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by Yuqian Lu and Feng Hou

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Foreign workers in Canada: Distribution of paid employment by industry

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Different industrial sectors depend on temporary foreign workers (TFWs) to varying degrees because of unique levels of labour shortages and specific skill requirements. Analyzing the role of TFWs across industrial sectors in Canada provides empirical evidence to inform the formulation of policies and strategies that support the needs of Canadian businesses and the well-being of TFWs.

This article uses linked administrative data to analyze the distribution of TFWs across industries and their proportion in the workforce within each industry from 2010 to 2020. TFWs in this article refer to temporary residents who reported employment income in Canada, as indicated by their T4 Statements of Remuneration Paid (slips) (see details in “Data and definitions”). These employed temporary residents may hold work permits through the Temporary Foreign Worker Program (TFWP) and the International Mobility Program (IMP), or they may hold study permits or other visa statuses.¹

This article is the third in a series that provides updated statistics and insights on TFWs in Canada. The first article in the series discussed the advantages and limitations of two commonly used data sources on TFWs (Lu & Hou, 2023a). The second article examined the changing composition and employment rates of temporary work permit holders (Lu & Hou, 2023b).

The employment of temporary foreign workers has shifted toward low-paying industries

Over the period from 2010 to 2019, the employment of TFWs became increasingly concentrated in three sectors that mostly offer low-paying jobs: accommodation and food services; retail trade; and administrative and support, waste management and remediation services (Table 1). Collectively, these three sectors accounted for 45% of all TFWs in 2019, representing a significant rise from 33% in 2010. This proportion decreased to 43% in 2020 because of the decline in the number of TFWs working in accommodation and food services, which was impacted by business restrictions during the COVID-19 pandemic.

1. Foreign nationals may work in Canada without a work permit if their activity is described in [paragraphs 186\(a\) to 186\(x\) of the Immigration and Refugee Protection Regulations](#) or under the Global Skills Strategy public policy for short-term work and 120-day work for researchers (Government of Canada, n.d.).

The increased concentration of TFWs in these three low-paying sectors can be attributed to the large expansion of individuals holding IMP work permits and study permits and the growing trend of study permit holders seeking employment in these sectors. From 2010 to 2019, the number of TFWP permit holders remained relatively stable, and their proportion working in the three sectors decreased from 23% to 14%. In contrast, the number of individuals with IMP work permits nearly tripled, with their proportion working in the three sectors experiencing a slight increase from 42% to 45%. Notably, the number of study permit holders reporting employment income surged more than ninefold, and their share working in the three sectors rose from 12% to 65%.

In addition to the above three sectors, a substantial number of TFWs were also employed in agriculture, forestry, fishing and hunting; manufacturing; professional, scientific and technical services; and educational services. Together, these industries accounted for approximately 31% of the total TFW workforce in 2010. The share decreased to 28% in 2020.

Table 1
Distribution of temporary foreign workers across industrial sectors, by permit type, 2010, 2019 and 2020

