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SIMON TUCK TECHNOLOGY REPORTER Friday, May 4, 2001

OTTAWA -- The rush among small businesses in Canada to buy and sell over the Internet has stalled, a new survey has found.

The survey, conducted late last year but released yesterday, found that only 40 per cent of small companies polled had conducted at least one ecommerce transaction in the previous six months. A similar survey done six months earlier found that 41 per cent had bought or sold at least one item over the Internet in the previous six months.

"The honeymoon is definitely over," said Nik Nanos, managing director of **SES Canada Research** Inc., the Toronto-based firm that conducted the survey. "Small businesses have been told a lot of promises, but they haven't been shown a lot in terms of profitability."

Mr. Nanos said many small businesses look at the results -- and resources -- of major e-tailers, such as Amazon.com Inc., and wonder why relatively tiny operations such as their own should migrate to

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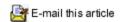
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The survey also found that fewer on-line buyers and sellers now believe the Internet is a big part of their businesses. Of those surveyed in the most recent study, only 40 per cent said the Internet is having a "major impact" on their businesses, down eight percentage points from the previous survey.

For e-commerce supporters, however, the survey included at least one silver lining: Those small businesses that are buying and selling over the Internet are doing more of it. In the most recent survey, respondents who said they were conducting e-commerce transactions did \$1.3-billion worth of business, compared with \$760-million during the previous six-month period.

The semi-annual survey included the telephone responses of 1,000 randomly selected small businesses with fewer than 50 employees. It's the latest study to suggest that Canadians -- like most people in the world -- haven't embraced e-commerce.

A major study last year by Statistics Canada found that Canadian companies received \$4.2-billion in on-line orders in 1999 -- a mere 0.2 per cent of the total \$1.8-trillion in overall private sector sales. And the U.S. Department of Commerce's Census Bureau reported that Americans spent \$5.2-billion (U.S.) -- or 0.6 per cent of all retail sales -- over the Internet during the fourth quarter of that year.



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It's been suggested that Prince Charles might be bypassed, in the line of succession to the throne, and that the crown might go directly to Prince William. Would this be a coronary bypass?
- Dewi Williams,

Kanata, Ont