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A Prospectus on Success:
**THE COMPUTER INDUSTRY
IN CANADA**

Electronics Directorate
Department of
Regional Industrial Expansion

BEING IN GOOD COMPANY

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AN INTRODUCTION

..... TO A DYNAMIC INDUSTRY

- **Playing a vital role in Canada's economy**
- **Recognized as being internationally competitive**
- **Facing significant prospects for continued growth**
- **Comprised of all the major players**
- **Developing and manufacturing products for world markets**
- **Located in Canada for sound business reasons**
- **Moving ahead with new business missions**

.... TO CANADA, A PROSPEROUS NATION

- **Providing the computer industry with leading advantages**
- **Committed to a hospitable business climate**
- **Aiming at the enhancement of its unique relationship with the United States**

**..... TO A GOVERNMENT TEAM OF
ACTION-ORIENTED PEOPLE**

- **Aspiring towards the continued growth of the computer industry in Canada**
- **Dedicated to working closely with corporate decision-makers**
- **Offering a wide range of information and support**

A DYNAMIC INDUSTRY

... PLAYING A VITAL ROLE IN CANADA'S ECONOMY

- **With annual revenues exceeding \$8.5 billion**
 - one of the fastest growing sectors
 - whose share of GNP has doubled over the last 5 years
- **The industry directly employs over 50,000 people**
 - 15,000 skilled workers in manufacturing
 - many of Canada's talented engineering, science and business management professionals
 - in an environment where the labour force is highly motivated
- **Is a leading exporter**
 - ranked fifth among all industrial sectors
 - with 90% of manufactured goods serving world demands
- **With a positive impact on all other sectors**
 - demonstrating advanced manufacturing techniques
 - improving the productivity of its customers
 - contributing to the diffusion of technology
 - providing major business opportunities to its suppliers and service-related industries

... . RECOGNIZED AS BEING INTERNATIONALLY COMPETITIVE

- **Evidenced by a high level of exports**
 - over 90% of manufactured products are exported
 - primarily to the United States, Europe and Japan
- **The presence of the world's top computer companies**
 - all the major industry participants are established in Canada
 - over 80% of industry revenues are realized by multinational enterprises with corporate headquarters located outside of Canada
- **Earned world product mandates**
 - most Canadian subsidiaries have product mandates to serve world markets
 - earned by successfully competing internally against other corporate divisions
- **A developed infrastructure**
 - consisting of world-class suppliers for components and computer parts
 - acknowledged for its superior research and development facilities
 - leading to the establishment in Canada of International Procurement Offices serving the world-wide requirements of individual corporations

..... FACING SIGNIFICANT PROSPECTS FOR CONTINUED GROWTH

- **Industry revenues for 1986 are forecasted to be**
 - \$8.5 billion
 - representing a compounded annual growth rate of 18% over the past 5 years

- **Private sector sources project annual industry revenues in 1991 to be**
 - \$19.5 billion
 - representing the continuation of an 18% compounded growth rate over the next 5 years
 - with the strongest growth in government organizations, resource-based industries, and financial and educational institutions

..... COMPRISED OF ALL THE MAJOR PLAYERS

- **IBM Canada Ltd.**
 - **Honeywell Ltd.**
 - **Digital Equipment of Canada Ltd.**
 - **Xerox Canada Ltd.**
 - **Control Data Canada Ltd.**
 - **Amdahl Limited**
 - **AES Data Inc.**
 - **Geac Computer Corporation Limited**
 - **Philips Information Systems Ltd.**
 - **Gandalf Technologies Inc.**
 - **NCR Canada Ltd.**
 - **Motorola Information Systems Ltd.**
 - **Hewlett-Packard (Canada) Ltd.**
 - **Bell & Howell Ltd.**
-
- **All of these companies have manufacturing and R&D facilities in Canada.**

