

# Monthly estimates of business openings and closures, April 2021

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In late March and early April 2021, a sustained increase in COVID-19 cases—considered to be the third wave of the pandemic—was noted in several provinces.

As public health restrictions were tightened in many jurisdictions, the number of business closures increased by 1.9% in April (Chart 1). This was the smallest percentage increase in monthly closures since January 2020 despite the lockdown in many provinces, suggesting that recent restrictions had little impact on closures. The number of business openings fell 8.2% in April after two consecutive months of positive growth. However, the April level is comparable to pre-pandemic levels (41,600 on average). The number of active businesses grew 0.9% in April, as openings remained above closures.

Despite the decline in business openings, the number of entrants grew 3.7% in April, the fourth consecutive month with positive growth. Since December 2020, the share of entrants in all openings has been increasing to total at 41.5% in April. Re-openings accounted for the remaining 58.5% of openings.

In April 2021, the number of business closures increased in all provinces and territories following the widespread decline in March. Quebec (+0.8%; +57) showed the lowest growth in closures, followed by Alberta (+0.9%; +51), while Nova Scotia (+12.8%; +97) and Prince Edward Island (+8.9%; +18) posted the highest percentage change across provinces. In terms of business openings, in April 2021, Quebec was the only province or territory to post more openings than the previous month (+2.6%; +219). The Atlantic provinces, Ontario and Saskatchewan showed their first decline in openings since January.

The scope of public health measures in April was different across provinces, and the number of active businesses varied accordingly. In April 2021, the number of active businesses decreased for the first time in Ontario since May 2020 (-0.3%; -1,004) compared with the previous month (Chart 2), which may have been driven by a stay-at-home order introduced in early April, allowing only essential businesses to remain open. In contrast, British Columbia (+0.4%; +572) had the highest growth of active businesses among all provinces in percentage terms, followed by Prince Edward Island (+13), Nova Scotia (+56) and Manitoba (+86), with 0.3%.

With the exception of Prince Edward Island (+1.8%), British Columbia (+2.2%) and the territories, all provinces remained below their pre-pandemic level of active businesses (Chart 2).

## **In the tourism sector, business closures outnumbered openings for the first time since May 2020**

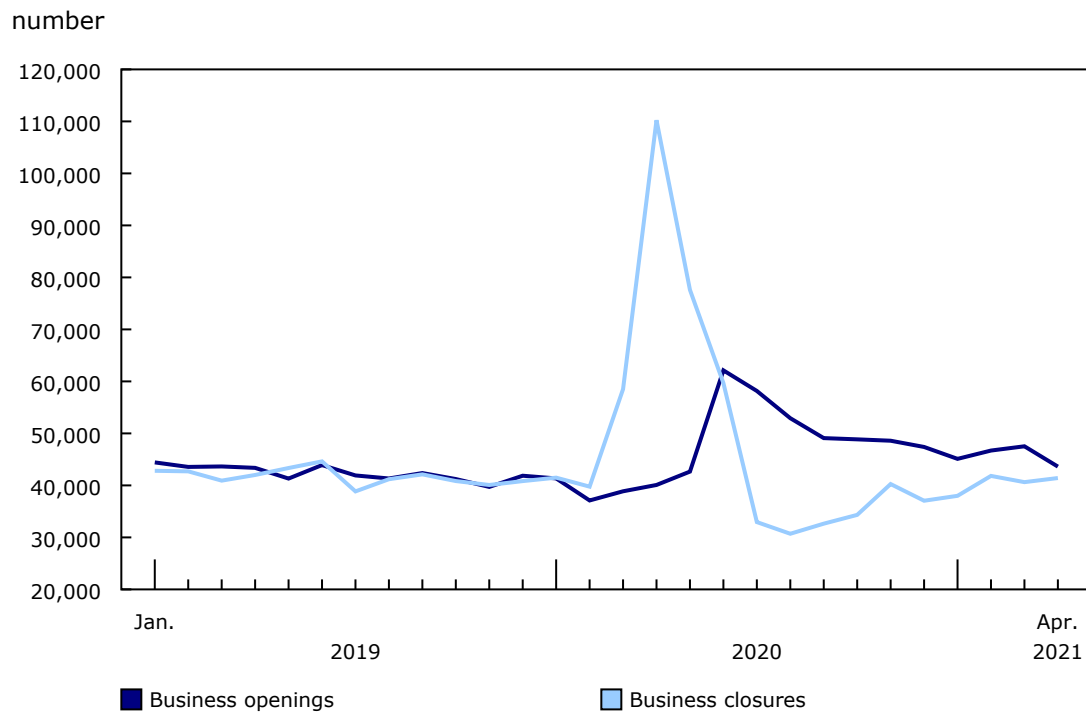
The tourism sector continued to see an increase in the number of business closures in April 2021 (+4.2%; +147). Furthermore, openings dropped by 13.8% (-541) from March. For the first time since May 2020, the number of openings in the tourism sector was lower than the number of closures, resulting in a decrease of 0.2% (-140) in the number of active businesses. The latter remained 7.4% below its pre-pandemic level.

