

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

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As a result of the widespread measures taken to contain the spread of COVID-19, the Canadian economy declined 11.6% in April, following a 7.5% drop in March. By the end of May 2020, the Canadian economy had been transformed by COVID-19 and many businesses had begun to adapt to the new reality by shifting to teleworking, reducing hours, laying off staff, applying for government funding or seeking rent relief.

As Canada's economy continues to move towards a recovery, Statistics Canada has run the Canadian Survey on Business Conditions to better understand the ongoing effects on businesses as the economy begins to reopen.

## Nearly two-thirds of businesses expect their number of employees to remain the same over the next three months

Through the month of June, businesses were asked what their expectations were over the next three months on the number of employees they employed. Nearly two-thirds (65.8%) of businesses expect their number of employees to remain the same over the next three months. Overall, 15.1% of businesses expect their number of employees to increase over the same period. Nearly one-quarter of businesses in the accommodation and food services sector (24.4%) and in the manufacturing sector (23.9%) expect to increase their number of employees over the next three months.

## Four-fifths of businesses need or expect to need personal protective equipment or supplies

Four-fifths (80.5%) of businesses need or expect to need personal protective equipment or supplies as physical distancing measures are relaxed. Businesses in the health care and social assistance sector (93.0%), the accommodation and food services sector (92.9%) and the retail trade sector (91.9%) were most likely to need equipment or supplies. Over two-thirds (68.1%) of businesses reported that they need or will need masks and eye protection, while over three-fifths (64.4%) need or will need cleaning products. Two-thirds (66.5%) of businesses indicated they were likely or very likely to provide facemasks, gloves, and other personal protective equipment to employees. Three-quarters (74.8%) of businesses reported they were likely or very likely to increase sanitization of the workplace. Over one-fifth (22.0%) of businesses were experiencing or expect to experience difficulty procuring personal protective equipment or supplies.

Due to the COVID-19 pandemic, 5.0% of businesses indicated they had started manufacturing new products. Businesses in the manufacturing sector (15.5%) were most likely to shift production. Nearly two-thirds of businesses shifting production had started manufacturing masks and eye protection (66.0%) and hand sanitizer (62.0%).

## Teleworking or working remotely before, during, and after the COVID-19 pandemic

Teleworking and working remotely have become more prevalent since the start of the crisis. Nearly one-third (32.6%) of businesses reported 10% or more of their workforce was teleworking or working remotely on May 29, 2020. This was almost twice the level reported as of February 1, 2020, when 16.6% of businesses reported 10% or more of their workforce was teleworking or working remotely.

Once the COVID-19 pandemic is over, close to one-quarter (22.5%) of businesses expect that 10% or more of their workforce will continue to telework or work remotely. Over two-fifths of businesses in the information and cultural industries sector (47.2%) and in the professional, scientific and technical services sector (44.5%) expect that 10% or more of their workforce will continue to telework or work remotely once the COVID-19 pandemic is over.



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For businesses that indicate teleworking as potentially applicable to their workforce, just over one-quarter (25.2%) reported being likely or very likely to offer more employees the possibility of teleworking or working remotely once the COVID-19 pandemic is over, while 14.3% were likely or very likely to require it.

### **Over half of all businesses report that revenues fell by about one-third or more in April 2020 compared with April 2019**

Over half (51.6%) of businesses reported that their revenues for the month of April were down 30% or more compared with April 2019. More than one-third (35.3%) of businesses reported that revenues were down by half or more.

While revenue was down sharply, just over two-fifths (40.9%) of businesses reported that their expenses (excluding salaries and wages) have stayed the same year over year, while close to one-third (32.4%) saw expenses decline by 10% or more.

Over three-quarters of businesses in the arts, entertainment and recreation sector (80.3%) and in the accommodation and food services sector (78.1%) experienced revenue drops of 30% or more. In contrast, nearly three-fifths of businesses in the agriculture, forestry, fishing and hunting sector (59.0%) and just over two-fifths of businesses in the professional, scientific and technical services sector (41.4%) and in the finance and insurance sector (41.3%) reported either no change or an increase in revenue.

### **Nearly two-thirds of businesses were approved for funding from government programs or credit from external providers**

Nearly two-thirds (63.7%) of businesses reported being approved for funding from government programs or credit from external providers in light of the COVID-19 pandemic. Businesses in Quebec (72.0%) and Prince Edward Island (67.0%) were most likely to be approved for funding or credit. Over three-quarters of businesses in the accommodation and food services sector (84.2%) and in the arts, entertainment and recreation sector (75.2%) were approved for funding.

