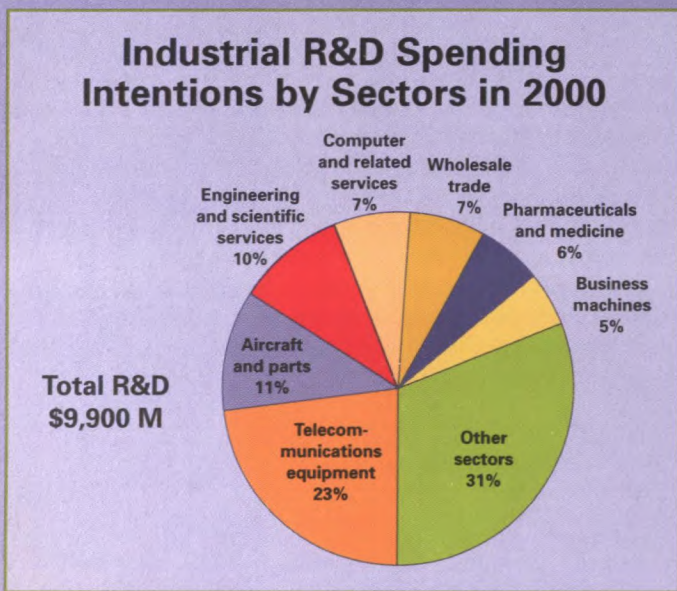


"From Silicon Valley in California, to Saskatoon's Innovation Research Park, the trend in the global economy is on harnessing local strengths to create globally competitive clusters of expertise and technology... Our goal is to build and sustain the critical mass of resources — research, technological, financial and human — needed for successful technology clusters in each community."

From the National Research Council's series "From Discovery to Innovation...NRC and Regional Innovation"

Excellence in action:

Figure 7



Source: Statistics Canada, 2001

E-commerce when and where you need it

Anytime, anywhere: That type of connectivity is what Research In Motion (RIM) Limited envisions for its next generation of wireless communications devices. And with assistance from Industry Canada's Technology Partnerships Canada (TPC), that vision is set to become reality. TPC made a \$33.9 million repayable investment in RIM, enabling the fast-paced company to accelerate its R&D efforts in wireless Internet platform technologies. The "anytime, anywhere" connectivity aims to generate rapid growth in e-commerce: Canadian e-commerce, presently valued at \$11 billion, is expected to vault to \$94 billion by 2003.

The benefits of Canada's partnering and networking approach to S&T are evident in many industry sectors in which Canadian companies are world leaders. Canadian companies are now pioneering the latest information and communication technology developments. We are also taking great strides in the life sciences, particularly in pharmaceuticals, agricultural biotechnology and health research. Other sectors in which Canadian excellence can be found include aerospace and environmental technologies, particularly for climate change, resource technologies and advanced manufacturing. Figure 7 shows the concentration of industrial R&D expenditures among industries in 2000.

Many of the developments in these sectors are centred in geographical areas with high levels of R&D and high-tech business activity. Anchored by strong universities and labs, these R&D clusters are host to a whole spectrum of thriving, entrepreneurial companies, bringing access to core research capabilities, service and equipment. They also boast low R&D and labour costs; highly skilled pools of scientific and technical labour; modern, extensive and integrated transport and communications networks; and proximity to the U.S. market.

Most importantly, Canadian R&D clusters generate competition, which spurs innovation as best industry practices spill over and generate innovation and continuous improvements. These regional clusters are also attracting increasing domestic and foreign investment, including venture capital, and R&D partnerships with major North American and global S&T players.