In April, most industries showed an increase in the number of business closures. Among the industries most affected by the pandemic, retail trade (+5.8%; +161) and accommodation and food services (+8.7%; 232) posted more business closures compared with March 2021. In contrast, the number of business closures in arts, entertainment and recreation (-14.5%; -116) fell for the second consecutive month (-12.9% in March); as a result, the number of closures was slightly lower than the 2015-to-2019 historical average. As some non-essential businesses in certain regions, such as recreation and fitness facilities in Toronto, remained closed for a number of months, this could suggest that businesses at greatest risk of closing had potentially already closed.

The decrease in business openings was widespread across all industries in April 2021. The number of business openings in arts, entertainment and recreation (-9.7%; -103) and accommodation and food services (-27.4%; -838) fell for the first time this year.



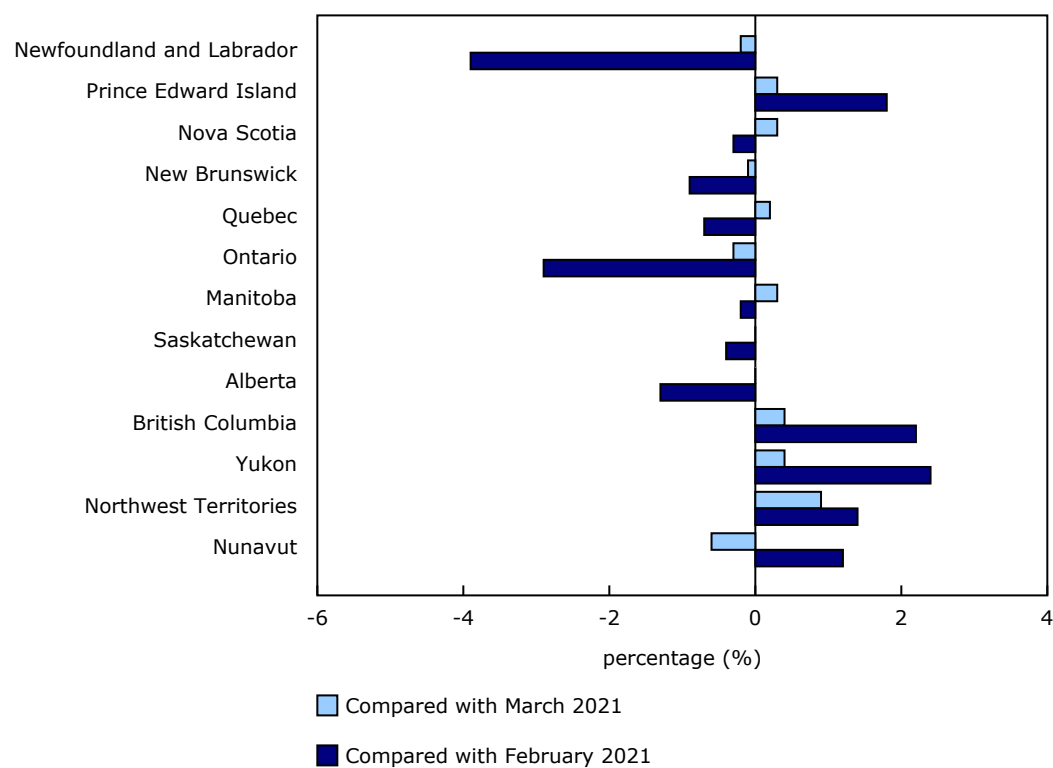
**Chart 1**  
**Monthly business openings and closures in the business sector, Canada, January 2019 to April 2021, seasonally adjusted series**



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

**Chart 2**

**Change in active businesses in April 2021, by province or territory, seasonally adjusted series**



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 factors such as the seasonal adjustment process and the publication of a new version of the Generic Survey Universe File (or vintage of the Business Register). As a result, estimates may vary when compared with a previous data release.

Openings are defined as businesses with employment in the current month and no employment in the previous month, while closures are defined as businesses with employment in the previous month, but no employment in the current month. Continuing businesses are those with employees in both months, and the active population in any given month is the number of opening and continuing businesses in that month. Reopening businesses are defined as opening businesses that were also active in a previous month (i.e., they closed in a given month and had positive employment in a subsequent month). In contrast, entrants are opening businesses that were not active in a previous 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. These businesses will be counted once at the national and provincial levels in the monthly estimates of openings and closures. 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. Such businesses can be counted more than once in the monthly estimates of openings and closures 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](#).

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