

Monthly estimates of business openings and closures, June 2020

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The June estimates of business openings and closures show that, with the continued easing of COVID-19 restrictions, there was a slight decrease in business closures and a large increase in business openings from May to June.

In June, 56,296 business closures were observed in the Canadian business sector, 5.6% less than was observed in May, but still 44.0% higher than the pre-COVID-19 level observed in February. By comparison, the number of business openings increased by 33.7% from May.

The June estimates for the experimental series on monthly openings and closings are now available. The series include monthly estimates of the number of business openings and closures, continuing businesses, and active businesses from January 2015 to June 2020.

With the exception of Quebec, which recorded a slight increase in business closures of 2.0% since May, every province and territory continued to record fewer business closures. The largest decreases since the previous month occurred in Nova Scotia (-29.3%; -403), Newfoundland and Labrador (-21.5%; -199), and Alberta (-19.5%; -1,688). For Quebec, the increase in business closures is largely due to an increase in other services, in transportation and warehousing, and in wholesale trade.

In all provinces and territories, with the exception of Prince Edward Island and the Yukon, the number of business closures remains higher than the pre-COVID level of February. For instance, in Ontario, the level of business closures in June was 47.0% greater than the February level.

The number of business closures continued to decrease in Toronto and Vancouver from May to June, by 1,578 (-10.8%) and 445 (-8.2%), respectively. Meanwhile, the number of businesses that closed in Montréal increased by 279 (+3.9%).

At the industry level, there were fewer business closures in June than in May in most industries. Declines continued to be observed in the most impacted industries in terms of business closures in April: there were 2,205 (-28.6%) fewer business closures observed in accommodation and food services, 2,229 (-31.7%) fewer in other services, which include personal services, and 888 (-14.6%) fewer in retail trade. In accommodation and food services, the number of business closures remains more than double the pre-pandemic level, while these are less than double in all other industries.

Business openings largely increased in June. There were 52,723 business openings in June, an increase of 33.7% compared with May. At the provincial level, the largest increases in business openings were observed in Nova Scotia (+79.9%; +599), Ontario (+40.5%; +5,912) and Saskatchewan (+30.9%; +362).

Roughly 4 in 10 businesses (correction) that closed in March and April re-opened by June

With the gradual re-opening of the economy following the onset of the pandemic, it was anticipated that some businesses that closed temporarily in March and April would re-open in May and June. This can be examined using the new series on monthly business openings and closures.

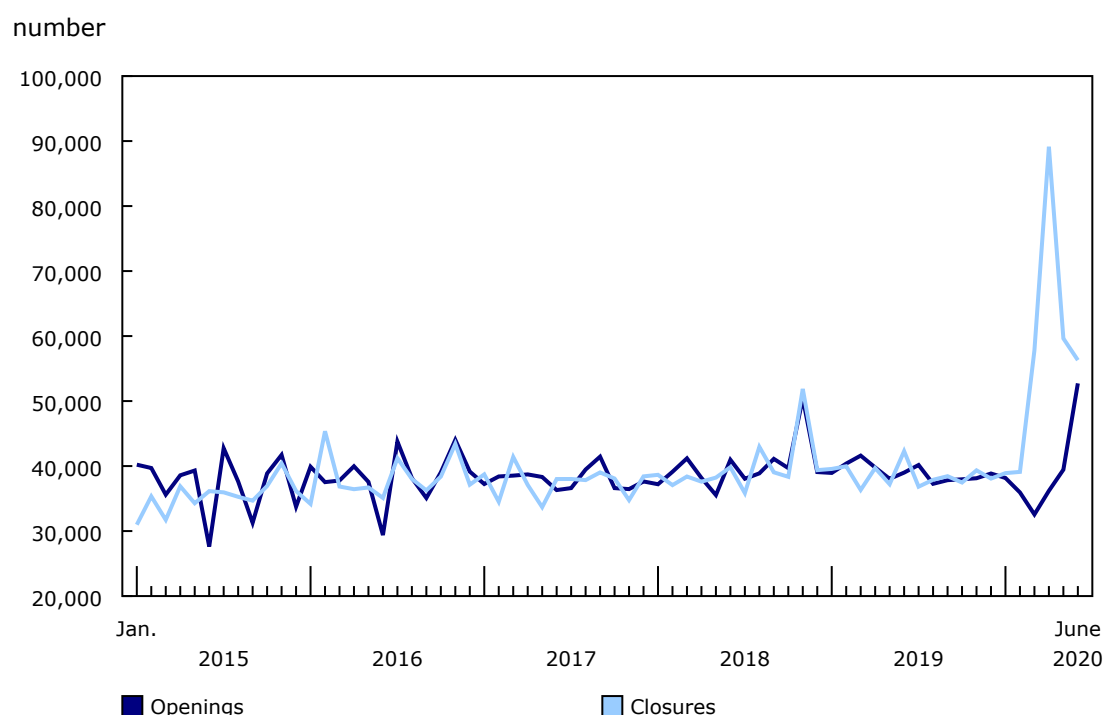
In February, there were nearly 800,000 active businesses in the business sector. In March, 8.3% of these businesses closed and a further 9.2% closed in April, leading to a total share of 17.4% of businesses that closed. Since then, 7.8% **(correction)** of these businesses re-opened in April (i.e., those that closed in March), 16.7% **(correction)** re-opened in May and 17.1% **(correction)** re-opened in June. As a result, 10.2% **(correction)** of businesses that were active in February remain closed as of June. In other words, of the 17.4% of businesses that closed in March and April, 41.6% **(correction)** have re-opened.



