

QUEEN'S PARK DAYS 2021

Ontario's Tech Sector
Driving the Jobs of the Future

Presented By:



+



Google Cloud

RECENT STATS

IN ONTARIO THERE ARE OVER

24,000
tech-based businesses

Source: InvestOntario.ca

TECH BUSINESSES EMPLOY

320+ Thousand
Ontarians

Source: InvestOntario.ca

TECH BUSINESSES PAY

40% Higher
than private sector average

Source: CompTIA Cyberprovinces™ 2020 Report

THE TECH INDUSTRY GENERATES

\$43.3 Billion
in annual revenue

Source: InvestOntario.ca

IN ONTARIO,

\$3 Billion
has been spent on R&D

Source: InvestOntario.ca

ONTARIO 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, Ontario lead the nation in tech employment growth in 2018 with 36,698 new jobs. But we have work to do as the table below demonstrates:

Ontario's technology industry is expanding, surpassing many sectors along its way. Over 24,000 technology businesses employ 320,000 Ontarians, generate \$43.3 billion in annual revenue, and pay wages that are 40% higher than average private sector jobs. 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. In Ontario, 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:

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

- X** Ontario has a reputation for not adequately supporting startups to help them evolve into large, long-lasting, stable, and profitable firms.
- X** Despite investing more in R&D than any other sector, Canada ranks 16th in innovation worldwide. The conference Board of Canada gives Canada’s tech sector a ‘C’ grade in innovation.
- X** Labour market supply is not keeping up with rapidly growing employer demand for skills in areas like machine learning, robotics, virtual reality, blockchain, the internet of things, and other emerging technologies.

HOW CAN THE GOVERNMENT HELP?

While support for research, development, and commercialization will always be important, what Canada’s technology scale-ups and SMEs 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 Ontario.

Government can address this challenge by:

- ✓ Re-thinking ‘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 Ontarian tech SMEs is with a contract, not grants.
- ✓ Making future IT workforce development a top national priority:** while the technology sector is poised to create many more high-quality jobs for Ontarians, the ability for Canadian businesses – especially our SMEs – to fill those jobs will be a major challenge in a competitive national and global economy.
- ✓ Adopting technology:** The public sector is the biggest purchaser of IT goods and services in Ontario, and governments have many challenges ahead as they adjust to the ‘new normal’ that can be tackled with homegrown technology solutions.
- ✓ Providing incentives to support technology adoption across the economy:** Ontario’s tech firms are ready to help meet the challenges and opportunities of businesses across all sectors.

