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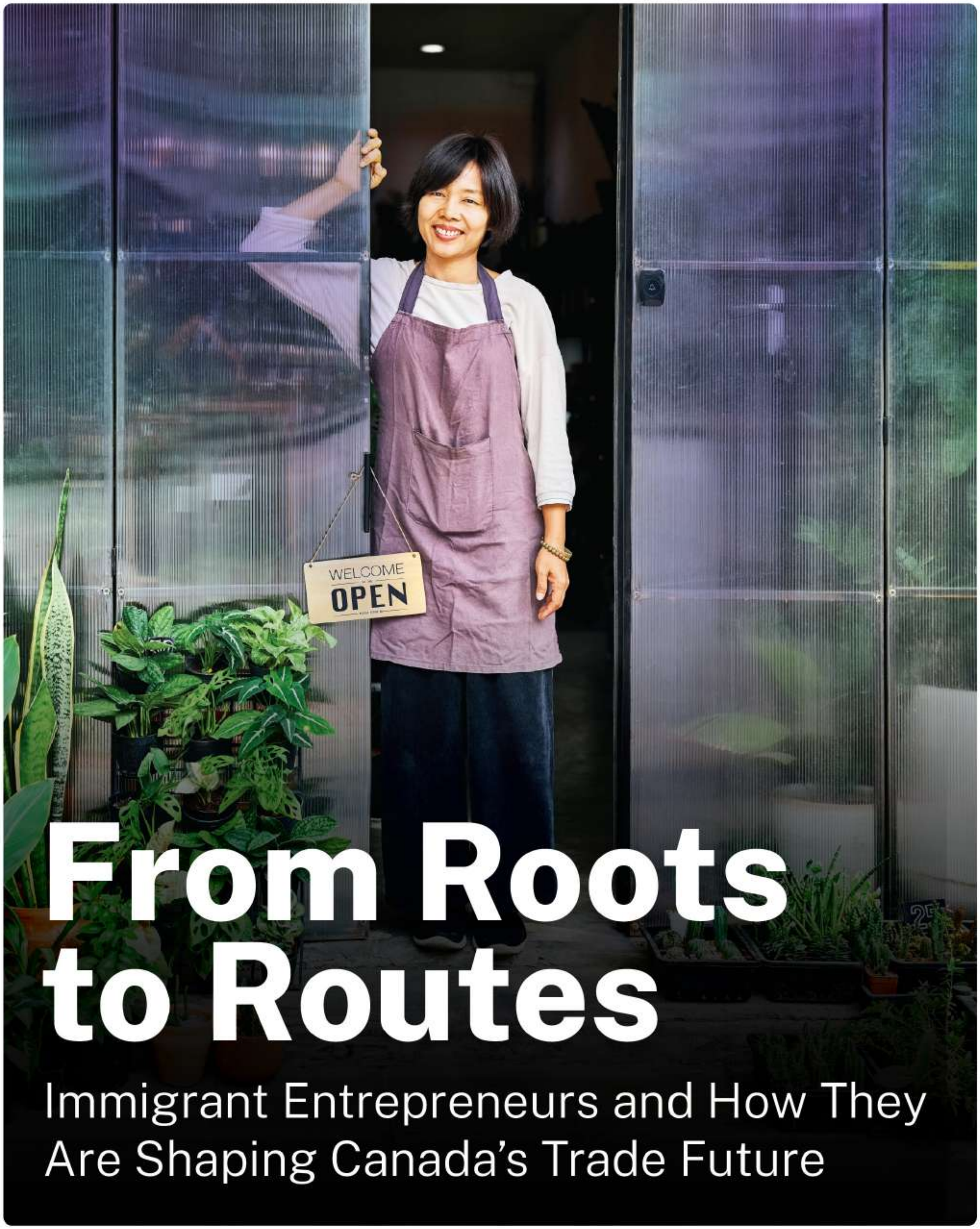

From Roots to Routes

Immigrant Entrepreneurs and How They Are Shaping Canada's Trade Future

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About the Authors

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EXECUTIVE SUMMARY

Immigrant entrepreneurship is no longer a side story in Canada's economy — it is a defining chapter.

Over the past decade, immigrant-owned businesses have grown in number, scale, and influence, becoming essential contributors to job creation, investment, and public revenues. At a time when Canada faces weak productivity growth and persistent labour challenges, these businesses offer a practical source of renewal, linking local economic vitality with global opportunity.

This report — produced by the Canadian Chamber of Commerce's Business Data Lab (BDL) in partnership with Toronto Metropolitan University — takes a close, data-driven look at who Canada's immigrant entrepreneurs are, how they have built their businesses, and what that means for the country's economic future. It is the most comprehensive portrait to date, grounded in linked microdata from Statistics Canada's Canadian Employer-Employee Dynamics Database (CEEDD) for 2010–20, and paired with custom tabulations from the Canadian Survey on Business Conditions (CSBC) for 2020–24.

Why now? Because the story of immigrant entrepreneurship is not just a research topic — it's a live policy question. At a time when Canada needs new sources of growth, resilience, and competitiveness, understanding this segment of the business community is no longer optional. It is essential.

What We Found

Immigrants are more likely than the Canadian-born to own a business.

In 2016, 11.9% of immigrants aged 25–69 were business owners — compared with 8.4% of those born in Canada — a gap that holds even when we focus only on incorporated employer firms.

Their footprint is expanding fast.

From 2010 to 2020, the number of incorporated immigrant-owned businesses nearly doubled — from about 247,000 to 474,000[1] — accounting for over half of all net new incorporated firms in Canada during the decade. Unincorporated businesses grew from 180,000 to 342,000. Together, they added more than 213,000 jobs, increased annual payrolls from over $20 billion in 2010 to over $35 billion in 2020 ($30 billion if adjusted for CPI), and increased annual revenues contribution from $93 billion in 2010 to $218 billion in 2020 ($186 billion if adjusted for CPI).[2]

Most are small in scale.

Although 98% employ fewer than 10 people, their collective impact is anything but small. In 2020, immigrant-owned firms employed approximately 810,000 people. And their fiscal contributions are strong: from 2001 to 2020, majority immigrant-owned corporations paid about 10% more in net taxes per worker than majority Canadian-born-owned firms while minority immigrant-owned firms paid 22–28% more.

[1] All firm-level numbers are rounded. Values of 10,000 or more are rounded to the nearest 1,000; values from 1,000 to 9,999 are rounded to the nearest 100; and values under 1,000 are rounded to the nearest 50.
[2] Statistics Canada's Consumer Price Index (all items are annual averages, not seasonally adjusted), with 2010 as the base year, was used for the CPI adjustment. Total revenue refers to the total non-farm revenue reported by the business.

Where they build their businesses reflects both settlement patterns and opportunity.

Ontario is home to more than half of Canada's immigrant-owned businesses, followed by British Columbia, Alberta, and Quebec — each with distinctive sectoral strengths, from professional services and logistics to construction, retail, and healthcare.

Industry participation spans the spectrum.

Professional, scientific and technical services; transportation and warehousing; construction; retail trade; and healthcare together account for many immigrant-owned firms. Some are opportunity-driven, leveraging advanced credentials and global networks. Others are necessity-driven, entering sectors with lower barriers but fierce competition.

And their impact does not stop at Canada's borders.

In 2020, 16.4% of all Canadian exporters that were active in goods trade were immigrant-owned. Many draw on diaspora networks, language skills, and international market knowledge to expand into markets from the United States and China to the Middle East, Europe, and beyond.

The diversity within immigrant entrepreneurship is striking.

India, Mainland China, Iran, Pakistan, and Hong Kong (SAR) are the most common origins, each with distinct sectoral profiles and export patterns. Women account for roughly 27–29% of immigrant business owners, a share that has held steady over the past decade. Refugee entrepreneurs, often overlooked, represent 12–14% of revenue-generating immigrant-owned firms.

Why It Matters Now

For the Canadian Chamber and the Business Data Lab, this work is about more than producing new statistics — it is about equipping decisionmakers with the clarity they need to design better policies. The patterns we see here are not just descriptive — they are strategic.

Immigrant-owned businesses are already building Canada's future economy. They employ hundreds of thousands, generate billions in revenue, strengthen the tax base, and deepen our global trade links, yet their potential remains underleveraged in growth, innovation, and export strategies.

With the right supports — targeted access to capital, integrated business development and export-readiness programs, streamlined credential recognition, and inclusive procurement — Canada can unlock more of that potential. And in doing so, we not only support the entrepreneurs themselves, but also advance a more inclusive, competitive, and globally connected economy.

This is the moment to act. The data are clear. The opportunity is here. Will we seize it?

THE CASE FOR IMMIGRANT ENTREPRENEURSHIP

02

Immigrant entrepreneurship is more than an economic statistic — it is a driver of growth and renewal for Canada.

At a time of weak productivity growth and labour shortages, immigrant-owned businesses provide a practical source of new jobs, investment, and tax revenue.

In this report, "immigrant-owned" refers to majority immigrant ownership, where immigrants collectively hold more than 50% of a business (either one immigrant owner or several jointly). Exactly 50% does not qualify. We count firms owned directly by individuals and exclude those owned by other corporations,[3] which is why our totals may differ from some public figures.

We use linked microdata from the Canadian Entrepreneurship and Economic Development Database (CEEDD) to examine immigrant-owned businesses from 2010 to 2020 by size, sector, gender, and geography. To provide a more current snapshot (2020–24), we also draw on custom tabulations from the Canadian Survey on Business Conditions (CSBC). Together, these sources allow us to track pre-and post-pandemic patterns and support practical policy design. The CSBC data help identify emerging trends, post-pandemic resilience, and shifting sectoral dynamics — critical for shaping forward-looking policies in an evolving business climate.

Immigrants are more likely than the Canadian-born to be business owners. In 2016, 11.9% of immigrants aged 25–69 owned businesses — either incorporated with employees or primarily self-employed — compared with 8.4% of the Canadian-born. Looking only at incorporated employer firms, the gap remains: 5.2% among immigrants versus 4.0% among the Canadian-born. Ownership rates are lower for recent arrivals but increase with years spent in Canada (Picot & Ostrovsky 2021).

Immigrant-owned firms have contributed significantly to job growth. A Statistics Canada study tracking private incorporated firms from 2003 to 2013 found that immigrant-owned companies generated about one-quarter of net new jobs while representing roughly 17% of firms. Much of this reflects that immigrant-owned firms are, on average, younger, and young firms tend to expand and hire more. After adjusting for firm age, size, and industry, job creation rates are similar between immigrant- and Canadian-born-owned firms (Picot & Rollin 2019).

Fiscal contributions are also strong. Using linked employer-employee tax data for 2001–20, Statistics Canada reports that majority immigrant-owned corporations paid about 10% more in net taxes per worker than majority Canadian-born-owned firms; minority immigrant-owned firms paid 22–28% more. They also received smaller refunds and credits — about one-third lower. After controlling for industry, firm age, and size, the net tax gap widens to roughly 16% for majority immigrant ownership and 23% for minority immigrant ownership (Liu et al. 2025).

International evidence points in the same direction. Across OECD and EU countries, immigrant entrepreneurship is recognized for its contributions to jobs and innovation, yet policy supports often lag demand. Persistent gaps include access to finance. Effective approaches combine training and coaching with financing tools such as loan guarantees, grants, and microfinance, alongside support for administrative procedures — including

[3] We exclude firms owned by other corporations, as in our data, corporate ownership cannot be traced to individual immigrant backgrounds. For immigrants who jointly own more than 50% of the ownership, we trace the immigrant background of the owner with the largest share. We apply these exclusions to ensure we can accurately assess the influence of immigrant ownership.

targeted schemes for groups such as refugees (OECD/European Commission 2023).

Immigrant entrepreneurs are not operating on the economic margins. They are central to Canada's economic engine — shaping regional markets, diversifying industries, and strengthening the fiscal base. Unlocking their full potential requires policies that recognize their contributions and address their realities with inclusive, data-driven measures. This sets the stage for the next section: a deeper dive into who Canada's immigrant entrepreneurs are and how their businesses have evolved over the past decade.

03

MAPPING THE LANDSCAPE

WHO ARE CANADA'S IMMIGRANT ENTREPRENEURS?

Entrepreneurial Representation and Dynamics

Over the past decade, Canada's entrepreneurial landscape has undergone a quiet but powerful transformation. From 2010 to 2020, immigrant-owned businesses have steadily expanded their presence within the formal business sector. This growth is not only a story of rising numbers, but also one of increasing economic influence, deeper participation, and greater integration into the fabric of Canada's business community.

This analysis distinguishes between incorporated and unincorporated businesses, each representing a different dimension of entrepreneurship. Incorporated businesses are registered legal entities — typically structured as corporations — that often employ staff, operate at scale, and are subject to corporate tax and regulatory obligations. These firms are generally more stable and growth-oriented, with greater potential to contribute to innovation, exports, and job creation. Unincorporated businesses, by contrast, are typically sole proprietorships or informal partnerships. They are not legally distinct from their owners, are often smaller in scope, and tend to reflect early-stage or necessity-driven entrepreneurship. Recognizing both types is essential to understanding the full spectrum of immigrant business activity in Canada.

Among incorporated firms, the pace and scale of growth over the decade have been particularly striking. In 2010, there were approximately 247,000[4] immigrant-owned incorporated businesses (excluding firms owned by other corporations, hereinafter) across the country. By 2020, that number had nearly doubled to about 474,000. Over the same period, the total number of incorporated businesses in Canada grew more modestly, increasing from about 1.63 million to just over 2 million. As a result, the share of immigrant-owned incorporated firms grew overall from approximately 15% in 2010 to about 24% by 2020, accounting for over half (57.3%)[5] of all net new incorporated businesses formed during this period. This sustained increase in both absolute numbers and relative share reflects more than just demographic change. It points to a deeper pattern of economic integration, entrepreneurial confidence, and an expanding immigrant footprint within the formal business sector. Meanwhile, immigrant-owned unincorporated businesses — sole proprietors and partnerships — grew from about 180,000 in 2010 to about 342,000 in 2020. Their share of the total number of unincorporated businesses rose from nearly 16% to 27%, underscoring their critical role in Canada's business dynamism.

