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Industrial Organization and Finance Division programs overview

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Industrial Organization and Finance Division

The Industrial Organization and Finance Division is part of the Economy wide statistics group at Statistics Canada

Enterprise Statistics Program (ESP): Measures performance and financing of incorporated businesses by industry

- Financial and Taxation Statistics for enterprises (AFTS)
- Quarterly Survey of Financial Statements (QSFS)
- Biannual Survey of Suppliers of Business Financing (SSBF)

Corporate Returns Act (CRA): Collects data on foreign-control in Canada



What's an enterprise?

- Enterprise: can be a single corporation or a family of corporations under common ownership and/or control, for which consolidated financial statements are produced
- North American Industry Classifications (NAICS) 2012: Industry classifications. Most ESP data is published at a high level (aggregated into 24 industries) but more detail is available in microdata
- Enterprise is classified to one NAICS in ESP



Financial and Taxation Statistics for enterprises (AFTS)

The AFTS program provides an annual measure of financial position and performance of incorporated businesses by aggregating financial statements (balance sheet, income statement) based on industry

Design- census

Target population- Canadian enterprises

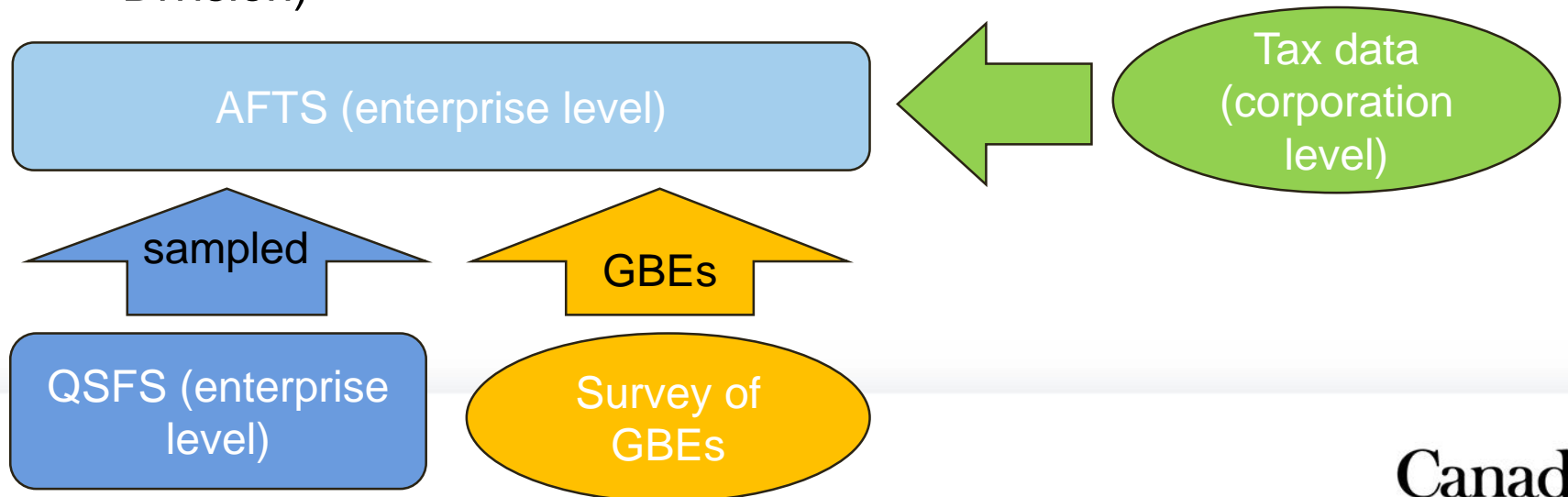
- NAICS Exclusions: Management of Companies and Enterprises (55); Religious Organizations (8131); Political Organizations (81394); Public Administration (91); Funds and other Financial Vehicles (526)



Financial and Taxation Statistics for enterprises (AFTS)

