



INFORMATION TECHNOLOGY
ASSOCIATION OF CANADA



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News Release

ICT Industry Urges Party Leaders to Address Canada's Future Prosperity

OTTAWA, January 6, 2006 – On behalf of Canada's information and communications technology (ICT) industry, the Information Technology Association of Canada is urging federal party leaders to deal with the issue of Canada's future prosperity in the current election campaign.

"We know election campaigns get driven by a dynamic of their own, particularly in their final stages," says Bernard Courtois, President and CEO of the Information Technology Association of Canada (ITAC), "but we feel Canada's productivity and prosperity is too big an issue to be ignored in the process."

With abundant natural resources, a highly educated population, an enviable quality of life and a world-leading capability in ICT, which is the driver of growth and prosperity in a modern economy, Canada is very well placed to succeed in today's world.

However, we must take concerted action to realize our potential for success. There is a major economic shift taking place in favour of developing economies like China, India and Brazil. We are facing a growing demographic and skills shortage. Our natural resources are a blessing, but should not cause us to shift away from value-added economic activity. And our productivity has been falling significantly short of the U.S. in recent years. Indeed, we are significantly under-investing in the very technologies that increase productivity. All this points to innovation and technology as key to our future.

"Canadians are well beyond being hewers of wood or drawers of water," says Courtois, "but if we don't aggressively position ourselves to keep and grow high value jobs in this country, these will go increasingly to those countries that are focussing intensely on capturing these jobs."

It has been estimated that closing the productivity gap with the U.S. would generate \$90 billion per year for our federal and provincial governments. "Imagine what that could do to help fund public services, infrastructure and a competitive tax system?" says Courtois.

ITAC believes leaders of all parties should be explaining how they propose to address these fundamental issues during the remaining weeks of the election campaign. ITAC has advanced studies and proposals to deal with these questions, including:

- Productivity and Prosperity, ITAC Pre-Budget Brief to the Commons Standing Committee on Finance, October 2005
<http://www.itac.ca/Library/PolicyandAdvocacy/FinanceandTaxation/05Oct28Pre-budgetBrief.pdf>
- Centre for the Study of Living Standards Study Explains Why Canadian ICT Investment is Less than U.S., December 12, 2005
<http://www.itac.ca/Library/ITACNewsRelease/05Dec12CSLS.pdf>

ITAC is the voice of the Canadian information and communications technology industry. Together with its affiliated organizations across the country, the association represents 1300 companies in the information and communications technology (ICT) industry in all sectors including telecommunications and Internet services, ICT consulting services, hardware, microelectronics, software and electronic content. ITAC's network of companies accounts for more than 70 per cent of the 566,000 jobs, \$130 billion in revenue, \$5.2 billion in R&D investment, \$20.7 billion in exports and \$11.5 billion in capital expenditure that the sector contributes annually to the Canadian economy.

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For further information, please contact

Lynda Leonard
Senior Vice President, ITAC
leonard@itac.ca
(613) 238-2250 x223