	Total ¹			Temporary Foreign Worker									
	2010	2019	2020	Program			International Mobility Program			Study permit			
	2010	2019	2020	2010	2019	2020	2010	2019	2020	2010	2019	2020	
							percent						
Agriculture, forestry, fishing and hunting	8.3	7.1	6.8	19.6	48.0	45.4	1.4	0.7	0.7	x	0.4	0.5	
Mining, quarrying, and oil and gas extraction	0.9	0.3	0.3	0.5	0.1	x	1.2	0.4	0.3	x	0.1	0.0	
Utilities	0.2	0.1	0.1	0.2	0.0	x	0.2	0.1	0.1	x	0.0	0.0	
Construction	4.7	3.1	3.3	4.5	4.5	4.8	5.0	3.4	3.4	0.2	1.2	1.3	
Manufacturing	6.5	6.7	7.4	6.4	7.9	8.4	6.7	7.9	8.4	0.3	2.4	2.6	
Wholesale trade	3.3	2.9	3.1	2.6	2.5	2.6	3.9	3.4	3.5	0.2	1.4	1.6	
Retail trade	8.0	12.3	13.5	4.1	3.0	3.3	11.2	11.6	13.2	2.0	20.6	23.8	
Transportation and warehousing	1.8	3.5	4.4	2.1	4.3	5.0	1.6	3.9	4.9	0.2	1.9	2.3	
Information and cultural industries	1.7	2.3	2.3	1.3	1.8	1.7	2.1	2.9	2.8	0.2	0.9	1.0	
Finance and insurance	1.7	2.3	2.4	0.6	0.5	0.6	2.6	3.1	3.1	0.2	0.8	0.7	
Real estate and rental and leasing	1.7	1.3	1.2	2.2	2.0	1.7	1.5	1.3	1.2	0.2	0.7	0.6	
Professional, scientific and technical services	6.8	8.0	8.1	5.9	4.0	4.2	8.2	10.9	10.4	0.4	2.3	2.2	
Management of companies and enterprises	0.4	0.8	0.7	0.3	0.3	0.3	0.4	1.1	0.9	x	0.3	0.3	
Administrative and support, waste management and remediation services	7.9	12.0	12.2	2.8	2.2	1.9	12.4	13.2	13.5	1.5	15.7	16.2	
Educational services	9.6	6.7	6.1	2.0	1.0	1.0	8.3	4.6	4.4	81.5	16.3	16.8	
Health care and social assistance	4.1	3.5	4.8	4.4	1.4	1.8	4.0	4.4	5.8	0.6	1.8	2.9	
Arts, entertainment and recreation	2.4	1.5	1.1	1.5	0.6	0.3	3.3	1.9	1.3	0.2	0.9	0.6	
Accommodation and food services	16.8	20.4	17.3	16.3	9.2	10.2	18.8	20.2	17.4	8.4	29.2	23.4	
Other services (except public administration)	8.4	2.9	2.8	16.0	2.9	3.1	3.6	3.0	2.8	3.3	2.2	2.2	
Public administration	1.0	0.8	0.9	0.3	0.1	0.1	1.1	0.9	0.9	0.4	0.4	0.4	
NAICS unstated	3.7	1.3	1.3	6.4	3.7	3.3	2.3	1.0	1.1	0.2	0.6	0.8	
Total	100	100	100	100	100	100	100	100	100	100	100	100	
							count						
Total employed temporary residents	347,300	851,700	860,900	132,000	115,200	116,600	179,100	524,300	565,900	18,000	183,500	148,400	

x suppressed to meet the confidentiality requirements of the *Statistics Act*

1. The total also includes employed temporary residents with a permit that is not issued under the Temporary Foreign Worker Program or the International Mobility Program or

Notes: Person counts are rounded to nearest 100. As the result of rounding, the sum of subcategories may not be equal to the total. NAICS = North American Industry

Sources: Statistics Canada, Non-permanent Resident File and Longitudinal Worker File.

The distribution of TFWs across industries exhibited significant variations by permit type. For TFWP permit holders, agriculture, forestry, fishing and hunting emerged as the predominant sector for employment. In 2010, one-fifth of TFWP participants worked in this sector, but this figure had increased to nearly half (48%) by 2019 before decreasing slightly to 45% in 2020, as international travel restrictions prevented some agricultural workers from coming to Canada. Conversely, the proportions of TFWP participants engaged in accommodation and food services and other services (except public administration) declined considerably. As the TFWP requires employers to obtain a positive Labour Market Impact Assessment (LMIA) and pay a processing fee to hire TFWs, employers in these sectors may have increasingly turned to the expanding pool of IMP and study permit holders, for whom the LMIA and processing fees are not imposed.

