goes toward education and training. Canadian firms have benefited from some of these investments, often as subcontractors, but increasingly as partners in consortia and strategic alliances bidding for principal project contracts. This trend should continue for the foreseeable future.

The sector is of critical importance in Canada's transition to a knowledge-based economy. A strong and vibrant training sector will play a key role in the transfer of knowledge and expertise to Canadian industry. By exporting its services, it will also make a significant contribution in helping meet the skills needs of emerging economies, and help them reach their own jobs and growth objectives.

4.1.3 Demand Outlook

Growth prospects for the training industry appear highly favourable both domestically and abroad. Adults are increasingly upgrading their skills to increase their marketability and, as more firms contract out their training activities, opportunities for training companies to sell their services to the corporate world are growing. As noted by the Conference Board of Canada (David McIntyre, Getting the Most From Your Training Dollar : Outsourcing Trends in Corporate Training, Ottawa : The Conference Board of Canada, 1996), an estimated 40 percent of all corporate training is provided by external suppliers. This fact points to the growth of a culture that Canada's private trainers can readily exploit. In fact, the expertise they develop through the national market will provide them with a springboard to large and rapidly growing international markets.

4.1.4 Technological Change

Another factor having a significant impact on the demand for training is the use of advanced technologies by industry. A key to Canada's success in the global economy will be the ability of the Canadian labour force to acquire and upgrade the skills to work with these continuously changing technologies. Companies that invest in their employees' skills are less likely to experience skills shortages. By upgrading workers' skills, they can ensure that the productivity potential of the new technologies they adopt will be fully exploited. The OECD reports (The OECD Jobs Study : Facts, Analysis, Strategies, Paris : OECD, 1994) that technological developments are creating new jobs, new markets and new business, and these changes are making educated and skilled labour more valuable and unskilled labour less so. A new study prepared by Canadian Policy Research Networks (cited in The Globe & Mail, January 15, 1997, p. B3) illustrates this phenomenon; the study concludes that the spread of computers in the