Data sources

- Annualized QSFS questionnaires for enterprises in sample (IOFD)
- Survey of government business enterprises ('GBEs') (Public Sector Statistics Division)
- T2 corporate income tax returns ("rolled up" from corporation into enterprise, Canada Revenue Agency via Administrative Data Division)





Uses of AFTS data

Within Statistics Canada:

- Benchmarking in Canadian System of National Accounts
- IOFD's Quarterly Survey of Financial Statements (QSFS) and Corporate Returns Act (CRA) programs

For researchers: Because the AFTS is a census, it is more flexible for some types of research than sample surveys

- Studying small and medium enterprises
- Studying firm entry/ exit or research where it's important to control for firm survival
- Measuring financial position and performance of incorporated businesses



Quarterly Survey of Financial Statements (QSFS)

The QSFS provides quarterly measures of financial position and performance of incorporated businesses by aggregating financial statements (balance sheet, income statement) by industry

Design- sample survey with cross-sectional design

- Sampled: Largest enterprises within financial (above asset & operating revenue threshold) and non-financial industries (above asset threshold)

Target population- Canadian enterprises

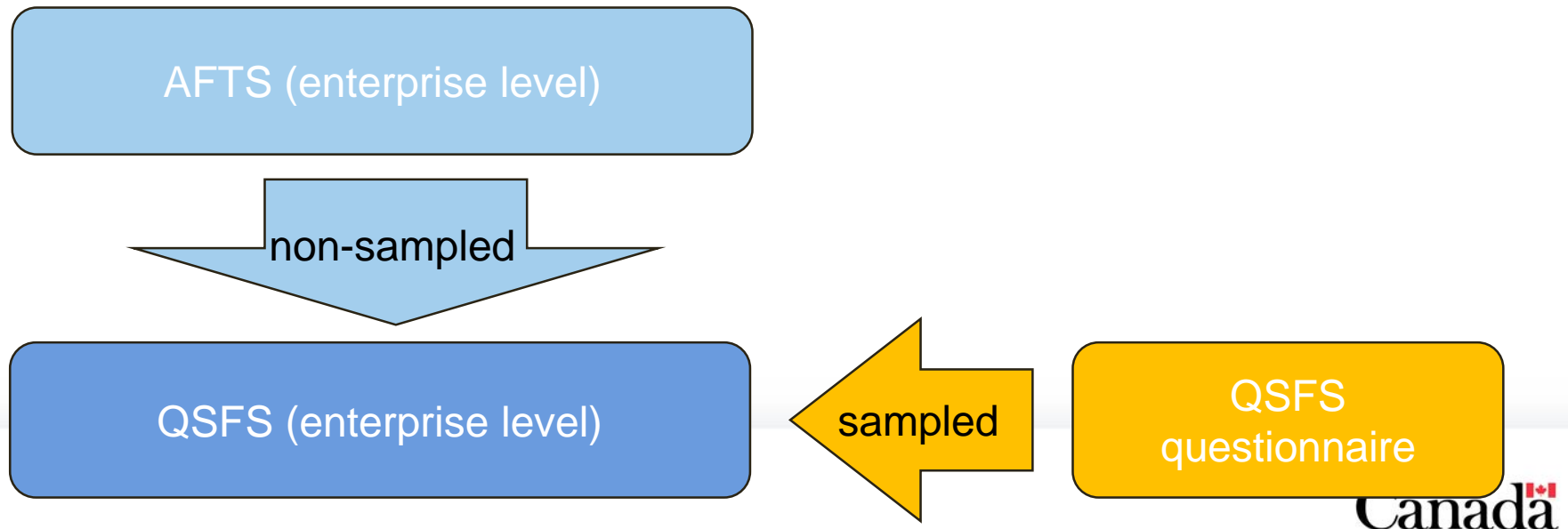
- Survey coverage: sample of ≈6000
- Detail: NAICS 80 level
- Exclusions: Government business enterprises, some NAICS excl. from AFTS (55, 8131, 81394, 91)