Compared with TFWP work permit holders and study permit holders, IMP participants maintained a relatively stable distribution across industries, which was not as concentrated as the other two groups. In contrast, significant shifts were observed among study permit holders. The proportion of study permit holders working in educational services declined substantially from 82% in 2010 to 16% in 2019. Meanwhile, their proportion increased from 8% to 29% in accommodation and food services; from 2% to 21% in retail trade; and from 2% to 16% in administrative and support, waste management and remediation services.

The agriculture, forestry, fishing and hunting sector and the accommodation and food services sector strongly relied on temporary foreign workers

The growing population of TFWs has enhanced their role in Canada's overall workforce. In 2010, TFWs accounted for 2.0% of all T4 earners in the country, and this proportion increased to 4.3% in 2019 and to 4.4% in 2020 (Table 2). The role of TFWs varied across industrial sectors, depending on the number of TFWs in relation to the total workforce within each sector.

Among the broad industrial sectors, agriculture, forestry, fishing and hunting heavily relied on TFWs. In 2019, TFWs comprised 18% of the sector's workforce, representing a significant rise from 10% in 2010. The majority of TFWs in this sector held work permits under the TFWP. Within the broader sector, a substantial portion of TFWs (85%) were engaged in crop production, where they constituted 29% of the overall workforce in 2019.

Another sector that exhibited a significant dependence on TFWs was accommodation and food services, where TFWs constituted 11% of the total workforce, representing a notable increase from 4% in 2010.² The majority of TFWs in this sector held either an IMP work permit or a study permit. Within this sector, in 2019, about 86% of TFWs were employed in food services and drinking places, while the remaining 14% worked in accommodation services.

2. From 2000 to 2019, the number of TFWs in accommodation and food services increased by 115,200. This represents 45% of the increase in total paid employment in this sector (255,400).

Table 2
Share of temporary foreign workers by industrial sector and permit type, 2010, 2019 and 2020

	2010				2019				2020			
	Total ¹	Temporary Foreign Worker Program	International Mobility Program	Study permit	Total ¹	Temporary Foreign Worker Program	International Mobility Program	Study permit	Total ¹	Temporary Foreign Worker Program	International Mobility Program	Study permit
	percent											
Agriculture, forestry, fishing and hunting	9.7	8.7	0.8	x	17.9	16.3	1.0	0.2	17.1	15.4	1.2	0.2
Mining, quarrying, and oil and gas extraction	1.2	0.2	0.8	x	1.1	0.1	0.9	0.0	1.0	x	0.8	0.0
Utilities	0.5	0.2	0.3	x	0.6	0.0	0.5	0.0	0.7	x	0.6	0.0
Construction	1.4	0.5	0.8	0.0	2.0	0.4	1.3	0.2	2.2	0.4	1.4	0.1
Manufacturing	1.3	0.5	0.7	0.0	3.1	0.5	2.3	0.2	3.6	0.6	2.7	0.2
Wholesale trade	1.4	0.4	0.9	0.0	2.8	0.3	2.0	0.3	3.0	0.4	2.3	0.3
Retail trade	1.3	0.2	0.9	0.0	4.5	0.2	2.6	1.6	4.9	0.2	3.2	1.5
Transportation and warehousing	0.9	0.4	0.4	0.0	3.4	0.6	2.3	0.4	4.4	0.7	3.1	0.4
Information and cultural industries	1.6	0.5	1.0	0.0	5.1	0.5	4.0	0.4	5.3	0.5	4.2	0.4
Finance and insurance	0.8	0.1	0.6	0.0	2.4	0.1	2.1	0.2	2.6	0.1	2.2	0.1
Real estate and rental and leasing	2.1	1.1	0.9	0.0	3.2	0.7	2.0	0.4	3.3	0.7	2.2	0.3
Professional, scientific and technical services	2.5	0.8	1.5	0.0	5.6	0.4	4.7	0.3	5.7	0.4	4.9	0.3
Management of companies and enterprises	1.6	0.5	1.0	x	5.3	0.3	4.4	0.4	4.4	0.2	3.7	0.3
Administrative and support, waste management and remediation services	3.0	0.4	2.4	0.0	10.2	0.3	6.9	2.9	10.9	0.2	7.9	2.5
Educational services	2.6	0.2	1.2	1.1	4.0	0.1	1.7	2.1	3.7	0.1	1.7	1.7
Health care and social assistance	0.8	0.3	0.4	0.0	1.5	0.1	1.2	0.2	2.0	0.1	1.6	0.2
Arts, entertainment and recreation	3.0	0.7	2.1	0.0	4.1	0.2	3.2	0.5	3.5	0.1	2.8	0.4
Accommodation and food services	4.4	1.6	2.6	0.1	11.0	0.7	6.7	3.4	10.9	0.9	7.2	2.5
Other services (except public administration)	4.2	3.0	0.9	0.1	3.3	0.4	2.1	0.5	3.4	0.5	2.2	0.5
Public administration	0.2	0.0	0.1	0.0	0.4	0.0	0.3	0.0	0.4	0.0	0.3	0.0
Overall	2.0	0.8	1.0	0.1	4.3	0.6	2.7	0.9	4.4	0.6	2.9	0.8