The Government of Canada has implemented measures to support businesses through the COVID-19 pandemic. These measures included the Canada Emergency Business Account (CEBA), which provides qualifying businesses with a loan of up to \$40,000, and the Canada Emergency Wage Subsidy (CEWS), which provides a subsidy to support businesses in paying wages.

Over two-fifths (43.1%) of businesses applied for and were approved for the CEBA, led by businesses in Quebec (51.1%) and British Columbia (43.8%). Businesses in the accommodation and food services sector (61.0%), the transportation and warehousing sector (53.5%) and the arts, entertainment and recreation sector (51.8%) were most likely to be approved for the CEBA.

Nearly one-quarter (22.6%) of businesses reported being approved for the CEWS. Two-fifths of businesses in the accommodation and food services sector (40.8%) and in the arts, entertainment and recreation sector (40.5%) were approved for the CEWS. Of businesses that were approved for the CEWS, over half (53.0%) reported that the subsidy allowed them to hire back 30% or more of their workforce. Almost one-quarter (23.2%) of businesses approved for the subsidy reported that the subsidy allowed them to hire back 100% of their workforce.

### **Nearly one-quarter of Canadian businesses had their rent or mortgage payments deferred**

Nearly one-quarter (23.6%) of businesses that make rent or mortgage payments had their rent or mortgage payments deferred, while 5.7% of businesses had their request to defer payments rejected. Three-fifths (60.1%) of the businesses that make rent or mortgage payments had not asked or been offered the option to defer payments owed.

## Over one-quarter of businesses report laying off staff due to the COVID-19 pandemic

Two-fifths (39.9%) of businesses reported reducing staff hours or shifts due to the COVID-19 pandemic, while over one-quarter (28.4%) laid off staff. Close to one-fifth (17.4%) of all businesses laid off half or more of their workforce. Of the businesses that laid off at least one employee, over three-fifths (61.3%) laid off 50% or more of their workforce. Over 80% of businesses that laid off staff in the arts, entertainment and recreation sector (89.6%), the agriculture, forestry, fishing and hunting sector (83.0%), and the accommodation and food services sector (80.3%) reported layoffs to 50% or more of their workforce.

**Table 1**  
**Percentage of businesses that reported layoffs due to the COVID-19 pandemic, amounting to 50% or more of their workforce, by sector, Canada, May 2020 <sup>1</sup>**

	%
<b>All sectors</b>	<b>61.3</b>
Agriculture, forestry, fishing and hunting	83.0
Mining, quarrying, and oil and gas extraction	54.6
Construction	63.7
Manufacturing	55.2
Wholesale trade	23.5
Retail trade	53.8
Transportation and warehousing	56.7
Information and cultural industries	43.3
Finance and insurance	5.4
Real estate and rental and leasing	56.5
Professional, scientific and technical services	67.1
Administrative and support, waste management and remediation services	57.2
Health care and social assistance	68.5
Arts, entertainment and recreation	89.6
Accommodation and food services	80.3
Other services (except public administration)	62.1

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

Source(s): [33-10-0251-01](#) and [33-10-0252-01](#).

Despite the disruption caused by COVID-19 to the overall economy, close to one-quarter (22.9%) of businesses reported having implemented no changes with regards to staffing in light of COVID-19. Notably, nearly half (47.9%) of businesses in the agriculture, forestry, fishing and hunting sector reported they had implemented no changes to staffing as a result of the crisis. Nevertheless, almost all businesses in the arts, entertainment and recreation sector (94.3%) and in the accommodation and food services sector (94.1%) reported having taken some staffing action, as well as nearly all (90.9%) businesses with more than 100 employees.

## Almost one-fifth of businesses can continue to operate at current level of revenue and expenditures for less than six months before considering further staffing actions, closure or bankruptcy

Almost one-fifth (19.3%) of businesses reported they could continue to operate at their current level of revenue and expenditures for less than six months before considering further staffing actions, closure or bankruptcy. Over three-tenths of businesses in the accommodation and food services sector (34.7%) and in the information and cultural industries sector (31.5%), and over one-quarter of businesses in the arts, entertainment and recreation sector (26.8%) reported they could continue to operate at their current level of revenue and expenditures for less than six months before considering the same.

### 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.

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### Note to readers

Data in this release are from Statistics Canada's Canadian Survey on Business Conditions. While the first iteration of this survey crowdsourced data from businesses across Canada, a probability-based sample was selected for the current iteration of the survey. Results from this iteration of the survey are applicable to employer businesses in Canada. 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 second iteration of this survey collected data from businesses with employees on the current 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 Canadian businesses and the economy.

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

**Available tables: [33-10-0247-01](#) to [33-10-0266-01](#) .**

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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).

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