

Monthly estimates of business openings and closures, October 2020

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In October, the number of business openings (41,910) exceeded the number of business closures (32,420) for the fourth consecutive month. As a result, the number of active businesses in October edged up 0.6%. Despite the slight increase, the number of active businesses was down 6.7% from February 2020.

The pace of growth in active businesses has slowed down in the business sector. From September to October, business closures increased 6.9% and business openings decreased by 3.4%.

The number of business closures rose in all provinces and territories from September to October, except in Prince Edward Island and Yukon. Among the provinces, the largest increases in percentage terms were recorded in Ontario (+1,357; +12.2%), New Brunswick (+37; +8.4%) and Quebec (+253; +5.0%). However, the number of business closures across the provinces and territories was down more than 10% compared with the same month one year earlier.

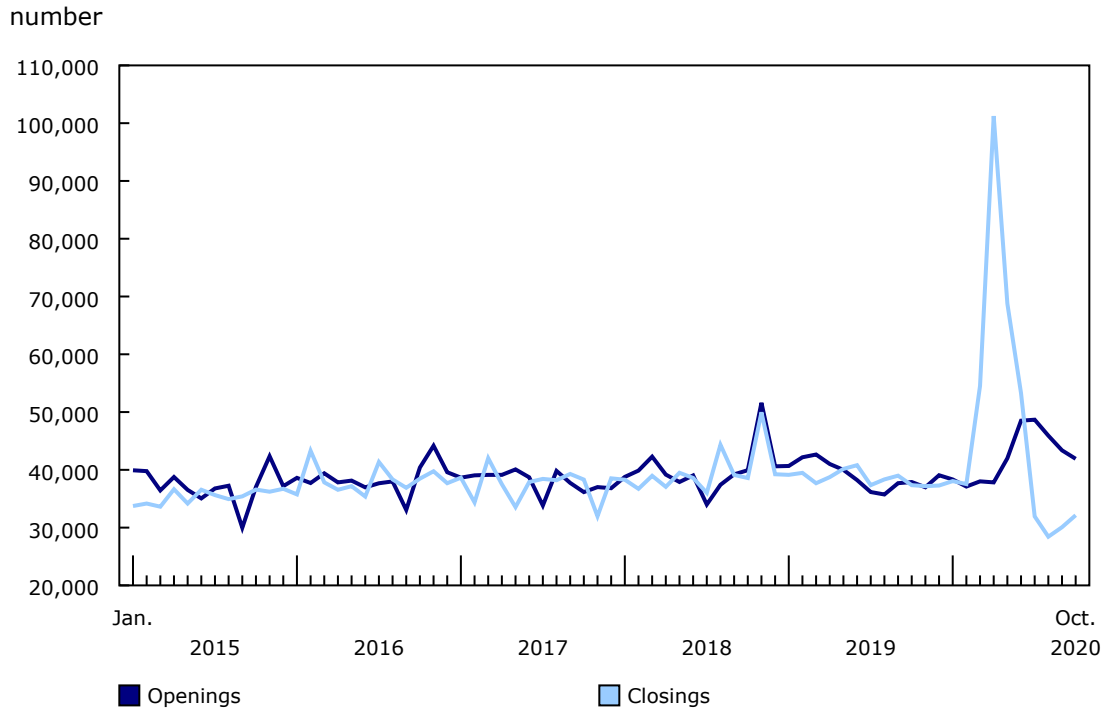
In most industries, business closures rose from September to October. Arts, entertainment and recreation recorded a steep increase, with business closures up 24.8% (+106 businesses). The industries that were most affected at the beginning of the COVID-19 pandemic saw business closures increase in October compared with the previous month, with closures up 6.0% (+85) in accommodation and food services, 5.6% (+114) in retail trade and 4.6% (+88) in other services (except public administration).

Since July 2020, the pace of growth in active businesses has slowed down in the business sector. This trend is relatively consistent across industries. In some industries, such as arts, entertainment and recreation, and accommodation and food services, the number of active businesses in October was 10% lower than the pre-pandemic level. In others, such as professional, scientific and technical services, and forestry, fishing and hunting, the gap has almost closed.

To respond to an increase in COVID-19 infections, many provinces began implementing new guidelines for businesses in October. The impact of these changes and those that followed in subsequent months will be tracked in future releases.

