

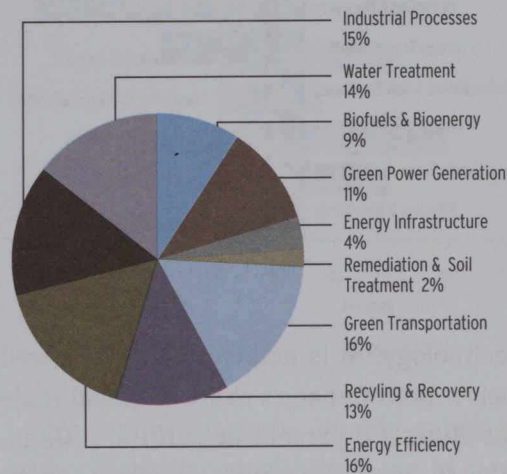
## A Profile of Canada's Clean Technology Companies—Playing to Their Niches

The Canadian clean technology sector is often identified as holding great promise. Some of the key characteristics of the sector are that despite its relatively small size in the global context, it is export intensive and, in particular, relies on non-U.S. export destinations for a large share of its revenues. The sector is also R&D intensive, along the lines of the Canadian aerospace industry. These factors suggest that Canada possesses strength in key niches on which future growth could be based.

The clean technology sector incorporates industries that A) produce traditional goods or services, but with a significantly reduced environmental footprint than more traditional production methods; B) produce goods or services that reduce the use of water and/or energy of other sectors or industries; and C) remediate a negative environment impact that has already occurred. A key aspect of the definition of a clean technology company is that it must possess a proprietary technology that distinguishes it from its more traditional counterparts.<sup>1</sup>

Given the relatively new nature of the sector and that it spans a number of existing industries, it is not covered well by existing definitions at either the product or industry level. To circumvent this problem, this report makes use of data from the *2011 Canadian Clean Technology Industry Report*.

Canadian Clean Technology Revenues by Industry



Clean technology firms are generally small or medium-sized. Although the sector employs 44,000 Canadians, the average number of employees per firm is estimated to be only 64. In 2010, Canadian clean technology companies generated \$9.0 billion in revenues and the sector is estimated to have grown at a compound annual average rate of 19 percent since 2008—all the more impressive given that the global recession occurred during that period. The sector's revenue is fairly equally distributed between industries other than Energy Infrastructure and Remediation & Soil Treatment, which are relatively small.

The Canadian clean technology sector is relatively small on the global scale, representing only 0.8 percent of the estimated \$1.1-trillion global market for clean

<sup>1</sup> Unlike some definitions used for this sector, clean technology does not include upstream or downstream inputs or support services such as financing.