Note that the data exclude the public administration, real estate and rental and leasing, and management of companies and enterprises industries. Non-employers contribute 6.2% of the private sector GDP.



## Export of goods

In 2024, 53,448 Canadian establishments exported goods with a value totalling \$712.8 billion.

In 2024, SMEs contributed 37.9% of the total value of exported goods.

In 2024, Canada's main export destination was the United States, followed by China and United Kingdom.

In 2024, the highest contribution attributable to SMEs to the total value of goods exported came from exports to the United Kingdom, with 48.9% of the total value of goods exported by SMEs.



## High-growth firms

While high-growth firms (HGFs) are present in every economic sector, based upon employment growth from 2019 to 2022, the highest concentration of HGFs in Canada is found in the following sectors: information and cultural industries (7.5%); mining, quarrying and oil and gas extraction (6.9%); and professional, scientific and technical services (6.4%).



# 1. NUMBER OF BUSINESSES

## 1.1 How many SMEs are there in Canada?

As of December 2024, there were 1.10 million employer businesses in Canada (Table 1).<sup>4</sup> Of these, 1.08 million (98.2%) were small businesses, 16,953 (1.5%) were medium-sized businesses, and 3,380 (0.3%) were large businesses.

More than half of Canada's small employer businesses are concentrated in Ontario and Quebec (410,154 and 228,622, respectively). Western Canada has a large number of small businesses, led by British Columbia, which had 170,512 as of December 2024. In the Atlantic region, Nova Scotia has the most small employer businesses at 24,903. The provinces with the most businesses per thousand individuals aged 18 and over are Alberta and British Columbia (37.7 each), followed by Prince Edward Island (36.2). In contrast, Newfoundland and Labrador has the smallest number of businesses per thousand individuals aged 18 and over (27.9), followed by Nova Scotia (28.3), and the Territories (29.1).

**TABLE 1: TOTAL NUMBER OF EMPLOYER BUSINESSES BY BUSINESS SIZE AND PER 1,000 INDIVIDUALS BY PROVINCE, DECEMBER 2024**

| Province/Territory        | Small businesses<br>(1–99 employees) |             | Medium-sized businesses<br>(100–499 employees) |            | Large businesses<br>(500+ employees) |            | Total            | Number of businesses per<br>1,000 individuals (18+ Years) |
|---------------------------|--------------------------------------|-------------|--|------------|--------------------------------------|------------|------------------|---|
|                           | Number                               | %           | Number   | %          | Number                               | %          |                  |   |
| Newfoundland and Labrador | 12,626                               | 98.5        | 172  | 1.3        | 26                                   | 0.2        | 12,824           | 27.9  |
| Prince Edward Island      | 5,246                                | 98.3        | 79   | 1.5        | 14                                   | 0.3        | 5,339            | 36.2  |
| Nova Scotia               | 24,903                               | 98.1        | 417  | 1.6        | 66                                   | 0.3        | 25,386           | 28.3  |
| New Brunswick             | 20,256                               | 98.2        | 325  | 1.6        | 50                                   | 0.2        | 20,631           | 29.2  |
| Quebec                    | 228,622                              | 98.0        | 3,947  | 1.7        | 666                                  | 0.3        | 233,235          | 31.6  |
| Ontario                   | 410,154                              | 98.0        | 6,640  | 1.6        | 1,528                                | 0.4        | 418,322          | 31.6  |
| Manitoba                  | 33,513                               | 97.9        | 594  | 1.7        | 132                                  | 0.4        | 34,239           | 29.2  |
| Saskatchewan              | 33,383                               | 98.5        | 448  | 1.3        | 72                                   | 0.2        | 33,903           | 35.4  |
| Alberta                   | 137,182                              | 98.3        | 1,941  | 1.4        | 391                                  | 0.3        | 139,514          | 36.3  |
| British Columbia          | 170,512                              | 98.4        | 2,311  | 1.3        | 423                                  | 0.2        | 173,246          | 36.3  |
| Territories               | 2,791                                | 96.8        | 79   | 2.7        | 12                                   | 0.4        | 2,882            | 29.1  |
| <b>Canada</b>             | <b>1,079,188</b>                     | <b>98.2</b> | <b>16,953</b>                                  | <b>1.5</b> | <b>3,380</b>                         | <b>0.3</b> | <b>1,099,521</b> | <b>32.7</b>   |

Sources: Statistics Canada, Business Register; Table 17-10-0005-01—Population estimates on July 1, by age and gender; and ISED calculations.

<sup>4</sup> This number excludes unclassified enterprises in terms of the [North American Industry Classification System \(NAICS\)](#). Unclassified businesses are businesses for which the industrial classification has yet to be determined.

Of the 1,099,521 employer businesses in Canada, 23.4% are in the goods-producing sector and 76.6% are in the services-producing sector (Table 2).<sup>5</sup> Micro-enterprises (1–4 employees) make up 59.1% of Canadian businesses. By adding those businesses with 5–9 employees, this number increases to 77.3%. In other words, more than three out of four Canadian businesses have 1–9 employees. It should be noted that there are some differences between the goods-producing and services-producing sectors regarding the distribution of businesses, according to the number of employees. For example, micro-enterprises make up 58.9% in the goods-producing sector, whereas the corresponding figure is 59.1% in the services-producing sector.

**TABLE 2: NUMBER OF EMPLOYER BUSINESSES BY SECTOR AND BUSINESS SIZE (NUMBER OF EMPLOYEES), DECEMBER 2024**

| Number of employees                        | Goods          |              | Services       |              | Total            |              |
|--|----------------|--------------|----------------|--------------|------------------|--------------|
|  | Number         | % Cumulative | Number         | % Cumulative | Number           | % Cumulative |
| 1–4 employees                              | 151,320        | 58.9         | 498,460        | 59.2         | 649,780          | 59.1         |
| 5–9 employees                              | 48,960         | 77.9         | 151,003        | 77.1         | 199,963          | 77.3         |
| 10–19 employees                            | 27,311         | 88.6         | 94,967         | 88.4         | 122,278          | 88.4         |
| 20–49 employees                            | 17,979         | 95.6         | 61,408         | 95.6         | 79,387           | 95.6         |
| 50–99 employees                            | 6,368          | 98.1         | 21,412         | 98.2         | 27,780           | 98.2         |
| <b>Small businesses<br/>1–99 employees</b> | <b>251,938</b> | <b>98.1</b>  | <b>827,250</b> | <b>98.2</b>  | <b>1,079,188</b> | <b>98.2</b>  |
| 100–199 employees                          | 2,845          | 99.2         | 8,494          | 99.2         | 11,339           | 99.2         |
| 200–499 employees                          | 1,425          | 99.7         | 4,189          | 99.7         | 5,614            | 99.7         |
| 500 employees or more                      | 734            | 100          | 2,646          | 100          | 3,380            | 100          |
| <b>Total</b>                               | <b>256,942</b> | <b>23.4</b>  | <b>842,579</b> | <b>76.6</b>  | <b>1,099,521</b> | <b>–</b>     |

Sources: Statistics Canada, Business Register; and ISED calculations.

The following four industries—construction; professional, scientific and technical services; health care and social assistance; and other services (except public administration)—account for 533,478 businesses, representing 48.5% of Canadian businesses (Table 3). The retail trade industry also accounts for a significant number of businesses: 98,812, or 9.0% of Canadian businesses. Therefore, more than half (57.5%) of Canadian businesses are in these five industries.

At least 99% of businesses in the following industries are small businesses: agriculture, forestry, fishing and hunting; construction; real estate and rental and leasing; professional, scientific and technical services; and other services (except public administration). However, only 78.7% of businesses in public administration and 91.9% of those in utilities are small businesses.

<sup>5</sup> By definition, the goods-producing sector consists of agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; utilities; construction; and manufacturing. The services-producing sector consists of wholesale trade; retail trade; transportation and warehousing; information and cultural industries; finance and insurance; real estate and rental and leasing; professional, scientific and technical services; management of companies and enterprises; administrative and support, waste management and remediation services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; other services (except public administration) and public administration.

**TABLE 3: NUMBER OF EMPLOYER BUSINESSES BY INDUSTRY AND NUMBER OF EMPLOYEES, DECEMBER 2024**

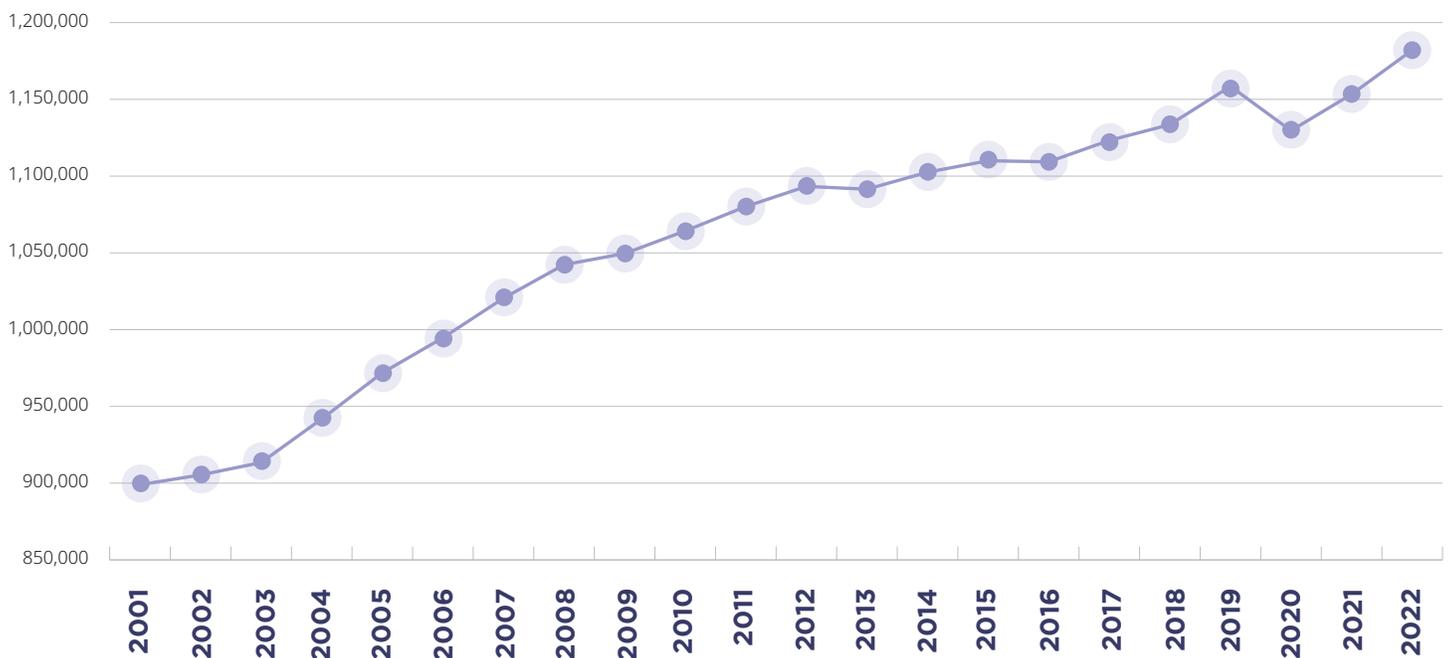
| Industry  | Small businesses<br>(1–99 employees) |             | Medium-sized businesses<br>(100–499 employees) |            | Large businesses<br>(500+ employees) |            | Total            |
|---|--------------------------------------|-------------|--|------------|--------------------------------------|------------|------------------|
|   | Number                               | %           | Number   | %          | Number                               | %          |                  |
| <b>Goods-Producing Sector</b>   | <b>251,938</b>                       | <b>98.1</b> | <b>4,270</b>                                   | <b>1.7</b> | <b>734</b>                           | <b>0.3</b> | <b>256,942</b>   |
| Agriculture, forestry, fishing and hunting                            | 46,832                               | 99.3        | 314  | 0.7        | 24                                   | 0.1        | 47,170           |
| Mining, quarrying, and oil and gas extraction                         | 5,779                                | 95.4        | 184  | 3.0        | 93                                   | 1.5        | 6,056            |
| Utilities   | 708                                  | 91.9        | 33   | 4.3        | 29                                   | 3.8        | 770              |
| Construction  | 154,179                              | 99.0        | 1,386  | 0.9        | 144                                  | 0.1        | 155,709          |
| Manufacturing   | 44,440                               | 94.1        | 2,353  | 5.0        | 444                                  | 0.9        | 47,237           |
| <b>Services-Producing Sector</b>                                      | <b>827,250</b>                       | <b>98.2</b> | <b>12,683</b>                                  | <b>1.5</b> | <b>2,646</b>                         | <b>0.3</b> | <b>842,579</b>   |
| Wholesale trade   | 38,016                               | 97.0        | 976  | 2.5        | 204                                  | 0.5        | 39,196           |
| Retail trade  | 96,799                               | 98.0        | 1,793  | 1.8        | 220                                  | 0.2        | 98,812           |
| Transportation and warehousing  | 69,089                               | 98.9        | 597  | 0.9        | 141                                  | 0.2        | 69,827           |
| Information and cultural industries                                   | 12,165                               | 96.7        | 339  | 2.7        | 76                                   | 0.6        | 12,580           |
| Finance and insurance   | 25,269                               | 97.5        | 482  | 1.9        | 154                                  | 0.6        | 25,905           |
| Real estate and rental and leasing                                    | 50,458                               | 99.4        | 236  | 0.5        | 66                                   | 0.1        | 50,760           |
| Professional, scientific and technical services                       | 150,105                              | 99.1        | 1,158  | 0.8        | 233                                  | 0.2        | 151,496          |
| Management of companies and enterprises                               | 2,980                                | 94.2        | 150  | 4.7        | 35                                   | 1.1        | 3,165            |
| Administrative and support, waste management and remediation services | 48,914                               | 97.5        | 1,038  | 2.1        | 206                                  | 0.4        | 50,158           |
| Educational services  | 13,663                               | 93.2        | 551  | 3.8        | 447                                  | 3.0        | 14,661           |
| Health care and social assistance                                     | 119,783                              | 98.2        | 1,914  | 1.6        | 336                                  | 0.3        | 122,033          |
| Arts, entertainment and recreation                                    | 16,772                               | 96.6        | 499  | 2.9        | 88                                   | 0.5        | 17,359           |
| Accommodation and food services                                       | 75,553                               | 97.9        | 1,473  | 1.9        | 144                                  | 0.2        | 77,170           |
| Other services (except public administration)                         | 103,576                              | 99.4        | 610  | 0.6        | 54                                   | 0.1        | 104,240          |
| Public administration   | 4,108                                | 78.7        | 867  | 16.6       | 242                                  | 4.6        | 5,217            |
| <b>All Industries</b>   | <b>1,079,188</b>                     | <b>98.2</b> | <b>16,953</b>                                  | <b>1.5</b> | <b>3,380</b>                         | <b>0.3</b> | <b>1,099,521</b> |

Sources: Business Register; and ISED calculations.

