

# Financial and taxation statistics for enterprises, 2016

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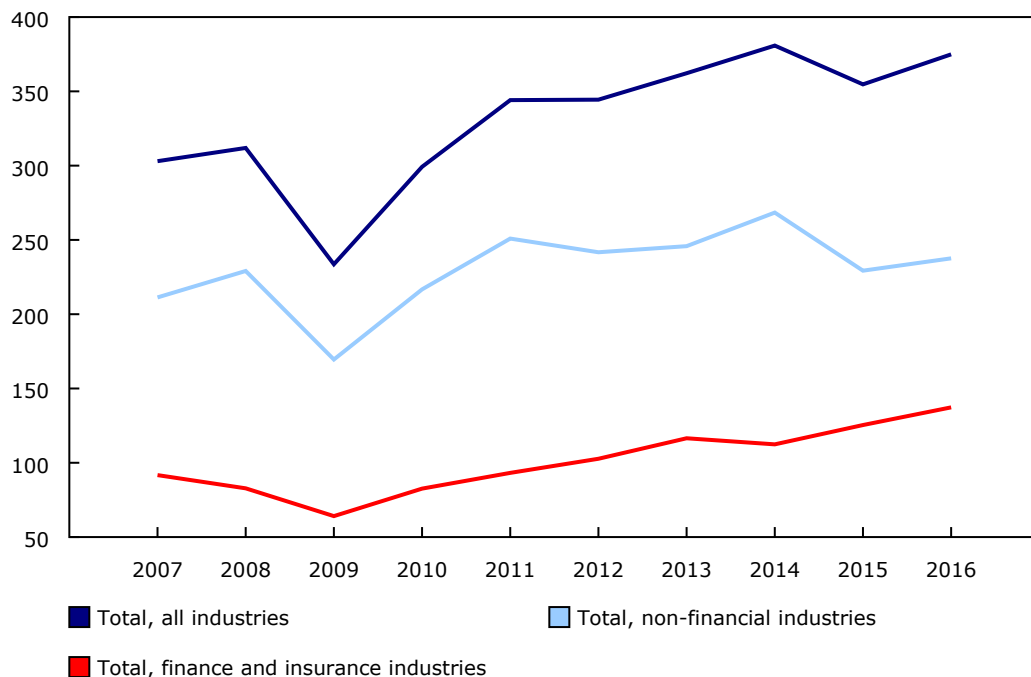
Corporate operating profits in Canada increased 5.7% from 2015 to \$374.9 billion in 2016.

Operating profits in the non-financial sector rose 3.7% in 2016 to \$237.6 billion. The finance and insurance sector also recorded an increase in operating profits, up 9.4% to \$137.3 billion.

For all corporations, net profit reached \$311.6 billion in 2016, up 30.3% from the previous year. Taxable income rose 7.8% to \$303.4 billion, after adjusting for timing, prior year tax losses, and other differences. Total corporate taxes payable increased 11.1% to \$76.5 billion.

**Chart 1**  
**Annual operating profits**

billions of dollars



Source(s): CANSIM table [180-0003](#).

## Non-financial sector

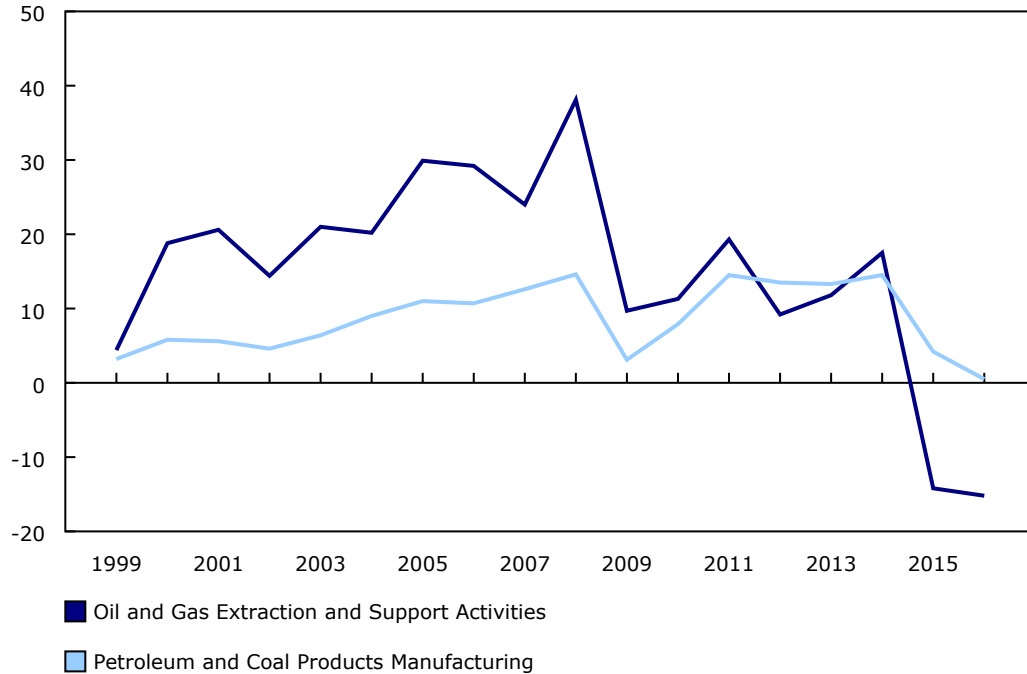
### Operating profits bounce back in 2016

