

Catalogue no. 11-621-M
ISSN 1707-0503
ISBN 978-0-660-46617-0

Analysis in Brief

Analysis on businesses majority-owned by immigrants to Canada and businesses majority-owned by racialized persons, fourth quarter of 2022

by Bernard Li, Jessica Bossé, Robert Fair and Chris Johnston

Release date: December 15, 2022



Canada

How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, www.statcan.gc.ca.

You can also contact us by

Email at infostats@statcan.gc.ca

Telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- Statistical Information Service 1-800-263-1136
- National telecommunications device for the hearing impaired 1-800-363-7629
- Fax line 1-514-283-9350

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "Contact us" > "[Standards of service to the public](#)."

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Published by authority of the Minister responsible for Statistics Canada

© His Majesty the King in Right of Canada as represented by the Minister of Industry, 2022

All rights reserved. Use of this publication is governed by the Statistics Canada [Open Licence Agreement](#).

An [HTML version](#) is also available.

Cette publication est aussi disponible en français.

Table of contents

Immigrants and racialized groups in Canada	4
Businesses majority-owned by immigrants and businesses majority-owned by racialized persons are less optimistic about future outlook	5
More businesses majority-owned by these two sub-population groups expect challenges with consumer demand than all private sector businesses	6
Similar expectations of rising costs between businesses majority-owned by both sub-population groups and all private sector businesses	6
Methodology	7
References	7

Analysis on businesses majority-owned by immigrants to Canada and businesses majority-owned by racialized persons, fourth quarter of 2022

by Bernard Li, Jessica Bossé, Robert Fair and Chris Johnston

This article provides disaggregated data to better understand the impact of COVID-19 on specific groups. Visit the [Gender, Diversity and Inclusion Statistics Hub](#) for more analysis, including disaggregated data on labour, public safety, health and more.

A variety of different factors impact the performance of Canadian businesses, such as the geographical location of businesses, the industry the businesses operate in, and the size of businesses. Differences may also be apparent when looking at different categories of business owners, as different segments of the Canadian population face different challenges at a personal level, and as owners of businesses.

From the beginning of October to early November 2022, Statistics Canada conducted the Canadian Survey on Business Conditions (CSBC) to collect information on the environment businesses are currently operating in and their expectations moving forward. This article explores results from the survey by looking at the businesses majority-owned¹ by immigrants to Canada and businesses majority-owned by racialized persons. While there is some degree of crossover between these two sub-populations, they are two distinct groups and face different challenges.

In the fourth quarter of 2022, differences between businesses majority-owned by members of these sub-populations and all private sector businesses were noted in various areas, such as long-term optimism, sales, demand, and profitability. In addition, obstacles such as rising inflation, insufficient demand for goods or services offered, and obtaining financing were also observed.

Immigrants and racialized groups in Canada

Immigration in Canada has a long and established history. Almost one in four people (23.0%) counted during the 2021 Census are or have been a landed immigrant or permanent resident in Canada. This was the highest proportion since Confederation, topping the previous record of 22.3% in 1921, and the largest proportion among G7 countries. From 2016 to 2021, over 1.3 million new immigrants settled permanently in Canada. This is the highest number of recent immigrants recorded in a Canadian census.² Businesses majority-owned by immigrants accounted for 21.7% of all private sector businesses in Canada in the fourth quarter of 2022.

Additionally, according to the 2021 census, racialized groups represented one-fifth of the Canadian population.³ In this release, data on racialized groups is measured by the “visible minority” variable. “Visible minority” refers to whether or not a person belongs to one of the visible minority groups defined by the Employment Equity Act. The Employment Equity Act defines visible minorities as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” The visible minority population consists mainly of the following groups: South Asian, Chinese, Black, Filipino, Latin American, Arab, Southeast Asian, West Asian, Korean and Japanese. Businesses majority-owned by racialized persons accounted for 15.4% of all private sector businesses in Canada in the fourth quarter of 2022.

The information and trends presented in this article are based on data collected via the CSBC. A variety of factors may influence the way that businesses owned by different sub-population groups may respond, and it is not possible from the survey data to fully understand and explain all of those factors.

1. Majority ownership is defined as 51% or more. Majority-ownership was self-reported for private sector businesses only.

