

## **Review of Statistics Canada Survey**

Prepared by the Electronic Commerce Branch - Industry Canada

### ***Use of Information and Communications Technologies and Electronic Commerce***

#### **Background**

##### ***Statistics Canada survey is the first cross-economy survey of e-commerce.***

- The first survey of its kind conducted by a national statistical agency to measure and publish estimates of use of e-commerce across all sectors of the economy.
- Over 23 000 business and governmental organizations were surveyed.

##### ***Provides baseline data, beginning in 1999***

- The data covers the period January 1, 1999 to December 31, 1999.
- Future surveys will be used to measure the growth of e-commerce in Canada.

#### **Key Findings**

##### ***Connectivity levels are high among Canadian business***

- 52.8% have Internet access
- 52.6% have e-mail access
- 21.7% have websites

##### ***Canadian Public Sector is model user of the Internet.***

- 95.4% have Internet access
- 96.6% have e-mail access
- 69.2% have websites
- 59.0% of Canadian public sector employees have Internet access, exceeding the private sector

##### ***However, both private and public sector slow to adopt e-commerce***

- 10.1% of private sector firms use the Internet to sell goods
- 13.8% of private sector firms use the Internet for procurement
- 14.5% of the public sector use the Internet to sell goods
- 44.2% of the public sector use the Internet for procurement

##### ***Main reasons private sector firms do not use e-commerce***

- believe goods or services do not lend themselves to electronic commerce
- prefer to maintain current business model
- concerns regarding security

## Canadians are Connected to the Net...

- Indicators of connectedness confirm that the Government of Canada is reaching its goal to “make Canada the most connected nation in the world”, e.g. the Conference Board of Canada’s inaugural connectedness index (**Figure 1**), shows Canada among the world leaders.

## ...Now we have to use it.

- As part of the connectedness agenda, government has provided the policy framework necessary to make Canada a centre of excellence for electronic commerce.
- Canada is well positioned to be a leader in the Internet economy, as is shown by the high levels of Canadian business Internet connectivity, and business websites.
- From the year 2000, Canada has the opportunity to translate a high level of e-commerce readiness into hypergrowth (**Figure 2**). Canada is next in line to hit this stage according to Forrester Research (**Figure 3**).
- Canadian companies need to capitalize on the growing worldwide e-commerce market which will reach \$3.9 trillion in 2004 from \$195 billion in 1999. Private sector projections predict that Canada’s e-commerce market will grow approximately 13 times over this period (**Figure 4**).
- The StatsCan results reinforce the assessment made by the Canadian E-Business Opportunities Roundtable, in its January 2000 report ***Fast Forward: Accelerating Canada’s Leadership in the Internet Economy***, which called on the private sector and governments to accelerate the adoption and use of e-commerce in all sectors of the Canadian economy, especially among SMEs.
- Research on Canadian business leaders indicated a positive outlook towards the future uptake of e-commerce and its potential benefits for business (**Figure 5**).

## Importance of Statistics Canada findings

- For the first time, we can benchmark Canadian e-commerce growth against baseline data and with indicators used internationally.
- The results can validate private sector estimates of e-commerce and Internet penetration. For example, the Canadian Federation of Independent Business survey results for percentage of Internet and e-commerce usage for SMEs in Q4 1999, are similar to Statistics Canada’s results (**Figure 6**).

## Next Steps

- Analyse data and produce series of papers detailing the survey results by sector and size of firm.
- Share Statistics Canada’s approach with the OECD and its members to improve international data and comparability.
- Carry out the 2000 Statistics Canada survey which will allow us to study trends and

assess Canada's progress in Internet usage and e-commerce adoption.