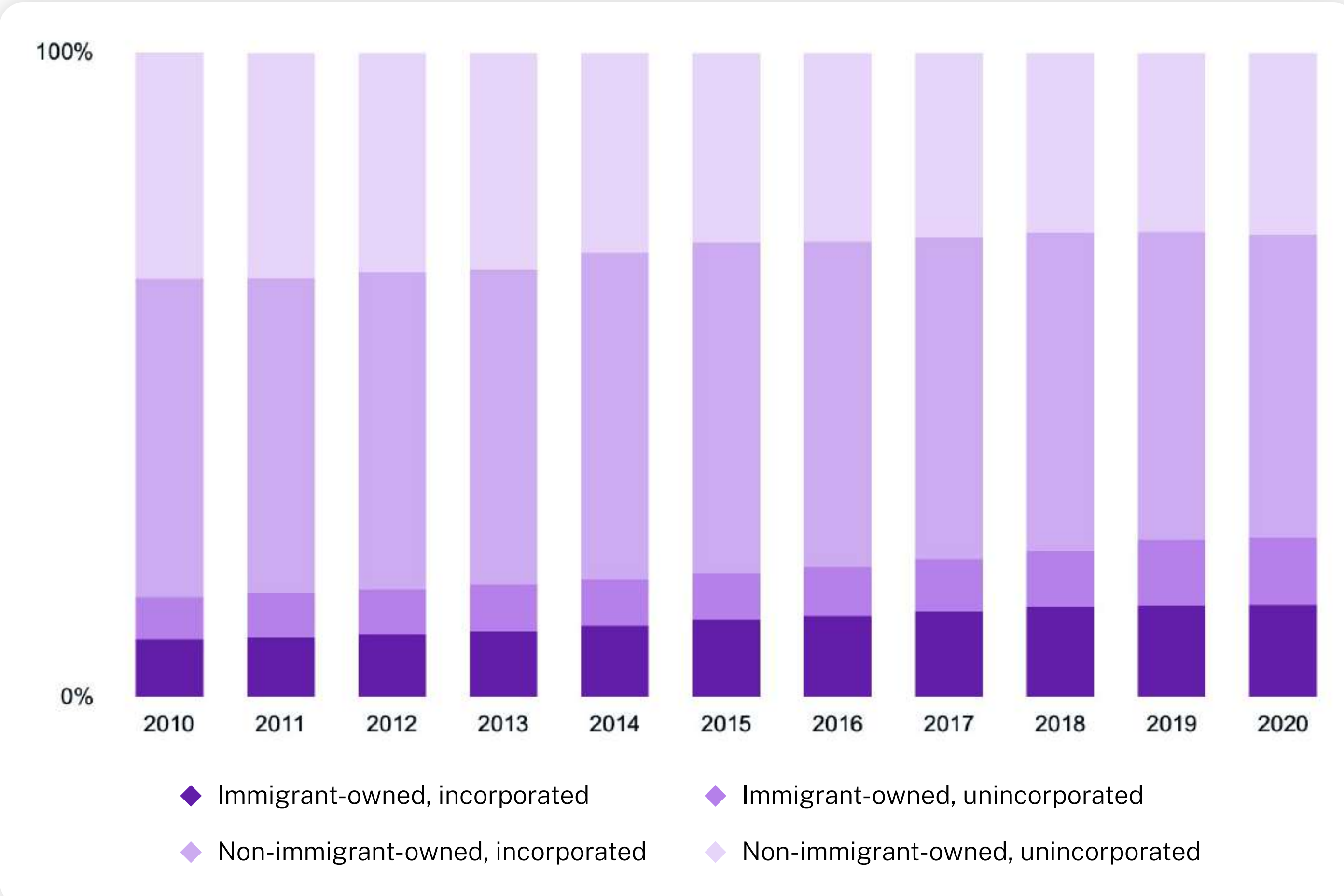
This trend is also rooted in broader demographic and policy shifts. Throughout the 2010s, Canada's immigration system increasingly prioritized skilled migrants and business-class entrants — individuals who often arrived with professional experience, financial capital, and international networks. These attributes, combined with growing settlement supports and increasingly diverse urban economies, created a more enabling environment for immigrant entrepreneurs to succeed — particularly in sectors that reward agility, innovation, and cross-border perspectives.

Immigrant-owned firms' expanding presence, especially within the incorporated sector, signals long-term commitment and deeper integration, since these businesses tend to be more capital intensive, formally structured, and oriented toward growth. This shift marks a broader redefinition of who is driving Canadian business. Immigrant entrepreneurs are no longer operating on the margins. They are increasingly central players in key industries, helping to diversify Canada's economic base, create employment, and foster innovation.

Immigrant entrepreneurs are also key contributors to international trade, particularly through their connections to their countries of origin (Head &

[4] All firm-level numbers are rounded. Values of 10,000 or more are rounded to the nearest 1,000; values from 1,000 to 9,999 are rounded to the nearest 100; and values under 1,000 are rounded to the nearest 50. Because of rounding, subtotals may not add exactly to totals.
[5] Percentages are calculated from unrounded CEEDD microdata. When rounded figures shown in the text (e.g., 247 000 → 474 000 and 1.63 M → 2.00 M) are used, the resulting share approximates 61%. Using precise, unrounded counts yields 57.3%, the value reported here.

***Figure 1:** Share of Majority Ownership, Immigrant Status, 2010–20*
Distribution as a share of total firms, incorporated and unincorporated



Data Source: BDL Analysis, Authors' calculations using CEEDD

Ries 1998; Fung et al. 2019; Morgan et al. 2021). By leveraging their networks in both their home countries and in Canada, immigrant entrepreneurs navigate complex cross-border business environments, creating unique economic linkages.

Yet challenges remain. A recent Statistics Canada study found that immigrant-owned private incorporated firms, on average, had lower labour productivity than those owned by the Canadian-born (Liu et al. 2025). However, this productivity gap narrows considerably for businesses led by business-class immigrants (those admitted through business immigration streams) and for firms whose owners have higher levels of education — particularly at the graduate level (Liu et al. 2025). This finding highlights the importance of immigration pathways, recognition of international credentials, and access to capital in shaping firm outcomes (Huynh 2023).

In short, the data and analysis reinforce a turning point that has been taking hold over at least the past decade. **Immigrant entrepreneurship is no longer a side story in Canada's economic narrative — it is becoming a defining chapter.** The following sections examine how these patterns vary across business types, regions, and sectors, offering a more nuanced portrait of the evolving face of Canadian enterprise.

Economic Contribution

The growing presence of immigrant entrepreneurs in Canada has not only reshaped the business landscape, it has also contributed meaningfully to the country's economic performance. As the number of immigrant-owned businesses increased between 2010 and 2020, so too did their impact on employment, payroll contribution, and revenues (CPI adjusted, 2010 base year).

From 2010–20, immigrant-owned firms added approximately 213,000 jobs, lifted payrolls by about 66.7% (44.0% if CPI adjusted), increased revenues about 134.4% (101% if CPI adjusted), with additional activity likely uncounted among non-employers and small suppliers below the sales tax threshold. In 2020, immigrant-owned businesses directly employed approximately 810,000 individuals, up from about 597,000 in 2010. This nearly 36% increase reflects both firm-level expansion and a broader maturation of immigrant-led enterprises. These jobs are dispersed across sectors and communities, helping to sustain inclusive labour market growth.

Payroll contributions also rose significantly over the decade. In 2010, immigrant-owned businesses disbursed more than $20 billion in T4-reported wages and salaries. By 2020, that figure had grown to nearly $35 billion ($30 billion if CPI adjusted), underscoring the increasing formalization and scale of these firms. In tandem with this growth, total annual revenues of immigrant-owned firms rose from approximately $93 billion in 2010 to $218 billion ($186 billion if CPI adjusted) by 2020.[6]

While these headline figures already speak to a substantial economic footprint, recent research suggests they may understate the true contribution. Many small businesses earning less than $30,000 annually are not required to register for the Harmonized Sales Tax (HST) and are therefore underrepresented in official revenue data. Similarly, many immigrant-owned firms operate as "non-employer" businesses, meaning owners and independent contractors are excluded from formal employment counts. This points to a larger, often hidden layer of economic activity taking place below the tax-reporting threshold.

Still, even within the formal sector, recent research by Statistics Canada reveals that immigrant-owned businesses are playing an outsized role in generating jobs and public revenues. A 2025 study using linked employer-employee tax data found that immigrant-owned firms pay 16% to 23% more in net taxes per employee than Canadian-born-owned firms, contributing significantly to public revenues and closing fiscal gaps (Liu et al. 2025). These businesses also have lower refund rates, suggesting stronger net contributions to the tax base.

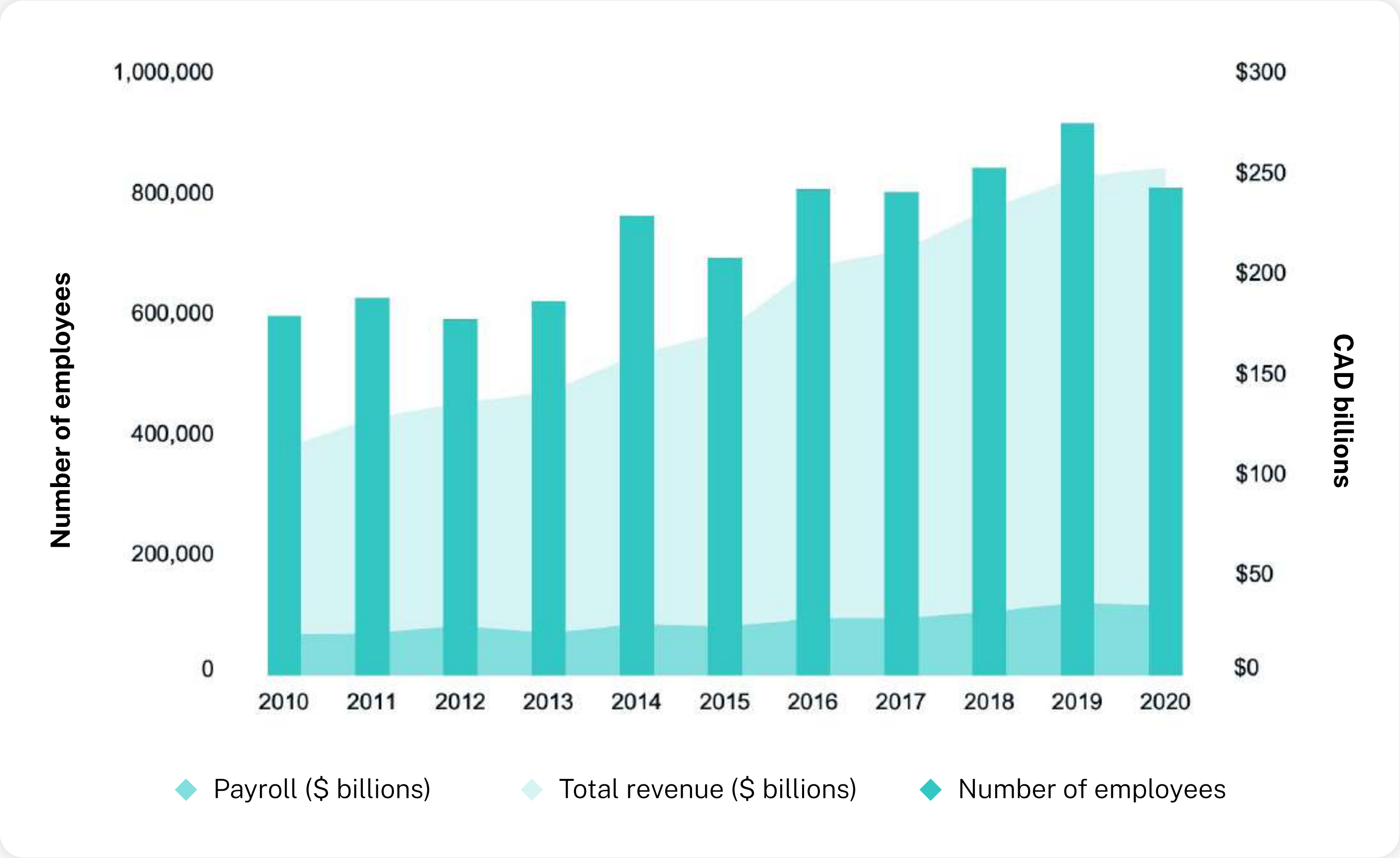
Statistics Canada reports that between 2003 and 2013, privately incorporated, immigrant-owned firms accounted for about one-quarter of net job creation while representing roughly 17% of firms (Picot & Rollin 2019). Part of this difference reflects firm age: immigrant-owned firms are, on average, younger, and younger firms are more likely to grow and hire. Our 2010–20 results focus on immigrant-owned firms and exclude corporate-owned entities, so they are not directly comparable, but they point in the same general direction.

Taken together, these trends underscore the economic significance of immigrant entrepreneurship — not only in terms of firm formation, but in real economic value.