Quarterly Survey of Financial Statements (QSFS)

Data sources

- Sampled portion: Questionnaire for reporting quarterly balance sheet and income statements
- Non-sampled portion: Quarterly movements from sample responses applied to AFTS data (IOFD)





Uses of QSFS data

Within Statistics Canada:

- Input into Canadian System of Macroeconomic Accounts
- Input into Canadian System of National Accounts
- IOFDs AFTS

For researchers: As a sample survey, QSFS data are available for the largest enterprises soon after the end of a quarter

- Studying on interactions between enterprises and the macro-economy as a whole
- Studying recent trends/ developments
- Measuring financial position and performance of incorporated businesses (like AFTS)



Biannual Survey of Suppliers of Business Financing (BSSBF)

The SSBF collects and reports aggregate information on the financing of businesses in Canada. It measures flows of capital to business by industry and product line, and observes biannual changes in credit conditions.

Design- survey is a census with cross-sectional design and longitudinal follow up

Target population- Incorporated, for-profit enterprises with corporations in NAICS 52 (Financial and Insurance industries)

- Survey coverage: Over 90% of all lending to businesses in Canada (120 of the largest financial institutions in Canada)



More information on BSSBF microdata

BSSBF data is available for each reporting entity for the aggregations described in CANSIM tables

Business credit outstanding:

190-0001 by supplier type and authorization level (max amount client permitted to borrow)

190-0002 by NAICS of borrower

190-0003 by supplier type and credit instrument type (term or operating credit)

- Some variables may have more detail available
- Other unpublished series could also be studied



Uses of BSSBF data

- BSSBF contributes statistics to the Financing Data Initiative (partnership with Innovation, Science and Economic Development Canada)
- Policy makers use the information to determine whether financing problems exist in order to assess, identify and improve policy measures.
- Suppliers of business financing may use the results to identify areas for improvement or opportunities for profitable business financing.



Corporations Returns Act (CRA)

The CRA program collects ownership information annually for corporations conducting business in Canada and combines it with financial information to evaluate the extent of non-resident control of assets, revenues and profits in the Canadian corporate economy. Ownership information also feeds the Inter-corporate ownership tool.

Program design- census with a cross-sectional design

- Sampled: Corporations within an enterprise that is above revenue/ asset/ equity thresholds

Target population- all Canadian incorporated businesses (statistical unit is corporation)



Corporations Returns Act (CRA)

Data sources

- Sampled portion: questionnaire for reporting on a corporation's directors, structure, number and owner of its shares, shares owned in other corporations and country of control
- Non-sampled portion: Tax data (Canada Revenue Agency via Administrative Data Division)

Process:

- data from corporations aggregated to determine country of control of enterprise
- Country of control for enterprise linked with financial data from AFTS
- Microdata aggregated to create CANSIM tables and an annual report to parliament



AFTS (enterprise level)

Assets,
revenue,
profit

CRA (enterprise level)

Foreign
controlled?

Tax data
(corporation
level)

Foreign
controlled?

CRA
questionnaire
(legal entity
level)



More information on CRA microdata

Data from the CRA questionnaire and frame can help researchers who are interested in:

Enterprise structure

- Other tools (eg intercorporate ownership tool (ICO)) only show relationships where ownership is greater than 50%

