Understanding Canada's Evolving Immigration Landscape

Canada is renowned not only for its stunning natural beauty and laid-back lifestyle but also for its welcoming approach to immigration. Over the years, the country has garnered a reputation as a prime destination, thanks to its high quality of life, safety, economic opportunities, and rich cultural diversity. However, recent developments in immigration policy indicate a significant shift in how Canada manages its immigration levels in response to changing public sentiment and economic needs.

Historical Context: Rising Immigration Numbers

From 2000 to 2015, Canada saw a steady increase in immigration at an average annual rate of 4%. This rate surged dramatically to 15% between 2016 and 2024, reflecting the government's commitment to welcoming a diverse array of immigrants, including temporary foreign workers (TFWs) and international students. By 2024, the total number of immigrants had reached approximately 464,265, with expectations that this number would approach 500,000 annually.

However, as the population grew, so did public concern regarding the impact of this unprecedented influx. In late 2024, the federal government therefore introduced the Immigration Levels Plan, marking a decisive pivot towards a more controlled immigration framework.

The Immigration Levels Plan: A New Direction

The Immigration Levels Plan, which outlines the government's targets for permanent and temporary residents over a three-year horizon, aims to recalibrate immigration numbers to ensure sustainability and balance. Beginning in 2025, the initial three-year plan proposed significant reductions in permanent resident admissions - from 464,265 in 2024 to a projected 395,000 in 2025, and further declines to 365,000 by 2027. This shift represented a notable move away from the previous administration's expansive targets.

For temporary residents, the plan also set lower admission targets, with a goal to reduce their share of the population from 7.4% to 5% by 2027. This entailed issuing fewer student visas, decreasing TFW admissions, and applying stricter controls to ensure temporary residents depart upon visa expiration.

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Key Components Of The New Immigration Strategy

Immigration, Refugees and Citizenship Canada (IRCC) engages with a wide range of stakeholders and partners from across the country to help shape Canada's Immigration Levels Plan. This engagement process highlights a common consensus that immigrant selection should be strategic and targeted to ensure it contributes to building a stronger economy while also protecting the quality of life and access to services for those already in Canada. Shaping Canada's immigration planning is also guided by the Government of Canada's commitments to:

- Lower the non-permanent resident population to less than 5% of Canada's population by the end of 2027
- Stabilise permanent resident admissions at less than 1% of Canada's population annually beyond 2027
- Establish a 12% target for Francophone immigration outside of Quebec by 2029 to promote the vitality of Francophone communities.

On November 4, 2025, Canada subsequently unveiled its new Immigration Levels Plan for 2026–2028, outlining a continued balanced approach that focuses on steady economic immigration growth while moderating temporary resident inflows. The key takeaways were:

1. **Permanent Resident Admissions:** The government aims to stabilise admissions at 380,000 per year from 2026 to 2028, with an increased focus on economic immigrants - rising from 59% to 64% of total admissions. This approach places an emphasis on attracting highly skilled professionals who can contribute significantly to Canada's economy.
2. **Temporary Resident Admissions:** The number of new temporary resident admissions is set to decrease sharply, particularly affecting international students, while ensuring that the workforce needs of various sectors are met. By the end of 2027, temporary residents are expected to account for less than 5% of Canada's population.
3. **Talent Attraction Strategy:** A $1.7 billion strategy has been introduced to attract top talent globally, signalling Canada's commitment to remain a destination for innovators and entrepreneurs. The government plans to also facilitate pathways for skilled individuals, including H-1B visa holders from the US.
4. **Budgetary Considerations:** The Budget 2025 forecasts a 15% savings target for Immigration, Refugees, and Citizenship Canada (IRCC) by 2028, achieved through enhanced efficiency and the hiring of additional border services officers.

Implications For Employers And Businesses

This Immigration Plan underscores the importance of strategic workforce planning in light of a more restrictive immigration environment. Employers must adapt to the new reality of longer lead times for immigration processes and increased scrutiny of applications. With fewer temporary resident options, businesses will also need to align their recruitment strategies with national priorities, focusing on sustainable hiring practices and long-term retention of talent.