2. Statistics Canada. (2022). *Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians*. [The Daily](#). 2021 Census. Statistics Canada catalogue no. 11-001-X.

3. Statistics Canada. (2022). *The Canadian census: A rich portrait of the country's religious and ethnocultural diversity*. [The Daily](#). 2021 Census. Statistics Canada catalogue no. 11-001-X.

Businesses majority-owned by immigrants and businesses majority-owned by racialized persons are less optimistic about future outlook

Nearly two-thirds (65.0%) of businesses majority-owned by immigrants reported having an optimistic future outlook over the next 12 months, a slight increase from the third quarter of 2022 (61.1%). Meanwhile, just over three-fifths (61.6%) of businesses majority-owned by racialized persons reported having an optimistic future outlook over the next 12 months, a small decrease from the third quarter of 2022 (64.2%). Overall, these businesses were still less likely than all private sector businesses (69.1%) to have an optimistic future outlook over the next 12 months. The expectations of future optimism for all private sector businesses were little changed from the previous quarter (68.0%).

Table 1
Future outlook over the next 12 months, third quarter of 2022 and fourth quarter of 2022

	Q3 2022			Q4 2022		
	Total optimistic	Total pessimistic	Unknown	Total optimistic	Total pessimistic	Unknown
	percentage of businesses					
All private sector businesses	68.0	17.6	14.5	69.1	19.1	11.8
Businesses majority-owned by immigrants to Canada	61.1	20.8	18.1	65.0	21.4	13.6
Businesses majority-owned by racialized persons	64.2	18.3	17.5	61.6	23.1	15.3

Note: Majority ownership is defined at 51% or more. Majority-ownership was reported for private sector businesses only. Respondents were asked to report the future outlook of the business or organization.

Source: Canadian Survey on Business Conditions, third quarter of 2022 (Table 33-10-0567-01).
Canadian Survey on Business Conditions, fourth quarter of 2022 (Table 33-10-0630-01).

Despite lower levels of future optimism compared to all private sector businesses, approximately one-fifth of businesses majority-owned by immigrants (20.2%) and businesses majority-owned by racialized persons (22.1%) expected their sales to decrease over the next three months. These results were comparable to the 20.1% of all private sector businesses that expected the same. The expectations of decreasing sales over the next three months have changed very little from last quarter for both businesses majority-owned by immigrants (20.9%) and businesses majority-owned by racialized persons (20.5%).

Moreover, in terms of demand, one-fifth of businesses majority-owned by immigrants (19.8%) and businesses majority-owned by racialized persons (20.0%) expected a decrease over the next three months, similarly reported by 18.4% of all private sector businesses. These expectations of decreasing demand over the next three months have slightly declined for businesses majority-owned by immigrants (23.3%) and were little changed for businesses majority-owned by racialized persons (21.1%) from the previous quarter.

Two-fifths of businesses majority-owned by immigrants (40.8%) and businesses majority-owned by racialized persons (40.1%) expected a decrease in profitability over the next three months, slightly higher than the 36.3% of all private sector businesses that reported the same. The proportion of businesses in both of these ownership types that expect a decrease in profitability over the next three months declined from the previous quarter, at 51.1% and 45.9% respectively.

Table 2
Selected expectations over the next three months

	All private sector businesses in 2022Q3	Businesses majority-owned by immigrants in 2022Q3	Businesses majority-owned by racialized persons in 2022Q3	All private sector businesses in 2022Q4	Businesses majority-owned by immigrants in 2022Q4	Businesses majority-owned by racialized persons in 2022Q4
	percentage of businesses					
Decrease in sales	15.6	20.9	20.5	20.1	20.2	22.1
Decrease in demand	13.5	23.3	21.1	18.4	19.8	20.0
Decrease in profitability	37.4	51.1	45.9	36.3	40.8	40.1

Note: Majority ownership is defined at 51% or more. Majority-ownership was self-reported for private sector businesses only. Respondents were asked from October 3 to November 7, 2022 how various business aspects were expected to change over the next three months. Therefore, the three month period could range from October 3, 2022 to February 7, 2023, depending on when the business or organization responded.

