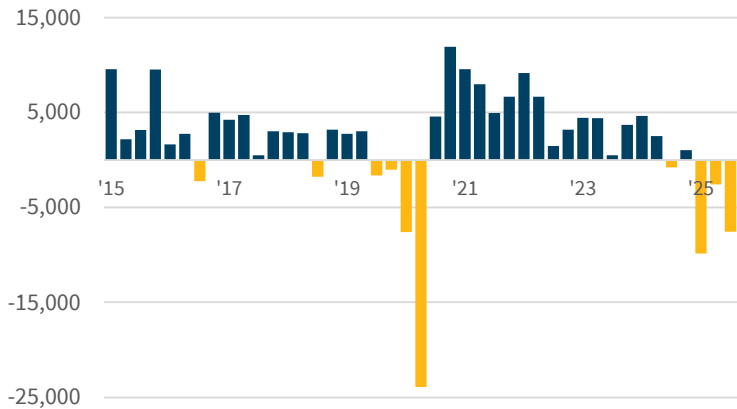


Business exits outpacing entries as of Q3 2025

Recent revisions to Statistics Canada’s data show that Canada's business formation is currently characterised by three consecutive quarters in which exits have surpassed new business entries. Revisions have been an important part of this data set and, at times, have affected the historical trend. Business exits are only confirmed after up to 24 months of data are available. As a result, the most recent exit estimates rely on modelled projections and are subject to revision as more data become available. Exit data also lag entry data by six months.

The most recent quarter for which both entries and exits data is available, Q3 2025, shows that net business creation (entries minus exits) remained negative at 7,561 net exits. This follows two previous quarters of a similar pattern with 2,547 net exits in Q2 2025, and 9,844 net exits in Q1 2025. This marks the first sustained period of net business losses since the pandemic. Prior to 2025, quarterly net gains had generally been positive after the strong post-pandemic rebound in 2020–2022.

Figure 6 – As of Q3 2025, Canada had three consecutive quarters of net business exits ¹



Sources

1) Statistics Canada. [Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted](#), Data extracted on June 29, 2026.

The provincial picture of business formation

In Atlantic Canada:

- Newfoundland and Labrador mirrors Canada's weak momentum, with three consecutive quarters of negative net business formation.
- PEI, NB and NS rebounded from an initial negative quarter to modest growth before returning to negative territory in the latest quarter.

In Central Canada:

- Ontario continued to show weak business creation momentum, recording three consecutive quarters of negative net business formation.
- Quebec alternated between negative and positive quarters, suggesting that business creation remains uneven but with signs of resilience.

In Western Canada:

- BC stood out as the weakest performer, with five consecutive quarters of negative net business formation.
- Alberta also experienced sustained weakness with three consecutive negative quarters.
- Saskatchewan and Manitoba alternated between positive and negative quarters, showing some resilience but no clear upward momentum in business creation.

Table 2 – Business entry and exit counts, by province, Q3 2025

	Entry counts	Exit counts	Net entries (Net exits)	Negative quarters in the last year*
Canada	45,489	53,050	-7,561	3
Newfoundland and Labrador	590	782	-192	3
Prince Edward Island	242	274	-32	2*
Nova Scotia	1,047	1,080	-33	2
New Brunswick	828	901	-73	2*
Quebec	7,642	7,645	-3	1*
Ontario	16,423	23,252	-6,829	3
Manitoba	1,399	1,492	-93	2
Saskatchewan	1,266	1,234	32	1*
Alberta	7,205	8,340	-1,135	3
British Columbia	8,118	9,422	-1,304	4

Notes: * denotes a quarter that may be negative mathematically but it's too close to zero, e.g. -3. Enterprises operating in multiple industries or provinces are counted more than once, so detailed totals may exceed the Canada total.

The sectoral picture of business formation

Sectoral trends show mixed momentum in business formation.

- Wholesale, transportation, agriculture, oil and gas, finance and insurance, and business services continue to face significant weakness, with many consecutive quarters of negative net business entries.
- Construction, personal services, and information, arts and recreation, have shown some recent improvement but continue to experience negative momentum.
- Manufacturing, retail, and hospitality have posted a timid rebound, with positive net business formation in the latest two quarters.
- Health care and education remain the only clear bright spots, with sustained and strong business creation momentum.

Table 3 – Business entry and exit counts, by sector, Q3 2025

	Entry counts	Exit counts	Net entries	Negative quarters in the last year
Canada	45,489	53,050	-7,561	3
Professional Services	7,692	10,035	-2,343	4
Transportation and Utilities	2,723	4,711	-1,988	4
Insurance, Real Estate, Finance	3,250	4,065	-815	4
Arts, Recreation & Information	1,061	1,370	-309	3
Wholesale	732	990	-258	4
Other Services	2,397	2,591	-194	4
Construction	5,034	5,210	-176	2
Mining, Quarrying, Oil, etc.	167	220	-53	4
Agriculture	160	196	-36	4
Manufacturing	1,361	1,330	31	2
Retail	3,033	2,953	80	2
Accom. and Food Services	7,192	6,812	380	1
Health & Education	4,714	3,583	1,131	0