

INFORMATION AND COMMUNICATIONS TECHNOLOGIES

- ▶ Exports of \$44 billion
- ▶ 26,000 firms
- ▶ 500,000 jobs

In 1999, worldwide spending on information and communications technologies (ICT) was US\$2.15 trillion⁷. After 10 years of growth that peaked at unsustainable levels in 2000, the ICT industry is experiencing a global slowdown, particularly in telecom. Industry analysts predict that the ICT industry will bounce back in due course to more sustainable average annual growth of 10%.

Accounting for almost 85% of ICT manufacturing exports, the U.S. downturn is expected to have a significant impact on the Canadian sector. Indeed, the downturn in capital spending by telecom and Internet service providers in the U.S. has been deeper than initially expected and is reflected in a drop of 45% in Canadian communication and networking equipment exports during the first half of 2001.

Telecom exports to Japan and the rest of Asia are holding up quite well, with annual growth of 15% in the first half of 2001. The strongest growing ICT markets are expected to be Asia and Mexico where

governments see ICT investment as critical to sustaining economic recovery. Falling prices for telecom services, Internet access and computer equipment are also bringing more consumers into the market.

Canada offers world-class capabilities in telecommunications and networks, optical technologies, software development, semiconductor design, wireless technologies and electronic manufacturing services.

Despite these competitive advantages, however, Canada's share of global ICT trade has been stagnant. Positioning Canadian companies as excellent suppliers of leading edge ICT products and services will be key to future growth.



*As company after company failed in the high-tech collapse of 2000, **Open Text Corporation** has found a formula for growth, profitability and business leadership. In just five years, more than five million users around the world have adopted the Waterloo, Ontario company's Livelink collaborative commerce software for e-business. Livelink lets individuals, teams, organizations and global trading companies work together more efficiently through the Internet. It is used by customers in financial services, telecommunications, construction, aerospace and the military. In 2000, Open Text had captured 47% of the global market for collaboration software.*

⁷ Source: *Digital Planet 2000: The Global Information Economy*, published by the World Information Technology and Services Alliance based on data provided by International Data Corporation.