There is variability not only in the share of businesses that closed at the industry level, but also in terms of the share of businesses that re-opened. Among businesses that were active in February, the largest share of business closures occurred in accommodation and food services (22.8%), transportation and warehousing (20.6%) and other services (19.5%). In contrast, the proportion of these active businesses that closed in March and April was lowest in utilities (8.2%), wholesale trade (11.0%) and manufacturing (11.7%).

Businesses re-opened across all industries, with the greatest proportion occurring in utilities and construction, which represented more than one-half (**correction**) of businesses that closed in March and April in those industries. In accommodation and food services, the industry with the highest percentage of closures, almost one-half (**correction**) of businesses re-opened.

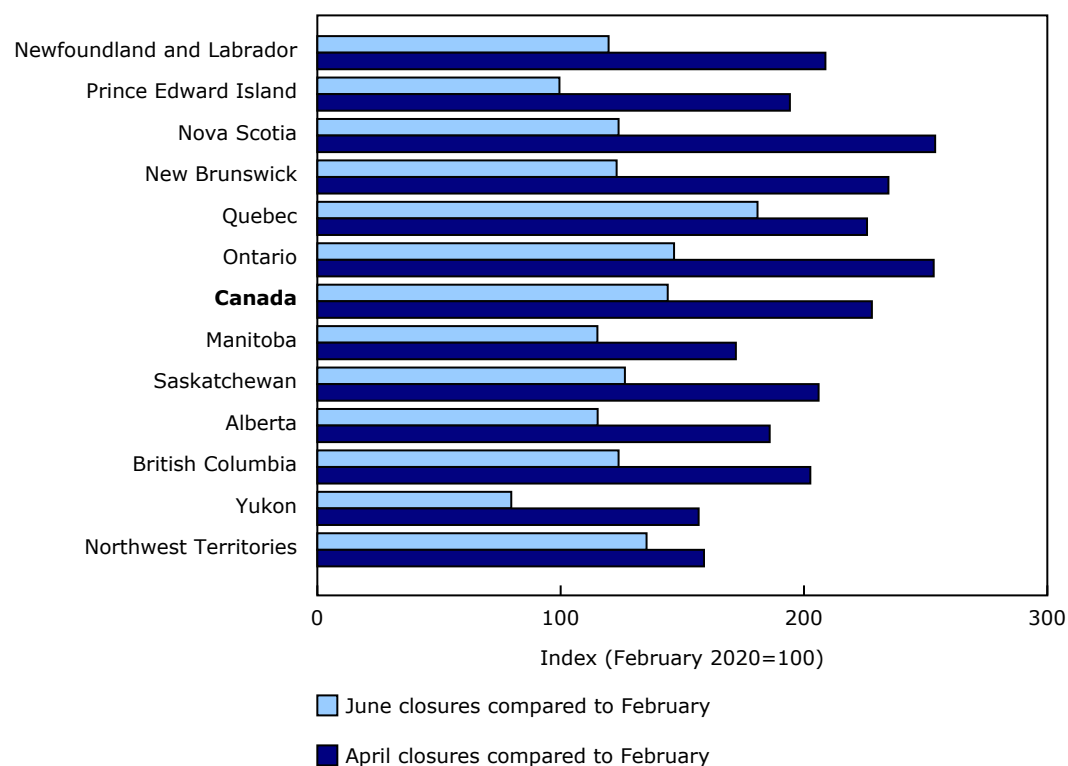
Chart 1
Monthly business openings and closures in the business sector, Canada, January 2015 to June 2020, seasonally adjusted