## 1.2 How many small businesses enter and exit each year?

An increase or decrease in the number of businesses is the net result of business entries and exits over a given period. This is often referred to as “creative destruction.” Between 2001 and 2022, the number of small businesses increased every year, except for three: in 2013, 2016, and 2020 when more businesses exited (97,231; 95,399; and 119,109) than were created (95,378; 94,711; and 90,250)<sup>6</sup> as illustrated in Figure 1.<sup>7</sup> Over the last five years (from 2018 to 2022), on average, 105,001 small businesses were created every year and 93,240 exited.

**FIGURE 1: NUMBER OF BUSINESSES WITH 1-99 EMPLOYEES, CANADA, 2001-2022**



Note: The data used for this figure include unclassified enterprises.

Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

As illustrated in Figure 2, throughout the 2001–2021 period, the business birth rate was lower in the goods-producing sector than in the services-producing sector. The rate of business births in the goods-producing sector had an overall flat trend, from 7.0% in 2010 to 7.7% in 2019. Not unexpectedly, the rate of business creation sharply declined during the COVID 19 pandemic, reaching 6.0% in 2020, which is a decrease of 1.7 percentage points compared with the year 2019.

<sup>6</sup> Statistics Canada produces several sources of data (such as the *Entrepreneurship Indicators Database* and the *Longitudinal Employment Analysis Program*) that present similar data on business births and deaths. The differences in levels between these sources and the data produced by the Economic Analysis Division (EAD) of Statistics Canada in the National Accounts Longitudinal Microdata File (NALMF) are a result of the different data sources and methodological concepts used. For instance, Statistics Canada also developed a newly experimental series on monthly business openings and closures based on the Longitudinal Employment Analysis Program. The data produced by the EAD through the NALMF were chosen because, in addition to providing the number of business births and deaths, the survival rate of start-up businesses is also available.

<sup>7</sup> When updating the annual data on business births and deaths, the most recent year available is added and the previous statistics are revised accordingly. For this reason, the statistics in *Key Small Business Statistics* differ slightly from one issue to the next. Furthermore, the snapshots of employer businesses over the past five years (June 2015 to June 2024) indicate an increasing trend in the number of employer businesses, particularly in the post-COVID period (Statistics Canada, enterprise counts). Since small businesses make up over 98% of all employer enterprises, this upward trend is likely reflected among small businesses as well.

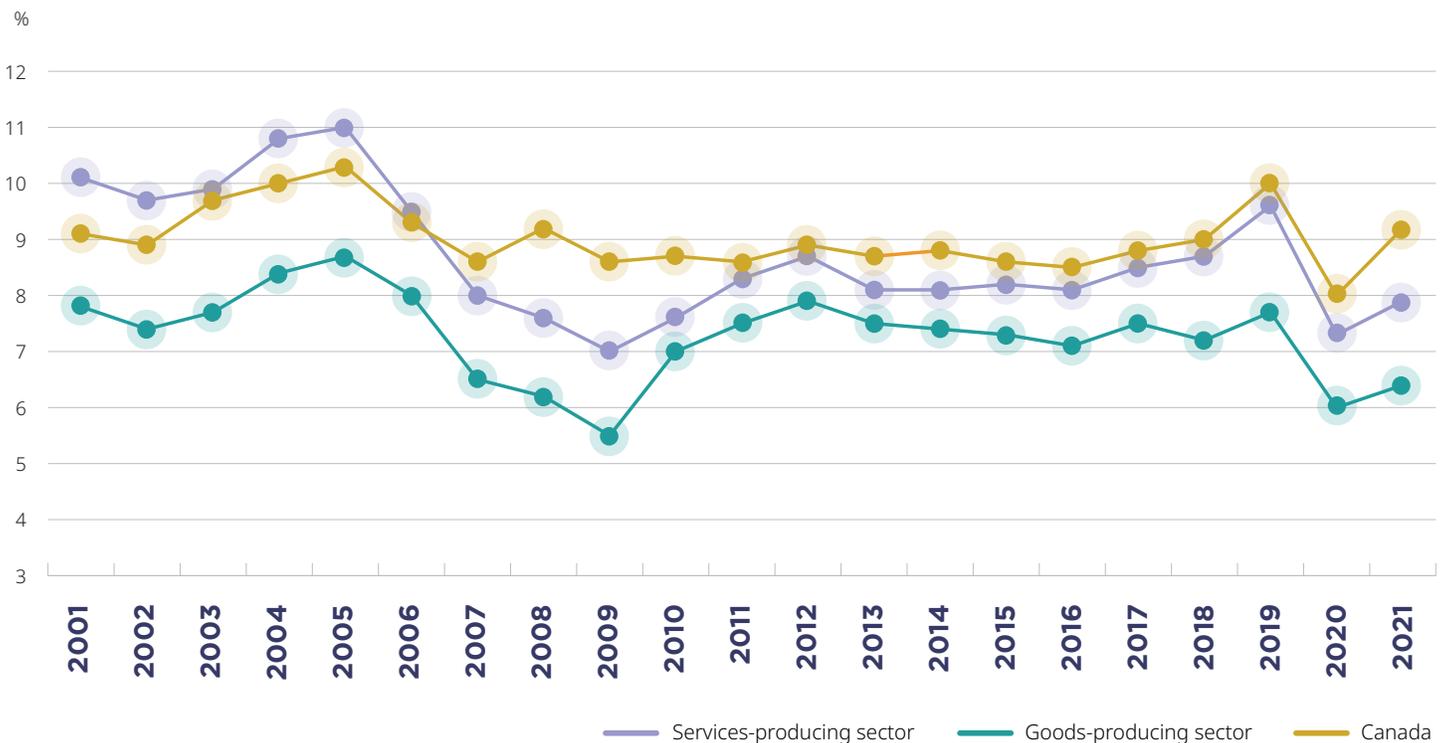
In 2021, the business birth rate in the goods-producing and services-producing sectors increased by 6.4% and 7.9%, respectively, while the overall business birth rate in Canada, including unclassified enterprises, increased to return to its pre-pandemic level of around 9.0%.<sup>8</sup>

Over the last five observed years, from 2017 to 2021, the average birth rate in the goods-producing sector was 6.9% (with an average of 18,480 businesses created annually), compared with 8.4% in the services-producing sector (with an average of 62,550 businesses created annually).

The exit rate over this period in the goods-producing sector was 6.3% (with an average of 16,880 businesses exiting annually), while the exit rate in the services-producing sector was 7.7% (with an average of 57,629 businesses exiting annually).

The enterprise birth rate is inversely related to firm size during market entry. The more individuals employed when a business begins operations, the lower the enterprise birth rate (Figure 3). On average, between 2018 and 2022, the birth rate was 11.7%, 3.3%, and 1.4% for businesses with 1–4, 5–19, and 20–99 employees respectively.

**FIGURE 2: BIRTH RATE FOR ENTERPRISES WITH 1–99 EMPLOYEES, CANADA AND MAIN SECTORS, 2001–2021**

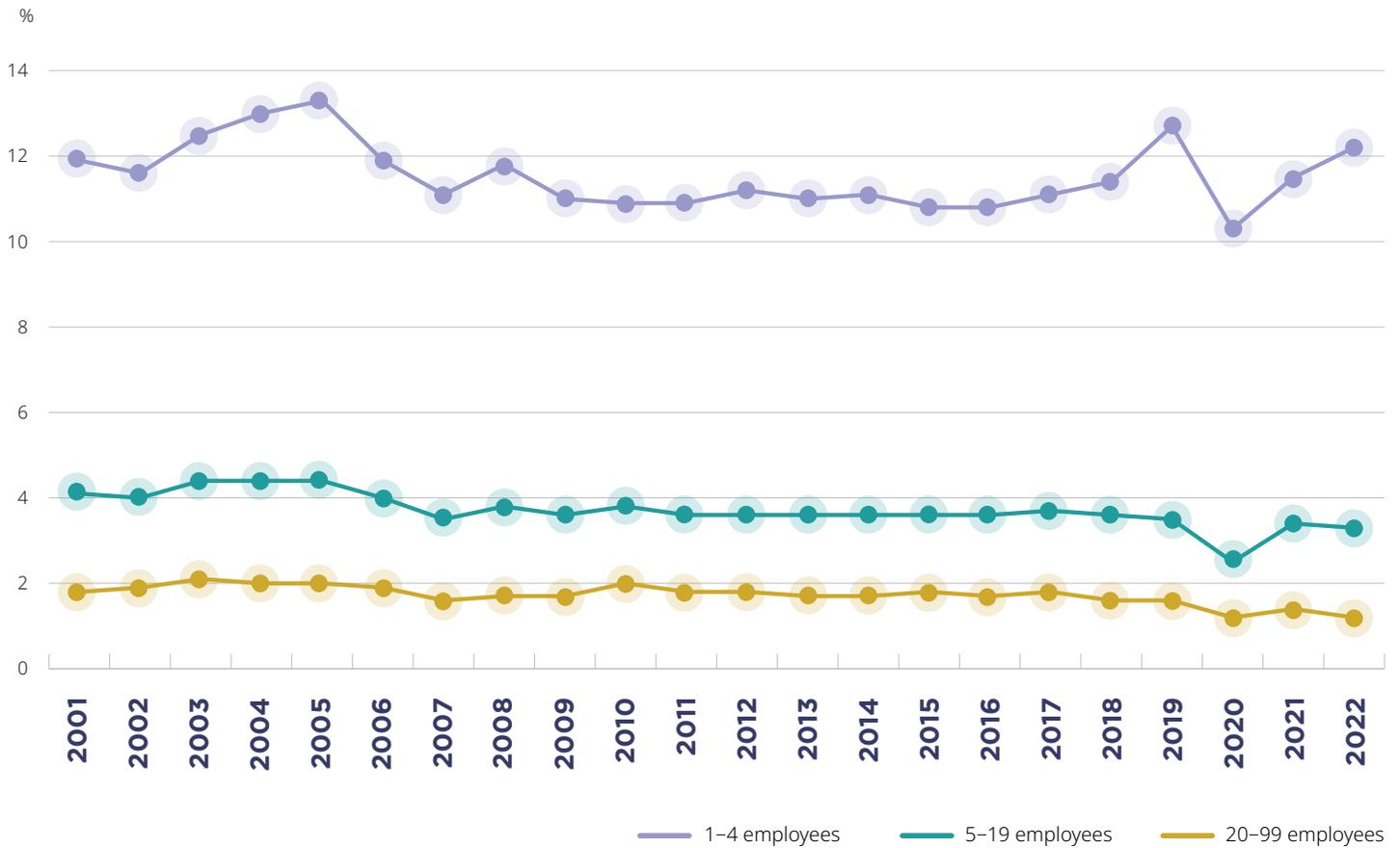


Note: The goods-producing sector excludes data on the utilities industry. The services-producing sector excludes data on the management of companies and enterprises industry. Canada data are for all industries, including unclassified industries. In the 2024 edition of this report, a decline in business birth rates between 2020 and 2021 was observed across both sectors. Following subsequent retroactive revisions and the assignment of industry codes to firms previously classified as “unclassified,” the present edition shows that these rates in fact increased. Accordingly, differences exist between the 2021 statistics (and any statistics including the 2021 business entry and exit rates by sector) presented in this report and those published in the 2024 edition.

Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

<sup>8</sup> It should be noted that statistics on business entry and exit rates by sector are typically available with a two-year lag. However, the most recent year of data by sector excludes enterprises whose industry classification has not yet been determined. This methodological limitation tends to lead to an underestimation of entry rates in both the goods-producing and services sectors for the latest year. For this reason, the business entry and exit rates by sector presented in this report are released with a three-year lag to exclude the most recent year available.

