

Small and medium-sized enterprises and job creation

As with other industrialized countries, the contribution of small and medium-sized businesses to Canada's economy and employment picture is impressive. In Canada, companies with less than 500 employees were estimated to have contributed 57 per cent of the total private-sector gross domestic product in 1993. They continue to create most new jobs and form the majority of Canadian companies. All but approximately 2,000 of the 922,182 businesses in Canada in 1993 were small and medium-sized.

Because of the importance of these enterprises to economic growth, Canada supports the discussions under way in international forums and looks forward to views expressed at the Denver Summit. The Organisation for Economic Co-operation and Development, for example, is conducting comparative studies of government best practices to strengthen these businesses and the effect of globalization on them.

In 1994, Canada developed a new framework with two basic goals to help small business — promote a business environment conducive to small business growth and target limited government resources more effectively to enhance competitiveness and growth.

Canada's policies, which are designed to encourage competition, are based on issues identified by the private sector in the 1994 Small Business Policy Review. The issues are financing, taxation, excessive regulation and paper burden, skills development, science and technology, and international business development. Initiatives include

- increasing the amount of money available to small businesses through the small business loans from \$4 billion to \$14 billion;
- reducing payroll taxes;
- revoking about 250 regulations and revising another 370;
- establishing a Canadian technology network to invest in research and development; and
- increasing information, advice and support for marketing Canadian exports.

APEC (Asia-Pacific Economic Cooperation) will host a forum and exposition in Ottawa from Sept. 15 to 19 to help develop and strengthen small and medium-sized businesses. It will conclude with a meeting of APEC ministers responsible for these businesses.