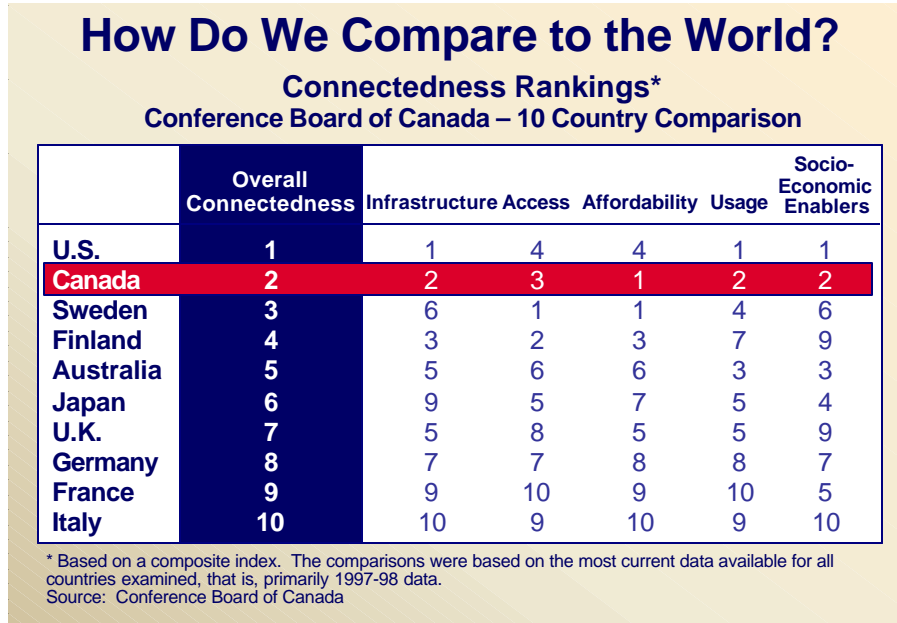


Figure 1

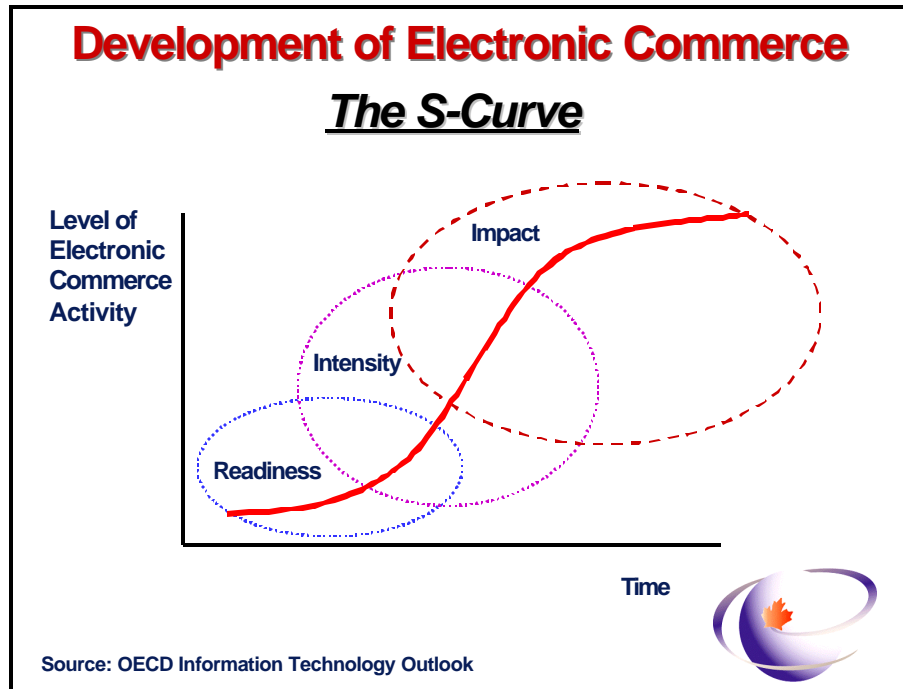