**FIGURE 3: BIRTH RATE BY INITIAL BUSINESS SIZE, CANADA, 2001–2022**



Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

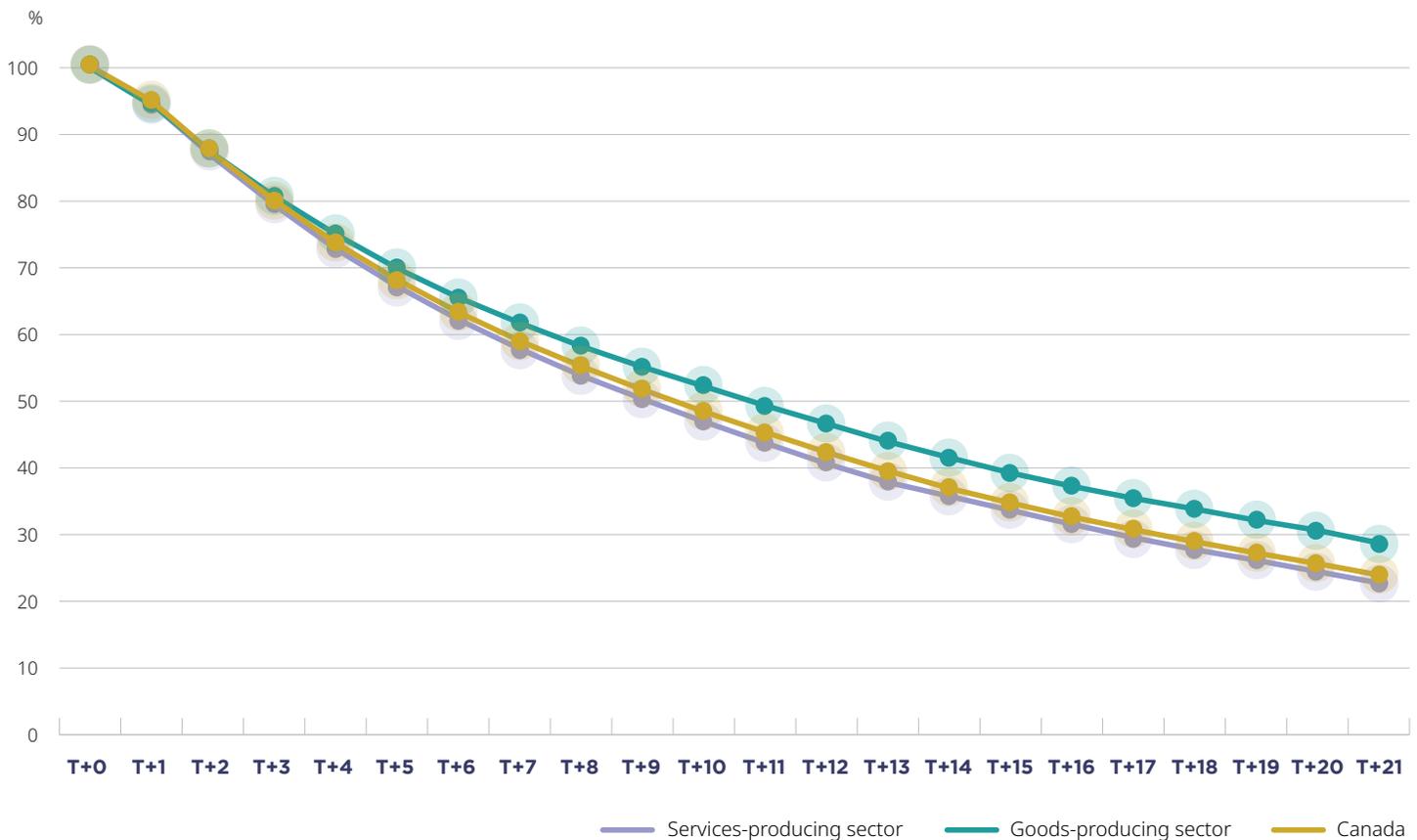
The vast majority of businesses had 1–4 employees when they began operations. Of the 105,001 businesses created on average each year from 2018 to 2022, 91.2% (or 95,725 businesses) had 1–4 employees when they were created. Over the course of this period, 7.6%, and 1.2% of new businesses began operations with 5–19 and 20–99 employees, respectively. Of the average 93,240 annual closures each year from 2018 to 2022, 94.1%, 5.7%, and 0.2% were businesses with 1–4, 5–19, and 20–99 employees, respectively.

### 1.3 What proportion of new businesses survive over time?

Businesses in the goods-producing and services-producing sectors showed similar survival rates over the course of the first two years (T+1, T+2) after their creation (T+0) (Figure 4). After the third year (T+3), business survival rates in the goods-producing sector were higher than in the services-producing sector. After five years (T+5), 69.7% of businesses in the goods-producing sector were still operating, compared with 67.5% of businesses in the services-producing sector.

After 10 years (T+10), the business survival rate for the goods-producing sector was 52.0%, compared with 47.2% for the services-producing sector. Finally, 28.5% of businesses in the goods-producing sector and 23.0% of businesses in the services-producing sector were still active 21 years (T+21) after they entered the Canadian market.

**FIGURE 4: SURVIVAL RATE OF BUSINESSES WITH 1-99 EMPLOYEES, GOODS-PRODUCING SECTOR AND SERVICES-PRODUCING SECTOR, CANADA**

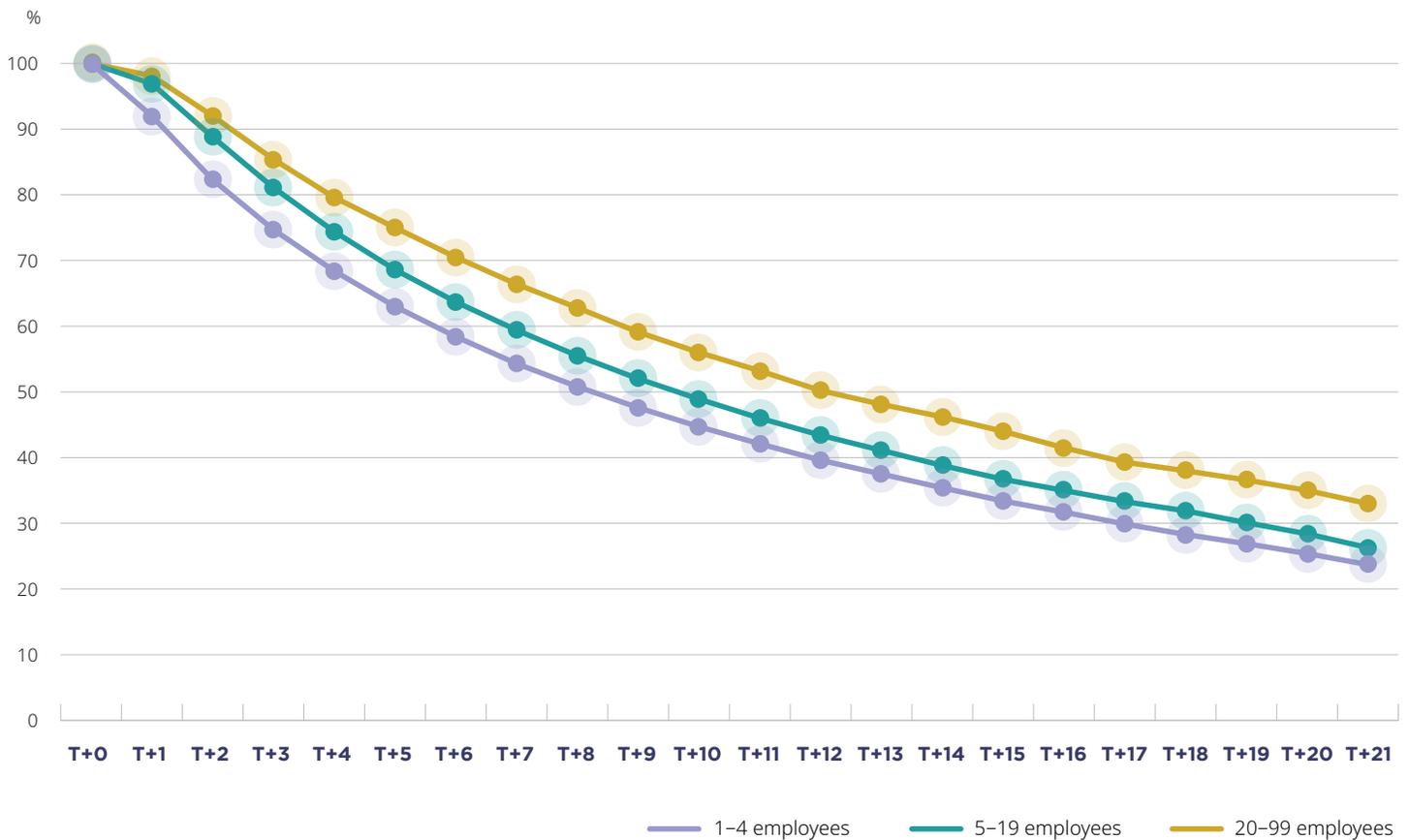


Note: The goods-producing sector excludes data on the utilities industry, and the services-producing sector excludes data on the management of companies and enterprises industry. Canada data combine the goods-producing and services-producing sectors. Since the data on enterprise creation extends from 2001 to 2022, not all cohorts can be observed for identical durations of operation. Therefore, the average survival rates of enterprises after a given period of operation are calculated using available data of each cohort. For example, only the enterprises from the 2001 cohort can be observed over a span of 21 years.

Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

There is a positive correlation between enterprise survival rate and initial business size (Figure 5). Businesses that began operations with a large number of employees had a higher survival rate than businesses that began with a smaller number of employees. Of businesses that began operations with 1–4 employees, 63.0% were still active after 5 years (T+5), 44.7% were still active after 10 years (T+10), and 23.7% were still active after 21 years (T+21), compared with businesses that began operations with a workforce of 20–99 employees, of which 75.0% were still active after 5 years (T+5), 56.0% were still active after 10 years (T+10) and 33.0% were still active after 21 years (T+21).

**FIGURE 5: SURVIVAL RATE BY INITIAL BUSINESS SIZE, CANADA**



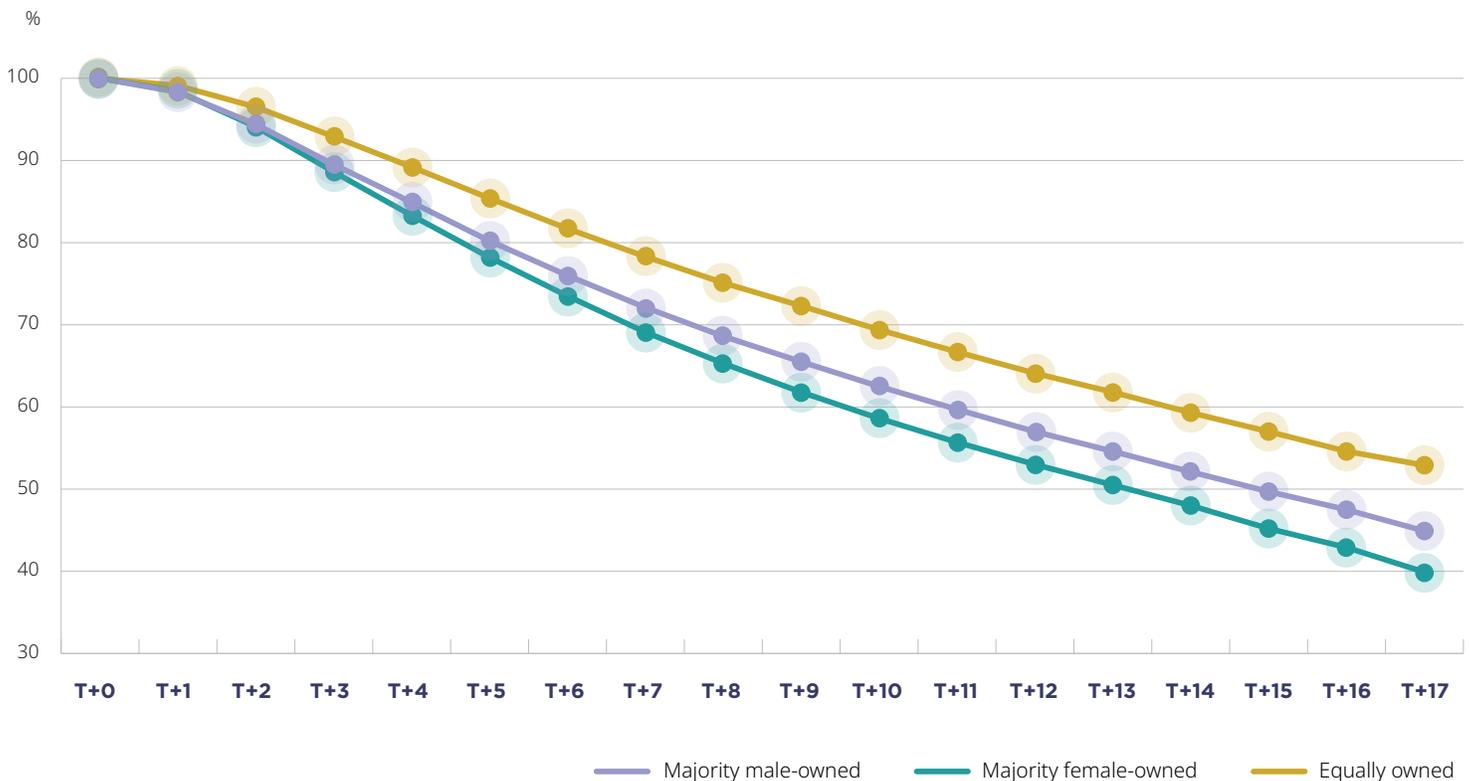
Note: As in Figure 4, the average survival rates of enterprises after a given period of operation are calculated using available data of each cohort.  
 Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

## 1.4 What are the gender-based differences in survival and birth rates?

Majority male-owned businesses showed higher survival rates than majority female-owned businesses over the course of the seventeen years after their creation. However, businesses owned equally by males and females had the highest survival rates over the period observed.<sup>9</sup> After five years (T+5), 78.2% of majority female-owned businesses were still operating, compared with 80.2% of majority male-owned businesses, and 85.4% of equally owned businesses.