Source: Statistics Canada, Canadian Survey on Business Conditions, third quarter of 2022. (Table 33-10-0533-01).
Statistics Canada, Canadian Survey on Business Conditions, fourth quarter of 2022. (Table 33-10-0602-01).

More businesses majority-owned by these two sub-population groups expect challenges with consumer demand than all private sector businesses

Consistent with lower expectations of an optimistic future outlook than all private sector businesses, businesses majority-owned by immigrants and businesses majority-owned by racialized persons were more likely to expect difficulties related to consumer demand than all private sector businesses.

Approximately one-fifth of businesses majority-owned by immigrants (18.0%) and businesses majority-owned by racialized persons (21.6%) expected an insufficient demand for goods or services offered to be an obstacle over the next three months, compared to 13.6% of all private sector businesses that had the same expectations.

When it came to attracting new or returning customers as a challenge, close to one-quarter of businesses majority-owned by immigrants (23.7%) and businesses majority-owned by racialized persons (23.8%) expected this to be an obstacle over the next three months, in comparison to under one-fifth (18.5%) of all private sector businesses.

Additionally, over one-quarter of businesses majority-owned by immigrants (26.0%) and businesses majority-owned by racialized persons (25.7%) expected increasing competition to be an obstacle over the next three months, whereas 18.4% of all private sector businesses reported the same.

Similar expectations of rising costs between businesses majority-owned by both sub-population groups and all private sector businesses

Rising inflation continues to take its toll on Canadians and Canadian businesses. Despite having lower expectations on future outlook than all private sector businesses, businesses majority-owned by immigrants and businesses majority-owned by racialized persons had similar expectations as all private sector businesses regarding rising inflation and costs being a challenge.

Businesses majority-owned by immigrants (60.6%) and businesses majority-owned by racialized persons (60.0%) had similar levels of expectations as all private sector businesses (58.4%) when reporting rising inflation being an obstacle over the next three months.

Similar results were found for rising cost of inputs, where approximately half of businesses majority-owned by immigrants (52.2%), businesses majority-owned by racialized persons (50.3%), and all private sector businesses (49.5%) expected this to be an obstacle over the next three months.

Similar levels of expectations were also found for rising costs in real estate, leasing or property taxes, as approximately three-tenths of businesses majority-owned by immigrants (30.2%), businesses majority-owned by racialized persons (30.0%), and all private sector businesses (27.2%) reported this to be an obstacle over the next three months.

When it came to the expectation of transportation costs being an obstacle over the next three months, businesses majority-owned by immigrants (39.0%), businesses majority-owned by racialized persons (35.3%), and all private sector businesses (38.6%) expected this to be the case.

Table 3
Selected obstacles and challenges over the next three months, fourth quarter of 2022

	All private sector businesses	Businesses majority-owned by immigrants	Businesses majority-owned by racialized persons
	percentage of businesses		
Attracting new or returning customers	18.5	23.7	23.8
Increasing competition	18.4	26.0	25.7
Rising inflation	58.4	60.6	60.0
Rising cost of inputs	49.5	52.2	50.3
Rising costs in real estate, leasing or property taxes	27.2	30.2	30.0
Transportation costs	38.6	39.0	35.3
Insufficient demand for goods or services offered	13.6	18.0	21.6

Note: Majority ownership is defined at 51% or more. Majority-ownership was reported for private sector businesses only. Respondents were asked from October 3 to November 7, 2022 how various business aspects were expected to change over the next three months. Therefore, the three month period could range from October 3, 2022 to February 7, 2023, depending on when the business or organization responded.

Source : Statistics Canada, Canadian Survey on Business Conditions, fourth quarter of 2022. (Table 33-10-0603-01).

Methodology

From October 3 to November 7, 2022, representatives from businesses across Canada were invited to take part in an online questionnaire about business conditions and business expectations moving forward. The Canadian Survey on Business Conditions uses a stratified random sample of business establishments with employees classified by geography, industry sector, and size. An estimation of proportions is done using calibrated weights to calculate the population totals in the domains of interest. The total sample size for this iteration of the survey is 35,914 and results are based on responses from a total of 17,363 businesses or organizations.

References

Statistics Canada. (2022). Canadian Survey on Business Conditions, fourth quarter of 2022.

Statistics Canada. (2022). Canadian Survey on Business Conditions, third quarter of 2022.