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Analysis in Brief

Analysis on artificial intelligence use by businesses in Canada, second quarter of 2026

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by Vicky Do, Shivani Sood, and Chris Johnston

Artificial intelligence (AI) has the potential to innovate and shape how businesses operate in Canada, though the impacts of the increased availability of AI on employment remains unclear.¹ As AI becomes more widespread, businesses are adopting these technologies to improve efficiency and respond to changing business conditions.

From early April to early May 2026, Statistics Canada conducted the Canadian Survey on Business Conditions to gather information on the environment in which businesses are operating and their expectations moving forward. This iteration of the survey revisits questions on AI use and its impacts, which were first introduced in the second quarter of 2024, and introduces new questions on changes in training or staffing practices due to AI use and on the barriers that limit AI use.

In the second quarter of 2026, 19.2% of businesses reported using AI to produce goods or deliver services over the 12 months preceding the survey. This proportion has tripled since the second quarter of 2024 (6.1%).² Meanwhile, 2 in 5 (40.0%) businesses indicated the use of AI is not relevant to the business. This article explores the different uses of AI among businesses as well as the changes made due to AI usage and the barriers that limit the use of AI.

Businesses in information and cultural industries continue to lead in artificial intelligence use

Over the last 12 months, businesses in information and cultural industries (42.3%), finance and insurance (40.4%), and professional, scientific and technical services (32.4%) were most likely to use AI to produce goods and deliver services. Businesses in these same three industries were also leading the way in AI adoption in the second quarter of 2025 (35.6%, 31.7%, and 30.6% respectively). In the second quarter of 2026, AI use was least prevalent among businesses in agriculture, forestry, fishing and hunting (4.5%), wholesale trade (7.9%), and construction (9.2%).

The most reported application of artificial intelligence is data analytics

Among businesses that reported using AI over the last 12 months (19.2%), the most commonly used applications were data analytics (36.6%), followed by text analytics (34.5%) and virtual agents or chat bots (28.2%). Similarly, in the second quarter of 2025, the most commonly used applications were text analytics (35.7%), data analytics (26.4%) and virtual agents or chat bots (24.8%).

1. [Canadian employment trends in the era of generative artificial intelligence: Early evidence](#)
2. [Analysis on artificial intelligence use by businesses in Canada, second quarter of 2024](#)

Table 1**Use of artificial intelligence among businesses in producing goods or delivering services over the last 12 months, second quarter of 2025 and 2026**

	Second quarter of 2026	Second quarter of 2025
	percent of businesses	
AI used in producing goods or delivering services	19.2	12.2
Data analytics using AI	36.6	26.4
Text analytics using AI	34.5	35.7
Virtual agents or chat bots	28.2	24.8
Natural language processing	27.0	23.1
Large language models	24.8	19.1
Speech or voice recognition using AI	20.6	20.0
Marketing automation using AI	19.8	23.1
Machine learning	18.2	18.6
Recommendation systems using AI	17.9	14.0
Image or pattern recognition	14.0	11.4
Decision making systems based on AI	13.7	5.7
Deep learning	13.1	6.6
Robotics process automation	5.0	3.8
Machine or computer vision	4.6	3.1
Augmented reality	3.0	3.2
Neural networks	2.3	2.5
Biometrics	1.8	3.2
Other type	1.4	6.1

Notes: The results in this table are based on the survey that was in collection from April 1 to May 6, 2026, and from April 1 to May 5, 2025, and respondents were asked what the business or organization experienced in the last 12-month period. As a result, those 12 months could range from April 1, 2025, to May 6, 2026, and April 1, 2024 to May 5, 2025, depending on when the business responded.

Source: Canadian Survey on Business Conditions, second quarter of 2026 (Table 33-10-1167-01) and second quarter of 2025 (Table 33-10-1004-01).

In the second quarter of 2026, businesses in information and cultural industries were most likely to have used AI for virtual agents or chat bots (50.9%) and data analytics (48.3%). Among businesses in finance and insurance, text analytics (38.8%) and large language models (38.8%) were the most commonly reported applications of AI. Meanwhile, among businesses in professional, scientific, and technical services, their most common applications were data analytics (48.6%) and text analytics (44.2%).

Among both rural and urban businesses, the proportion of businesses who reported the use of AI has been increasing since the second quarter of 2024. In the second quarter of 2026, 21.0% of urban businesses and 9.9% of rural businesses have used AI over the last 12 months. This proportion has tripled since the second quarter of 2024 (6.7%, 3.3% respectively).

Table 2**Use of artificial intelligence among businesses in producing goods or delivering services over the last 12 months, second quarter of 2024, 2025 and 2026, by geography of business**

	Second quarter of 2026	Second quarter of 2025	Second quarter of 2024
	percent of businesses		
AI used in producing goods or delivering services	19.2	12.2	6.1
Urban	21.0	13.3	6.7
Rural	9.9	5.7	3.3

Notes: The results in this table are based on the survey that was in collection from April 1 to May 6, 2026, from April 1 to May 5, 2025, and April 2 to May 6, 2024 and respondents were asked what the business or organization experienced in the last 12-month period. As a result, those 12 months could range from April 1, 2025, to May 6, 2026, April 1, 2024 to May 5, 2025, and April 2, 2023 to May 6, 2024 depending on when the business responded.

Source: Canadian Survey on Business Conditions, second quarter of 2026 (Table 33-10-1167-01), second quarter of 2025 (Table 33-10-1004-01) and second quarter of 2024 (Table 33-10-0825-01).