After 10 years (T+10), the business survival rate for majority female-owned businesses was 58.6%, compared with 62.5% for majority male-owned businesses, and 69.4% for equally owned businesses. Finally, 39.9% of majority female-owned businesses, 44.9% of majority male-owned businesses, and 52.9% of equally owned businesses were still active 17 years (T+17) after their creation (Figure 6).<sup>10</sup>

**FIGURE 6: SURVIVAL RATE BY GENDER MAJORITY OWNERSHIP OF BUSINESSES WITH 1-99 EMPLOYEES, CANADA**



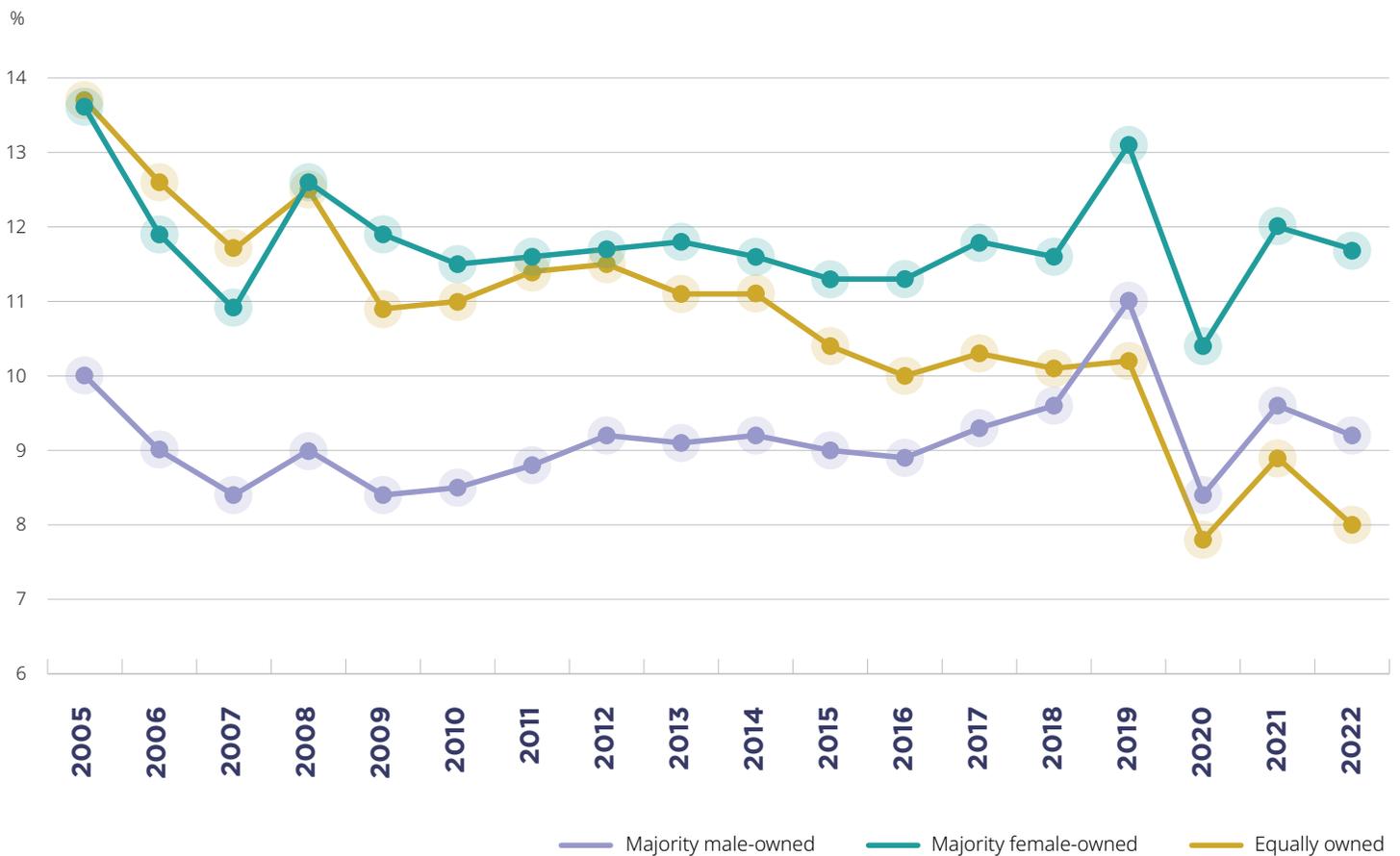
Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

<sup>9</sup> The analysis was repeated by firm size, and the results follow trends similar to the aggregated results except for enterprises with 20-99 employees, where the survival rate is higher for majority female-owned businesses than for majority male-owned businesses from the eleventh year of the enterprise's life.

<sup>10</sup> Note that the survival rates by gender are higher than the survival curves shown in section 1.3. This may be partly due to the omission of the group of businesses for which information on gender ownership is unavailable. Furthermore, unlike section 1.3, the data including gender majority ownership only cover private enterprises.

As shown in Figure 7, throughout the 2005–2022 period, the business birth rate was lower for majority male-owned businesses than for majority female-owned businesses. Over the last five years observed, the average birth rate for majority female-owned businesses was 11.8%, compared with 9.6% for majority male-owned businesses. On average, every year between 2018 and 2022, 13,591 majority female-owned businesses were created and 10,150 businesses disappeared, while 46,722 majority male-owned businesses were created and 37,055 businesses disappeared.<sup>11</sup>

**FIGURE 7: BIRTH RATE BY GENDER-MAJORITY OWNERSHIP OF BUSINESSES WITH 1-99 EMPLOYEES, CANADA**



Sources: Statistics Canada, Economic and Social Analysis and Modelling Division, National Accounts Longitudinal Microdata File; and ISED calculations.

<sup>11</sup> Note that the trend in Figure 7 differs from that in Figure 2. This difference may be again due to the omission of the group of businesses for which information on gender ownership is unavailable or the limitation that the data including gender majority ownership only cover private enterprises. Indeed, on average, between 2005 and 2022, the birth rate of enterprises is one percentage point higher when it excludes businesses for which information on gender ownership is unavailable.



## 2. EMPLOYMENT

### 2.1 How many people were employed in Canada in 2024?

In 2024, approximately 17.6 million individuals were employed<sup>12</sup> in Canada. Of this number, 70.3% worked in the private sector<sup>13</sup> and 29.7% worked in the public sector<sup>14</sup> (Table 4).

**TABLE 4: NUMBER OF INDIVIDUALS EMPLOYED IN THE PRIVATE AND PUBLIC SECTORS BY BUSINESS SIZE, 2024**

| Sector           | Small businesses<br>(1–99 employees) |              | Medium-sized businesses<br>(100–499 employees) |              | SMEs<br>(1–499 employees) |              | Large businesses<br>(500+ employees) |              | Total<br>(thousands) |
|------------------|--------------------------------------|--------------|--|--------------|---------------------------|--------------|--------------------------------------|--------------|----------------------|
|                  | Number<br>(thousands)                | %<br>size    | Number<br>(thousands)                          | %<br>size    | Number<br>(thousands)     | %<br>size    | Number<br>(thousands)                | %<br>size    |                      |
| Private sector   | 5,838.5                              | 46.60        | 2,134.1  | 17.03        | 7,972.6                   | 63.63        | 4,556.1                              | 36.37        | 12,528.7             |
| % Private sector | 85.56                                | –            | 78.42  | –            | 83.52                     | –            | 54.96                                | –            | 70.25                |
| Public sector    | 985.8                                | 18.58        | 587.2  | 11.07        | 1,572.9                   | 29.64        | 3,733.4                              | 70.36        | 5,306.3              |
| % Public sector  | 14.44                                | –            | 21.58  | –            | 16.48                     | –            | 45.04                                | –            | 29.75                |
| <b>Total</b>     | <b>6,824.2</b>                       | <b>38.26</b> | <b>2,721.3</b>                                 | <b>15.26</b> | <b>9,545.6</b>            | <b>53.52</b> | <b>8,289.5</b>                       | <b>46.48</b> | <b>17,835.0</b>      |

Sources: Statistics Canada, Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

The distribution of the number of people employed according to business size varies considerably between the private and public sectors. In 2023, 63.7% of employed individuals in the private sector worked for SMEs, compared with 29.8% of those employed by public organizations of the same size.

12 This number excludes self-employed and individuals employed in businesses that are primarily involved in agriculture, fishing and trapping, private household services, religious organizations, international and other extraterritorial public administration and military personnel of defence services. It is important to note that all employment data by business size in this report are sourced from [Statistics Canada, Table 14-10-0215-01—Employment for all employees by enterprise size, annual](#), which include businesses with no employees. However, since businesses with no employees do not, by definition, contribute to employment totals, employment figures calculated when including businesses with no employees are equal to employment figures calculated when excluding businesses with no employees. For this reason, and to maintain consistency with the definition of small and medium-sized businesses used in this report, employment data by business size are classified starting from one employee rather than zero employees as in Statistics Canada's classification.

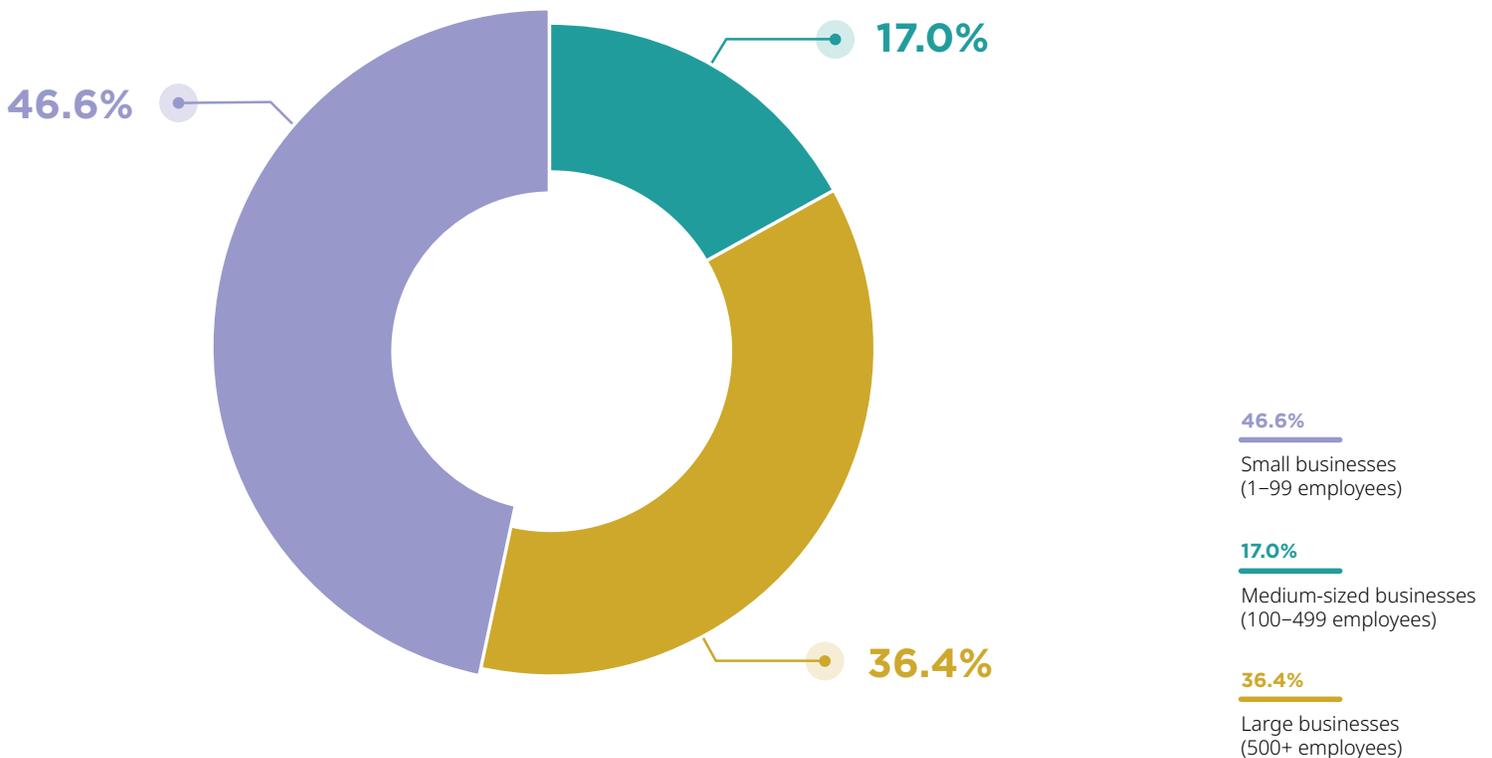
13 Private and public sector employees are found in every Canadian economic sector. However, due to data limitations, public employees are considered to be those individuals working in the utilities industry (NAICS 22), educational services (NAICS 61), health care and social assistance (NAICS 62), and public administration industries (NAICS 91).

14 The *Labour Force Survey* defines the public sector to include individuals who work for a local, provincial, or federal government, a government service or agency, a Crown corporation, or a government-funded establishment, such as a school (including universities) or a hospital. The distribution of public employment in this publication, defined according to NAICS, closely aligns with the figures derived from the *Labour Force Survey* statistics (and categorized using the aforementioned definition), indicating a share of 24.3% for public sector employment in 2022 (see Statistics Canada, Table 14-10-0027-01 Employment by class of worker, annual [x 1,000]).

## 2.2 What is the distribution of employment across the private sector?

In 2024, private sector businesses employed 12.5 million people in Canada. Most of these employees, 46.6% (5.8 million), worked for small businesses, compared with 36.4% (4.5 million) for large businesses and 17.0% (2.1 million) for medium-sized businesses (Figure 8). In total, SMEs employed 63.6% of the private sector workforce (8.0 million individuals), highlighting the important role SMEs play in employing Canadians.

**FIGURE 8: DISTRIBUTION OF PRIVATE SECTOR EMPLOYEES BY BUSINESS SIZE, 2024**



Note: Data may not add up to totals because of rounding.