> **Immigrant-owned businesses employ hundreds of thousands, generate billions in taxable revenue, and expand Canada's footprint in the global economy.**

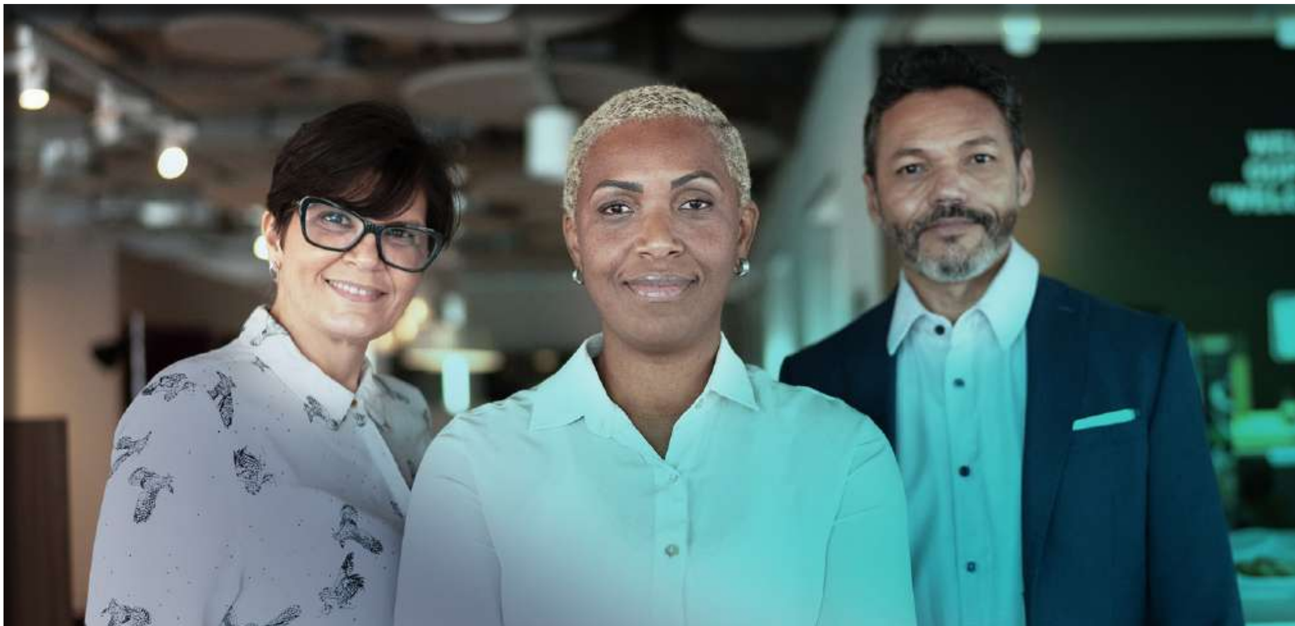
[6] Statistics Canada's Consumer Price Index (all-items are annual averages, not seasonally adjusted), with 2010 as the base year, was used for the CPI adjustment. Total revenue refers to the total non-farm revenue reported by the business.

Figure 2: *Economic Contribution by Immigrant-owned Firms, 2010–20*
Incorporated and unincorporated (unadjusted for CPI)



Note: Left-hand side (LHS) axis shows the Number of Employees, while the right-hand side (RHS) axis shows Payroll and Total Revenue in billions of Canadian dollars (CAD).

Data Source: BDL Analysis, Authors' calculations using CEEDD



Detailed Decomposition by Characteristic

While immigrant-owned businesses have clearly expanded their footprint and deepened their economic contributions, they are far from a monolith. Their characteristics vary significantly by gender, firm size, industry, and region. These dimensions reveal a more complex and textured picture of immigrant entrepreneurship in Canada, one shaped by different pathways, opportunities, and constraints.

Gender

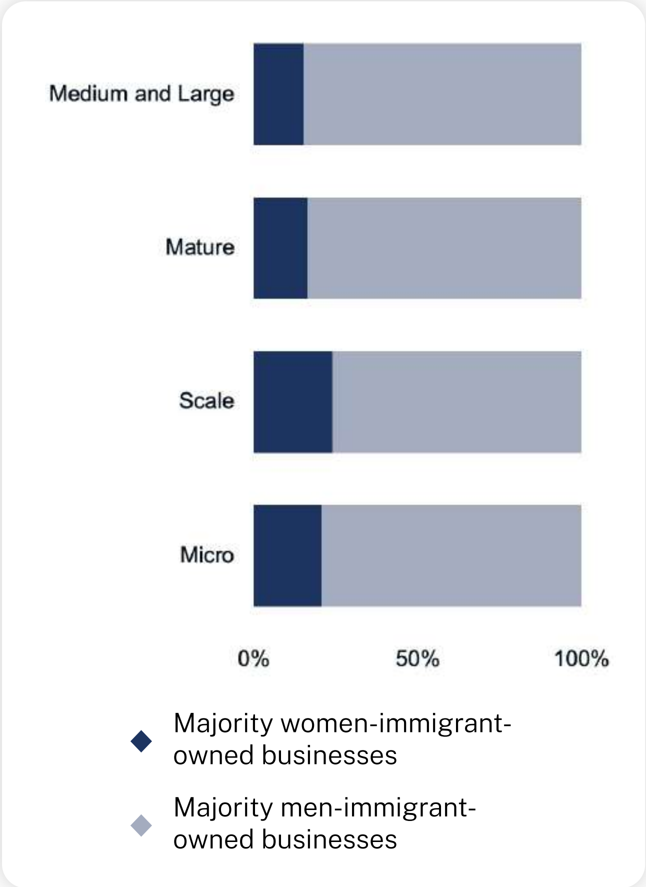
The share of immigrant women-owned firms has consistently ranged in the high 20th percentile over the last decade. From 2010 to 2020, women accounted for roughly 27 to 29% of majority immigrant-owned businesses (for example, 120,000 firms in 2010; 219,000 in 2020), indicating little change in representation despite growth in absolute numbers.

To get a better sense of how these trends have evolved or sustained in recent years, we analyzed proprietary data from CSBC from 2021 to 2024. What we found was in keeping with the CEEDD data: on average, majority women-immigrant-owned firms comprised 21% of all majority immigrant-owned firms as compared to majority male-immigrant-owned firms, which were almost four times that share (79%). Majority women-immigrant-owned firms were also more likely to be in micro-(one to four employees) and scale-(five to 19 employees) sized firms. Estimates of women-owned businesses from the CSBC may differ from figures from CEEDD (2010–20), as the former includes only businesses with one or more employees. The CSBC derived estimates are likely lower as they do not include "no-employee" firms i.e. major owner herself, or the independent contractors.

Consistent with this pattern, research shows that **immigrant men are about twice as likely to own a business as immigrant women in Canada** (Picot & Ostrovsky 2021). At the same time, Canadian evidence finds no broad, systematic financing disadvantage for immigrant SME owners relative to Canadian-born owners after accounting for firm characteristics — though recent immigrants are less likely to use formal financial institutions for startup financing (Picot & Ostrovsky 2021).

Internationally, the OECD reports that women entrepreneurs — including immigrant women — face

***Figure 3:** Gender Breakdown of Immigrant-owned Firms by Size, 2021–24*
Average distribution of quarterly CSBC data



Data Source: BDL Analysis, Statistics Canada's Canadian Survey on Business Conditions, 2021–24 persistent gaps in access to finance, networks, and care/administrative supports. It recommends integrated measures that bundle finance with training, networking, and practical supports, such as childcare for entrepreneurs (OECD/European Commission 2023). It also notes that many immigrant businesses operate in highly competitive, lower growth segments, underscoring the need for targeted policy to strengthen sustainability and scale (OECD/European Commission 2023).

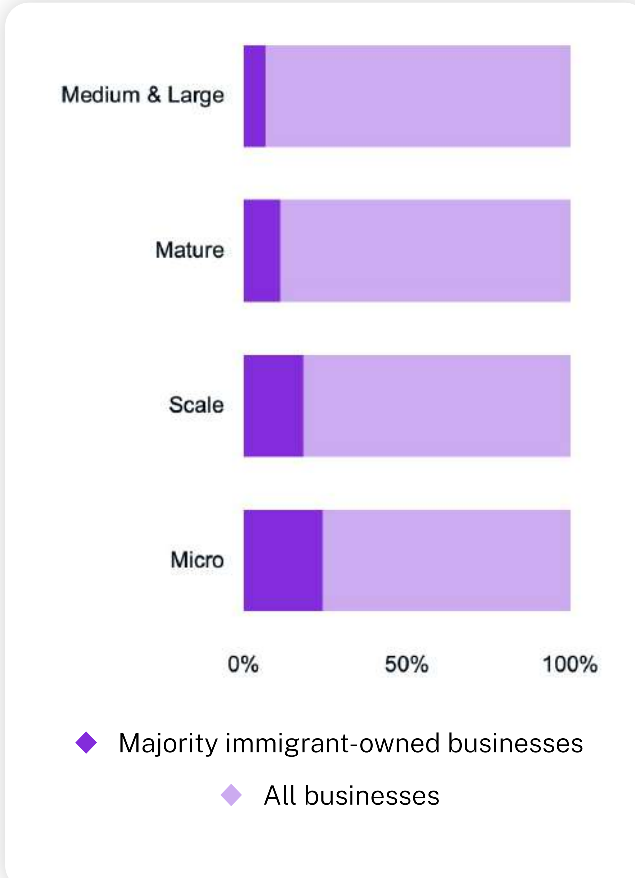
This gender gap mirrors broader patterns in Canadian business ownership but also intersects with additional barriers faced by immigrant women — including limited access to financing, professional networks, childcare, and language supports. This persistent gap underscores the need for targeted interventions that address both gendered and immigration-related barriers to business formation and growth. The gender composition of immigrant-owned firms, therefore, raises critical policy questions — not just about inclusion and opportunity, but also about the unrealized economic potential of thousands of under-supported women entrepreneurs across Canada.

Firm Size

Firm size remains one of the most defining features of immigrant entrepreneurship in Canada. Between 2010 and 2020, most immigrant-owned businesses remained small in scale. In fact, roughly 98% of these firms employed fewer than 10 people, underscoring the dominance of micro-enterprises in this segment.

In 2010, roughly 98% of operating immigrant-owned firms (about 418,000) had fewer than 10 employees. By 2020, while the number of immigrant-owned businesses had nearly doubled, the share of those having fewer than 10 workers remained consistent — firms with 10 to 19 employees were still the minority at just over 1.5% of the total. Even more scarce were firms with 20 or more employees — only about 0.7–0.9% of all immigrant-owned businesses, roughly 5,500 companies in 2020. Estimates from the CSBC also confirm this finding where the highest average share of majority immigrant-owned firms is in micro-

***Figure 4:** Average Breakdown of Immigrant-owned Businesses by Size, 2021–24*
Average distribution of quarterly CSBC data



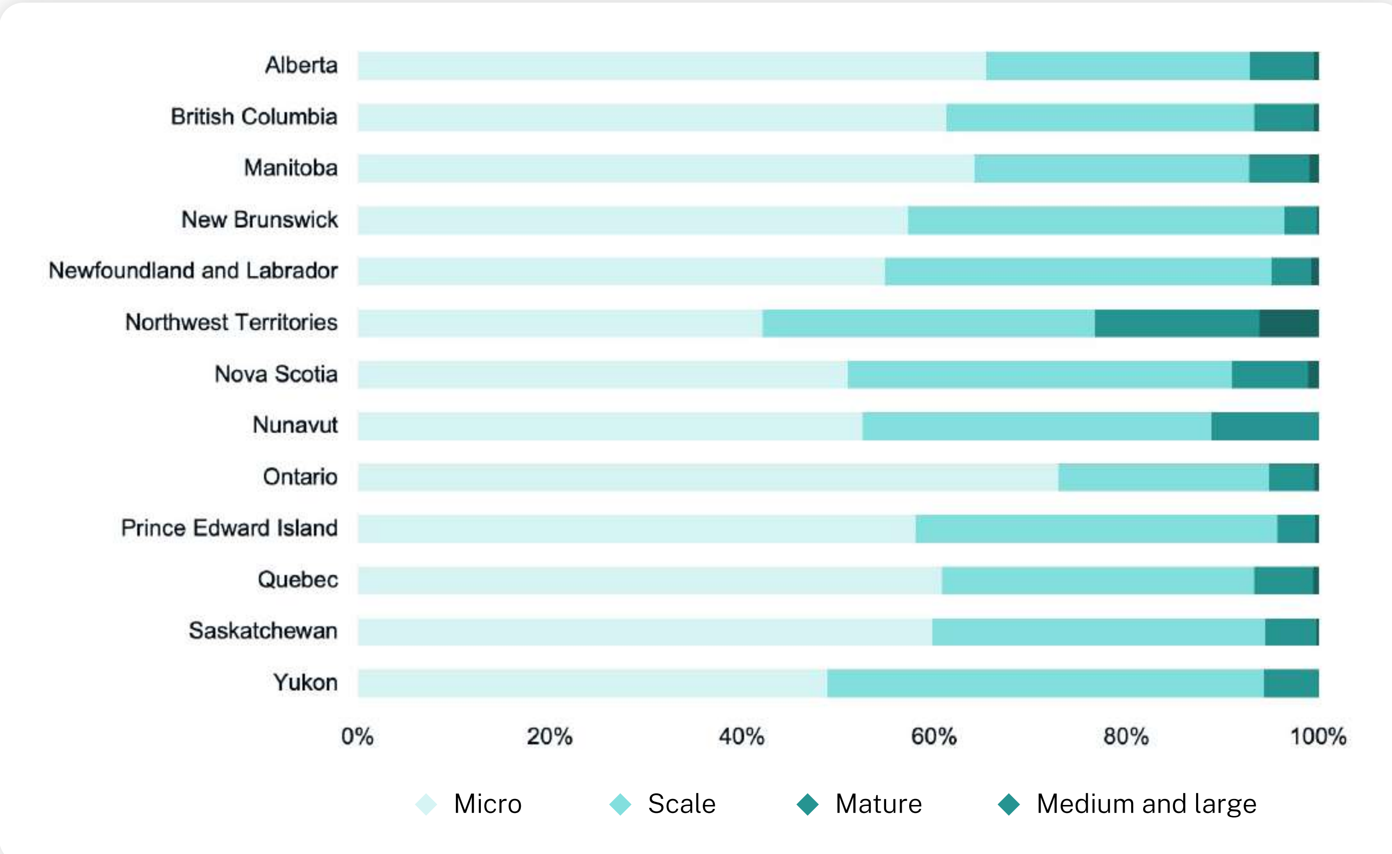
Data Source: BDL Analysis, Statistics Canada's Canadian Survey on Business Conditions, 2021–24

enterprises (24%) followed by scale (18%), mature (11%), and lastly, medium and large (7%)[7].