Businesses with 100 or more employees more likely to report AI use in the last 12 months

Over 1 in 4 (27.8%) businesses with 100 or more employees reported using AI in the last 12 months. Over half (50.5%) of such businesses used AI for virtual agents or chat bots followed by 40.4% having used AI for data analytics in the last 12 months.

Among businesses with 1 to 4 employees, about one-fifth (19.9%) reported using AI in producing goods or delivering services in the last 12 months. The most reported applications of AI for such businesses were data analytics (32.5%) and text analytics (29.4%).

More than 2 in 5 (41.4%) businesses with 1 to 4 employees reported that AI is not relevant to the business compared to 21.3% of businesses with 100 or more employees. Meanwhile, 41.0% of businesses with 5 to 19 employees and over one-third (34.3%) of businesses with 20 to 99 employees reported that AI is not relevant to the business.

Businesses that are more than 20 years old were less likely to use AI in the last 12 months, compared to younger businesses.

Table 3

Use of artificial intelligence among businesses in producing goods or delivering services over the last 12 months, second quarter of 2026, by age of business

	2 years or less	3 to 10 years old	11 to 20 years old	More than 20 years old
	percent of businesses			
AI used in producing goods or delivering services	21.7	25.0	18.4	15.0
Data analytics using AI	45.5	33.7	27.0	46.4
Text analytics using AI	41.2	32.5	26.2	42.5
Virtual agents or chat bots	17.9	29.4	25.0	31.4
Natural language processing	20.0	23.4	36.4	25.3
Large language models	21.1	25.8	24.0	25.0
Speech or voice recognition using AI	18.7	19.3	29.0	15.8
Marketing automation using AI	52.0	22.2	14.5	14.9
Machine learning	34.0	14.8	19.0	18.9
Recommendation systems using AI	25.5	17.0	12.9	21.7
Image or pattern recognition	17.9	14.4	11.3	14.9
Decision making systems based on AI	10.0	15.1	15.7	11.2
Deep learning	13.3	14.7	13.1	10.9
Robotics process automation	0.0	4.2	4.2	7.6
Machine or computer vision	0.1	6.4	2.3	5.2
Augmented reality	8.5	3.6	2.6	1.4
Neural networks	0.3	4.2	2.4	0.4
Biometrics	0.0	1.8	1.7	2.1
Other type	0.6	0.0	1.8	3.0

Notes: The results in this table are based on the survey that was in collection from April 1 to May 6, 2026 and respondents were asked what the business or organization experienced in the last 12-month period. As a result, those 12 months could range from April 1, 2025, to May 6, 2026., depending on when the business responded.

Source: Canadian Survey on Business Conditions, second quarter of 2026 (Table 33-10-1167-01).

Over 2 in 5 businesses made changes in training or staffing practices due to AI use

Of businesses that reported AI usage in the last 12 months, over 2 in 5 (44.4%) businesses made changes in training or staffing practices due to AI use. Almost one-third reported AI-related training for existing employees (32.0%) and more than one-fifth reported AI-related training for existing executives (21.6%).

Among businesses with 100 or more employees that reported AI use in the last 12 months, almost 7 in 10 (68.1%) reported training existing employees and 51.7% reported training existing executives. In contrast, among businesses with 1 to 4 employees that reported AI use in the last 12 months, 24.0% reported training existing employees and 15.6% reported training existing executives. Additionally, among businesses with 100 or more employees that reported AI use in the last 12 months, 32.8% hired employees with AI-related skills and 30.2% used external consultants or vendors while among businesses with 1 to 4 employees, 8.2% hired employees with AI-related skills and 10.7% used external consultants or vendors.

Cybersecurity or privacy concerns most likely to be a barrier that limits the use of AI for businesses

More than 1 in 10 businesses (13.4%) reported cybersecurity or privacy concerns to be a barrier that limits the use of AI, with the second leading barrier being cost (10.6%). Cybersecurity or privacy concerns were most likely to be a concern for businesses in information and cultural industries (30.9%), followed by businesses in health care and social assistance (26.4%). Businesses in these two industries were also most likely to report regulatory concerns as a barrier (21.9% and 17.6% respectively). Cost was most frequently identified as a barrier by information and cultural industries (23.6%), and professional, scientific and technical services industries (14.7%) while lack of skilled workers was a barrier for businesses in information and cultural industries (20.9%) and manufacturing (12.0%).

Cost was more likely to be a barrier that limits the use of AI in businesses with 20 to 99 employees (15.1%) compared to businesses with 5 to 19 employees (9.8%). Cybersecurity or privacy concerns were less likely to be a barrier for businesses with 1 to 4 employees (11.6%) compared to businesses with 100 or more employees (30.0%) and businesses with 20 to 99 employees (22.3%).

Methodology

From April 1 to May 6, 2026, representatives from businesses across Canada were invited to complete 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. Proportions are estimated using calibrated weights to calculate the population totals in the domains of interest. The total sample size for this iteration of the survey was 21,105 and results are based on responses from a total of 9,251 businesses or organizations.

TechStat program

As announced in Budget 2025, Statistics Canada has invested in a new technology measurement program, *TechStat*, that will provide data, analysis and insights on the adoption, use and impacts of AI for businesses, individuals and employees. Starting in 2027, new business statistics will be published which provide information on the use of AI technologies, their prevalence, and the associated benefits and challenges.