Sources: Statistics Canada, Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

SMEs play an essential role in employing Canadians across the country. At the provincial level, the biggest contributors to private sector employment are Ontario (39.7%), Quebec (22.1%), British Columbia (14.1%), and Alberta (12.4%). Total private sector employment in Ontario and Quebec amounts to 7,738,748 jobs, which represents 61.8% of Canadian private sector employment (Table 5).

**TABLE 5: TOTAL PRIVATE SECTOR EMPLOYMENT BY PROVINCE, 2024**

| Province                  | Private sector employment |            |
|---------------------------|---------------------------|------------|
|                           | Number (thousands)        | %          |
| Newfoundland and Labrador | 134.1                     | 1.1        |
| Prince Edward Island      | 48.9                      | 0.4        |
| Nova Scotia               | 283.5                     | 2.3        |
| New Brunswick             | 224.9                     | 1.8        |
| Quebec                    | 2,765.0                   | 22.1       |
| Ontario                   | 4,973.7                   | 39.7       |
| Manitoba                  | 413.2                     | 3.3        |
| Saskatchewan              | 324.8                     | 2.6        |
| Alberta                   | 1,550.8                   | 12.4       |
| British Columbia          | 1,769.5                   | 14.1       |
| Yukon                     | 13.0                      | 0.1        |
| Northwest Territories     | 14.9                      | 0.1        |
| Nunavut                   | 12.4                      | 0.1        |
| <b>Canada</b>             | <b>12,528.7</b>           | <b>100</b> |

Note: Due to the lack of complete industry-level data for certain provinces, private sector employment is calculated residually, as the difference between aggregated employment and employment in industries identified as public in this report. However, province-level public employment does not incorporate the utilities industry due to incomplete data for most provinces. As such, the number of employees in the utilities industry is estimated for each province so that the total private employment figures are consistent across the tables.

Sources: Statistics Canada. Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

The distribution of employment by business size varies across industries. As shown in Table 6, SMEs account for over 70% of employment in at least three industries: construction (87.4%); accommodation and food services (83.4%); and real estate and rental and leasing (75.6%). Indeed, small businesses alone account for over 70% of employment in the forestry, logging and support, and other services (except public administration) industries.

**TABLE 6: TOTAL PRIVATE SECTOR EMPLOYMENT BY INDUSTRIAL SECTOR AND BUSINESS SIZE, 2024**

| Industry  | Small businesses<br>(1–99 employees) |             | Medium-sized businesses<br>(100–499 employees) |             | SME<br>employment | Large businesses<br>(500+ employees) |             | Total<br>(thousands) |
|---|--------------------------------------|-------------|--|-------------|-------------------|--------------------------------------|-------------|----------------------|
|   | Number<br>(thousands)                | %           | Number<br>(thousands)                          | %           | %                 | Number<br>(thousands)                | %           |                      |
| <b>Goods-Producing Sector</b>   | <b>1,451.5</b>                       | <b>48.5</b> | <b>642.6</b>                                   | <b>21.5</b> | <b>70.0</b>       | <b>888.8</b>                         | <b>29.7</b> | <b>2,992.5</b>       |
| Forestry, logging and support   | 28.0                                 | 74.6        | x*   | –           | –                 | x*                                   | –           | 37.5                 |
| Mining, quarrying, and oil and gas extraction                         | 41.3                                 | 19.4        | 33.8   | 15.9        | 35.3              | 138.0                                | 64.7        | 213.1                |
| Construction  | 830.7                                | 70.4        | 200.2  | 17.0        | 87.4              | 148.4                                | 12.6        | 1,179.2              |
| Manufacturing   | 551.6                                | 35.3        | 408.6  | 26.1        | 61.4              | 602.5                                | 38.6        | 1,562.7              |
| <b>Services-Producing Sector</b>                                      | <b>4,386.9</b>                       | <b>46.0</b> | <b>1,406.4</b>                                 | <b>14.7</b> | <b>60.8</b>       | <b>3,621.9</b>                       | <b>38.0</b> | <b>9,536.3</b>       |
| Wholesale trade   | 366.5                                | 44.5        | 178.0  | 21.6        | 66.2              | 278.6                                | 33.8        | 823.1                |
| Retail trade  | 875.7                                | 43.7        | 248.5  | 12.4        | 56.1              | 879.6                                | 43.9        | 2,003.8              |
| Transportation and warehousing  | 275.0                                | 32.6        | 104.1  | 12.3        | 44.9              | 465.3                                | 55.1        | 844.4                |
| Information and cultural industries                                   | 85.3                                 | 23.8        | 62.7   | 17.5        | 41.2              | 210.9                                | 58.8        | 358.9                |
| Finance and insurance   | 132.8                                | 15.6        | 86.0   | 10.1        | 25.8              | 630.8                                | 74.2        | 849.6                |
| Real estate and rental and leasing                                    | 180.9                                | 61.6        | 41.4   | 14.1        | 75.6              | 71.6                                 | 24.4        | 293.9                |
| Professional, scientific and technical services                       | 641.6                                | 52.2        | 207.9  | 16.9        | 69.1              | 380.7                                | 30.9        | 1,230.2              |
| Management of companies and enterprises                               | 34.6                                 | 28.8        | 30.7   | 25.5        | 54.3              | 55.0                                 | 45.7        | 120.3                |
| Administrative and support, waste management and remediation services | 329.8                                | 40.2        | 167.8  | 20.4        | 60.6              | 323.7                                | 39.4        | 821.2                |
| Arts, entertainment and recreation                                    | 144.2                                | 45.4        | 63.3   | 19.9        | 65.3              | 110.4                                | 34.7        | 317.9                |
| Accommodation and food services                                       | 868.6                                | 66.8        | 216.1  | 16.6        | 83.4              | 215.3                                | 16.6        | 1,300.0              |
| Other services (except public administration)                         | 451.9                                | 78.9        | x*   | –           | –                 | x*                                   | –           | 572.9                |
| <b>Total</b>  | <b>5,838.5</b>                       | <b>46.6</b> | <b>2,049.0</b>                                 | <b>16.4</b> | <b>63.0</b>       | <b>4,510.7</b>                       | <b>36.0</b> | <b>12,528.7</b>      |

Note: x\* means that the estimate is suppressed to meet the confidentiality requirements of the *Statistics Act*. However, it is included in the industry total. When it is not possible to report the total employment across enterprise sizes for a given industry, the industry total is reported. Specifically, employment data for medium-sized and large enterprises are missing for the forestry, logging, and support industry in the goods-producing sector, and for other services (except public administration) in the service-producing sector. Therefore, the total employment across enterprise sizes may differ from the industry aggregate.

Sources: Statistics Canada. Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

The industrial sectors in which the most small-business employees worked were, in descending order, retail trade (875,706); accommodation and food services (868,600); construction (830,677); and professional, scientific and technical services (641,619). These industries alone accounted for 55.1% of all private jobs in small businesses in Canada.

Overall, industries in the goods-producing sector accounted for 23.9% of total private employment and 24.9% of employment in small businesses.

At the industry level, other services (except public administration) had the highest share of employees working in small businesses (1–99 employees) with 451,853 out of the total of 572,917 employees (78.9%) in the industry.

## 2.3 How much did employment grow between 2023 and 2024?

In 2024, a positive net employment change in the private sector of 6,939 was observed, which corresponds to an annual growth rate of 0.1% (Table 7).<sup>15</sup> The net employment change among small businesses was an increase of 13,251 businesses compared with a decrease of 11,142 businesses among medium-sized businesses, or an annual growth rate of 0.2% and –0.5%, respectively. SMEs were responsible for 30.4% of net employment change over the last year (Figure 9).<sup>16</sup>

The most significant negative changes in net employment in the services-producing sector were observed in retail trade (–19,631), and administrative and support, waste management and remediation services (–14,813) while the most significant positive changes in net employment were observed in Finance and insurance (11,399), and in professional, scientific and technical services (10,834). The construction, and forestry, logging and support industries saw the most significant increase in net employment change in the goods-producing sector: 12,643 and 308 jobs, respectively whereas manufacturing recorded a decline of 2,848 in net employment.

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<sup>15</sup> It is important to note that this annual employment growth rate is relatively low compared with the average annual growth rate of 0.8% observed before the COVID-19 pandemic (see *Key Small Business Statistics*, 2019).

<sup>16</sup> Since total net employment growth was lower than that of small businesses, and medium-sized businesses showed nearly the opposite employment trend, small businesses contributed 191.0% to net employment change, while medium-sized businesses contributed -160.6%.

**TABLE 7: ANNUAL GROWTH RATE AND CONTRIBUTION TO NET EMPLOYMENT CHANGE IN THE PRIVATE SECTOR BY INDUSTRIAL SECTOR AND BUSINESS SIZE, 2023-2024**

|   | Small businesses<br>(1-99 employees) |                      |               | Medium-sized businesses<br>(100-499 employees) |                      |               | Large businesses<br>(500+ employees) |                      |               | Total      |                      |
|---|--------------------------------------|----------------------|---------------|--|----------------------|---------------|--------------------------------------|----------------------|---------------|------------|----------------------|
|   | AGR* (%)                             | NEC**<br>(thousands) | CEC*** (%)    | AGR* (%)                                       | NEC**<br>(thousands) | CEC*** (%)    | AGR* (%)                             | NEC**<br>(thousands) | CEC*** (%)    | AGR* (%)   | NEC**<br>(thousands) |
| <b>Goods-Producing Sector</b>   | <b>0.5</b>                           | <b>6.9</b>           | <b>67.8</b>   | <b>1.1</b>                                     | <b>7.1</b>           | <b>69.7</b>   | <b>-0.5</b>                          | <b>-4.6</b>          | <b>-45.2</b>  | <b>0.3</b> | <b>10.2</b>          |
| Forestry, logging and support   | -1.7                                 | -0.5                 | -154.5        | -  | -                    | -             | -                                    | -                    | -             | 0.8        | 0.3                  |
| Mining, quarrying, and oil and gas extraction                         | 1.1                                  | 0.4                  | 504.5         | -5.2   | -1.9                 | -2092.1       | 1.1                                  | 1.5                  | 1687.6        | 0.0        | 0.1                  |
| Construction  | 1.2                                  | 10.0                 | 79.2          | 5.6  | 10.6                 | 83.8          | -5.1                                 | -8.0                 | -63.0         | 1.1        | 12.6                 |
| Manufacturing   | -0.6                                 | -3.1                 | 107.9         | -0.4   | -1.6                 | 57.1          | 0.3                                  | 1.9                  | -65.0         | -0.2       | -2.8                 |
| <b>Services-Producing Sector</b>                                      | <b>0.1</b>                           | <b>6.3</b>           | <b>-194.9</b> | <b>-1.5</b>                                    | <b>-21.3</b>         | <b>656.3</b>  | <b>0.2</b>                           | <b>7.6</b>           | <b>-233.8</b> | <b>0.0</b> | <b>-3.3</b>          |
| Wholesale trade   | -0.8                                 | -2.9                 | 170.6         | -2.2   | -3.9                 | 235.3         | 1.9                                  | 5.1                  | -305.9        | -0.2       | -1.7                 |
| Retail trade  | -0.4                                 | -3.8                 | 19.5          | -0.8   | -2.1                 | 10.5          | -1.5                                 | -13.7                | 70.0          | -1.0       | -19.6                |
| Transportation and warehousing  | -0.5                                 | -1.4                 | -29.5         | -1.5   | -1.6                 | -32.9         | 1.7                                  | 7.8                  | 162.5%        | 0.6        | 4.8                  |
| Information and cultural industries                                   | -0.8                                 | -0.7                 | 12.0          | -1.1   | -0.7                 | 11.2          | -2.2                                 | -4.6                 | 76.8          | -1.7       | -6.0                 |
| Finance and insurance   | -0.9                                 | -1.2                 | -10.5         | -3.7   | -3.3                 | -28.8         | 2.6                                  | 15.9                 | 139.3         | 1.4        | 11.4                 |
| Real estate and rental and leasing                                    | 0.3                                  | 0.6                  | 16.7          | -1.9   | -0.8                 | -23.7         | 5.4                                  | 3.7                  | 107.1         | 1.2        | 3.4                  |
| Professional, scientific and technical services                       | 0.7                                  | 4.3                  | 39.5          | 0.9  | 1.8                  | 16.2          | 1.3                                  | 4.8                  | 44.3          | 0.9        | 10.8                 |
| Management of companies and enterprises                               | 0.2                                  | 0.1                  | -2.1          | 4.4  | 1.3                  | -33.6         | -8.7                                 | -5.3                 | 135.7         | -3.1       | -3.9                 |
| Administrative and support, waste management and remediation services | 0.9                                  | 2.9                  | -19.8         | -3.7   | -6.4                 | 43.1          | -3.4                                 | -11.4                | 76.8          | -1.8       | -14.8                |
| Arts, entertainment and recreation                                    | 2.1                                  | 3.0                  | 43.6          | 4.7  | 2.8                  | 41.2          | 1.0                                  | 1.0                  | 15.2          | 2.2        | 6.9                  |
| Accommodation and food services                                       | 0.0                                  | -0.1                 | 1.6           | -3.8   | -8.5                 | 199.3         | 2.0                                  | 4.3                  | -100.9        | -0.3       | -4.3                 |
| Other services (except public administration)                         | 1.2                                  | 5.6                  | 57.2          | -  | -                    | -             | -                                    | -                    | -             | 1.7        | 9.7                  |
| <b>Total</b>  | <b>0.2</b>                           | <b>13.3</b>          | <b>191.0</b>  | <b>-0.5</b>                                    | <b>-11.1</b>         | <b>-160.6</b> | <b>0.1</b>                           | <b>4.8</b>           | <b>69.6</b>   | <b>0.1</b> | <b>6.9</b>           |

\* AGR: Annual growth rate.

