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Analysis in Brief

Analysis on artificial intelligence use by businesses in Canada, second quarter of 2025

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by Valerie Bryan, Shivani Sood, and Chris Johnston

Artificial intelligence (AI) is increasingly shaping how work is performed and how businesses operate in Canada. According to Census 2021 data, three in five workers in Canada are employed in occupations with a high potential for exposure to AI technologies.¹ As AI capabilities evolve and AI becomes more accessible, businesses are adopting these technologies to improve efficiency and respond to changing business conditions.

From early April to early May 2025, 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, while also adding a new question on the importance of AI investment to business operations. It also further explores how AI adoption is affecting employee tasks, employment levels and operational practices.

In the second quarter of 2025, 12.2% of businesses reported having used AI to produce goods or deliver services over the 12 months preceding the survey. This was an increase from the 6.1% reported in the second quarter of 2024,² highlighting the growing presence of AI in Canadian business operations.

Businesses in information and cultural industries still leading in artificial intelligence use

As in previous quarters, AI use continued to vary across industries. Among businesses that reported using AI in producing goods or delivering services over the last 12 months (12.2%), those in information and cultural industries (35.6%); professional, scientific and technical services (31.7%); and finance and insurance (30.6%) were most likely to do so. These industries also led in AI adoption in the second quarter of 2024, reporting 20.9%, 13.7%, and 10.9% respectively. In the second quarter of 2025, AI use was lowest in accommodation and food services (1.5%), followed by agriculture, forestry, fishing and hunting (1.8%) and transportation and warehousing (also 1.8%).

Text analytics using artificial intelligence the most reported application

As AI becomes further integrated into business operations, certain applications are emerging to be more widely used than others. Among businesses that reported having used AI over the last 12 months (12.2%), the most adopted application was text analytics (35.7%). This type of application may be used to process insights from data sources, such as customer reviews, emails or survey responses, to support business decisions and improve services. Other leading applications were data analytics (26.4%) and virtual agents or chat bots (24.8%). Furthermore, some applications saw notable changes in use over the past year. Marketing automation was reported by nearly one-quarter (23.1%) of businesses in the second quarter of 2025, compared with 15.2% a year ago. Recommendation systems using AI increased from 12.3% in the second quarter of 2024 to 14.0% in the second quarter of 2025. By contrast, in the second quarter of 2025 the use of natural language processing and image recognition declined compared with the second quarter of 2024, from 28.9% to 23.1% and from 21.8% to 11.4%, respectively.

1. [Exposure to artificial intelligence in Canadian jobs: Experimental estimates.](#)

2. [Analysis on artificial intelligence use by businesses in Canada, second quarter of 2024.](#)

Table 1
Use of artificial intelligence (AI) among businesses in producing goods or delivering services over the last 12 months, second quarter of 2024 and 2025

	Second quarter of 2025	Second quarter of 2024
	percent of businesses	
AI used in producing goods or delivering services	12.2	6.1
Text analytics using AI	35.7	27.0
Data analytics using AI	26.4	25.0
Virtual agents or chat bots	24.8	26.5
Natural language processing	23.1	28.9
Marketing automation using AI	23.1	15.2
Speech or voice recognition using AI	20.0	18.1
Large language models	19.1	21.9
Machine learning	18.6	20.1
Recommendation systems using AI	14.0	12.3
Image or pattern recognition	11.4	21.8
Deep learning	6.6	1.9
Decision making systems based on AI	5.7	6.1
Robotics process automation	3.8	2.6
Augmented reality	3.2	2.6
Biometrics	3.2	1.0
Machine or computer vision	3.1	4.7
Neural networks	2.5	4.4
Other type	6.1	6.7

Notes: The results in this table are based on the survey that was in collection from April 1 to May 5, 2025, and from 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, 2024, to May 5, 2025, and April 2, 2023 to May 6, 2024, depending on when the business responded.

