

HILL DAY 2021

Canada's Tech Sector
Driving the Jobs of the Future

Presented By:



TECHNATION^{CA}

+



**Hewlett Packard
Enterprise**

RECENT STATS

IN CANADA THERE ARE OVER

73,000

tech-based businesses

Source: CompTIA Cyberprovinces™ 2020 Report

TECH BUSINESSES EMPLOY

1.66 Million

Canadians

Source: CompTIA Cyberprovinces™ 2020 Report

TECH BUSINESSES PAY

40% Higher

than private sector average

Source: CompTIA Cyberprovinces™ 2020 Report

THE TECH INDUSTRY GENERATES

\$210 Billion

in annual revenue

Source: ISED Canadian ICT Sector Profile 2019

EVERY 1% INCREASE IN
DIGITIZATION ADDS

\$8.7 Billion

to the Canadian GDP

Source: Accenture Digital at Depth for Governance Innovation Report

CANADA CAN BE A TECH LEADER...AGAIN.

More readily than any other sector, technology firms are positioned to drive Canada's economic recovery, fuel the creation of innovative, high-quality, well-paying jobs, and position our changing national economy for long-term success.

Canada can be a global tech leader.

We are home to a highly educated workforce, one of the most digitally connected populations on the planet, and world-leading tech hubs not only in the GTA, Kitchener-Waterloo, Ottawa, Vancouver, and Montreal, but cities in every corner of Canada. But we have work to do as the table below demonstrates:

Canada's technology industry is expanding, surpassing many sectors along its way. Over 73,000 technology businesses employ 1.66 million Canadians, generate \$210 billion in annual revenue, pay wages that are 40% higher than average private sector jobs, and continue to lead significant annual job growth in eight of ten provinces. Double-digit growth is projected for at least the next five years.

Technology innovation & adoption drives the economy.

Technological innovations provide the solutions that governments and businesses need to meet new challenges, transform their operations, compete globally, serve customers and citizens in innovative ways, and thrive in the 'new normal', post-pandemic world. Every 1% increase in technology adoption across the economy contributes an additional \$2.5 billion to GDP, and technology adoption is of increasing priority across all sectors.

**CANADA IS
LOSING
GROUND
AS A TECH
LEADER**

YEAR	World Economic Forum Global Competitiveness ICT Adoption/Innovation	Bloomberg Innovation Index	UN E-Government Development Index
2020	N/A	22 nd	28 th
2019	35 th / 16 th	20 th	N/A
2018	34 th / 13 th	22 nd	23 rd
2017	23 rd	20 th	N/A
2016	24 th	19 th	14 th
2010	11 th	11 th (2014)	3 rd

Note: Canada was 3rd in the e-government development index in 2010 and 11th in 2012 & 2014.



THE CHALLENGE:

Canada has not seen its technology sector achieve its full potential – not even close. Since many tech companies in Canada are relatively new scale-ups and small-medium enterprises (SME's), there is potential for significant growth right now and in the years ahead; but that potential is not assured.

- X** Canada is in a global race for talent for the technology sector. Meanwhile, here at home, small firms struggle to compete for talent with large national and multinational businesses.
- X** Canada is slipping in global innovation and competitiveness rankings; demonstrating that there is more work to do to leverage the power of technology to grow our economy.
- X** Some of the most acute challenges for Canada's technology sector surround supporting scale-ups and SMEs to grow into large, long-lasting, stable, and profitable firms right here in Canada.

HOW GOVERNMENT CAN HELP?

While support for research, development, and commercialization will always be important, what Canada's technology scale-ups and SME's need most is for businesses and governments to buy and adopt their innovations. That is the determinant of whether an innovative tech business will relocate to US or elsewhere, be swallowed up by a larger multinational firm, or grow and thrive right here in Canada.

Government can address this challenge:

- ✓ Re-think 'Stimulus' and Strategic Investments:** 'Virtual Shovel-Ready' Projects can have a transformative impact for businesses and local economies. Bricks and mortar projects will continue to matter however, it is time for the government to equally prioritize digital infrastructure projects. The best way to support Canadian tech SMEs is with a contract, not grants.
- ✓ Make future IT workforce development a top national priority:** while the technology sector is poised to create many more high-quality jobs for Canadians, the ability for Canadian businesses – especially our SMEs – to fill those jobs will be a major challenge in a competitive national and global economy.
- ✓ Adopt technology:** The public sector is the biggest purchaser of IT goods and services in Canada, and governments have many challenges ahead as they adjust to the 'new normal' that can be tackled with homegrown technology solutions.
- ✓ Provide incentives to support technology adoption across the economy:** Canada's tech firms are ready to help meet the challenges and opportunities of businesses across all sectors.

