

University of Ottawa - Research proposal on the size of Multinational Enterprises in Canada

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General information

Partner institution: Global Affairs Canada, 111 Sussex Dr, Ottawa - ON
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1. Project description

There is a common belief among policy makers that multinational enterprises (MNEs) in Canada, both foreign multinationals (FMNEs), owned by a foreign company, as well as Canadian Multinationals (CMEs), or Canadian companies that have affiliates abroad are large firms. However, up until now, there has not been any analysis focused on MNEs size distribution. From a policy perspective, information about firms' size is important because it serves as a targeting criteria for various government programs aimed at providing export and investment support.

With the purpose of filling this knowledge gap, Global Affairs Canada (GAC) ordered three customs tables in excel based on 2022/2021 data from Statistics Canada which provide a breakdown of enterprises in Canada based on their ownership type and size.

The proposed project should include a literature review of the topics as well as a descriptive analysis of data on MNEs in Canada and some of their characteristics across size categories (e.g. number of employees). The analysis should make use of graphics/tables depicting the main patterns of the data accompanied by their economic interpretation. The analysis should, as much as possible, make associations and draw conclusions from existing evidence in international trade and business literature. While the main data tables will be provided, the project should also include data on MNEs from publicly available sources.

2. Benefits for the student

The student will have an opportunity to develop and enhance their research capacity by doing a literature review of the main studies related to the theme, as well as strengthen their data analysis capacity by establishing comparisons and measures to describe the main differences among enterprises according to their size and ownership types. More importantly, the student will acquire a good understanding of multinational enterprises and their important role in the Canadian economy relative to domestic enterprises.

Finally, depending on the quality of the report, it will be published in the department's internal network or be made publicly available at the Office of the Chief Economist website.

3. Required qualifications

The student should have strong knowledge of Excel and PowerPoint software, as well as strong analytical skills, good writing and capacity to summarize concepts and ideas.

4. *Commitments, tasks and deliverables*

The student should be available to meet with supervisor every two weeks to report on progress, clarify questions and discuss further activities. The project should roughly follow the outline provided below. The report should be written using templates (Word and PowerPoint) provided by GAC.

Project outline (preliminary)

- a. Introduction
- b. Scope and definitions

Definition of MNEs:

<https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=5230>

*CMNEs: activities of parent companies in Canada only (not their affiliates abroad)

- c. Literature review

- Performance of MNEs in Canada, MNEs and size, how size impacts firm performance (exports, foreign investment, etc.)
- Big picture: share of MNEs in all enterprises, jobs

Reference (2019): <https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2019001-eng.htm>

- Graphs on number of enterprises, sales, assets, etc., by ownership type

- d. Overview of MNEs by size category

- Size distribution of enterprises by ownership type (all types) in Canada (2022)

*Box: Special Purpose Enterprises (0 or undeclared)

- Industry of operation by size (FMNEs and CMNEs)
- Age of business by size (FMNEs and CMNEs)
- Assets by size (FMNEs and CMNEs)
- Assets/Revenues/profits ratios (by enterprise or by number of employees)

- e. MNEs and international activities
 - Exporters/export value by size (FMNEs and CMNEs)
 - Importers by size (FMNEs and CMNEs)

- f. FMNEs and country of ownership
 - Distribution of FMNEs by country of ownership
 - Country of ownership by industry
 - Country of ownership, industry and size

- g. Conclusion
- h. References