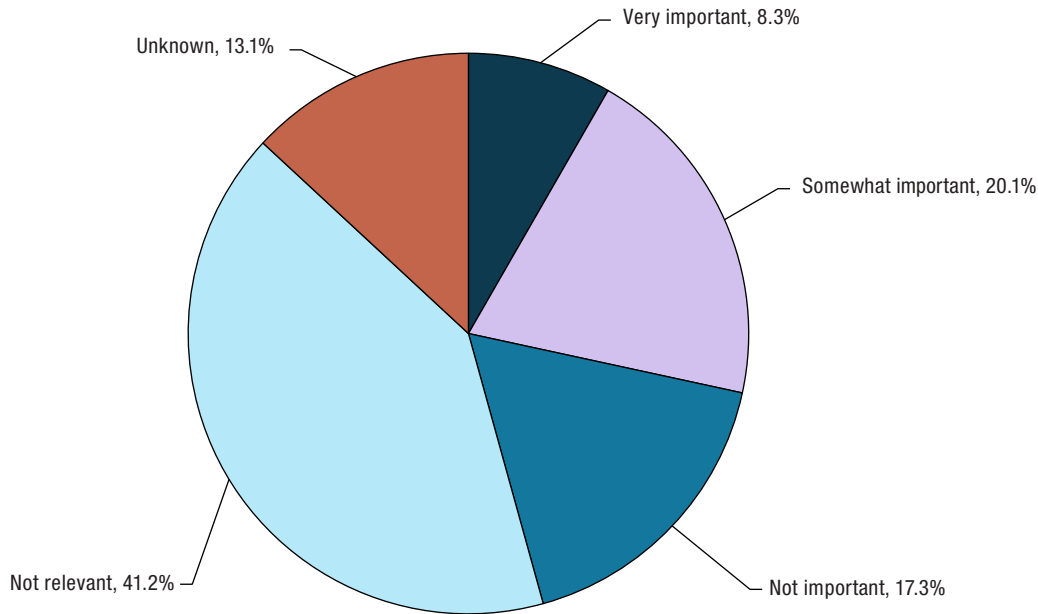
Source: Canadian Survey on Business Conditions, second quarter of 2025 (Table 33-10-1004-01) and second quarter of 2024 (Table 33-10-0825-01).

In the second quarter of 2025, businesses in information and cultural industries (35.6%) were most likely to report having used AI over the last 12 months. The most common applications used by these businesses were natural language processing (40.7%), machine learning (34.5%) and data analytics (29.5%). Meanwhile, among businesses in professional, scientific, and technical services, about one in three (31.7%) reported having used AI, with their most common applications being text analytics (43.5%) and virtual agents or chat bots (31.8%). In finance and insurance, 30.6% of businesses reported having used AI, with text analytics (40.8%) and virtual agents or chat bots (35.0%) being most reported.

Investment in artificial intelligence seen as more important in certain industries

In the second quarter of 2025, 8.3% of businesses in Canada reported that investment in AI was very important to their operations, while 20.1% considered it somewhat important. In contrast, many businesses in Canada do not currently consider AI investment to be required for their operations, with 41.2% reporting it to be “not relevant”.

Chart 1
Level of importance in artificial intelligence (AI) investment for the business' operations, second quarter of 2025



Notes: The results in this table are based on the survey that was in collection 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, 2024, to May 5, 2025, depending on when the business responded.
Source: Canadian Survey on Business Conditions, second quarter of 2025 (Table 33-10-0997-01).

Industries with higher reported use of AI were more likely to consider AI investment as operationally important. Over one-fifth (21.5%) of businesses in professional, scientific and technical services reported that investment in AI was very important, followed by 20.8% of businesses in information and cultural industries and 17.0% in finance and insurance.

Vast majority of businesses still reporting no change to their number of employees after adopting artificial intelligence

The integration of AI into business operations continues to prompt questions about its effects on employment and work task reductions. In the second quarter of 2025, of the businesses who reported using AI over the last 12 months (12.2%), the vast majority (89.4%) reported no change to their employment levels after implementation. This was similar to results from a year earlier, when 84.9% of businesses that used AI in the second quarter of 2024 (6.1%) also reported no change to employment levels. Meanwhile, the proportion of businesses that reported an increase in employment levels due to AI use declined from 8.8% in the second quarter of 2024 to 4.3% in 2025. When asked to what extent AI reduced tasks previously performed by employees, most businesses reported minimal impacts. Nearly half (47.2%) of businesses that reported using AI over the last 12 months indicated that tasks were reduced to a small extent, up from 44.1% in the second quarter of 2024.

Table 2**Extent to which artificial intelligence (AI) has reduced tasks previously performed by employees and the impact on total employment, second quarter of 2024 and 2025**

	Extent to which artificial intelligence has reduced tasks previously performed by employees				Impact of artificial intelligence use on total employment		
	Large extent	Moderate extent	Small extent	No extent	Increased	Decreased	Did not change
	percent of businesses						
Second quarter of 2025	5.3	32.4	47.2	15.1	4.3	6.3	89.4
Second quarter of 2024	7.4	31.8	44.1	16.7	8.8	6.3	84.9

Notes: The results in this table are based on the survey that was in collection from April 1 to May 5, 2025, and from 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, 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 2025 (Table 33-10-1006-01) and second quarter of 2024 (Table 33-10-0826-01).