This persistent pattern highlights a structural reality: many immigrant entrepreneurs run micro-enterprises. These businesses are typically low-capital, owner-operated, and often focused on local services. This profile aligns with Statistics Canada findings — immigrant entrepreneurs are more likely to run unincorporated or sole-proprietor businesses and less likely to scale up to firms with sizable payrolls (Picot & Ostrovsky 2021). According to the OECD/European Commission (2023), this trend is not unique to Canada — across high-income

[7] See glossary for definitions and distinction of firm sizes between CEEDD and CSBC data.

Figure 5: *Average Breakdown of Immigrant-owned Business by Size, 2024*



Data Source: BDL Analysis, Statistics Canada's Canadian Survey on Business Conditions, 2021–24

countries, immigrants are disproportionately represented in smaller firms, often due to limited access to financing, narrower networks, or unfamiliarity with regulations.

Even though these firms are small, their economic contribution is significant. Immigrant-owned businesses collectively supported over 0.8 million jobs and generated approximately $218 billion in revenue by 2020 with much of this economic activity coming from firms with fewer than 10 employees. **In other words, small size does not equate to small impact — when many micro-businesses operate together, they form a powerful ecosystem of immigrant entrepreneurship.**

Still, the relative absence of medium and large immigrant-owned firms raises important policy questions. Despite high overall entrepreneurial activity, immigrant-owned businesses remain underrepresented in Canada's growth-oriented and innovation-intensive sectors. Strengthening pathways to scale — for example, by improving access to growth financing, tailored business development support, and inclusive procurement opportunities — could help unlock greater economic potential for these firms.

Geography

The geographic distribution of immigrant-owned businesses closely mirrors Canada's immigration settlement patterns, but with notable differences in the intensity of entrepreneurial engagement across provinces.

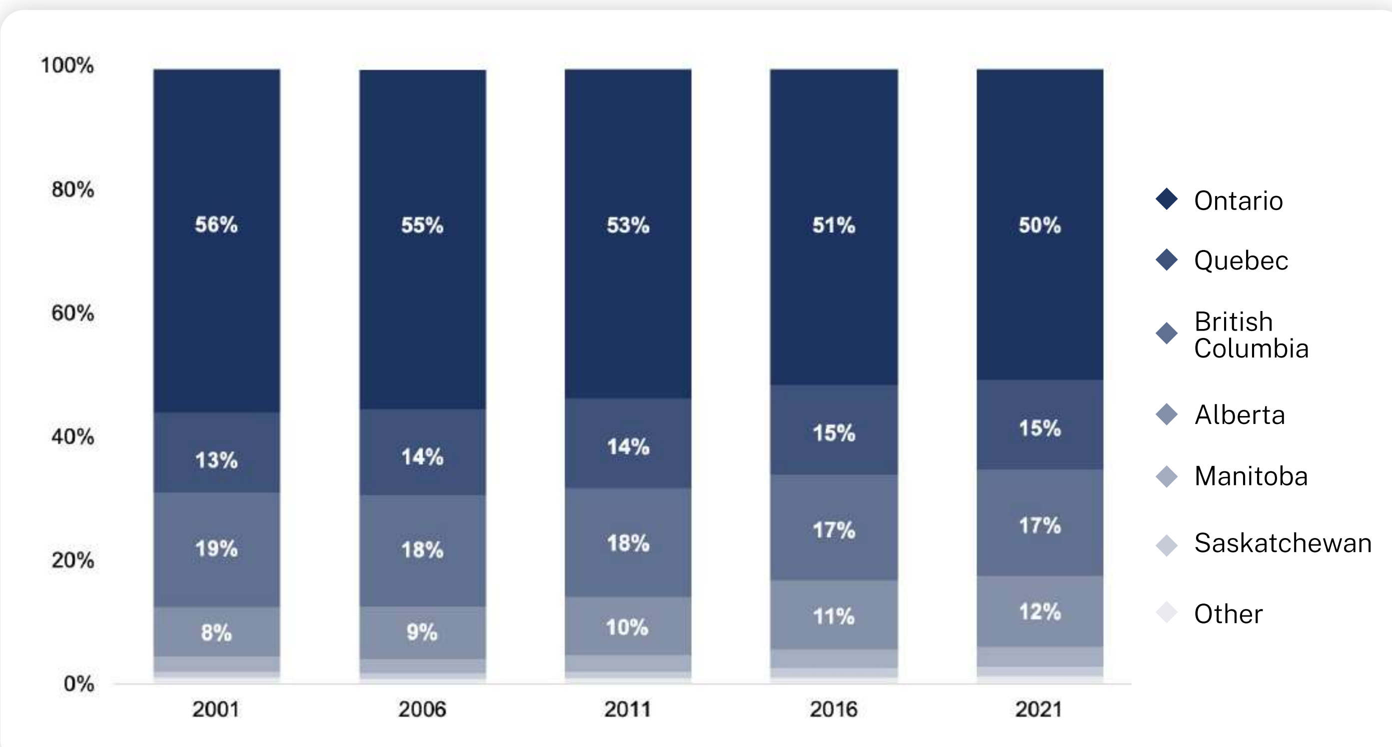
As of 2020, **Ontario** accounted for the largest absolute number of immigrant-owned businesses, with approximately 446,000 firms — more than half of all such businesses in Canada. This concentration aligns with Ontario's position as home to nearly half of Canada's immigrant population (NewToBC 2023). The relative share of immigrant-owned firms in Ontario (55%) slightly exceeds its share of immigrant residents, suggesting a comparatively high level of business formation and activity among immigrant communities in the province.

British Columbia followed with about 143,000 immigrant-owned firms, reflecting its strong and longstanding immigrant population, particularly in Metro Vancouver. While British Columbia is home to around 20% of Canada's immigrants (NewToBC 2023), it accounted for approximately 18% of all immigrant-owned businesses in 2020.

In **Quebec**, approximately 92,000 immigrant-owned businesses were recorded in 2020. While Quebec is home to roughly 15% of the national immigrant population (NewToBC 2023), its share of immigrant-owned businesses was slightly lower, at around 11% This gap may reflect linguistic and regulatory differences that shape immigrant entrepreneurship in the province, particularly among newcomers without prior French proficiency or familiarity with Quebec's distinct business environment.

Alberta hosted approximately 90,000 immigrant-owned firms, making up a smaller absolute share than Quebec. However, when looking only at firms reporting active revenue generation, Alberta's share exceeded that of Quebec indicating a higher proportion of operational or income-generating businesses. This aligns with Alberta's relatively younger and more economically active immigrant population, as well as its concentration

Figure 6: *Canada's Immigrant Population, 2001–21*
Distribution as a share of total immigrant population in the provinces and territories by census years



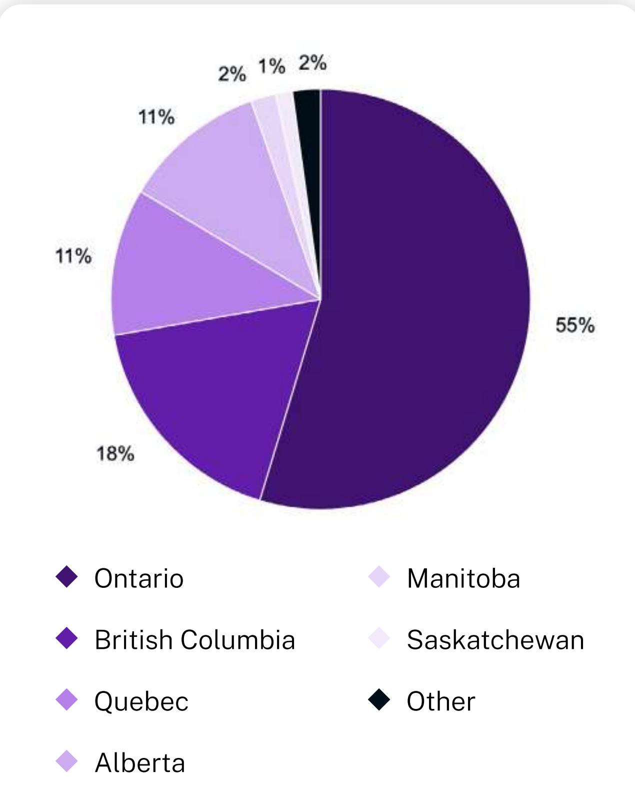
Data Source: BDL Analysis, Statistics Canada, 2022. Focus on Geography Series, 2021 Census.

in construction, logistics, and resource-related services, which often support small-scale business formation.

Manitoba and Saskatchewan, while home to a smaller immigrant population overall, each recorded over 10,000 immigrant-owned businesses in 2020. This figure reflects the success of the provinces' Provincial Nominee Program, which has fostered localized immigration and entrepreneurship, particularly among newcomers settling outside of major metropolitan areas.

Taken together, these figures suggest that the geographic distribution of immigrant-owned businesses largely mirrors national immigration settlement trends, most notably in Ontario, British Columbia, and Alberta. These differences may reflect a range of factors, including access to financing, the structure of local economies, labour market conditions, and policy support at the provincial level. It should be noted that these figures (and subsequent figures for 2020) should be interpreted in light of 2020 being the first year of the COVID-19 pandemic, with public-health restrictions and economic disruptions.

***Figure 7:** Canada's Immigrant Firms, 2020 Distribution as a share of total immigrant-owned firms in the provinces and territories, incorporated and unincorporated*



Data Source: BDL Analysis, Authors' calculations using CEEDD

Industry

The sectoral distribution of immigrant-owned businesses reveals how newcomers engage economically and where their entrepreneurial contributions are most visible.[8] **In 2020, immigrant-owned firms in Canada were primarily concentrated in transportation and warehousing; real estate and rental and leasing; professional, scientific and technical services; construction; and retail trade.** Together, these top five industries accounted for approximately 60% of all immigrant-owned firms, pointing to a strong clustering in services and asset-based sectors.

However, it is important to acknowledge that the prominence of transportation and professional services may partly reflect participation in gig-economy roles or lower-barrier entrepreneurial activities (for example, owner-operator trucking, rideshare driving, and freelance consulting) rather than exclusively high-skill specialization (Picot & Ostrovsky 2021). Picot and Ostrovsky (2021) have found, for example, that immigrants are more likely than the Canadian-born to be self-employed in "gig" or on-demand work, and refugees and family-sponsored immigrants are disproportionately involved in "traditional" immigrant industries like transportation, retail trade, accommodation, and food services. This context suggests that a share of immigrant business owners is pursuing necessity-driven or accessible ventures alongside those in highly skilled fields.

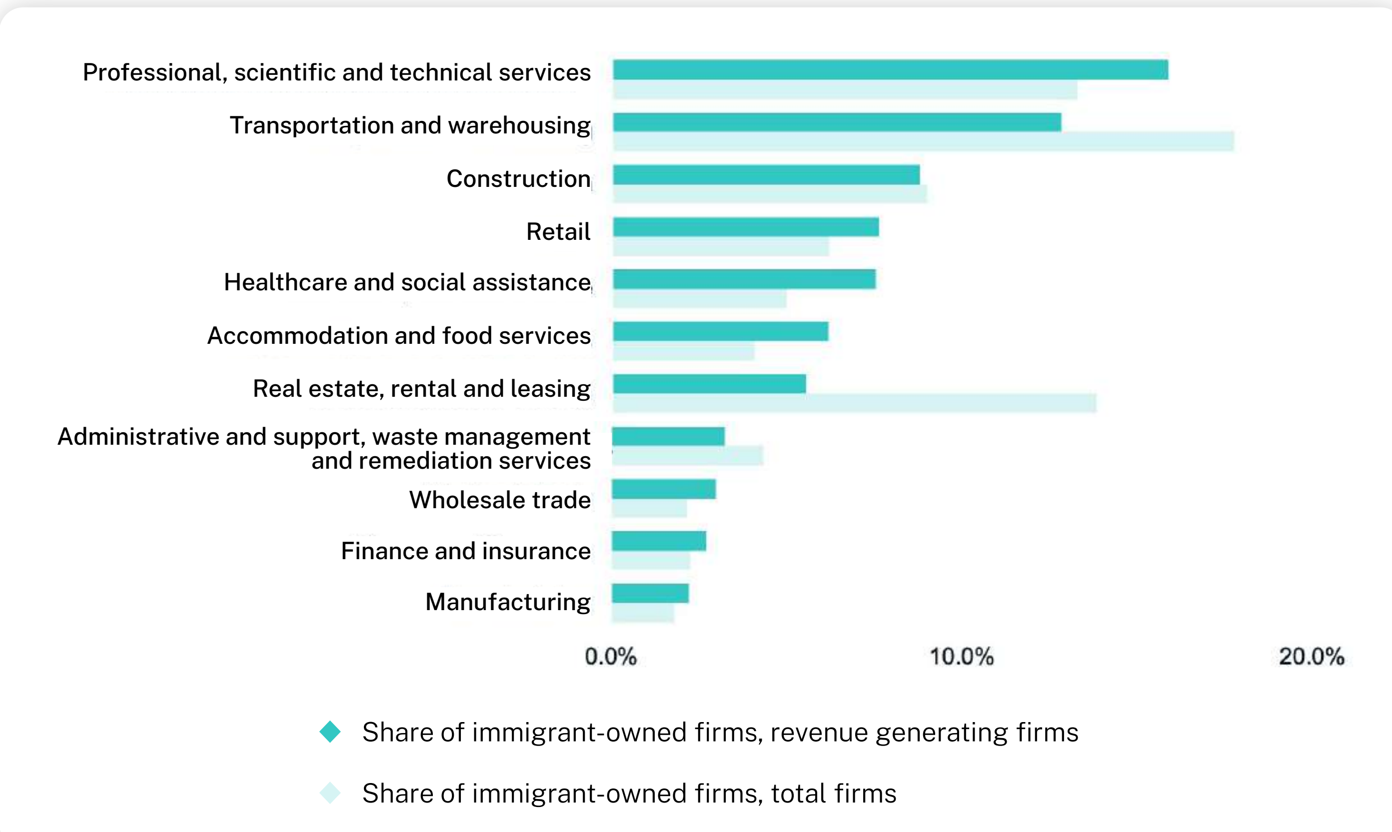
Transportation, for example, has long served as a key entry point for immigrant entrepreneurs.