Industries such as healthcare, technology, construction, and advanced manufacturing will be particularly affected, as the government shifts its emphasis toward sectors facing skill shortages. Companies should remain vigilant about evolving immigration policies to leverage

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available pathways effectively. For example, Provincial Nominee Programmes (PNP), designed to help territories and provinces address their specific labour needs, will receive increased targets to fill regional labour gaps, with a total of approximately 91,500 permanent residents expected through PNP in 2026, compared to 55,000 previously.

A Balanced Approach To Immigration

Canada's Immigration Levels Plan represents a significant shift towards a more balanced approach to immigration, prioritising quality over quantity. By focusing on long-term economic contributions and sustainable growth, the government aims to ensure that immigration policies foster prosperity for both newcomers and existing residents alike.

As Canada continues to be a desired destination for those seeking a better quality of life, the government's commitment to attracting talent that drives innovation and economic stability remains steadfast. Employers who strategically align their hiring practices with these objectives will not only help maintain Canada's reputation as a welcoming haven but also enhance their own ability to thrive in an evolving landscape.

If you're planning for assignees to temporarily work in Canada or contemplating longer stays, then speak to us about your immigration options. With Smith Stone Walters now part of Envoy Global, we can deliver a complete range of immigration services to meet your travel objectives. To find out more about the enhanced level of global immigration services available, please contact us today.

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Smith Stone Walters
James Walters is a Director and Co-Founder of Smith Stone Walters, bringing over 30 years of UK immigration expertise across both the public and private sectors. He oversees client relationships, business development, and UK operations, and is widely recognised as a trusted voice in the immigration field. Smith Stone Walters was recently acquired by Envoy Global, a provider of global immigration services, and James continues to lead the UK immigration practice.
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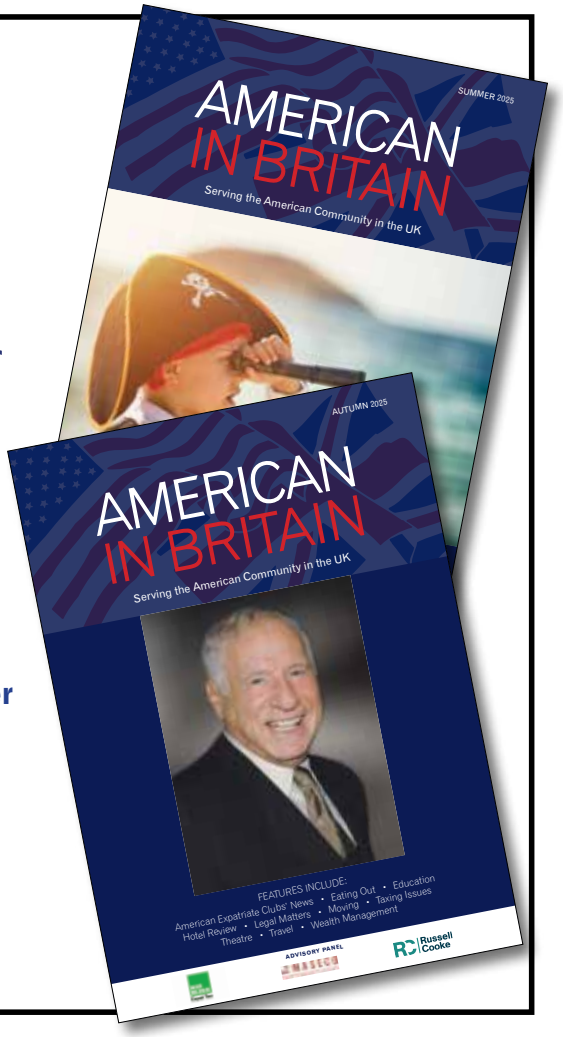
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