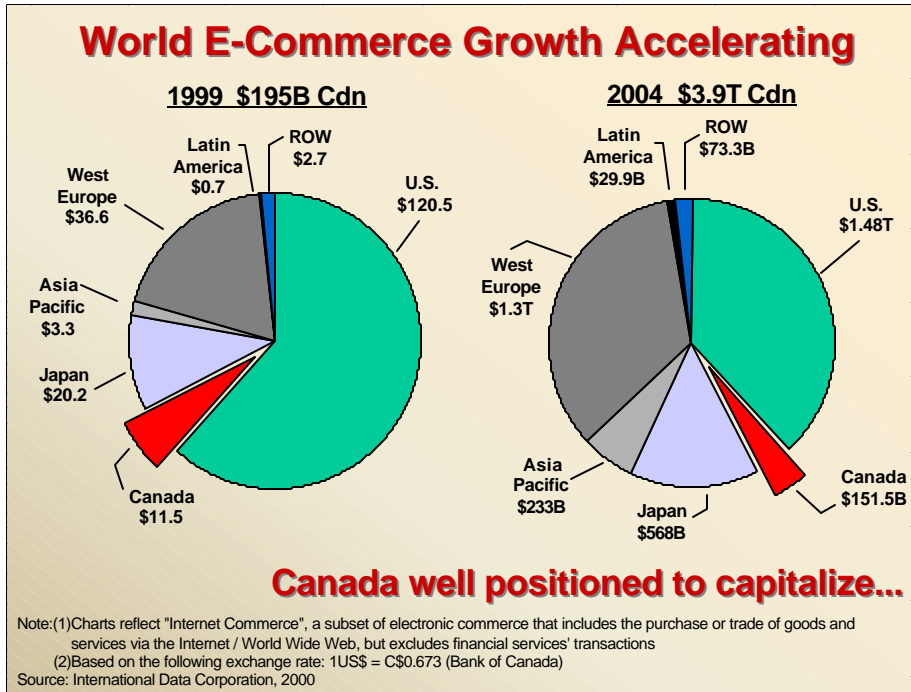
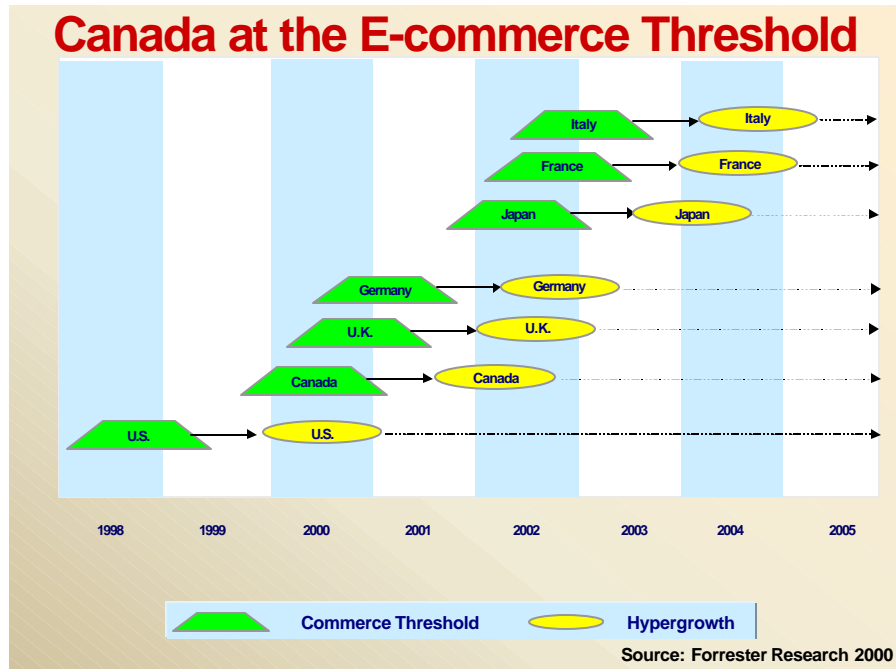