[8] The onset of COVID-19 in 2020 temporarily closed many firms; patterns may differ in other years.

In Canada's major cities, over half of truck drivers are newcomers of South Asian heritage (Windmill Microlending 2024), and immigrants from East African countries (such as Ethiopia and Somalia) account for significant shares of taxi and delivery drivers in some regions (Xu 2012). These entrepreneurs often leverage community financing networks and prior commercial driving experience or training to establish themselves in trucking and delivery services. Real estate and construction activity align with settlement patterns in fast-growing regions like the Greater Toronto Area, Calgary, and Metro Vancouver, where rapid population growth and housing demand create business opportunities in property development, home building, and related services.

However, when focusing exclusively on firms that reported revenue in 2020 — approximately 400,000 active firms — the picture shifts. **Professional, scientific, and technical services become the top industry among revenue-generating immigrant-owned businesses**, surpassing transportation and warehousing. This category includes highly skilled fields such as IT consulting, engineering, legal and accounting services, and scientific research and development (R&D). The prominence of this sector in the revenue-reporting subset suggests that many immigrant entrepreneurs are operating in knowledge-intensive, innovation-oriented activities — especially those with advanced degrees or credentials acquired abroad. In fact, economic-class immigrants are about twice as likely as Canadian born individuals to own companies in knowledge-based industries (for example, architecture and engineering firms, computer systems design, or management consulting) (Picot & Ostrovsky 2021).

***Figure 8:** Representative Industries of Immigrant-owned Firms,[9] 2020 Distribution as a share of total firms and revenue-generating firms, incorporated and unincorporated*



Data Source: BDL Analysis, Authors' calculations using CEEDD

[9] The industry classification is based on North American Industry Classification System (NAICS).

At the same time, some professional services activity is freelance/contract work, which can blur the line between high skill specialization and gig-style self-employment (Jeon et al. 2019).

Among these active, revenue-reporting firms, the top five industries — professional services, transportation, construction, retail, and healthcare — collectively accounted for approximately 53% of the total (compared to nearly 60% in the full sample). This narrower concentration likely reflects those firms that are not only registered but actively generating income and contributing to gross domestic product (GDP) and employment. Notably, healthcare and social assistance emerges as a significant sector in the revenue-generating group (increasing from 5.0% of firms in the full sample to 7.5% among revenue-reporting firms). Many immigrant entrepreneurs — including a growing number of women — are active in healthcare services (for example, running clinics, home-care agencies, or dental practices), and this sector tends to have relatively high survival rates for immigrant-owned businesses (Statistics Canada 2018). Research shows that immigrant entrepreneurs in the health sector have especially long business survival, with exit rates only one-third of those in other industries (Statistics Canada 2018). This may be due to the stable demand and professional credentials associated with health and social services.

This bifurcation in the data reflects the "two faces" of immigrant entrepreneurship: one driven by necessity and survival in accessible, lower-barrier industries (like transportation or retail), and another driven by opportunity and specialization in sectors that demand professional skills. For instance, refugees and family-class immigrants often start businesses in sectors such as trucking, taxi services, cleaning or food retail, where entry costs are lower and credential barriers minimal (Picot & Ostrovsky 2021). In contrast, highly skilled economic immigrants are more prevalent in knowledge-based enterprises (tech startups, engineering firms, and so on) (Picot & Ostrovsky 2021).

International evidence shows that migrant entrepreneurs are often concentrated in lower-barrier sectors, such as food services and transport, and they are increasingly recognized as important contributors to innovation and high-growth entrepreneurship (OECD/European Commission 2023). Research also suggests that immigrant-led SME in professional and technical services can achieve strong performance, especially when connected to international markets. For example, immigrant business owners with higher education, or those who entered through skilled economic streams are more likely to engage in export activities, leveraging global networks to grow their firms (Fung et al. 2019). These globally integrated businesses may enjoy more stable revenues and higher survival prospects, as participation in export markets and diverse networks can buffer against local market fluctuations.

Interestingly, real estate ranks much lower in the subset of revenue-reporting firms than in the overall count of immigrant businesses. This likely reflects the nature of asset-holding and passive business structures within that sector — many incorporated real estate entities may exist on paper (for example, holding companies for properties or family investment vehicles) without regular operating revenue. Indeed, analyses have found that immigrant-owned firms in real estate and leasing tend to have shorter active durations and higher turnover compared to some other sectors (Statistics Canada 2018). This aligns with the idea that numerous firms in this category are shell or holding companies rather than actively operating enterprises. **This discrepancy between sheer firm counts and actively trading firms reinforces the need to distinguish between business registration and genuine operational engagement when assessing entrepreneurial impact.**

> **Research shows that immigrant entrepreneurs in the health sector have especially long business survival, with exit rates only one-third of those in other industries.**

Other important sectors include accommodation and food services, where barriers to entry are relatively low but operational complexity and competition are high. In Canada many immigrant-owned restaurants and catering services serve both cultural niches and mainstream markets. However, the hospitality sector is known for tight margins and high failure rates that temper its prominence among revenue-positive firms. Meanwhile, immigrant-owned businesses in sectors like wholesale trade, manufacturing, and finance and insurance, though smaller in number, also play a vital role. They often act as bridges in export supply chains and contributors to regional economic diversification. For example, immigrant entrepreneurs have an outsized impact in wholesale trade as intermediaries who connect Canadian products with overseas markets (Fung et al. 2019).

In manufacturing, immigrant-owned firms are significantly more likely to engage in international trade with their owners' regions of origin, increasing Canada's export reach (Fung et al. 2019). Even in financial and insurance services, immigrant business owners contribute by filling market gaps (such as serving ethnic communities with tailored financial products) and bringing global investment connections. These diverse contributions underscore that, beyond the major service industries, immigrant entrepreneurship extends into high-value sectors that enhance trade links and economic growth opportunities for Canada (Fung et al. 2019).

Comparative Analysis: Business Dynamics, Regional Patterns, and Sectoral Shifts

The diverse characteristics of immigrant-owned businesses — by gender, size, sector, and geography — reveal a rich and complex entrepreneurial landscape. Yet, understanding how these businesses evolve over time requires looking beyond static snapshots to the underlying dynamics of firm entry, exit, and longevity.

Over the decade from 2010 to 2020, immigrant-owned firms in Canada displayed clear trends in formation, closure, and survival, shaped by broader economic shifts, policy changes, and external shocks, such as the COVID-19 pandemic. These patterns not only illustrate the resilience and responsiveness of immigrant entrepreneurs, but also highlight the systemic pressures they face in navigating Canada's business environment.

Business Formation and Exits

The number of newly formed immigrant-owned businesses increased substantially over the decade, rising from approximately 96,000 new firms in 2011 to a peak of 185,000 in 2019. This growth reflects strong and accelerating entrepreneurial momentum, particularly between 2015 and 2019 — a period marked by steady immigration inflows, favourable labour market conditions, and increasing urban demand.

However, in 2020, the formation rate dropped sharply to about 146,000 firms, mirroring the economic uncertainty and operational barriers brought on by the COVID-19 pandemic. At the same time, business exits also trended upward throughout the decade, increasing from approximately 55,000 in 2011 to nearly 136,000 in 2020, with a notable surge in that final year. The simultaneous decline in new firm creation and spike in closures during 2020 points to the disproportionate vulnerability of immigrant entrepreneurs to public health restrictions, liquidity constraints, and sector-specific shocks — especially in accommodation, personal services, and retail.

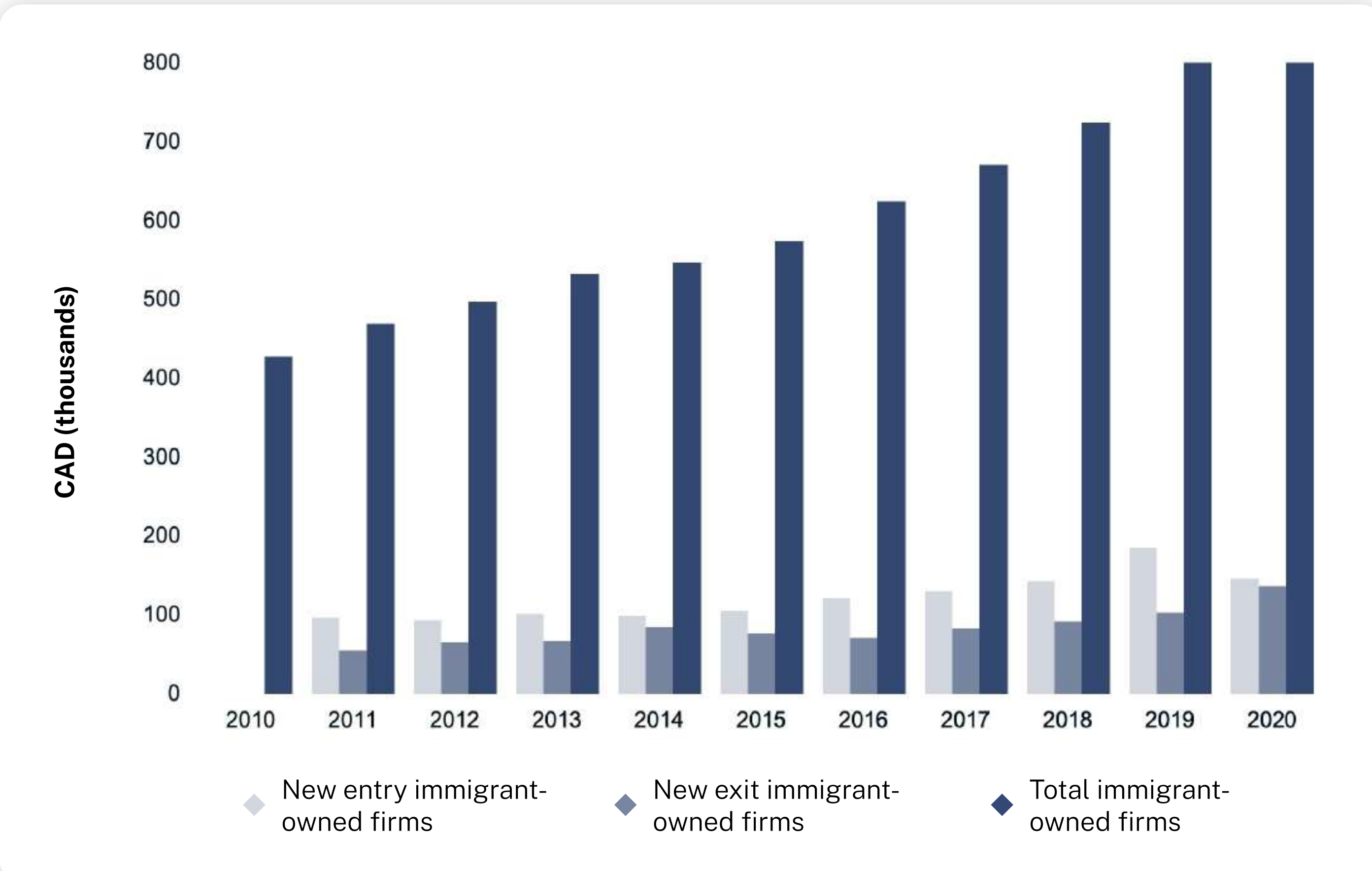
These trends may also reflect policy sensitivity. For instance, a relatively lower entry rate in 2014 (about 98,000) coincides with the aftermath of federal immigration program reforms in 2012, including the cancellation of the Federal Skilled Worker Program and investor streams. Such adjustments may have temporarily affected the flow of economically oriented immigrants — particularly those primed for business ownership.

Between 2010 and 2020, the top five provinces and territories from which new entry firms originated were Ontario, British Columbia, Alberta, Quebec,

The number of newly formed immigrant-owned businesses increased substantially over the decade, rising from approximately 96,000 new firms in 2011 to a peak of 185,000 in 2019.

and Manitoba. However, if only revenue-generating firms were considered, Alberta was home to more new immigrant-owned firms than British Columbia. Among these revenue-generating firms, real estate, professional services, transportation, construction, retail, accommodation and food services, and healthcare remained dominant.

Figure 9: *Formation and Exits of Immigrant-owned Firms in Canada, 2010–20*
Incorporated and unincorporated



Data Source: BDL Analysis, Authors' calculations using CEEDD

GLOBAL MINDSET

TRADE, TALENT, AND EDUCATION

04

The period from 2010 to 2020 revealed a dynamic, evolving landscape for immigrant entrepreneurship in Canada. High rates of business formation — especially in the latter half of the decade — reflect strong economic participation and opportunity-seeking behaviour among immigrant communities. At the same time, rising exit rates, sensitivity to immigration policy, and global shocks like COVID-19 have exposed structural vulnerabilities that merit policy attention. Sectoral and regional patterns further demonstrate that immigrant entrepreneurs are not monolithic. Instead, they represent a diverse, adaptable segment of Canada's business ecosystem — contributing to everything from local services and logistics to global consulting and real estate development. This diversity is also reflected in country/region-of-origin patterns, which shape entrepreneurial tendencies and international trade engagement. Using firm-level data for 2020, we analyze how immigrant-owned firms' export orientation and business characteristics vary across communities, focusing on the top source countries. For clarity, "country/region of origin" follows the coding used in the underlying administrative data; references to Hong Kong (SAR) and Taiwan are for statistical reporting only and do not imply a position on sovereignty.

Country/Region of Origin and the Global Orientation of Immigrant Entrepreneurs

Behind every immigrant-owned business is a story of risk and resilience — and often of international reach. While immigrant entrepreneurs in Canada are often discussed as a single group, their business outcomes vary widely by the owner's country or region of origin, which shapes the likelihood of innovating, exporting, and operating in globally linked sectors. Research by Fung et al. (2019) confirms that immigrant-owned firms are significantly more likely to trade with their owners' home regions — for example, in manufacturing they have a 2.1% higher probability of exporting to those regions (with an even larger effect in wholesale trade) — underscoring the role of diaspora knowledge and networks. Such diaspora-driven trade can also boost firm performance. Under the right conditions and with the benefit of networks and knowledge of both home and host countries, immigrant SME owners who export extensively to their country of origin achieve superior financial outcomes (Morgan et al. 2021). This section explores how immigrant entrepreneurs' engagement in international trade, contributions of global talent, and the interplay of education and credential recognition in their success manifests a global mindset.