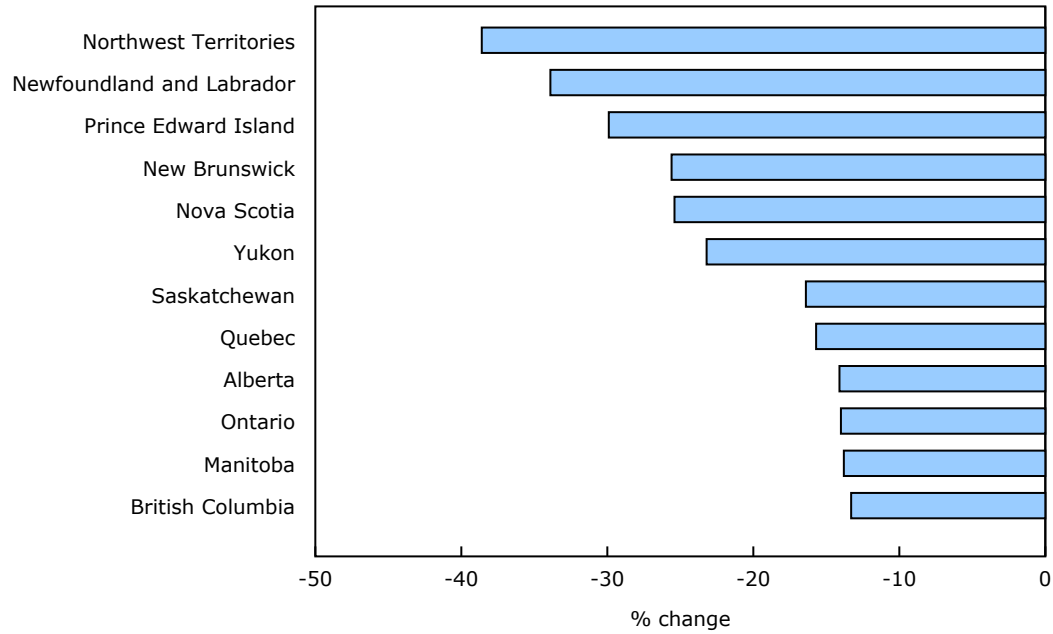


Chart 1
Monthly business openings and closures in the business sector, Canada, January 2015 to October 2020, seasonally adjusted series



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

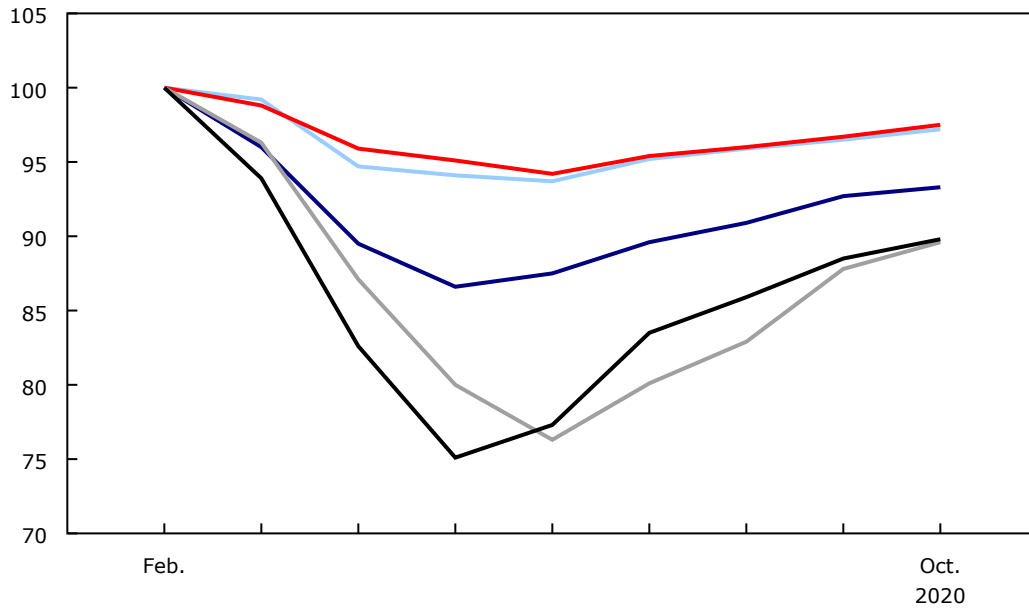
Chart 2
Change in business closures from October 2019 to October 2020, by province and territory, seasonally adjusted series



Note(s): Data for Nunavut are not shown due to confidentiality.
Source(s): Table [33-10-0270-01](#).

Chart 3
Change in active businesses from February to October 2020, selected industries, seasonally adjusted series

index (February 2020=100)



- Business sector
- Forestry, fishing and hunting
- Professional, scientific and technical services
- Arts, entertainment and recreation
- Accommodation and food services

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

Note to readers

Every new month of data leads to a revision of the previously released data because of 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 with a previously released data.

With this release, a revised seasonal adjustment process was implemented. The revisions reflect seasonal patterns more precisely and, in the context of this revision, the months since the onset of the pandemic have been considered as less affected by seasonality and more consistent with seasonal patterns observed historically. As a result, closures in April and May are estimated to be 14.7% and 11.0% higher, respectively, than in the previous release.

Openings are defined as businesses with employment in the reference 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 reference month. Continuing businesses are those that have employees in both months, and the population of active businesses in any given month is the number of opening and continuing businesses in that month.

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.

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

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

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

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