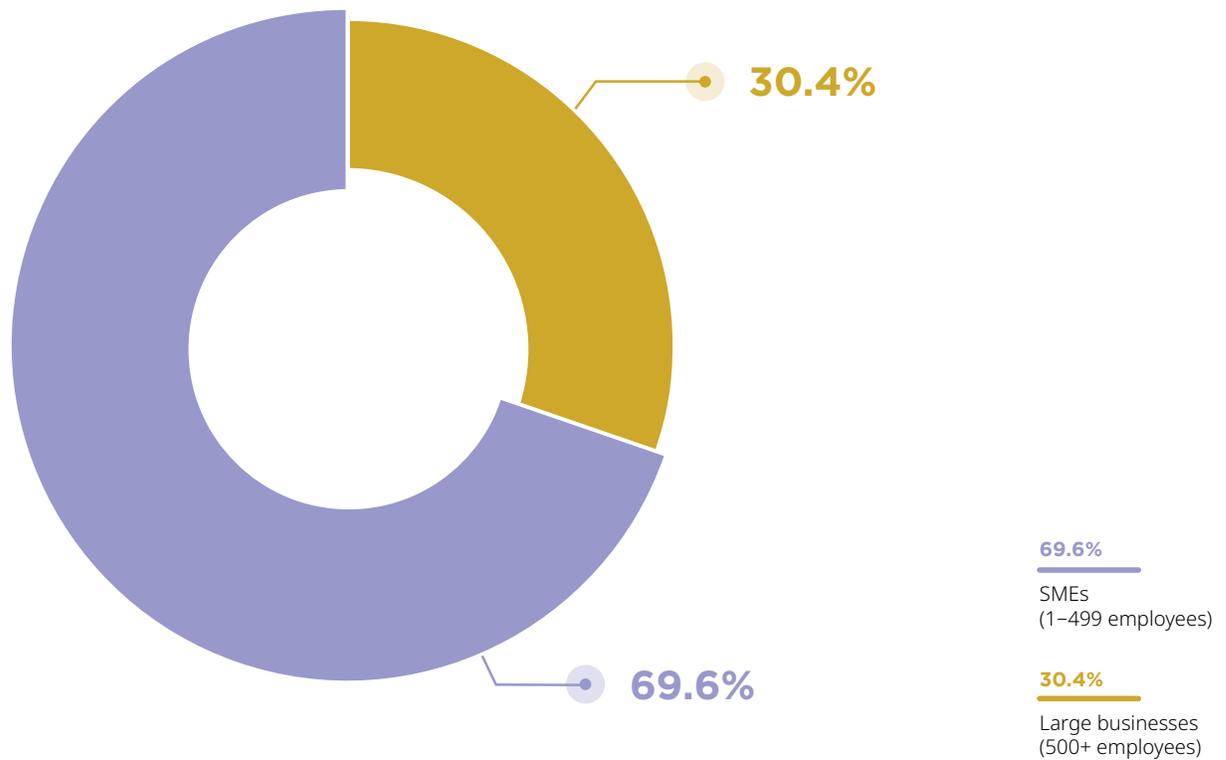
\*\* NEC: Net employment change from 2023-2024.

\*\*\* CEC: Contribution to net employment change. For small businesses in Canada, for example, CEC = 13.3/6.9, or 191.0%.

Note: Employment data for medium-sized and large enterprises are missing for the forestry, logging, and support industry in the goods-producing sector, and for other services (except public administration) in the service-producing sector. However, these data are included in the total calculated at industry level. When it is not possible to report the total employment across enterprise sizes for a given industry, the industry total is reported. Consequently, the sum of aggregates by enterprise size does not necessarily equal the industry total, and employment figures for medium-sized and large enterprises exclude the forestry, logging, and support industries within the goods-producing sector, and other services (except public administration) within the service-producing sector. The total employment by business size reported at the bottom of the table aligns with Table 4, which presents employment across the entire private sector including the forestry, logging, and support industries, as well as the other services (except public administration).

Sources: Statistics Canada. Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

**FIGURE 9: CONTRIBUTION TO NET EMPLOYMENT CHANGE FROM PRIVATE SECTOR BUSINESSES BY BUSINESS SIZE, 2023-2024**



Sources: Statistics Canada, Table 14-10-0215-01—Employment for all employees by enterprise size, annual; and ISED calculations.

ORPHEUM



# 3. GROWTH

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## 3.1 What is the proportion of high-growth firms?

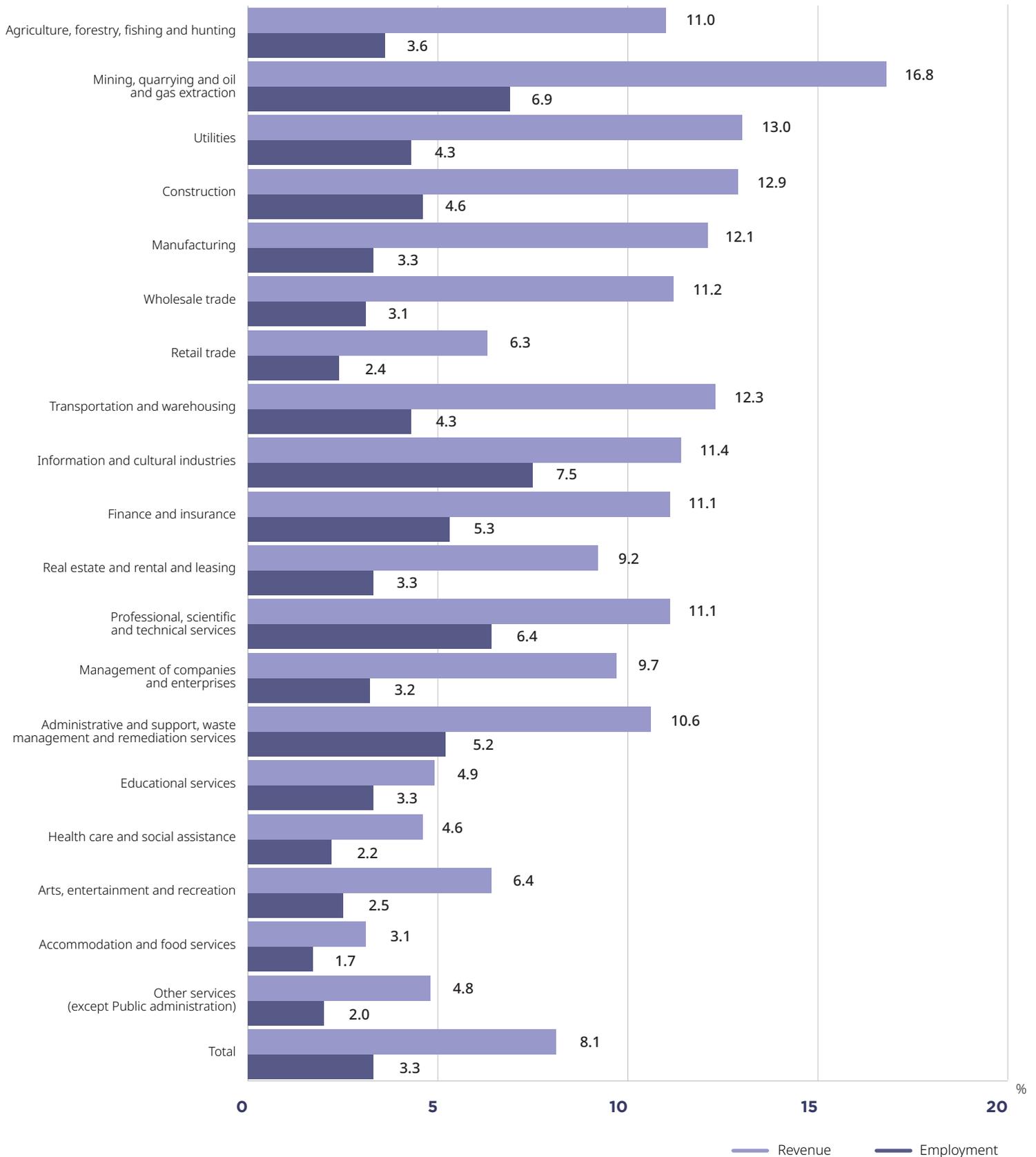
Firms that achieve high growth in a short period of time tend to make a large contribution in terms of employment<sup>17</sup> and wealth creation. These high-growth firms, which tend to be newer and smaller businesses, are found, as discussed below, across all industrial sectors.

Figure 10 presents percentages of high-growth firms across different industries between 2019 and 2022 based on revenue and employment. As shown, there are high-growth firms in all industries. In the goods-producing sector, the largest share of high-growth firms based upon revenue is found in the following industries: mining, quarrying, and oil and gas extraction (16.8%), utilities (13%), and construction (12.9%). In the services-producing sector, industries with the largest share of high-growth firms are transportation and warehousing (12.3%), information and cultural industries (11.4%); and wholesale trade (11.2%). Overall, the share of high-growth firms based on revenue is slightly more than double the share based on employment (8.1% versus 3.3%).

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<sup>17</sup> High-growth firms contributed to around 41% of the total net employment change between 2009 and 2012 (Innovation, Science and Economic Development Canada, *The Contribution to Canadian Net Employment Change by High-Growth Firms*, December 2017).

**FIGURE 10: PERCENTAGE OF HIGH-GROWTH FIRMS BY INDUSTRY, BASED ON REVENUE AND EMPLOYMENT GROWTH, 2019-2022**



Source: Statistics Canada, Entrepreneurship Indicators Database.

# 4. EXPORT OF GOODS

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## 4.1 Which provinces have the highest concentrations of exporters?

Exports are vital to Canada's economy. They drive economic growth and are strongly correlated with real gross domestic product growth. Furthermore, exports can provide a strategically important means of growing a business by expanding its market beyond the confines of Canada's relatively small domestic market.

Exporters are found in all provinces. In 2024, out of the 53,448 establishments<sup>18</sup> that exported goods, 42.7% were operating in Ontario (Table 8). Ontario had the highest concentration of exporters at 49.0 per thousand establishments. The lowest concentration of exporters was found in the Territories and in Newfoundland and Labrador, with 25.2 and 20.4 exporters per thousand establishments, respectively.

In Canada, the average value of exports per establishment was \$13.3 million in 2024. This includes establishments located in Newfoundland and Labrador, which had the highest average value of exports at \$39.9 million per establishment, followed by Alberta at \$30.6 million and the Territories at \$30.3 million. This can probably be explained by the fact that the territories and these two provinces specialize in the extraction of natural resources.

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<sup>18</sup> Unlike in the other sections of this publication, the unit of observation in section 4.1 is the establishment rather than the enterprise. Indeed, at the provincial level, an establishment-level analysis is more relevant than at the enterprise level, since an enterprise can have multiple establishments in different provinces.



**TABLE 8: PROVINCIAL EXPORTS BY NUMBER OF ESTABLISHMENTS AND VALUE OF GOODS EXPORTED, 2024**

| Province/Territory        | Number of exporters | Distribution (%) | Numbers of exporters per 1,000 establishments | Value of exports (\$ billions) | Distribution (%) | Average value of exports by establishments (\$ millions) |
|---------------------------|---------------------|------------------|---|--------------------------------|------------------|--|
| Newfoundland and Labrador | 313                 | 0.6              | 20.4  | 12.5                           | 1.8              | 39.9   |
| Prince Edward Island      | 278                 | 0.5              | 44.5  | 2.5                            | 0.4              | 9.2  |
| Nova Scotia               | 1037                | 1.9              | 34.5  | 6.5                            | 0.9              | 6.3  |
| New Brunswick             | 842                 | 1.6              | 34.7  | 16.9                           | 2.4              | 20.1   |
| Quebec                    | 11,008              | 20.6             | 42.8  | 122.5                          | 17.2             | 11.1   |
| Ontario                   | 22,828              | 42.7             | 49.0  | 246.3                          | 34.6             | 10.8   |
| Manitoba                  | 1,815               | 3.4              | 45.4  | 30.9                           | 4.3              | 17.0   |
| Saskatchewan              | 1395                | 2.6              | 34.7  | 30.1                           | 4.2              | 21.5   |
| Alberta                   | 6,184               | 11.6             | 38.8  | 189.3                          | 26.6             | 30.6   |
| British Columbia          | 7,649               | 14.3             | 39.6  | 52.3                           | 7.3              | 6.8  |
| Territories               | 99                  | 0.2              | 25.2  | 3.0                            | 0.4              | 30.3   |
| <b>Canada</b>             | <b>53,448</b>       | <b>–</b>         | <b>43.2</b>                                   | <b>712.8</b>                   | <b>–</b>         | <b>13.3</b>  |