This section explores the top countries (regions) of origin for immigrant-owned firms in Canada, based on newly linked firm-level data from 2020. In 2020, there were about 816,000 immigrant-owned businesses in total. Of these, around 400,000 reported revenues. In the full stock of immigrant-owned firms, the same origins are prominent — India (20.0%), Mainland China (12.0%), Iran (5.0%), Pakistan (5.0%), and Hong Kong (SAR) (3%). Among revenue generating businesses, five origin countries (regions) stand out: India (24.0%), Mainland China (13.0%), Iran (5.0%), Pakistan (4.0%), and Hong Kong (SAR) (3.0%).

Export engagement differs across origin groups in our calculation using CEEDD, but precise rates by origin are not published here to avoid overinterpreting small shares. Instead, we note the direction of differences only: groups with stronger footprints in wholesale/manufacturing (for example, Mainland China and Hong Kong [SAR]) appear more export active than the average immigrant-owned firm, whereas others with more locally oriented sector mixes appear less export active. This pattern is consistent with Fung et al.'s (2019) finding that immigrant-owned firms trade more intensively with

owners' regions of origin and have more diverse destination mixes (a smaller North American share) than otherwise similar Canadian-owned firms.

A Data-driven Lens on Diversity

Variations in export propensity reflect multiple factors — diaspora networks and information advantages, sectoral concentration (for example, wholesale/manufacturing versus local services), firm age/size, and access to finance. Comparative OECD evidence echoes these Canadian patterns: immigrant entrepreneurship has expanded and contributes to innovation and trade, yet many immigrant-owned firms remain small and face finance and capability gaps. Integrated support packages (training/coaching plus finance and administrative help) are recommended (OECD/European Commission 2023).

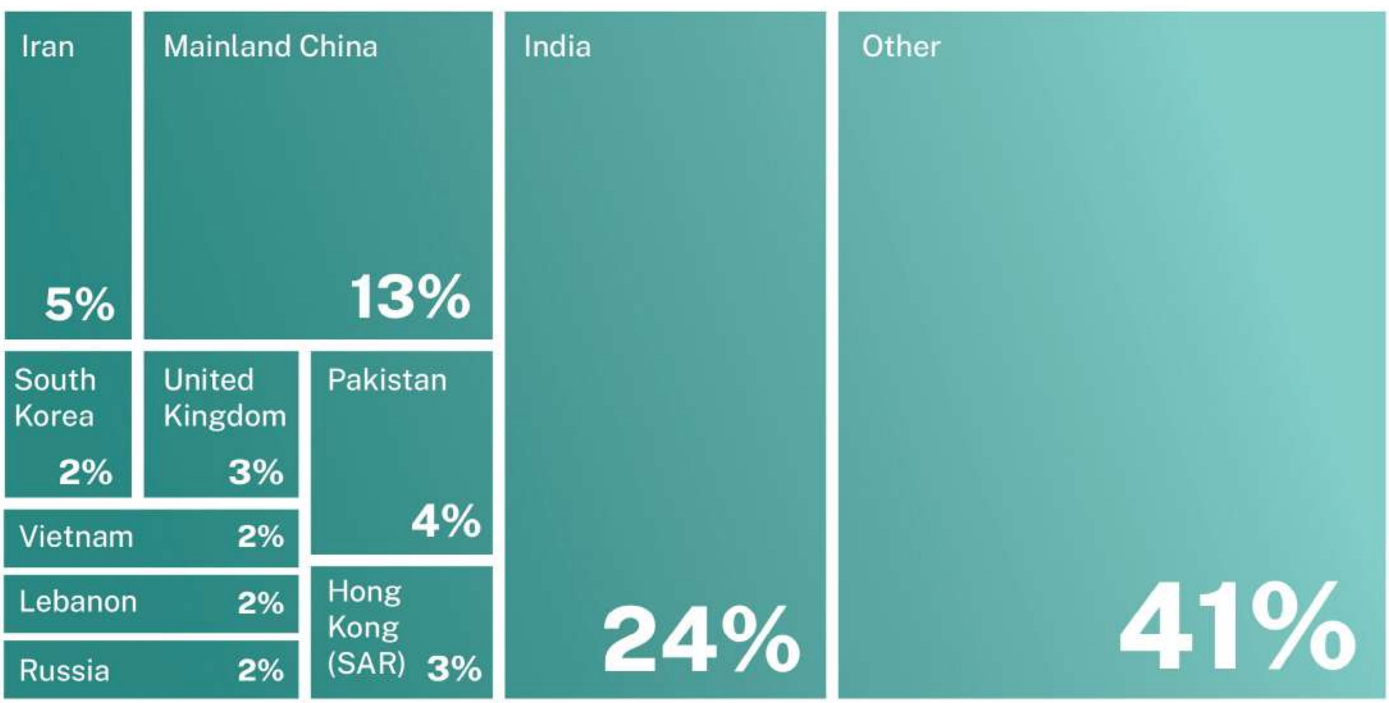
Understanding these differences is not just an academic exercise — it matters for policy. Communities with high export potential may benefit from targeted supports such as:

- Improved access to export financing and trade facilitation services.
- Tailored business development programs that reflect cultural and sectoral strengths.
- Recognition of foreign credentials and prior business experience in procurement or licensing frameworks.

> **As Canada looks to strengthen its trade ties across the Indo-Pacific and beyond, recognizing and enabling the trade ambitions of immigrant entrepreneurs is not just inclusive, it is economically strategic.**

Figure 10: *Breakdown of Top 10 COO of Immigrant-owned Firms, 2020*
Distribution as a share of total immigrant-owned firms, incorporated and unincorporated

Figure 11: *Breakdown of Top 10 COO of Immigrant-owned Firms (Revenue Generating), 2020*
Distribution as a share of immigrant-owned revenue-generating firms, incorporated and unincorporated



Data Source: BDL Analysis, Authors' calculations using CEEDD

Provincial Patterns: Local Economies, Global Roots

While immigrant entrepreneurship is often discussed at the national level, its real impact is felt locally — in cities, regions, and industry clusters where businesses take root, create jobs, and serve diverse communities. Using 2020 firm-level revenue data from CEEDD, this section examines how immigrant-owned businesses vary by province and sector, revealing both regional specialization and deep sectoral diversity across Canada.

Immigrant entrepreneurship in Canada is shaped not only by who the entrepreneurs are, but where they choose to build. Geography matters — both in determining which industries take root and how immigrant-owned businesses connect to global markets. Across Canada's provinces, we see distinct patterns of entrepreneurial concentration that reflect the intersection of migration pathways, local labour markets, sectoral opportunity, and trade infrastructure.

The 2020 revenue-generating firm sample reveals clear regional variations in immigrant entrepreneurship across Canada, not just in terms of business presence, but also in sectoral focus and international engagement.

Ontario

Business Hub with Global Diversity

Ontario is home to the largest share of immigrant-owned firms in Canada, with top owner origins including India, Mainland China, Pakistan, Iran, and Russia. These businesses are concentrated in professional, scientific, and technical services (a sector often tied to international client networks), and in transportation and warehousing, reflecting Ontario's role as a logistics hub.

British Columbia

Trans-Pacific Ties and Real Estate Anchors

British Columbia's immigrant entrepreneurs mainly come from India, Mainland China , Iran, Hong Kong (SAR), and the United Kingdom. Their presence in real estate, logistics, and professional services mirrors Vancouver's role as a Pacific gateway for trade, investment, and diaspora-based business networks.

Alberta
Infrastructure, Energy, and Entry-point Industries

In Alberta, immigrant business owners from India, Mainland China, Pakistan, the United Kingdom, and the Philippines are prominent in construction and transportation — industries that have lower credentialing barriers and rely more on physical capital.

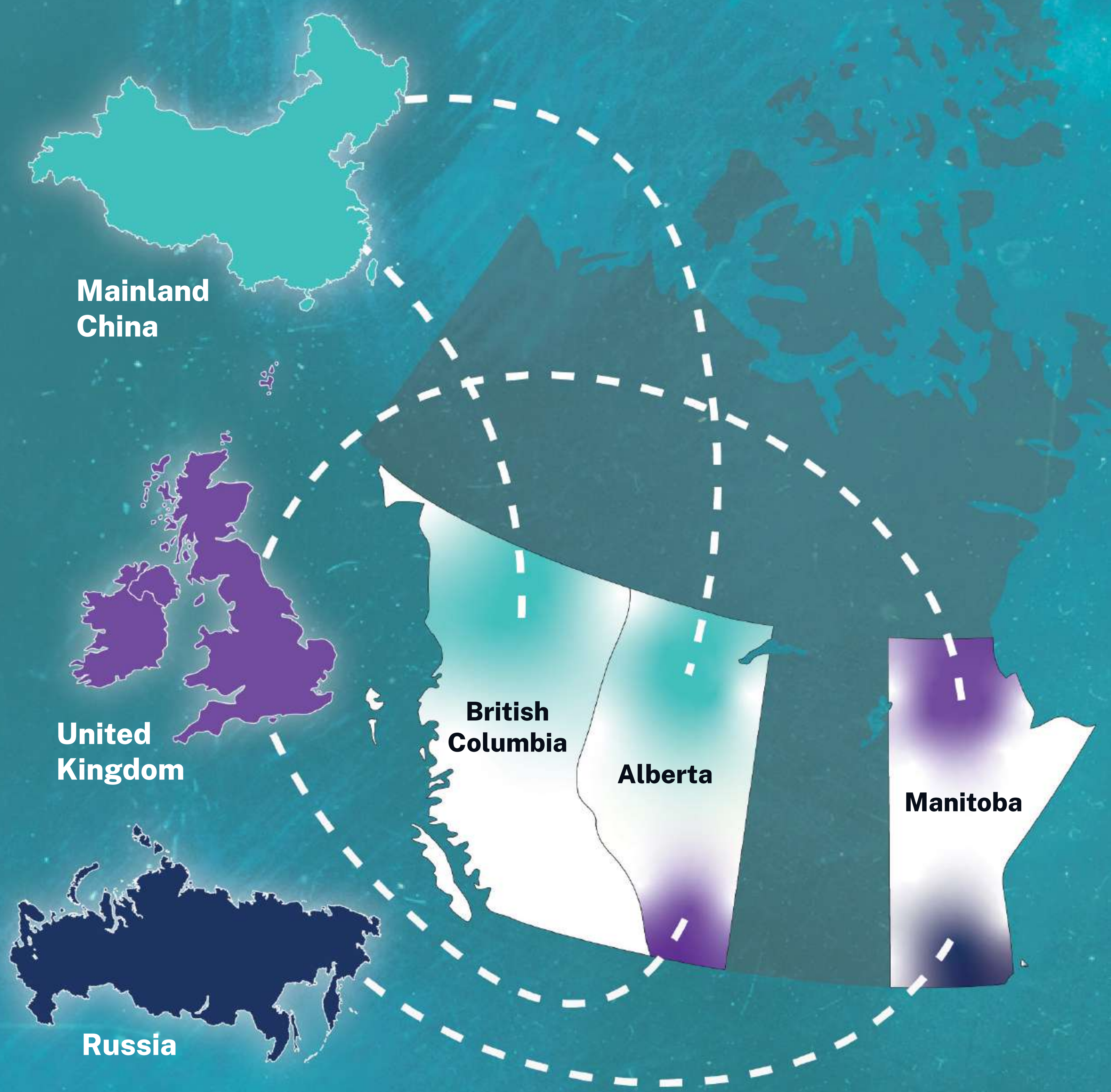
Quebec
Distinct Pathways and Francophone Linkages

Quebec's immigrant business landscape is shaped by francophone migration pathways, with France, Mainland China, Lebanon, Morocco, and India as top origins. Sectoral participation is diverse, spanning retail, manufacturing, healthcare, and technology.

Manitoba
Niche Markets, Cultural Enterprise

Manitoba's immigrant-owned firms — led by entrepreneurs from India, Mainland China, the United Kingdom, Russia, and the Philippines — are concentrated in retail, accommodation, and food services. These sectors often serve both mainstream and cultural markets, contributing to local economic diversity. These businesses play an important dual role — meeting community needs while anchoring cultural identity — and are often more resilient during economic downturns due to loyal customer bases and flexible cost structures.

Figure 12: Immigrant-owned Firms (Revenue Generating), Top 5 COO by Province



Note: This visual shows the top countries or regions of origin for immigrant business owners within Canada and the Canadian provinces where their revenue-generating firms are located. "Country/Region of Origin" refers to the place of birth of the majority owner(s), based on Statistics Canada's administrative data, and does not indicate the location of business activity abroad. This helps illustrate both the international roots of immigrant entrepreneurs and their geographic footprint within Canada.

Data Source: BDL Analysis, Authors' calculations using CEEDD

Industry Preferences: Building Across Sectors, Bridging Across Borders

Immigrant entrepreneurship in Canada stretches across the economic map, anchoring vital functions in services, logistics, infrastructure, and care. These businesses are not just job creators, they are often the connective tissue of Canada's local economies and global trade networks (Global Affairs Canada 2021). The 2020 data show that immigrant-owned firms that reported revenues are especially prominent in five key sectors, each revealing something important about the nature — and future — of Canada's economy.

In **professional, scientific, and technical services (PST)** — which include computer systems design, engineering, and consulting — immigrant entrepreneurs primarily hail from South and East Asia, along with the United Kingdom. The top five countries of origin in PST in 2020 were **India, Mainland China, Iran, Pakistan, and the United Kingdom**. This pattern fits national evidence: economic class immigrants are about twice as likely as the Canadian-born to own firms in knowledge-based industries, such as architecture and engineering services, computer systems design, and management and scientific consulting, and immigrant business owners are more likely to hold **science, technology, engineering, and mathematics** (STEM)-related credentials (Picot & Ostrovsky 2021). In parallel, international reviews highlight that administrative and credential recognition barriers can shape where immigrants start businesses and that integrated supports (financing plus training and network help) improve outcomes (OECD/European Commission 2023).

