

Private sector business and employment grew in Canada in 2018

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, September 10, 2020

In 2018, the entry rate for new private-sector employer businesses decreased 0.1 percentage point, from 12.8% in 2017 to 12.7% in 2018. The exit rate for private sector employer businesses was unchanged from 2017 to 2018, at 11.4%.

Private sector net employment growth was 1.9% in 2018, slightly higher than the average of 1.3% from 2001 to 2017. Net employment growth is a measure of the total change in the number of jobs among private sector employers. Net employment growth arises from changes in four subcomponents: employment creation by entrants (+1.4%), employment creation by growing incumbents (+8.7%), employment destruction by exits (-1.1%) and employment destruction by declining incumbents (-7.0%). As was the case in all years after 2000, the majority of the fluctuation or turnover that occurred in private sector employment in 2018 was accounted for by the expansion and contraction of incumbent enterprises.

Final annual estimates of business and employment dynamics in the private sector at the national level, broken down by North American Industry Classification System industry or by firm size class and drawn from the Longitudinal Employment Analysis Program, are now available for 2018. The new estimates for 2018 are being added to existing data tables that contain annual estimates going back to 2001, and they complement quarterly estimates.

Note to readers

The private sector covers all industrial sectors except those primarily involved in educational services, health care and social assistance, and public administration. It includes unclassified businesses.

The annual business and employment dynamics estimates and the quarterly estimates of business entry and exit are related, but present some differences. The annual estimates are based on the Longitudinal Employment Analysis Program (LEAP), which uses T4 records and statistical enterprises from the Business Register to form longitudinal firms. The quarterly estimates are based on payroll deduction files from the Survey of Employment, Payrolls and Hours. The sub-annual entry and exit rates from the payroll deduction files are benchmarked to the annual LEAP data prior to release.

Available tables: [table 33-10-0164-01](#).

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

For quarterly estimates, see the *Daily* release "[Quarterly estimates of business entry and exit, fourth quarter 2019](#)."

For monthly estimates of business openings and closures, see the *Daily* release "[Monthly estimates of business openings and closures, May 2020](#)."

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) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).

