

Table 3 – SMEs financial situation, September 2022⁴

	Average pandemic debt (\$)*	SMEs with pandemic debt who have not made any repayments yet (%)**
Canada	143,771	40
NL	108,900	39
PEI	77,000	48
NS	105,000	36
NB	86,740	44
QC	112,756	31
ON	129,271	42
MB	299,155	40
SK	115,122	35
AB	233,521	43
BC	110,318	40
Agriculture	107,556	43
Construction	151,612	31
Manufacturing	243,244	38
Wholesale	161,854	37
Retail	112,490	39
Transport	102,231	33
Information, arts, recreation	159,281	42
Finance, insur., real estate	264,671	29
Professional services	104,117	40
Enterprise management	212,964	42
Health, education	95,707	46
Hospitality	109,549	54
Personal services	139,893	42
1-4 employees	107,825	44
5-19 employees	123,127	41
20-49 employees***	270,427	25

SMEs still under financial stress due to COVID-19

In September 2022, Canadian SMEs that incurred pandemic debt still owed an average of \$143,711. Businesses operating in Manitoba (\$299,155), or Alberta (\$233,521) reported higher levels of debt (Table 3).

Overall, about 40% of all small and mid-sized firms had not yet made any repayments.

Debt structure, rising interest rates adding pressure

Most firms reported taking on loans from the federal government (65%), followed by credit card loans (24%) and additional lines of credit (23%) (Figure 4).

The recent consecutive interest rate increases added even more pressure to the mix. Currently, 1 in 3 report that borrowing costs are among the main cost pressures. Concern over borrowing costs is on an upward trend since April 2022 (Figure 5).

5 in 10 report challenging financial situation

About 55% of SMEs report that their financial situation, including debts taken on due to the pandemic, poses a significant challenge (Figure 6). The economic context is further aggravated by weaker than normal revenues, as reported by 58% of SMEs⁴. This in turn led to significant changes in their business models: for example, 88% are making changes in their business to deal with inflation⁴.

Sources:

- (4) CFIB, Your Voice - September 2022 survey
 - (5) CFIB, Your Voice - March 2021 survey
 - (6) CFIB, Your Business Outlook monthly survey, October 2019 to Sept 2022
- Notes: * Of businesses that still hold pandemic debt
 ** Of all businesses
 *** 50+ employees not displayed due to small number of respondents

Figure 4 – Financing tools used by SMEs during the pandemic, Canada, 2021⁵

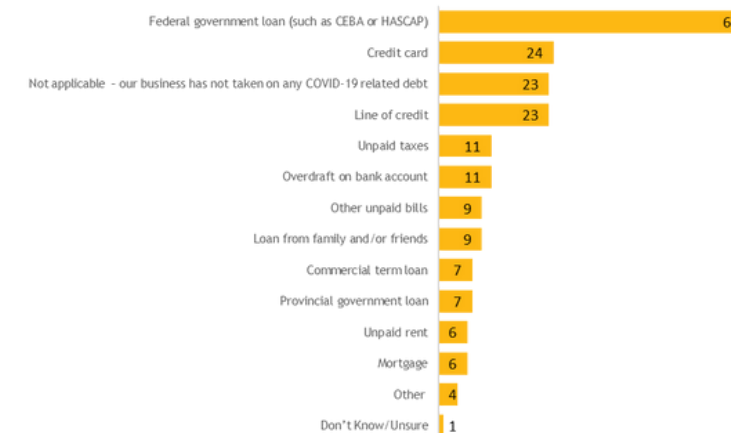


Figure 5 – Share of SMEs under borrowing cost pressure, Canada, October 2019 to September 2022⁶

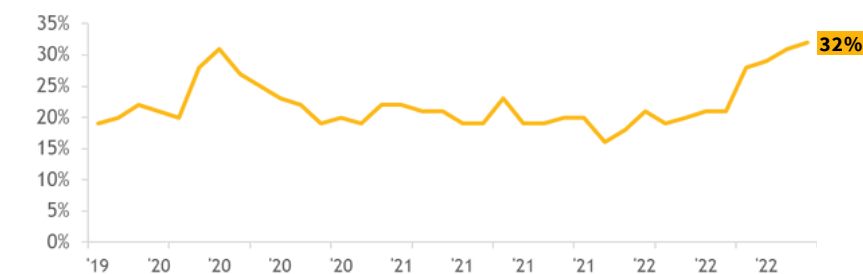


Figure 6 – 'Our financial situation (including debt) is a significant challenge', Canadians SMEs, September 2022⁴