x suppressed to meet the confidentiality requirements of the *Statistics Act*

1. The total also includes employed temporary residents with a permit that is not issued under the Temporary Foreign Worker Program or the International Mobility Program or is not a study permit.

Sources: Statistics Canada, Non-permanent Resident File and Longitudinal Worker File.

In 2019, the sector with the third-highest proportion of TFWs (10%) was administrative and support, waste management and remediation services. TFWs in this sector primarily held IMP work permits or study permits. Within this sector, 53% of TFWs worked in employment services (mostly employment placement agencies and temporary help services), 13% in investigation and security services (e.g., security guard and patrol services), 12% in services to buildings and dwellings (mostly janitorial services), and 12% in business support services (mostly telephone call centres).

Furthermore, in 2019, slightly over 5% of paid workers were TFWs in professional, scientific and technical services; management of companies and enterprises; and information and cultural industries. TFWs in these sectors mostly held work permits under the IMP.

Overall, during the past decade, there has been a notable shift in the employment patterns of TFWs toward low-paying sectors, specifically accommodation and food services; retail trade; and administrative and support, waste management and remediation services. This shift was related to the significant increase in the number of TFWs holding IMP work permits or study permits and the growing trend of study permit holders seeking employment in these sectors.

The role of TFWs within the workforce exhibited variations across different industrial sectors. In 2019, TFWs accounted for 18% of the workforce in the agriculture, forestry, fishing and hunting sector; 11% in accommodation and food services; and 10% in administrative and support, waste management and remediation services. While the agriculture, forestry, fishing and hunting sector recruited TFWs primarily through the TFWP, other sectors relied on the IMP and international students.

Data and definitions

This analysis is based on the linkage between the Non-permanent Resident File (NPRF) and the Longitudinal Worker File (LWF). In this article, TFWs are temporary residents who receive positive T4 earnings as indicated by T4 slips. Employment income from sources other than T4 slips and self-employment income are excluded because of the lack of industry-specific information in the linked NPRF–LWF data. About 29,300 temporary residents had no T4 earnings but reported self-employment income in 2020, representing 3% of all employed temporary residents (Lu & Hou, 2023a). TFWs who obtained permanent residency in the employment year are excluded from the analysis. Each TFW is counted only once per calendar year. In determining the annual status for TFWs with multiple types of permits within a year, this analysis prioritizes the TFWP, followed by the IMP, study permits and finally other temporary status.

Industry sectors are grouped based on the North American Industry Classification System two-digit codes. If a TFW received T4 earnings from multiple industries, only the industry with the highest earnings is considered.

Authors

Yuqian Lu and Feng Hou are with the Social Analysis and Modelling Division, Analytical Studies and Modelling Branch, at Statistics Canada.

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