Source(s): Table 33-10-0270-01.

Chart 2

Business closures in April and June 2020 by province and territory, seasonally adjusted data



Note(s): Data for Nunavut were suppressed to meet the confidentiality requirements of the *Statistics Act*.

Source(s): Table [33-10-0270-01](#).

Table 1
Closures and re-openings of businesses that were active in February 2020, non-seasonally adjusted series (correction)

	Business closures in March and April 2020 as a share of active businesses	Share of closed businesses that re-opened by June 2020
	%	
Business sector	17.4	41.6
Forestry, fishing and hunting	18.3	48.3
Mining, quarrying, oil and gas extraction	12.3	36.0
Utilities	8.2	56.4
Construction	18.4	51.9
Manufacturing	11.7	47.6
Wholesale trade	11.0	38.6
Retail trade	16.1	45.5
Transportation and warehousing	20.6	36.8
Information and cultural industries	15.0	33.2
Real estate and rental and leasing	17.1	33.9
Professional, scientific and technical services	14.0	35.5
Administrative and support, and waste management	16.7	43.8
Finance and insurance, and management of companies	12.0	34.0
Arts, entertainment and recreation	18.9	37.3
Accommodation and food services	22.8	47.6
Other services (except public administration)	19.5	48.5

Source(s): Statistics Canada, author's calculation.

Correction note

Corrections were made to this article on October 6, 2020.

Note to readers

Every new month of data leads to a revision of the released data due to such factors as the seasonal adjustment process and a new version of the Generic Statistical Universe File (or vintage of the Business Register). As such, the estimates may vary when compared to a previous release of the data.

Openings are defined as businesses with employment in the current month and no employment in the previous month, while closures are defined as businesses that had employment in the previous month, but no employment in the current month. Continuing businesses are those that have employees in both months, and the active population in any given month is the number of opening and continuing businesses in that month.

To determine the proportion of businesses that closed and re-opened since the beginning of the pandemic, the businesses that were active in February 2020 are "tracked" in the dataset until June 2020. That is, a flag is created to identify whether a business closed, specifically in March and April 2020, and whether it re-opened in April, May or June 2020.

A business is defined as an enterprise operating in a particular geography and industry.

The vast majority of businesses operate in one industry and one location or geography. For these businesses, in the monthly estimates of openings and closings, they will be counted once at the national/provincial level. For example, a retailer in Windsor, Ontario will be counted as an active business in the Ontario estimates and once in the national estimates.

Some businesses can have multiple operations, and these can be in different industries and geographies. For such businesses, in the monthly estimates of openings and closings, they can be counted more than once because they are active in multiple industries or geographies. For example, if a retailer has operations in both Alberta and Ontario, it will be counted as an active business in both provinces, but only once at the national level because it represents only one active firm. Similarly, a firm with retail and wholesale operations will be counted in both industries when individual industries are examined. However, when the business sector is examined, the firm counts only once because at that level it represents one firm active in the business sector.

Definitions, data sources and methods: survey number [8013](#).

Available tables: table [33-10-0270-01](#).

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