

CONFERENCE CONCLUSIONS

A POLICY AGENDA FOR THE E-ECONOMY IN CANADA

GOAL: To build a fully ICT-enabled economy by 2010 – a world-leading e-economy that fosters growth and wealth creation across and throughout the country aiming to:

- narrow, by half, the innovation and productivity gap with the U.S. economy
- match the productivity performance of the U.S. in key industrial sectors
- surpass the performance of all other major economies in the efficient delivery of health services and education

Canada's Record as an e-Economy

Over the past five years, the dynamic growth of the Internet, electronic commerce and e-business has continued, with the total worldwide e-business market reaching \$1.7 trillion in 2004. The process of economy-wide innovation, driven by supply chain transformation and online marketplaces, has widened and intensified in every major economy.

Canada has used its early lead in network connectivity and electronic commerce to establish a dynamic Internet-based economy, built upon:

- world leadership in Internet connectivity and broadband deployment
- rates of growth for e-commerce averaging 50% per year (\$19 billion of business in 2003)
- the world's best policy and fiscal climate for investment in e-business innovation
- top-ranked industrial performance in key sectors like financial services and GOL

Continuing challenges, however, have diminished our capacity to exploit the full benefits of network connectivity and e-business for economic growth and productivity, indicated by:

- a persistent innovation and productivity gap with the U.S.
- the slowing pace of investment in, and deployment of, advanced network infrastructure
- the uneven diffusion of e-solutions throughout the economy
- dramatically lower rates of SME online adoption and use than the U.S.
- reluctance to transform organizational structures to optimize the potential of ICT

The e-Economy Agenda

The growing pressures of competition and globalization underline the need to renew the collective commitment of Canada's private and public sectors to an effective policy agenda for the e-economy. To succeed in an intensely competitive, global marketplace, Canada must centre its economic strategy around the contribution of network-based information technologies to productivity, growth and wealth creation. The forward agenda for the e-economy in Canada should contain the following main elements:

- Ensure that Canada continues to have the worlds' best legal, policy and fiscal environment for investment in IT-based innovation
- Focus the attention of industry and governments at all levels on the fundamental importance of people, talent and skills to a fast-growing e-economy
- Accelerate the rollout of broadband network infrastructure to enhance industrial competitiveness throughout the entire economy
- Build an intelligent infrastructure in support of business, public services and community development
- Foster the conduct and rapid commercialization of world-class research that supports ICT-based innovation
- Promote organizational transformation within both the private and public sectors that uses ICT to streamline business processes, generate innovation and improve services to clients, consumers and citizens
- Strengthen stakeholder partnerships and cooperation to advance all elements of the e-economy agenda
- Develop strategies to promote sector-wide transformation of industry supply chains, business process innovation and the rapid adoption of e-business, particularly among SMEs
- Remove the cross-border and inter-jurisdictional barriers that inhibit the spread of global e-commerce and its benefits

TARGETS FOR 2010

The goal of becoming the world's leading e-economy would require Canada to:

- reach levels of SME e-readiness comparable to the U.S.
- continue to lead all G8 countries in access and availability of broadband networks
- upgrade all industrial and resource sectors and supply chains to North American 'best practices' for employing e-solutions and conducting business online
- measure and benchmark Canada's innovation performance
- bring the education and health sectors to the top rank in technology use and innovation
- rank #1 in terms of the speed, size, functionality and intelligence of advanced networks