

Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada, March 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, April 29, 2020

The Canadian economy changed dramatically in March as a result of COVID-19 and the situation has had a profound impact on the ability of businesses in Canada to operate. In order to better understand the impact of COVID-19 on businesses, employers and employees, communities and our economy, Statistics Canada and the Canadian Chamber of Commerce collaborated to launch the Canadian Survey on Business Conditions.

From April 3 to 24, 2020, representatives from more than 12,600 businesses visited Statistics Canada's website and took part in the online questionnaire about how COVID-19 is affecting their business. Statistics Canada would like to thank participants who took the time to answer these important questions during this challenging time.

Readers should note that unlike other surveys conducted by Statistics Canada, crowdsourcing data are not collected using a probability-based sample design. As a result, the findings reported below cannot be applied to the overall Canadian economy.

Over half of all businesses see a decline of 20% or more in revenue

Nearly one-third (32.3%) of businesses who responded to the survey reported that their revenues from the first quarter of 2020 were down by 40% or more from the same quarter a year earlier. Another 21.2% of businesses reported their revenues had decreased by 20% to 40% over the same period.

Businesses in the accommodation and food services (72.6%), arts, entertainment and recreation (66.7%) and retail trade (60.3%) sectors were most likely to report a decline in revenue greater than 20%. In contrast, just over two-fifths of businesses in each of the agriculture, forestry, fishing and hunting (42.0%) and the utilities (40.4%) sectors reported either no change or an increase in revenue.

Across the country, over half of businesses in Alberta (57.7%), Ontario (56.3%), British Columbia (54.8%), Newfoundland and Labrador (53.5%) and Saskatchewan (52.8%) saw declines of 20% or more in revenue. In contrast, close to one-third of businesses in Prince Edward Island (33.1%), the territories (32.4%) and New Brunswick (30.3%) reported either no change or an increase in revenue.

Over one-quarter (28.6%) of businesses requested credit from financial institutions to cover operating costs due to revenue shortfalls caused by COVID-19. Financial institutions either fully or partially approved over three-quarters (77.3%) of these requests. In terms of businesses that pay rent, one-fifth (20.0%) had their rent deferred.

Just under two-thirds of businesses highly impacted by lower demand

Just under two-thirds (64.8%) of businesses reported being highly affected by lower demand for their products or services, while nearly half (48.5%) of businesses reported being highly affected by the need to cancel services they offered. Businesses in the accommodation and food services (88.7%), arts, entertainment and recreation (87.1%) and retail trade (72.5%) sectors were most likely to be highly impacted by lower demand for their products or services.

Employees face reduced hours, layoffs and greater remote work

The March 2020 Labour Force Survey reported that 1.3 million Canadians were away from work due to COVID-19. In addition, 2.1 million people worked reduced hours. Almost two-fifths (38.1%) of businesses reduced staff hours or shifts, while two-fifths (40.5%) of businesses reported that they laid off staff. Nearly one-fifth (18.3%) of all



businesses laid off 80% or more of their workforce. Of the businesses that laid off at least one employee, 45.2% laid off 80% or more of their workforce. Of businesses in the accommodation and food services sector that laid off staff, over two-thirds (69.0%) reported layoffs to 80% or more of their workforce.

Table 1
Percentage of businesses that reported layoffs to staff and laid off 80% or more of their workforce, by sector, Canada, March 2020 ¹

	%
All sectors	45.2
Agriculture, forestry, fishing and hunting	23.6
Mining, quarrying, and oil and gas extraction	26.9
Utilities	26.7
Construction	41.6
Manufacturing	29.4
Wholesale trade	24.6
Retail trade	51.2
Transportation and warehousing	19.3
Information and cultural industries	19.2
Finance and insurance	12.4
Real estate and rental and leasing	19.3
Professional, scientific and technical services	24.6
Management of companies and enterprises	21.9
Administrative and support, waste management and remediation services	18.6
Educational services	46.4
Health care and social assistance	64.2
Arts, entertainment and recreation	61.7
Accommodation and food services	69.0
Other services (except public administration)	46.3
Public administration	16.6

1. Percentages are calculated out of the total number of businesses in each sector who reported laying off at least 1 employee.

Source(s): [33-10-0231-01](#) and [33-10-0232-01](#).

A significant proportion of businesses (27.0%) reported having implemented no changes with regards to staffing in light of COVID-19. Notably, over half (53.9%) of businesses in the agriculture, forestry, fishing and hunting sector reported they had implemented no changes to staffing as a result of the crisis.

Teleworking and working remotely have become more prevalent since the start of the crisis. Nearly half (47.9%) of businesses reported 10% or more of their workforce was teleworking or working remotely on March 31, 2020. This was over twice the level reported as of February 1, 2020, when 20.4% of businesses reported 10% or more of their workforce was teleworking or working remotely.

Businesses in the information and cultural industries (84.6%), management of companies and enterprises (73.3%) and finance and insurance (69.8%) sectors were most likely to report that over half of their workforce was teleworking or working remotely on March 31, 2020.

Businesses change the way they work

Nearly three-quarters (72.3%) of businesses reported being negatively affected by social distancing measures. Around 90% of businesses in the accommodation and food services (90.8%), arts, entertainment and recreation (90.3%), health care and social assistance (87.0%) and educational services (86.7%) sectors reported being negatively impacted by social distancing measures. On the other hand, over half (52.5%) of businesses in the agriculture, forestry, fishing and hunting sector reported little to no impact from social distancing measures.

Over two-fifths (45.4%) of businesses reported having added new ways to interact with or sell to customers, while nearly two-fifths (38.1%) of businesses reported having increased the use of virtual connections internally.

In response to requests by the government, 2.8% of businesses indicated they had started manufacturing new products to help cope with the crisis. Businesses in the manufacturing (10.5%) sector were most likely to shift production. Over two-fifths (42.9%) of businesses shifting production had started manufacturing hand sanitizer or had begun manufacturing masks and eye protection.

Nearly two-thirds (62.3%) of businesses reported that they could re-open or return to normal operations less than one month after social distancing measures are removed.

Data are now available

Data from the Canadian Survey on Business Conditions are now available. The tables provide data at the national level, as well as by province and territory, by industrial sector, by employment size, by type of business and by majority ownership. The survey results are based on responses from 12,630 businesses.

The data collected will help governments, chambers of commerce and business associations across Canada understand the impact of COVID-19 on businesses and inform decision-making.

Note to readers

Data in this release are from Statistics Canada's new Canadian Survey on Business Conditions. This survey will be carried out on an occasional basis to collect information from Canadians more efficiently, more rapidly and at a lower cost compared with traditional survey methods.

The first iteration of this survey collected data on the economic situation and will be used to effectively assess the needs of businesses in Canada for the implementation of support measures both during and after the COVID-19 pandemic. Statistics Canada would like to thank Canadians who took the time to answer questions for this survey at this time of crisis and enable a more robust understanding of COVID-19's impact on businesses in Canada and the economy.

As part of its continued commitment to provide Canadians with much-needed information during the COVID-19 pandemic, Statistics Canada partnered with the Canadian Chamber of Commerce to undertake the Canadian Survey on Business Conditions. The Canadian Chamber of Commerce has an extensive network of local chambers and businesses across Canada, making it well positioned to both provide input into the development of a survey such as this and also to leverage its network to encourage participation in the survey.

Definitions, data sources and methods: survey number [5318](#).

Available tables: [33-10-0228-01](#) to [33-10-0246-01](#) .

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).

For more information about COVID-19 and businesses in Canada, contact Phil Taylor (ptaylor@chamber.ca; 613-797-1860), Canadian Chamber of Commerce.