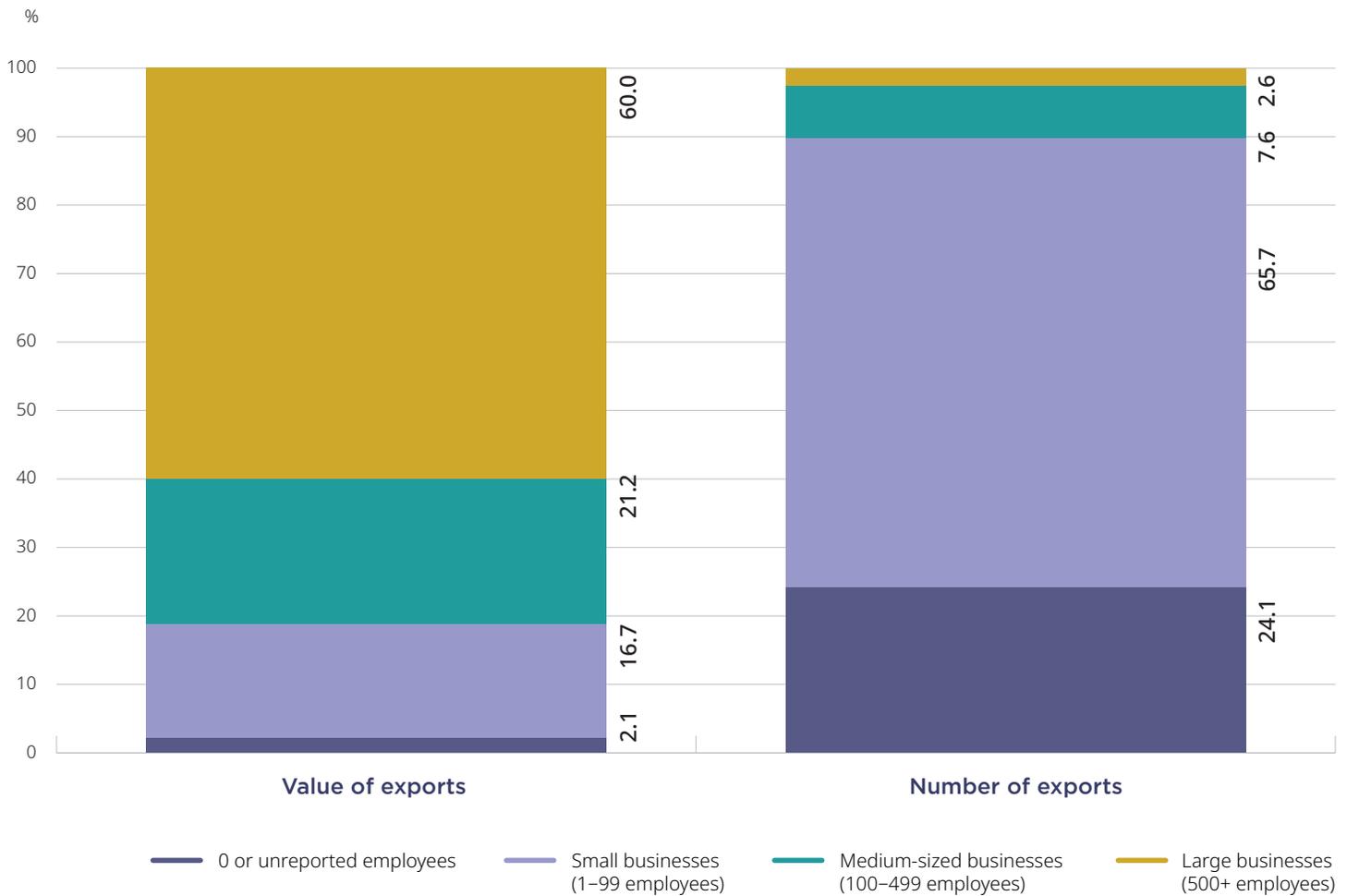
Note: Data may not add up to totals because of rounding.

Sources: Statistics Canada, Table 12-10-0098-01—Trade in goods by exporter characteristics, by industry of establishment (x 1,000); Statistics Canada, Business Register; and ISED calculations.

## 4.2 How do SMEs contribute to Canada’s exports?

In 2024, Canada’s exports of goods totalled \$712.8 billion, of which 37.9% was attributable to SMEs (Figure 11). A total of 48,036 Canadian enterprises exported goods, the vast majority of which were SMEs (73.3%).

**FIGURE 11: CONTRIBUTION OF SMES TO THE EXPORT OF GOODS BY NUMBER OF EXPORTERS AND VALUE OF EXPORTS, CANADA, 2024**



Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, Table 12-10-0094-01—Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.

While virtually all Canadian industrial sectors export goods, four sectors accounted for over 90% of the total value of goods exported in 2024 (Figure 12). Manufacturing accounted for 52.6%, followed by mining, quarrying, and oil and gas extraction (17.4%), wholesale trade (12.1%), and management of companies and enterprises (9.9%).<sup>19</sup>

The contribution of SMEs to the export of goods varied by industrial sector (Figure 13). In 2024, the contribution of SMEs to the total value of goods exported was 73.0% in wholesale trade and 40.9% in manufacturing. At the other end of the scale, the contribution of SMEs to the value of goods exported was 23.6% in mining, quarrying and oil and gas extraction, and only 6.7% in management of companies and enterprises.

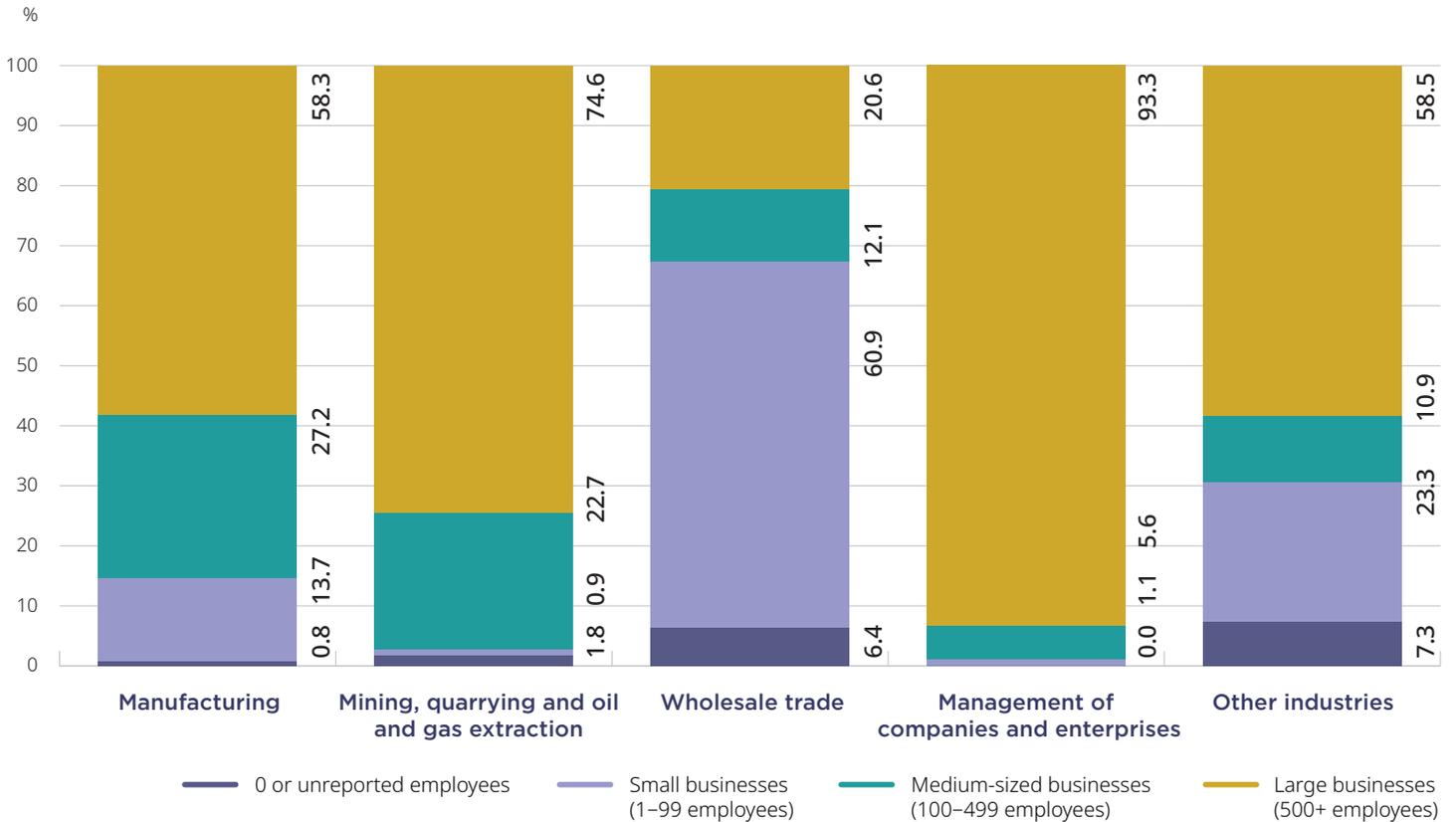
**FIGURE 12: MAIN INDUSTRIES INVOLVED IN THE EXPORT OF GOODS BY VALUE OF EXPORTS, CANADA, 2024**



Sources: Statistics Canada, Table 12-10-0094-01—Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.

<sup>19</sup> Although the management of companies and enterprises industry ranks fourth out of twenty in terms of the total value of goods exported, it ranks only sixteenth in terms of the number of exporters.

**FIGURE 13: CONTRIBUTION OF SMES TO THE TOTAL VALUE OF EXPORTS BY INDUSTRY, CANADA, 2024**



Note: Data may not add up to 100% because of rounding.

Sources: Statistics Canada, Table 12-10-0094-01—Trade in goods by exporter characteristics, by enterprise employment size and industry; and ISED calculations.

### 4.3 What are Canada’s main export destinations?

The value of goods exported increased by 1.4% between 2023 and 2024 (Table 9). Overall, exports to 5 out of the top 10 destinations decreased between 2023 and 2024. In particular, exports by enterprises to the United States, the top destination for Canadian goods exports, decreased by 0.4%.<sup>20</sup>

Among the 10 main destinations for exports of Canadian goods in 2024, the highest contribution attributable to SMEs to the total value of goods exported was observed in exports to the United Kingdom, the third leading destination, with 48.9% of the total value of goods exported by SMEs.

From 2023 to 2024, the value of exports to the United States by small businesses as a percentage of the value of total exports by small businesses increased from 77.9% to 79.4%. Conversely, this value decreased from 78.0% to 75.9% for medium-sized businesses, and from 77.3% to 75.1% for large businesses (Table 10).

In 2024, the second-leading destination for goods exports produced by small businesses was China, followed by the United Kingdom. The United Kingdom and China were the second- and third-leading destinations for exports by medium-sized businesses, respectively.

<sup>20</sup> Despite the decline in the total value of Canada’s exports worldwide, the value of Canadian exports both globally and to the USA in 2024 remains well above its pre-pandemic average value (see Statistics Canada, Table 12-10-0095-01—Trade in goods by exporter characteristics, by enterprise employment size and country of destination).

TABLE 9: TEN MAIN DESTINATIONS FOR EXPORTS OF CANADIAN GOODS, 2023 AND 2024

|                   | 2023     |                     |                           |                  |                         |                  | 2024     |                     |                  |                           |                  |                         |                  |
|-------------------|----------|---------------------|---------------------------|------------------|-------------------------|------------------|----------|---------------------|------------------|---------------------------|------------------|-------------------------|------------------|
|                   | Rank     | Value (\$ billions) | Contribution (%)          |                  |                         |                  | Rank     | Value (\$ billions) | AGR* 2023-24 (%) | Contribution (%)          |                  |                         |                  |
|                   |          |                     | 0 or unreported employees | Small businesses | Medium-sized businesses | Large businesses |          |                     |                  | 0 or unreported employees | Small businesses | Medium-sized businesses | Large businesses |
| United States     | 1        | 543.6               | 1.7                       | 16.4             | 22.1                    | 59.8             | 1        | 541.2               | -0.4             | 2.0                       | 17.5             | 21.1                    | 59.4             |
| China             | 2        | 29.5                | 2.6                       | 12.7             | 16.0                    | 68.7             | 2        | 28.9                | -2.1             | 2.9                       | 11.1             | 22.3                    | 63.7             |
| United Kingdom    | 4        | 13.5                | 0.3                       | 5.8              | 62.5                    | 31.4             | 3        | 27.0                | 100.2            | 0.2                       | 3.0              | 46.0                    | 50.8             |
| Japan             | 3        | 14.3                | 7.7                       | 15.8             | 7.8                     | 68.8             | 4        | 14.5                | 2.0              | 4.7                       | 12.5             | 8.3                     | 74.4             |
| Mexico            | 5        | 8.2                 | 0.9                       | 15.8             | 21.1                    | 62.2             | 5        | 8.0                 | -3.1             | 0.8                       | 17.3             | 22.0                    | 59.9             |
| South Korea       | 7        | 6.7                 | 3.9                       | 18.3             | 10.1                    | 67.7             | 6        | 7.4                 | 11.1             | 5.9                       | 11.0             | 10.5                    | 72.6             |
| Netherlands       | 6        | 6.9                 | 5.5                       | 9.2              | 14.9                    | 70.5             | 7        | 6.2                 | -9.4             | 3.0                       | 9.3              | 15.8                    | 71.9             |
| Switzerland       | 10       | 4.7                 | 0.2                       | 2.3              | 12.8                    | 84.7             | 8        | 6.1                 | 31.4             | 0.5                       | 1.4              | 8.8                     | 89.3             |
| Germany           | 8        | 6.1                 | 1.3                       | 14.5             | 18.9                    | 65.2             | 9        | 5.7                 | -7.2             | 1.8                       | 17.6             | 20.3                    | 60.3             |
| India             | 9        | 4.8                 | 2.9                       | 19.8             | 22.7                    | 54.6             | 10       | 5.0                 | 3.6              | 1.3                       | 19.5             | 20.1                    | 59.2             |
| Rest of the world | -        | 65.1                | 3.2                       | 20.5             | 20.5                    | 55.8             | -        | 62.8                | -3.5             | 2.7                       | 22.1             | 16.1                    | 59.1             |
| <b>Total</b>      | <b>-</b> | <b>703.3</b>        | <b>2.0</b>                | <b>16.2</b>      | <b>21.9</b>             | <b>59.8</b>      | <b>-</b> | <b>712.8</b>        | <b>1.4</b>       | <b>2.1</b>                | <b>16.7</b>      | <b>21.2</b>             | <b>60.0</b>      |

\* AGR: Annual growth rate.

Note: Data may not add up to totals because of rounding.