Canada's non-financial sector reached \$237.6 billion in operating profits in 2016, up 3.7% from the previous year. Profits increased by \$8.4 billion, rebounding from a decline of \$39.1 billion in 2015. Operating revenues were up 0.9%, while operating expenses gained 0.7%, slightly increasing the profit margin of non-financial industries.

The oil and gas extraction industry reported an operating loss of \$15.2 billion in 2016, down \$944 million from the previous year. Petroleum and coal products manufacturing operating profit also fell, down 87.2% to \$532 million. Both industries continued to be affected by low oil prices in 2016. Fort McMurray fires in May of that year, excess supply due to increased production by the Organization of the Petroleum Exporting Countries, and weak global demand were all contributing factors.

**Chart 2**  
**Operating profit/loss in oil and gas extraction and petroleum and coal products manufacturing**

billions of dollars



Source(s): CANSIM table 180-0003.

**Manufacturing operating profits edge down in 2016**

Operating profits in manufacturing edged down 0.6% from the previous year to \$46.1 billion in 2016. The greatest share of the decline was posted by petroleum and coal products manufacturing, down \$3.6 billion.

Excluding petroleum and coal products manufacturing, annual operating profits in manufacturing increased \$3.4 billion. This marked an 8.0% increase from 2015. Contributing to this growth were food and soft drink manufacturing, up \$1.4 billion, and wood and paper manufacturing, which increased \$1.3 billion.

**Retail and wholesale operating profits up in 2016**

In the retail sector, operating profits rose 10.1% to \$24.6 billion in 2016. Other retailers led the growth, up 19.6% or \$1.0 billion from the previous year. Profits also increased for furniture, home furnishings, and electronics and appliance stores, up 36.8% or \$360 million.

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In the wholesale sector, operating profits increased 15.8% to \$26.6 billion. Food, beverage, tobacco and farm product merchant wholesalers led the growth, up 25.6% to \$6.5 billion. Machinery, equipment and supplies merchant wholesalers saw profits rise 14.2%, while other merchant wholesalers recorded a 12.8% increase in operating profits.

## Financial sector

### Increase in financial sector profits

For the financial sector, which includes finance and insurance industries, operating profits increased by \$11.8 billion to \$137.3 billion in 2016. This 9.4% growth marks the second consecutive yearly increase. Operating profits for depository credit intermediation, which includes the banks, grew by \$588 million (+1.3%).

Profitability for the financial sector in 2016 resulted from an increase in operating revenue of 8.1%.

### Corporate income taxes in 2016

Canadian enterprises had \$76.5 billion in corporate taxes payable in 2016, an increase of \$7.7 billion from 2015. This was the sixth consecutive year of increases in taxes payable.

From the overall corporate taxes payable, \$46.3 billion were payable to the federal government, while \$30.2 billion went to provincial governments.

The non-financial industries accounted for about three-quarters (74.6%) of taxes payable by incorporated businesses.

Overall, corporations used \$70.1 billion in tax credits in 2016, up from \$64.3 billion the previous year. These tax credits included \$28.5 billion in federal tax abatement, as well as \$13.5 billion from the small business deduction.

#### Note to readers

*These financial and taxation statistics cover all incorporated enterprises within the domestic economy, including government business enterprises, but exclude enterprises classified as management of companies and enterprises, funds and other financial vehicles, and public administration.*

Available in CANSIM: table [180-0003](#).

Definitions, data sources and methods: survey number [2510](#).

The publication *Financial and Taxation Statistics for Enterprises* ([61-219-X](#)) is no longer available. Data from the Financial and Taxation Statistics for Enterprises program are released in CANSIM.

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)).