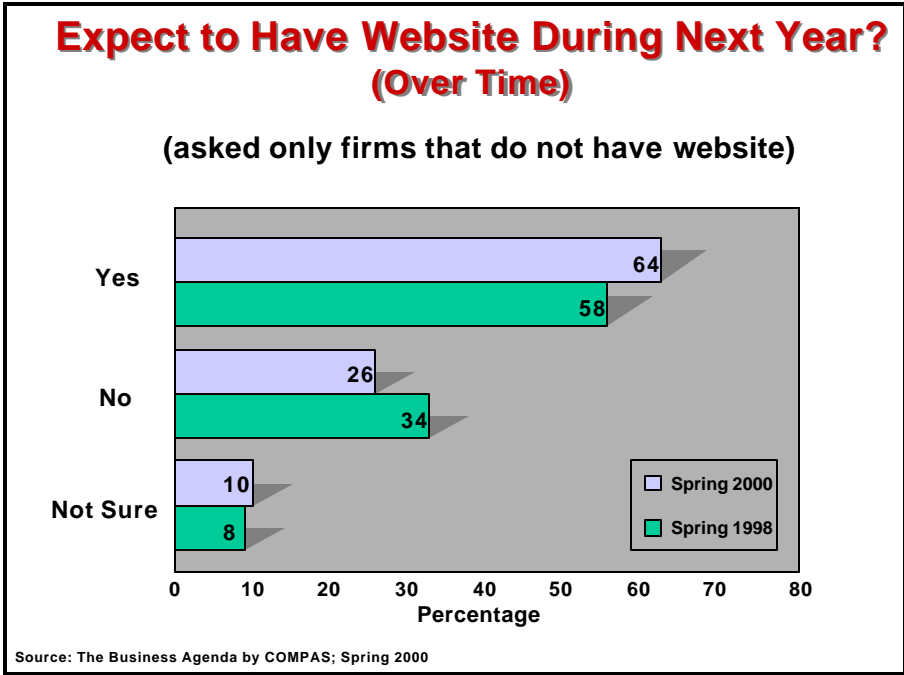
Figure 2



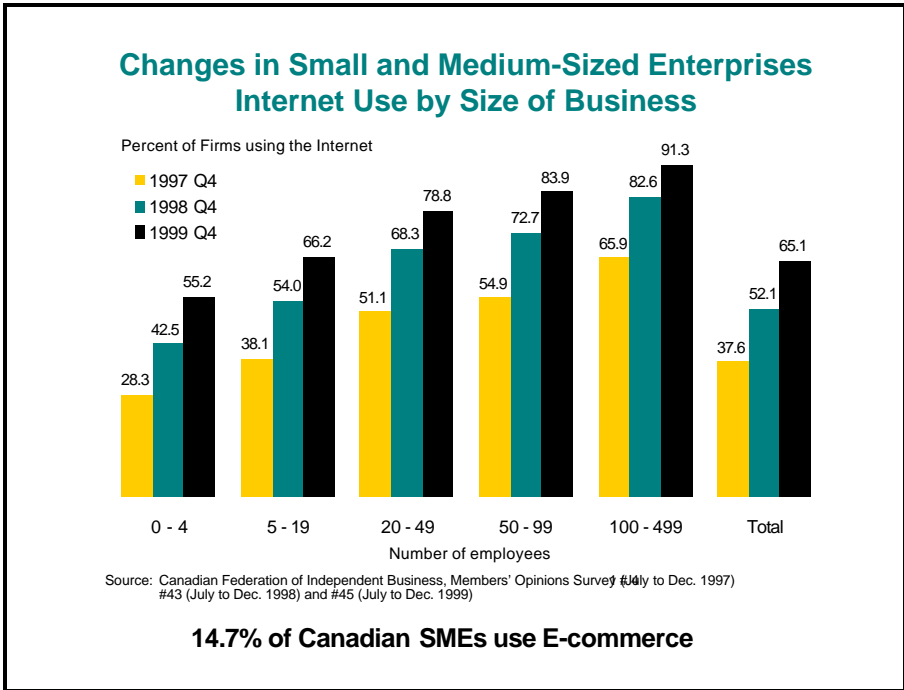
**Figure 3**



**Figure 4**



**Figure 5**



**Figure 6**