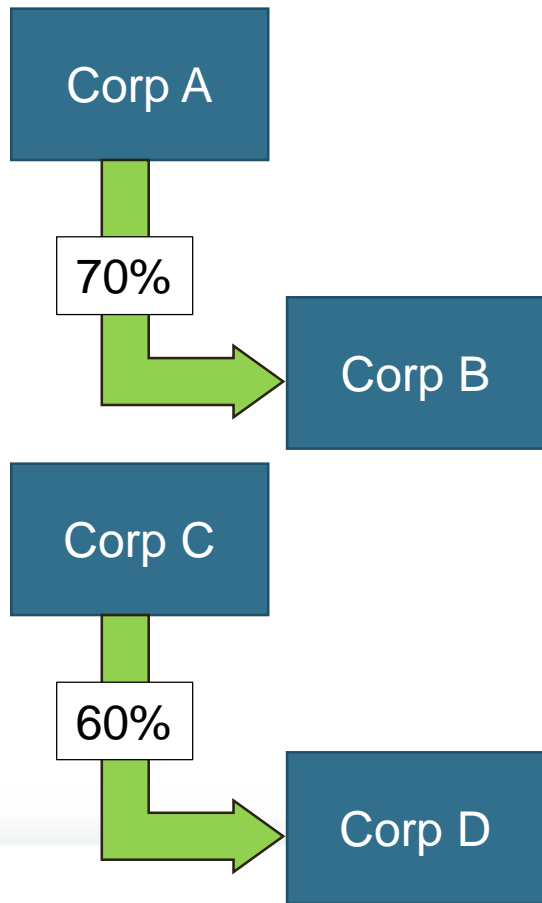
Enterprises where foreign minority owners account for a majority of ownership

- International Accounts and Trade Division has used microdata to improve understanding of linkages between Canadian corporations and foreign corporations

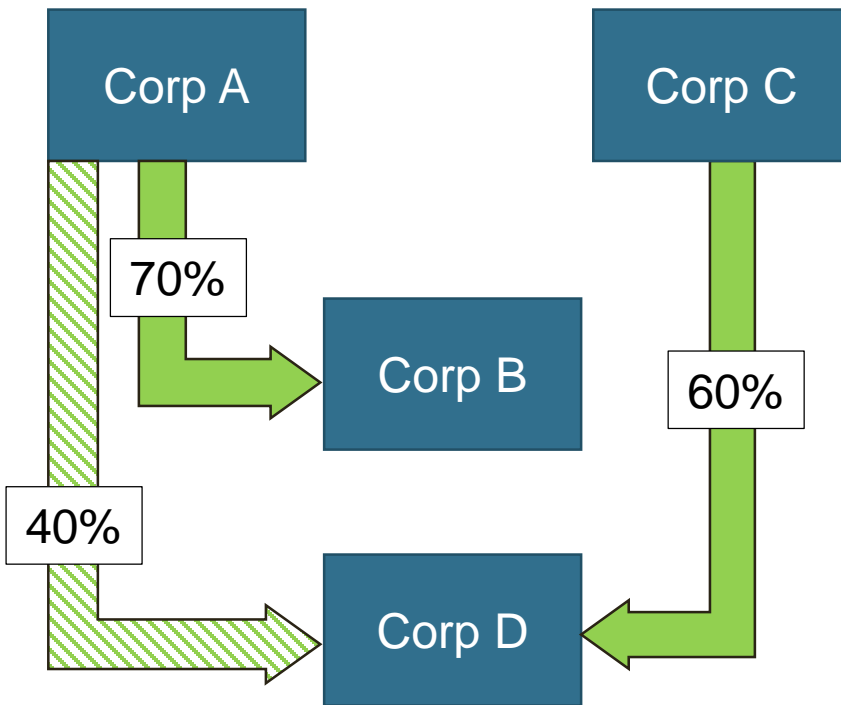


Corporate structure perspective from CRA data

ICO structure



CRA structure





Thank you!

If you have any questions, please contact Claire Schaffter (claire.schaffter@canada.ca) or Carolina Cabañas-Leòn (carolina.cabanas-leon@canada.ca)

- Financial and Taxation Statistics for enterprises (AFTS)
<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=358375>
- Quarterly Survey of Financial Statements (QSFS)
<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=2501>
- Biannual Survey of Suppliers of Business Financing (SSBF)
<http://www23.statcan.gc.ca:81/imdb/p2SV.pl?Function=getSurvey&lang=en&db=imdb&adm=8&dis=2&SDDS=2514>
- Corporate Returns Act (CRA)
<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=380924>