Immigrant business ownership is especially pronounced in the **transportation and warehousing** sector. In 2020, the leading origins of immigrant firm owners in this sector were **India, Pakistan, Sri Lanka, Poland, and Russia**. Sector patterns echo national findings: immigrant-owned enterprises are overrepresented in transportation and warehousing and are often smaller, reflecting that many firms are single vehicle or family owner-operators (Picot & Ostrovsky 2021). Moreover, newcomers — particularly refugees — are disproportionately likely to start businesses in ground transportation niches, such as trucking, taxi, and courier services (Picot & Ostrovsky 2021). Earlier federal analysis also documents the strong presence of immigrants — especially those from South Asia — among taxi drivers, underscoring community networks and low formal licensing hurdles relative to regulated professions (Xu 2012).

In **construction**, the top five source countries in 2020 were **India, Mainland China, Iran, Poland, and the United Kingdom**. Construction often serves as a bridge from skilled trades to small firm ownership. Recent federal statistics note that immigrants account for 23% of all general contractors and builders of residential buildings — a sizable footprint in a sector facing persistent labour demand (Government of Canada 2025a). At the same time, licensing and certification requirements for regulated trades vary by province and can be challenging to navigate for newcomers, steering some toward subcontracting or renovation services (Wayland 2011).

The **retail trade** sector shows a different mix: the 2020 top origins were **Mainland China, India, Pakistan, Lebanon, and Iran**. Immigrants frequently open grocery, convenience, and specialty shops that leverage cultural knowledge and diaspora supply chains. National evidence again finds immigrants more likely to operate in retail and accommodation/food services and that many firms are small in scale (Picot & Ostrovsky 2021; Global Affairs Canada 2021), which aligns with retail's relatively low capital and credential barriers (OECD/European Commission 2023).

In **health care and social assistance**, immigrant business owners often come from countries with strong medical training or English language backgrounds. In 2020, the top origins were **India, Iran, South Africa, Mainland China, and the United Kingdom**. Provincial licensing pathways, practice-ready assessments, and return of service obligations can delay or divert clinical practice even for the many internationally trained professionals who arrive with relevant credentials causing some to channel their expertise into adjacent health businesses, such as homecare, clinics, and staffing (Canadian Medical Association 2025; Queen's University 2024). Immigrants already play an outsized role in the health workforce — **37% of physicians, 25% of registered nurses, 42% of nurse aides, and 43% of pharmacists** — illustrating both the scale of contribution and the stakes of smoother credential recognition (Government of Canada 2025b).

Implications: Local Foundations for a Global Future

Immigrant entrepreneurs are not just participants in Canada's economy — they are builders of it. But where they build, and what they build, offers critical insight into how Canada grows, trades, and competes in an interconnected world.

Across the provinces, powerful yet under-recognized patterns are emerging. In **British Columbia**, trade-oriented firms owned by immigrants from Mainland China and Hong Kong (SAR) reflect long-standing commercial ties with East Asia. In **Ontario**, the strength of Indian-and Iranian-owned businesses in professional services points to a globally educated diaspora fueling Canada's knowledge economy. In **Alberta** and **Manitoba**, immigrant entrepreneurs dominate in logistics, construction, and retail — sectors that anchor everyday economic resilience.

These are not just descriptive trends. They are strategic signals — signposts that can help policymakers better identify where Canada's next wave of trade potential, SME growth, and export diversification may already be taking shape. Imagine a tailored export-readiness program for Iranian-and Lebanese-owned manufacturers in Quebec. Or a logistics-finance partnership in Alberta to scale Punjabi-owned transportation firms. Or a national trade mission co-designed with Hong Kong-Canadian entrepreneurs who already operate across Pacific corridors. These are not abstract ideas. They are grounded opportunities — if we choose to see them. That is why provinces and municipalities are critical. They are closest to the entrepreneurs. They understand the local market conditions, sectoral pinch points, and community dynamics. When they invest in immigrant business ecosystems — with the right capital, mentorship, and diaspora partnerships — they are not just fostering success for individual firms. They are building trade capacity from the ground up.

This report offers a simple, evidence-driven insight: If Canada wants a trade policy that is inclusive, resilient, and future-focused, it must start with the people and places already doing the work. Immigrant entrepreneurs are not just small business owners — they are strategic partners in shaping Canada's next global chapter. From care to construction, consulting to logistics, these business leaders are building, moving, healing, and connecting. And because each sector plays a unique role in trade and growth, these patterns should inform how we design export supports, procurement opportunities, and economic development programs going forward. To unlock Canada's full potential, we must enable and elevate the diverse industry footprints that immigrant entrepreneurs have already carved out — quietly, steadily, and with profound impact.

> **Immigrant entrepreneurs are not just participants in Canada's economy — they are builders of it.**

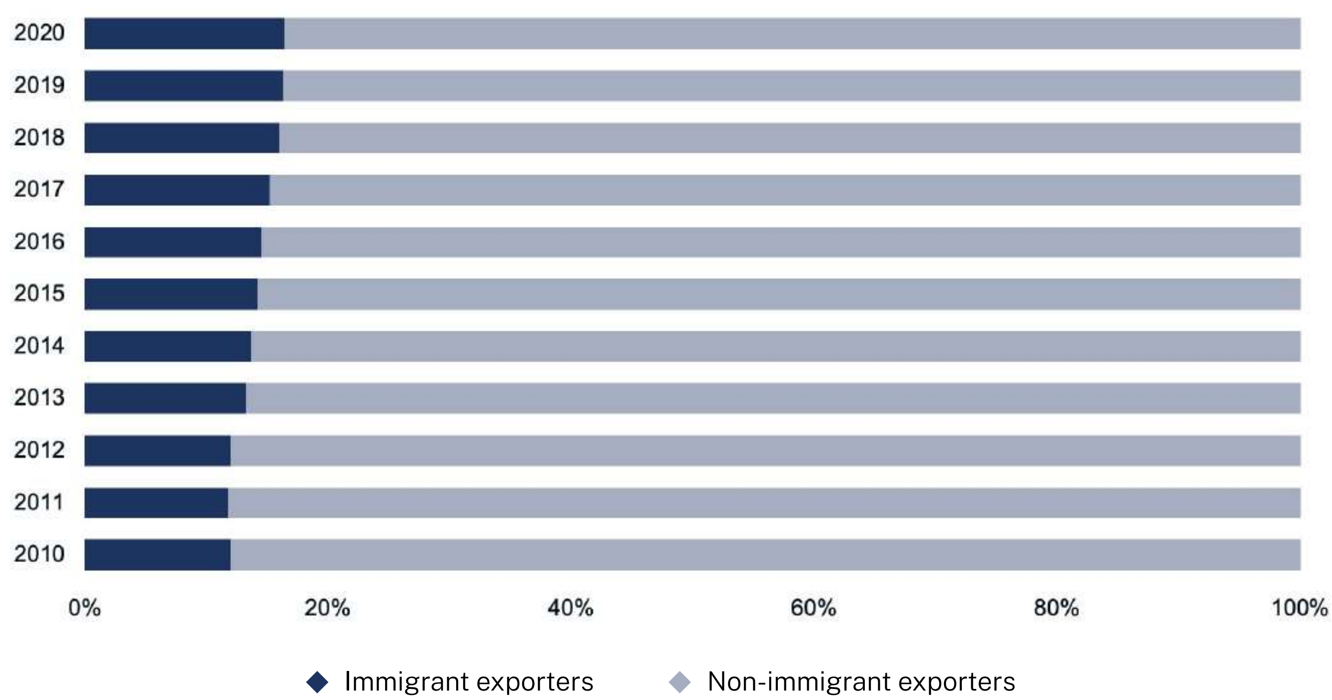
05

FROM STOREFRONT TO GLOBAL STAGE

THE UNTAPPED TRADE POTENTIAL OF IMMIGRANT ENTREPRENEURS

Walk down the commercial spine of any Canadian city, and you will see immigrant-owned businesses shaping the character of our communities — retail shops, clinics, logistics depots, digital start-ups.

Figure 13: *Distribution of Immigrant-owned Exporters, 2010–20*
Distribution as a share of exporters with active goods trade, incorporated and unincorporated



Data Source: BDL Analysis, Authors' calculations using CEEDD

Walk down the commercial spine of any Canadian city, and you will see immigrant-owned businesses shaping the character of our communities — retail shops, clinics, logistics depots, digital start-ups. But behind some of those storefronts lies something else: a direct line to international markets. This said, while immigrant-owned businesses are often lauded for their entrepreneurial dynamism, their role in Canada's international trade network is more complex, and more nuanced,– than commonly assumed.

Export propensity among immigrant-owned businesses with revenue remains low in absolute terms: only a small fraction of immigrant-owned firms reported export activity. However, this is not necessarily a reflection of limited ambition. Factors such as constrained access to capital, weaker integration into established supply chains, and lower awareness of federal trade programs contribute to these outcomes. Even so, the trend is moving in the right direction. Despite severe global trade disruptions during the pandemic, the share of immigrant exporters rose from 12% in 2010 to more than 16% in 2020.[10]

When the data are broken down by country of origin, clear differences emerge. **In 2020, immigrant entrepreneurs from Mainland China, India, Iran, Hong Kong (SAR), and the United Kingdom were among the most export-active, with Mainland Chinese-origin firms making up nearly 18% of immigrant-owned exporters.** These patterns point to the influence of diaspora trade networks, cultural and linguistic ties, and prior international business experience in enabling cross-border commerce. By sector, the top export industries for immigrant-owned firms in 2020 were wholesale trade (31%), manufacturing (28%), retail (approximately15%), professional, scientific, and technical services (9%), and transportation and warehousing (7%). This mix reflects participation in both traditional goods exports and modern services trade, consistent with global evidence that SME are increasingly central to services trade growth (World Trade Organization 2019).

In Canada, immigrant-led firms tend to serve more diverse markets, making a significant contribution to the diversification and expansion of Canada's services and goods exports (Global Affairs Canada 2021). On primary destinations,[11] the United States (approximately 52%) and Mainland China (10%) ranked first and second by share of immigrant-owned exporters, with other markets appearing in the destination mix, including the United Arab Emirates, Hong Kong (SAR), India, Taiwan, South Korea, Germany, and the United Kingdom.

Taken together, the evidence shows that immigrant entrepreneurs are a diverse group. Their export performance varies by industry, market destination, and country of origin. However, a common thread is their dual embeddedness — simultaneously anchored in local Canadian markets while maintaining active connections abroad.

Yet despite their potential, these firms remain largely underleveraged in national export strategies. That is a missed opportunity — especially at a time when Canada is looking to diversify trade relationships, strengthen SME resilience, and build inclusive growth.

The policy implication is not simply to create generic "immigrant entrepreneur" programs, but to build targeted supports that reflect the diversity of the business owners themselves. That means:

- Industry-specific programs that recognize where immigrant entrepreneurs are already driving growth.
- Export-readiness and capital access tools tailored to diaspora-led firms with high international potential.
- Local and provincial strategies that map and support immigrant business clusters with strong trade linkages.

In short, if Canada wants a trade policy that is future-facing, inclusive, and resilient, it needs to start with those already doing the work — often invisibly.

[10] Here we only calculated the immigrant exporters that have active goods trade. In 2020, that number was around 4,500. Consistent with the definition of "immigrant-owned" firms, we excluded those owned by other corporations
[11] Primary-destination shares: Percent of immigrant-owned exporter firms by primary export destination (by value).

Education and Export: Does Schooling at Landing Shape Global Business Success?

If trade is one measure of business ambition, education is often assumed to be one of its enablers. For immigrant entrepreneurs in Canada, the data show that while education can influence export participation, it is neither a prerequisite for starting a business nor the sole driver of international success. It is important to note that the figures in the report reflect the education level immigrants had when they first landed in Canada as new permanent residents, not the highest level they may have attained later. Some of those recorded with lower education at arrival may have been children at the time, meaning their initial schooling level does not necessarily reflect their eventual qualifications.

In 2020, immigrant entrepreneurs who landed with secondary education or less accounted for 23% of all firms and 18% of exporting firms. Those with a formal trade certificate represented approximately 17% of all firms and 16% of exporters, while holders of a non-university certificate or diploma made up 8% of all firms and 10% of exporters. Entrepreneurs with some university but no degree comprised 7% of all firms and 9% of exporters, and those with a bachelor's degree accounted for 8% of all firms and 10% of exporters. The largest share of all firms (26%) and exporters (27%) came from entrepreneurs with some postgraduate education. Those with a master's degree made up 9% of all firms and 8% of exporters, while doctorate holders represented 1.5% of all firms and 2.5% of exporters.[12]

These results highlight the diversity of skills and backgrounds among immigrant entrepreneurs at the time of their arrival in Canada. As Morgan et al. (2021) observe, education level upon landing can also reflect an entrepreneur's degree of social embeddedness and professional networks in their country of origin — resources that may later help them identify and capitalize on international market opportunities after settling in Canada. Evidence from Statistics Canada shows that immigrant owners with a bachelor's degree or higher upon landing are more likely to participate in exporting and often operate in knowledge-intensive sectors, such as professional, scientific, and technical services; manufacturing; and wholesale trade — industries with higher export propensities (Fung et al. 2019). At the same time, immigrant entrepreneurs with lower formal education at arrival, make substantial contributions in logistics, construction, retail, and transportation, sectors where practical experience, industry-specific skills, and community networks can be more influential than academic credentials (Fung et al. 2019). This mix underscores that immigrant entrepreneurship in Canada draws on both formal qualifications and experiential know-how, with multiple pathways to domestic and international business success.

[12] The category of educational attainment at immigration is based on Statistics Canada's Longitudinal Immigration Database (IMDB).

