

THE CANADIAN EDUCATION AND TRAINING INDUSTRY

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Sustainable Technologies and Service Industries Branch



The Industry

Canada's education and training industry consists of many specialized small and medium-sized enterprises (SMEs), the training arms of companies in other industrial sectors and the training supplied by public education institutions on a commercial basis. In addition, Canada has long experience in distance education which is well respected internationally.

In 2003, Canada's educational service industries (including the public education system) were valued at \$45.3 billion, representing 3.8 percent of GDP.

The industry plays an important role in helping Canadians acquire the skills needed to participate successfully in the knowledge-based economy.

Half of Canadian suppliers are active in international markets. By exporting educational products and services the industry makes a significant contribution to meeting global skills needs, particularly in emerging economies.

In addition, thousands of international students come to Canada. In 2001-2002, there were more than 144 000 individuals from some 200 countries – a record high. The Department of Foreign Affairs estimates that overseas students contribute over \$4 billion annually to the Canadian economy.

Worldwide education expenditures are estimated at over US\$2 trillion.

The marketplace is diverse...

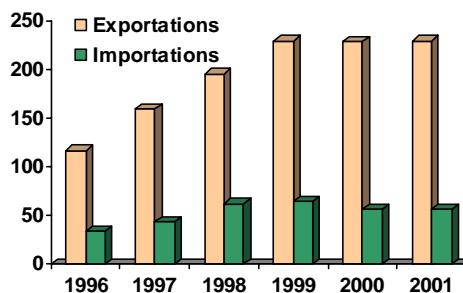
International Financial Institutions (IFIs) are increasing their lending for human resource development projects. The World Bank's education portfolio stands at US\$8.5 billion for projects in 86 countries. At US\$1.684 billion, World Bank lending for education in 2004 was more than double its 2000 level. One-third of capital projects funded through IFIs include an education and training component.

The global **corporate and government** training market is valued at over US\$300 billion (Merrill Lynch).

The International Data Corporation forecasts that worldwide spending for **IT training**, a subsector of the corporate market, will exceed \$24 billion in 2008.

In 2003, Canada's **corporate e-learning industry** was valued at C\$79 million, whereas e-learning vendors generated US\$6 billion worldwide (International Data Corporation, Canadian and US market forecasts 2004-08).

Trade: Commercial Education (non institutional) (\$Millions)



Source : Statistics Canada: Canada's International Trade in Services 2001

...and Canada is seizing these global opportunities.

Since 1996, Canada's export of commercial education services has almost doubled to \$230M

Education and training providers in Canada are supported by a number of regional and national associations such as the Canadian Society for Training and Development (CSTD). This umbrella organization facilitates networking, professional development and collaborative activities among stakeholders throughout Canada.



Industry Canada
Industrie Canada



Canada

Trends

Skill requirements keep rising across all sectors of the economy. Businesses and governments are placing considerable emphasis on the importance of skills upgrading to economic prosperity and innovation.

As Canada's training system expands to meet the needs of learners, there will be new opportunities for Canadian suppliers of education and training services. At the same time, training providers will be under increasing pressure to deliver measurable results that are shown to have a positive impact on individual and organizational performance.

The rapid adoption of new technologies is having a profound impact on the education industry. Canada's world-class telecommunications infrastructure has enabled Canadian training service providers and multimedia companies to work with content suppliers to build leading-edge e-learning applications. Learners can access training through technologies that use the Internet, e-mail, CD ROMs, DVDs, and satellite and cable TV.

In 2003, well over half of the firms in both ICT (63 percent) and non-ICT (55 percent) sectors use Internet technology for training (Statistics Canada: *Survey of Electronic Commerce and Technology*).

According to Statistics Canada's household survey, in 2003, 24.9 percent of Canadian households used the Internet from home for formal education and learning. This trend will likely lead to growth in Canada's e-learning sector. A professor from Simon Fraser University predicts that the global market for online learning will be in the region of \$3.2 billion by the year 2010.

Increasing demand is leading to greater consolidation as companies and institutions join forces to open up new markets and provide more complete training solutions to both Canadian and international clients.

To remain competitive and keep up with the accelerating pace of technological change, Canada must continuously renew and upgrade the skills of its workforce. - *Canada's Innovation Strategy*

Canada's education and training industry is well-positioned to compete in the international marketplace.

Diverse players...

- More than 5000 private training and e-learning companies
- 1000 private career colleges
- 339 colleges and institutions
- 94 universities
- 426 school boards
- training components of companies in other industrial sectors
- corporate learning centres
- professional certification organizations
- industry associations and unions

A wide range of training products and services...

- needs assessment, curriculum design, evaluation
- train-the-trainer
- industrial and corporate training (e.g., oil and gas, banking, telecommunications)
- training in new technologies (e.g., IT, e-commerce)
- soft skills training (e.g., coaching, communications, management development)
- career development (e.g. hospitality, electronics)
- English and French as second languages

A variety of delivery modes...

- classroom
- video
- teleconferencing
- blended learning
- textbooks
- multimedia
- Internet

Canada's private sector educational service industry is a leader in e-commerce. In fact, the sector recorded the highest share of Internet sales among all industries. Moreover, the sector also shows the highest growth in purchasing goods and services over the Internet.

Statistics Canada: *Innovation Analysis Bulletin 2004*

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