Sources: Statistics Canada, Table 12-10-0095-01—Trade in goods by exporter characteristics, by enterprise employment size and country of destination; and ISED calculations.

**TABLE 10: TEN MAIN DESTINATIONS FOR EXPORTS OF CANADIAN GOODS AND DISTRIBUTION OF THE VALUE OF EXPORTS BY DESTINATION FOR EACH BUSINESS SIZE CATEGORY IN CANADA, 2023 AND 2024**

|                   | 2023 |                     |                           |                  |                         |                  |      | 2024                |                  |                           |                  |                         |                  |  |
|-------------------|------|---------------------|---------------------------|------------------|-------------------------|------------------|------|---------------------|------------------|---------------------------|------------------|-------------------------|------------------|--|
|                   | Rank | Value (\$ billions) | Contribution (%)          |                  |                         |                  | Rank | Value (\$ billions) | AGR* 2023-24 (%) | Contribution (%)          |                  |                         |                  |  |
|                   |      |                     | 0 or unreported employees | Small businesses | Medium-sized businesses | Large businesses |      |                     |                  | 0 or unreported employees | Small businesses | Medium-sized businesses | Large businesses |  |
| United States     | 1    | 543.6               | 64.8                      | 77.9             | 78.0                    | 77.3             | 1    | 541.2               | -0.4             | 72.0                      | 79.4             | 75.9                    | 75.1             |  |
| China             | 2    | 29.5                | 5.5                       | 3.3              | 3.1                     | 4.8              | 2    | 28.9                | -2.1             | 5.6                       | 2.7              | 4.3                     | 4.3              |  |
| United Kingdom    | 4    | 13.5                | 0.3                       | 0.7              | 5.5                     | 1.0              | 3    | 27.0                | 100.2            | 0.4                       | 0.7              | 8.2                     | 3.2              |  |
| Japan             | 3    | 14.3                | 7.8                       | 2.0              | 0.7                     | 2.3              | 4    | 14.5                | 2.0              | 4.6                       | 1.5              | 0.8                     | 2.5              |  |
| Mexico            | 5    | 8.2                 | 0.5                       | 1.1              | 1.1                     | 1.2              | 5    | 8.0                 | -3.1             | 0.4                       | 1.2              | 1.2                     | 1.1              |  |
| South Korea       | 7    | 6.7                 | 1.8                       | 1.0              | 0.4                     | 1.0              | 6    | 7.4                 | 11.1             | 2.9                       | 0.7              | 0.5                     | 1.3              |  |
| Netherlands       | 6    | 6.9                 | 2.7                       | 0.6              | 0.7                     | 1.2              | 7    | 6.2                 | -9.4             | 1.3                       | 0.5              | 0.7                     | 1.0              |  |
| Switzerland       | 10   | 4.7                 | 0.1                       | 0.1              | 0.4                     | 0.9              | 8    | 6.1                 | 31.4             | 0.2                       | 0.1              | 0.4                     | 1.3              |  |
| Germany           | 8    | 6.1                 | 0.6                       | 0.8              | 0.8                     | 0.9              | 9    | 5.7                 | -7.2             | 0.7                       | 0.8              | 0.8                     | 0.8              |  |
| India             | 9    | 4.8                 | 1.0                       | 0.8              | 0.7                     | 0.6              | 10   | 5.0                 | 3.6              | 0.4                       | 0.8              | 0.7                     | 0.7              |  |
| Rest of the world | -    | 65.1                | 15.0                      | 11.7             | 8.7                     | 8.7              | -    | 62.8                | -3.5             | 11.5                      | 11.6             | 6.7                     | 8.7              |  |
| <b>Total</b>      | -    | <b>703.3</b>        | <b>100</b>                | <b>100</b>       | <b>100</b>              | <b>100</b>       | -    | <b>712.8</b>        | <b>1.4</b>       | <b>100</b>                | <b>100</b>       | <b>100</b>              | <b>100</b>       |  |

\* AGR: Annual growth rate.

Note: Data may not add up to totals because of rounding.

Sources: Statistics Canada, Table 12-10-0095-01—Trade in goods by exporter characteristics, by enterprise employment size and country of destination; and ISED calculations.



# 5. GROSS DOMESTIC PRODUCT

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## 5.1 How do SMEs contribute to Canada's gross domestic product?

Gross domestic product (GDP) is a key measure of economic production that can be used to compare the value added of any two industries, i.e., the value that an industry adds to its inputs through its activities. The main advantage of the GDP concept is that it avoids double counting; hence, it is considered superior in gauging economic performance compared to, for example, revenue, number of businesses, or even employment. Statistics Canada recently produced estimates of GDP generated by the private sector, by business size for the 2008–2022 period.<sup>21</sup>

Based on Statistics Canada estimates, the contribution to GDP by business size varied slightly throughout the 2008–2022 period (Figure 14). The contribution of large firms decreased between 2008 and 2015, decreasing from 48.5% in 2008 to 41.9% in 2015, followed by an uptick between 2016 and 2022. The contributions of non-employers and medium-sized firms increased, while the GDP share of small firms was largely unchanged over 2008 and 2022.

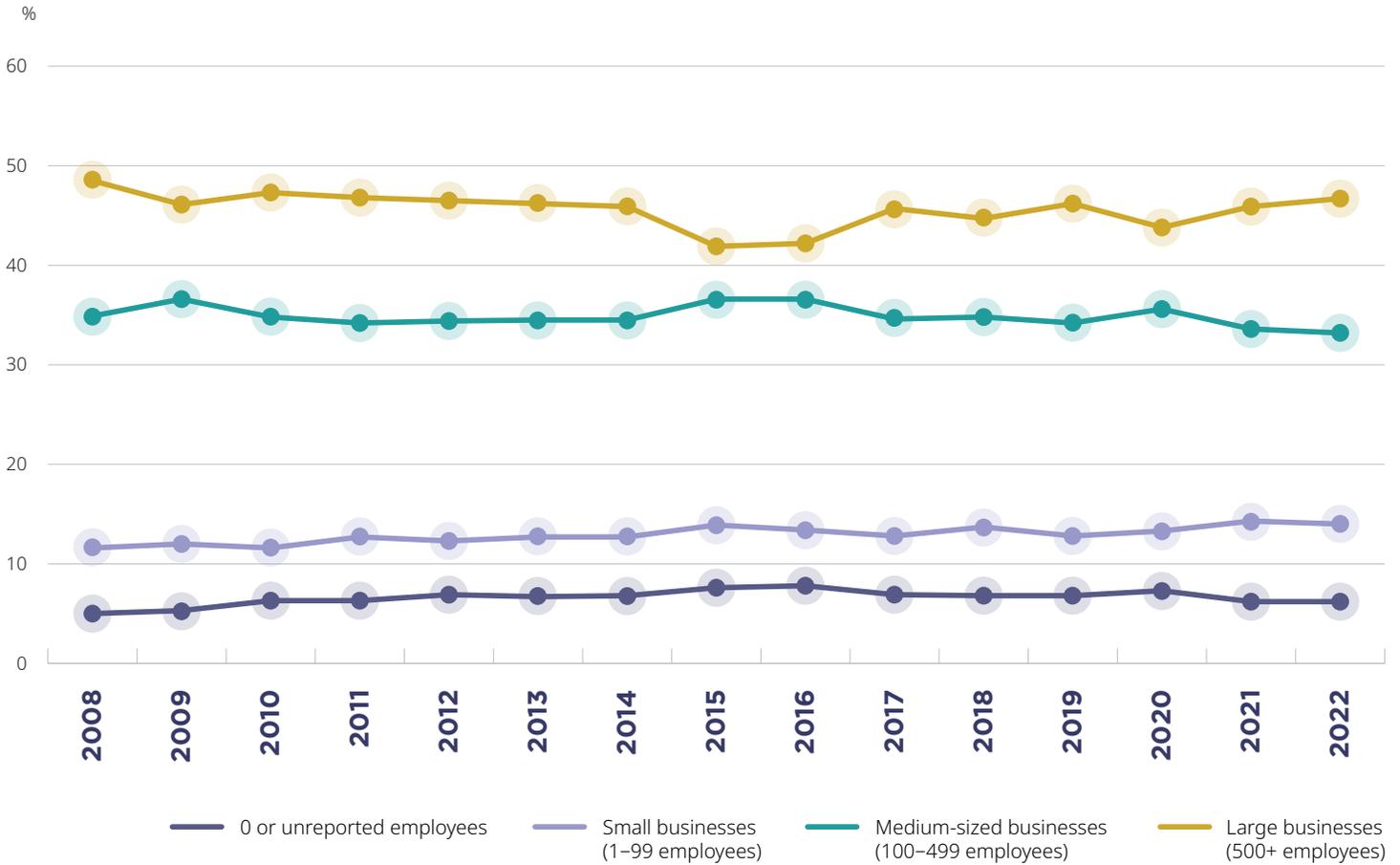
More recently, from 2018 to 2022, the average contribution of small firms to GDP was 34.2%, that of medium-sized firms, 13.6%, and that of large firms, 45.5%. In other words, SMEs accounted for 47.8% of the value added to the country's economic activity.<sup>22</sup>

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<sup>21</sup> Statistics Canada made significant changes to the methodology used to generate the estimates of GDP by business size in 2021. For this reason, caution should be applied in comparing the GDP statistics in this issue of the *Key Small Business Statistics* with previous issues published before 2021.

<sup>22</sup> In 2022, small businesses contributed 33.2% to gross domestic product (GDP) generated by the private sector, while the contribution of medium-sized businesses was 14.0% and the contribution of large businesses was 46.7%.

**FIGURE 14: CONTRIBUTION TO GDP BY BUSINESS SIZE, CANADA, 2008–2022**



Source: Statistics Canada.

The contribution of SMEs to GDP varied across industrial sectors (Table 11). The average contribution of SMEs to GDP over the 2018–2022 period was 50.2% in the goods-producing sector, compared with 46.4% in the services-producing sector.

In the goods-producing sector, the average contribution of SMEs to GDP was 75.6% in agriculture and 76.9% in construction. For the other three industries in the goods-producing sector, the average contribution of SMEs to GDP was much smaller than 50%.

**TABLE 11: CONTRIBUTION TO GDP BY BUSINESS SIZE AND INDUSTRIAL SECTOR, AVERAGE FROM 2018–2022**

| Industry  | Non-employer     | Small businesses<br>(1–99 employees) | Medium-sized businesses<br>(100–499 employees) | SMEs<br>(1–499 employees) | Large businesses<br>(500+ employees) |
|---|------------------|--------------------------------------|--|---------------------------|--------------------------------------|
|   | Contribution (%) | Contribution (%)                     | Contribution (%)                               | Contribution (%)          | Contribution (%)                     |
| <b>Goods-Producing Sector</b>   | <b>3.3</b>       | <b>33.7</b>                          | <b>16.6</b>                                    | <b>50.2</b>               | <b>46.4</b>                          |
| Agriculture, forestry<br>fishing and hunting                                  | 19.3             | 68.8                                 | 6.9  | 75.6                      | 5.1                                  |
| Mining, quarrying, oil and<br>gas extraction                                  | 0.4              | 11.4                                 | 16.4   | 27.8                      | 71.8                                 |
| Utilities   | 6.2              | 61.4                                 | 15.5   | 76.9                      | 16.8                                 |
| Construction  | 0.2              | 1.7                                  | 1.7  | 3.5                       | 96.3                                 |
| Manufacturing   | 0.6              | 25.7                                 | 22.4   | 48.0                      | 51.3                                 |
| <b>Services-Producing Sector</b>  | <b>8.6</b>       | <b>34.5</b>                          | <b>11.9</b>                                    | <b>46.4</b>               | <b>45.0</b>                          |
| Wholesale trade   | 1.1              | 35.7                                 | 19.3   | 55.0                      | 43.9                                 |
| Retail trade  | 1.9              | 41.8                                 | 11.8   | 53.6                      | 44.5                                 |
| Transportation and<br>warehousing   | 5.7              | 27.1                                 | 10.8   | 37.9                      | 56.4                                 |
| Information and cultural<br>industries  | 1.8              | 11.8                                 | 10.3   | 22.1                      | 76.1                                 |
| Finance, insurance, real<br>estate (FIRE)–No Housing                          | 14.4             | 20.2                                 | 9.5  | 29.7                      | 55.9                                 |
| Professional, scientific<br>and technical services                            | 10.3             | 43.3                                 | 12.7   | 56.0                      | 33.7                                 |
| Administrative and<br>support waste<br>management and<br>remediation services | 6.7              | 37.1                                 | 15.0   | 52.1                      | 41.2                                 |
| Educational services  | 21.1             | 54.4                                 | 11.3   | 65.7                      | 13.2                                 |
| Health care and social<br>assistance  | 20.8             | 57.6                                 | 5.3  | 62.9                      | 16.3                                 |
| Arts, entertainment and<br>recreation   | 12.8             | 36.1                                 | 10.8   | 46.9                      | 40.3                                 |
| Accommodation and food<br>services  | 1.9              | 61.5                                 | 16.7   | 78.2                      | 19.9                                 |
| Other services (except<br>public administration)                              | 11.4             | 64.6                                 | 10.1   | 74.7                      | 13.9                                 |
| <b>Total</b>  | <b>6.6</b>       | <b>34.2</b>                          | <b>13.6</b>                                    | <b>47.8</b>               | <b>45.5</b>                          |

Note: Figures may not add up to totals because of rounding.  
Source: Statistics Canada.

In the services-producing sector, the greatest contributions of SMEs to GDP were observed in the accommodation and food services (78.2%), other services except public administration (74.7%), and educational services (65.7%) sectors. SMEs in information and cultural industries (22.1%); finance, insurance, real estate (FIRE)—No Housing (29.7%); and transportation and warehousing (37.9%) had, on average, lower contributions to GDP.





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