More businesses are developing new workflows after artificial intelligence implementation

As more businesses adopt AI, adjustments to staffing and workflows are a common aspect of the implementation process. Among businesses that used AI in producing goods or delivering services over the last 12 months (12.2%), the most reported change was developing new workflows, reported by 40.1% of businesses, compared to 35.2% in the second quarter of 2024. In comparison, training current staff to use AI was reported by 38.9% of businesses in the second quarter of 2025, a proportion that remained relatively unchanged from 2024 (38.5%). Other changes reported by businesses after implementing AI included purchasing cloud services or cloud storage (25.7%), changing data collection or data management practices (18.5%), and working with vendors or consulting services to install or integrate AI (18.2%).

Table 3**Changes made by businesses when using artificial intelligence (AI) in producing goods or delivering services, second quarter of 2024 and 2025**

	Second quarter of 2025	Second quarter of 2024
	percent of businesses	
Developed new workflows	40.1	35.2
Trained current staff to use AI	38.9	38.5
Purchased cloud services or cloud storage	25.7	16.1
Changed data collection or data management practices	18.5	20.9
Used in vendors or consulting services to install or integrate AI	18.2	11.3
Purchased computing power or specialized equipment	17.9	16.5
Hired staff trained in AI	4.9	8.2
Other change	1.1	0.0
None	22.1	28.1

Notes: The results in this table are based on the survey that was in collection from April 1 to May 5, 2025, and from 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, 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 2025 (Table 33-10-1005-01) and second quarter of 2024 (Table 33-10-0827-01).

Planned adoption of artificial intelligence software remains more common than hardware

As AI technologies continue to evolve, some businesses are looking ahead to how they might integrate them into their operations. Businesses were asked whether they plan to adopt software or hardware using AI over the next 12 months. In the second quarter of 2025, nearly one in five (17.9%) businesses reported plans to adopt AI software, while 6.0% reported plans to adopt AI hardware. This is an increase from the 11.5% of businesses that reported plans to adopt AI software and 5.0% that reported plans to adopt AI hardware in the second quarter of 2024.

Planned AI software adoption in the second quarter of 2025 was most reported in information and cultural industries (37.8%); professional, scientific and technical services (37.7%); and finance and insurance (27.4%). For AI hardware, 13.2% of businesses in finance and insurance reported plans to adopt, followed by 11.3% in manufacturing, and 8.9% in arts, entertainment and recreation.

Table 4
Industries with plans to adopt or incorporate artificial intelligence (AI) software or hardware over the next 12 months, second quarter of 2024 and 2025

	Second quarter of 2025		Second quarter of 2024	
	Software using artificial intelligence	Hardware using artificial intelligence	Software using artificial intelligence	Hardware using artificial intelligence
	percent of businesses			
All businesses	17.9	6.0	11.5	5.0
Agriculture, forestry, fishing and hunting	3.2	6.9	3.4	10.8
Mining, quarrying, and oil and gas extraction	8.8	4.5	5.9	4.4
Construction	9.6	3.6	8.0	2.8
Manufacturing	16.2	11.3	11.8	3.6
Wholesale trade	20.4	6.3	12.1	2.8
Retail trade	16.0	3.0	7.6	4.3
Transportation and warehousing	10.4	7.1	10.5	9.9
Information and cultural industries	37.8	8.6	24.3	6.6
Finance and insurance	27.4	13.2	12.9	2.5
Real estate and rental and leasing	18.6	6.4	10.9	6.9
Professional, scientific and technical services	37.7	7.1	26.6	10.0
Administrative and support, waste management and remediation services	12.8	5.2	12.4	2.5
Health care and social assistance	25.5	6.7	10.8	2.6
Arts, entertainment and recreation	17.9	8.9	7.2	3.9
Accommodation and food services	7.5	4.2	5.7	2.4
Other services (except public administration)	8.8	4.9	4.3	2.4

Notes: The results in this table are based on the survey that was in collection from April 1 to May 5, 2025, and from 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, 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 2025 (Table 33-10-1000-01) and second quarter of 2024 (Table 33-10-0822-01).

Methodology

From April 1 to May 5, 2025, 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 21,357 and results are based on responses from a total of 9,103 businesses or organizations.