***Figure 14:** Distribution of Education Level for Immigrant-owned Firms, 2020*
Distribution as a share of total immigrant-owned firms, incorporated and unincorporated

***Figure 15:** Distribution of Education Level for Immigrant-owned Exporters, 2020*
Distribution as a share of immigrant-owned exporters (active in goods trades), incorporated and unincorporated

Data Source: BDL Analysis, Authors' calculations using CEEDD

Unlocking Talent with Potential

Too often, Canadian trade policy focuses on the usual suspects — large multinationals, natural resource giants, automotive manufacturers. But there is another layer of export potential that has been largely overlooked: immigrant-owned businesses. These firms are not only revitalizing local economies; they are steadily reaching global markets, often with little institutional support or visibility. In fact, immigrant-owned businesses have increased their presence in Canada's export economy significantly over the past decade, rising from roughly 12% of all exporters in 2010 to about 16% by 2020 (Fung et al. 2019). This growing cohort of exporters remains under-recognized in trade strategy.

Among those who do export, immigrant entrepreneurs are strongly represented in five key sectors — wholesale trade, manufacturing, professional and technical services, retail, and transportation and warehousing. Together, these five industries account for roughly 90% of all immigrant-owned export firms in Canada. The United States is the top customer for these firms, but it is far from the only one. Immigrant-led exporters also reach into Mainland China and many other markets. However, apart from the United States and China, no single foreign market accounts for more than a small percentage of immigrant exporters, underscoring that diaspora networks play a role but do not fully dictate their trade patterns. In other words, these entrepreneurs are not simply trading with their former homelands — many are branching out to wherever they spot opportunity. This reflects a level of strategic market savvy that is often missing from the usual narrative about small business trade capacity.

Immigrant entrepreneur exporters leverage a mix of cultural fluency, commercial trust, and cross-border networks to build export-oriented firms. Their success stories show how immigrant networks can facilitate trade, yet they also highlight how much of this potential remains untapped at a policy level. That presents a missed opportunity — but also a clear direction for policy. To fully unlock this potential, Canada needs tailored support systems that recognize and reinforce the full range of immigrant entrepreneurial talent. This means taking their educational backgrounds, industry positioning, and trade aspirations seriously:

- **For trade-oriented entrepreneurs with vocational training** — many of whom operate in logistics, retail, and construction — access to export financing tools, mentorship, and customs literacy programs could dramatically expand their reach into global markets.
- **For postgraduate entrepreneurs operating in professional services, STEM, and innovation-focused fields**, deeper integration with innovation hubs, incubators, and academic-commercial partnerships could help scale up higher-value exports in services and intellectual property-intensive sectors.
- And across the board, immigrant-owned firms need better navigation support within Canada's trade infrastructure — including access to multilingual services, simplified onboarding to government programs, and more visible outreach from trade commissioners and Export Development Canada.

These are not just nice-to-haves, they are smart trade policy. The educational background of an immigrant entrepreneur is not a binary indicator of success, rather it is a signal of where strengths lie, where support is needed, and how Canada can better align its export strategy with the people and ideas already driving business growth. If Canada wants to move beyond trade dependency on a few legacy industries and markets, it must start by enabling the exporters it already has — many of whom are hiding in plain sight. Immigrant entrepreneurs are not just small business owners. They are builders — of products, services, and global trade bridges. And it is time we treat them that way.

But to truly grasp the full scope of immigrant entrepreneurship in Canada, we need to look beyond the averages, beyond the stereotypes of skill or education, and beyond only what is most visible.

Refugee Entrepreneurs: Resilience as a Launchpad for Trade

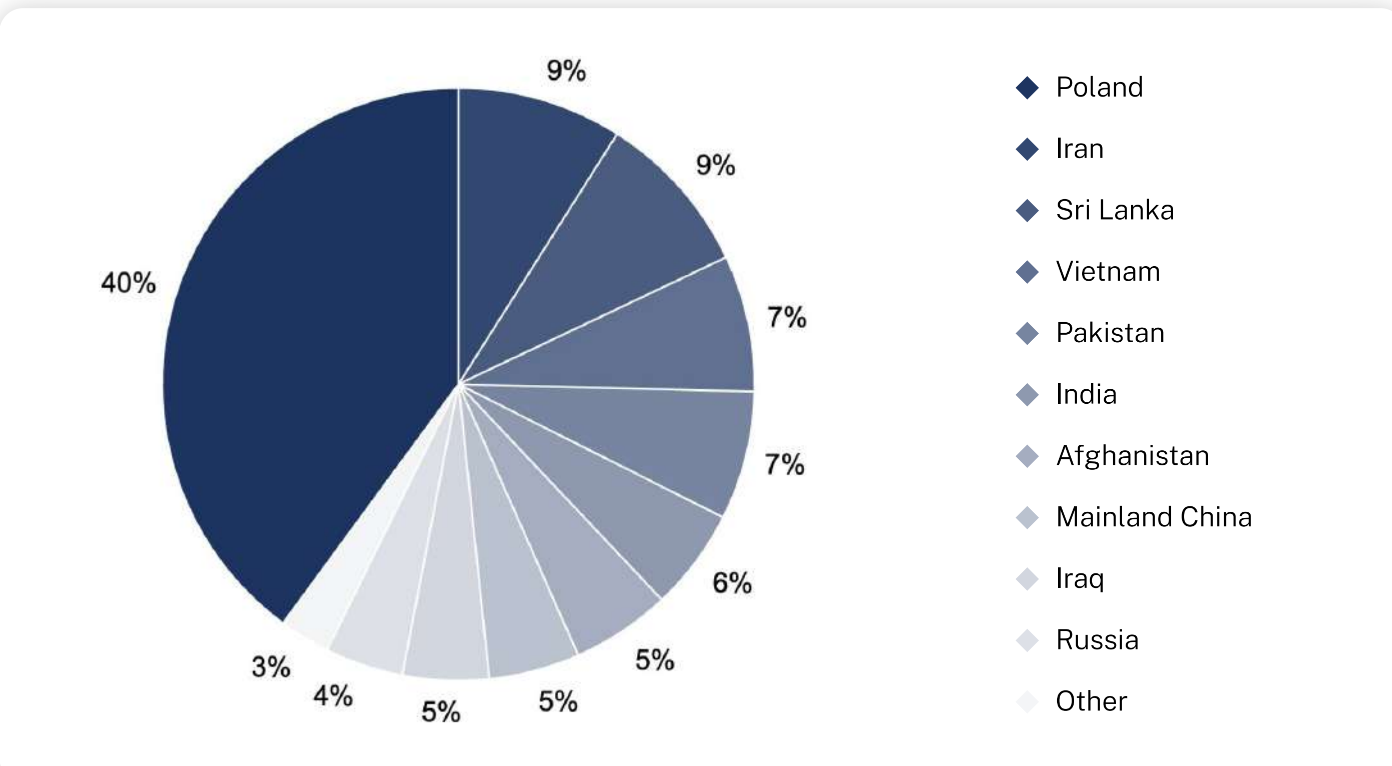
Refugee entrepreneurs often face some of the steepest barriers to business ownership — displacement trauma, language hurdles, limited credit history, and unfamiliar regulatory environments. It is not the group many would immediately associate with international trade. Yet the data tell a different story.

From 2010 to 2020, refugee-owned businesses that generated revenue consistently accounted for between 12 and 14% of all immigrant-owned, revenue-generating firms in Canada — a remarkable share that challenges common assumptions. In 2020, the number of refugee-owned firms that generated revenue reached 48,000.

Leading the way are refugees from Poland, Iran, Sri Lanka, Vietnam, and Pakistan, who operate across a wide range of industries — from transportation and construction to professional services and retail. These businesses not only generate employment and deliver vital services to local communities but also position some owners to engage in international markets.

Their strongest presence is in sectors with lower barriers to entry — logistics, warehousing, retail, and food services — where determination, practical skills, and community networks often matter more than formal credentials. But their ambitions frequently extend beyond the local, reflecting a growing capacity to compete and connect in the global economy.

Figure 16: *Top 10 COO of Refugee-owned Firms (Revenue Generating), 2020*
Distribution as a share of refugee-owned revenue-generating firms, incorporated and unincorporated



Data Source: BDL Analysis, Authors' calculations using CEEDD

FROM INSIGHT TO ACTION

UNLOCKING THE POTENTIAL

06

In Canada, immigrant-owned firms are hiding in plain sight — highly entrepreneurial, sector-diverse, and too often undervalued.

They are builders of jobs, generators of revenue, and anchors of community resilience. They show that business ambition does not begin only with capital or networks — it often begins with grit, adaptability, and a willingness to take risks others avoid.

The evidence in this report leaves no doubt: immigrant entrepreneurs are already central to Canada's economic engine. They employ hundreds of thousands, contribute billions in taxable revenue, and expand Canada's reach into global markets. They bring depth to local supply chains, diversify sectoral strengths, and strengthen fiscal resilience. And yet, they remain underrepresented in growth, innovation, and trade strategies.

Unlocking their potential will require moving from recognition to action. This means building targeted, evidence-based supports that respond to the realities apparent in the data:

- Financing that scales with ambition — Expand access to capital for immigrant-owned firms, from microloans to growth financing, with attention to both early-stage and scale-up needs.
- Export-readiness and trade facilitation — Equip diaspora-led and globally oriented firms with tools, networks, and financing to compete internationally, including multilingual services and simplified pathways into trade programs.
- Credential recognition and regulatory navigation — Remove barriers that keep highly skilled immigrants from contributing fully in regulated sectors, while supporting transitions into adjacent high-value industries.
- Inclusive procurement and market access — Open doors to public and private supply chains, enabling immigrant-owned firms to compete for larger contracts.
- Gender-responsive strategies — Address the structural and intersectional barriers faced by immigrant women entrepreneurs through bundled supports that combine financing, training, childcare, and networks.

These are not generic "small business" measures — they are strategic investments in the very segment of the business community most attuned to change, most connected to global markets, and most capable of helping Canada diversify its economic future. If Canada is serious about inclusive, resilient growth, then immigrant entrepreneurs must be seen — and treated — not as a peripheral group to be "helped," but as indispensable partners in shaping the next chapter of our economy. The question is not whether Canada can afford to invest in immigrant entrepreneurship, but whether we can afford not to.

Glossary

A - C

Business-class immigrant

A subcategory of economic-class immigrants admitted specifically for their potential to start or invest in businesses in Canada.

Canadian Employer-Employee Dynamics Database (CEEDD)

A linked microdata set from Statistics Canada that integrates business ownership, employment, revenue, and trade information.

Canadian Survey on Business Conditions (CSBC)

A quarterly survey of businesses across Canada that provides insights into business challenges, expectations, and conditions.

Corporate-owned

Businesses owned by another corporation (rather than individuals). These are excluded from the main counts in this report.

Country/region of origin

The country or region where the immigrant entrepreneur was born (as coded in administrative immigration records).

CPI adjusted

Values (for example, revenues, payroll) adjusted for inflation using the Consumer Price Index, to allow comparison over time in constant dollars.

D - E

Diaspora trade linkages

Economic connections between a business and the country/region of origin of the owner(s), often facilitated by shared language, cultural familiarity, and existing networks.

Economic-class immigrant

An immigrant selected for their skills, work experience, and ability to contribute economically.

Employer firm

A business with at least one paid employee in addition to the owner(s), usually identified through payroll tax filings.

Exit rate

The number of businesses that closed as a percentage of the total number of firms in operation.

Export (in this report)

The merchandise (goods) exports captured in CEEDD-linked customs data. Services exports are not observed in these data and are outside the scope of our export statistics.

Exporter (in this report)

A business that reported merchandise (goods) exports to customers outside Canada in the reference year. (Note: although an exporter can sell goods or services, this analysis only measures goods exports.)

Export propensity

The proportion of firms in a given group that engage in exporting.

F - I

Family-class immigrant

An immigrant sponsored by a family member already in Canada.

Formation rate

The number of new firms created as a percentage of the total number of firms in operation.

Firm size (CEEDD data only)

Due to vetting rules, authors could only divide the sizes into less than 10, 10–19, and ≥20.

Goods trade

The export or import of physical, tangible products.

Immigrant

A person who is or has been a landed immigrant/permanent resident in Canada, having been granted the right to live in Canada permanently by immigration authorities.

Incorporated business

A legal entity registered (typically structured as a corporation) under federal or provincial law. These firms are distinct from their owners, can enter contracts, have assets, and are subject to corporate tax and regulatory obligations.

J - M

Large enterprise

A firm with 500 or more employees.

Majority immigrant-owned

A business where immigrants collectively own more than 50% of the firm (either by a single immigrant owner or multiple immigrant owners jointly).

Mature enterprise (CSBC data)

A firm with 20–99 employees. This is in alignment with previous BDL publications and CSBC data.

Medium enterprise

A firm with 100–499 employees.

Micro-enterprise (CSBC data)

A firm with four employees or less. This is in alignment with previous BDL publications and CSBC data.

N - R

Necessity-driven entrepreneurship

Businesses started primarily as a source of income when other employment options were limited, often in lower-barrier sectors.

New entry firms

The number of new firms formed in a given period.

Non-employer firm

A business with no paid employees beyond the owner(s), such as sole proprietorships, freelancers, or independent contractors.

Opportunity-driven entrepreneurship

Businesses created to exploit a market opportunity, often leveraging skills, networks, and innovation potential.

Primary export destination

The country that accounts for the largest share of a firm's total export value.

Refugee

An immigrant admitted under the types of C3110, C3120, C3210, C3220, C3330, and Z9991 in Statistics Canada's "Longitudinal Immigration Database" (IMDB).

Revenue-generating firm

A firm that reported above-zero non-farm operating revenue in the reference year.

S - Z

Scale enterprise (CSBC data)

A firm with 5–19 employees. This is in alignment with previous BDL publications and CSBC data.

Services trade

The export or import of intangible products (for example, consulting, IT services, financial services, education).

Small enterprise (CSBC data)

A firm with 0–99 employees.

Unincorporated business

A business structure (for example, sole proprietorship or partnership) where the owner and business are legally the same entity.

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