.... DEVELOPING AND MANUFACTURING PRODUCTS FOR WORLD MARKETS

- **AES Data Ltd.**
 - word processors and microcomputers
 - office automation systems
- **Digital Equipment of Canada Ltd.**
 - personal computers
 - backplanes
- **Gandalf Technologies Inc.**
 - data communications products
 - electronic office systems
- **Geac Computer Corporation Ltd.**
 - microcomputers and software
 - financial systems
 - library information systems
- **IBM Canada Ltd.**
 - ceramic IC packages
 - software development
 - terminals
 - printers
- **NCR Canada Ltd.**
 - banking equipment
 - electronic funds transfer systems

.... LOCATED IN CANADA FOR SOUND BUSINESS REASONS

- **Greater market access**
 - Canada is one of the world's largest markets for computers
 - federal and provincial governments make up over 30% of this market
- **Proximity to technological know-how**
 - highly skilled engineers, scientists and software designers
 - internationally-renowned research and educational institutions
 - outstanding Canadian companies seeking partners for joint ventures
- **Significant cost advantages**
 - prime location sites are plentiful
 - land and building costs are substantially lower than those in the United States
 - power is inexpensive and abundant
 - labour rates are 10-15% below those in the United States
 - transportation and communication facilities are among the world's best

..... MOVING AHEAD WITH NEW BUSINESS MISSIONS

- **Amdahl Limited**
- **Digital Equipment of Canada Ltd.**
- **Hewlett-Packard (Canada) Ltd.**
- **Honeywell Ltd.**
- **IBM Canada Ltd.**
- **Wang Canada Limited**

CANADA, A PROSPEROUS NATION . . .

.... PROVIDING THE COMPUTER INDUSTRY WITH LEADING ADVANTAGES

- **An exceptional quality of life for its people**
 - unbeatable medical, educational and recreational facilities
 - clean, safe and exciting cities

- **A stable economy**
 - one of the world's fastest growing
 - 30% of GNP is trade related
 - supported through competitive interest rates and the value of the Canadian dollar
 - served by a well-established financial community with international ties

- **Vital resource, manufacturing and service sectors**
 - representing expanding markets for the computer industry
 - supplying the important support services, components and parts essential for successful manufacturing activities

. . . . COMMITTED TO A HOSPITABLE BUSINESS CLIMATE

- **“Canada is open for business”**
 - as stated by Prime Minister Brian Mulroney in an address to the Economic Club in New York
- **Investment is recognized as the engine of growth**
 - foreign participation is welcome
 - Canada acknowledges the key role played by industry
- **The Government of Canada is committed to the long-term growth and prosperity of the electronics industry**
 - including computers and office equipment, telecommunications, defence electronics, instrumentation, components, and consumer electronics
 - the strategic role played by the computer industry is recognized through special measures
- **Computer companies with an established presence in Canada are supported by**
 - taxation incentives (covering investments in R&D, manufacturing and selected regions)
 - numerous government programs
 - specific procurement policies

... AIMING AT THE ENHANCEMENT OF ITS UNIQUE RELATIONSHIP WITH THE UNITED STATES

- **Contributing to the strong partnership between the United States and Canada are**
 - common time zones and language
 - cultural similarities
 - communication and transportation linkages
- **Canada is America's largest trading partner**
 - well ahead of European nations
 - and well ahead of Japan
- **Trade in the computer industry is especially significant**
 - 76% of Canada's exports are to the United States
 - 84% of Canada's imports are from the United States
- **Canadian and U.S. tariffs on the imports of computer parts and equipment**
 - are either non-existent
 - or range between 3.8% and 5.1%
- **Aiming at freer trade between the two nations**
 - Canada and the United States are currently involved in large scale negotiations
 - with a view to reducing tariffs and removing non-tariff barriers

A GOVERNMENT TEAM OF

ACTION—ORIENTED PEOPLE

.... ASPIRING TOWARDS THE CONTINUED GROWTH OF THE COMPUTER INDUSTRY IN CANADA

- **Through investments in**
 - world-scale manufacturing
 - R&D and software development activities
- **By computer companies**
 - Canadian-owned
 - as well as multinational enterprises with headquarters outside of Canada
- **Resulting in substantial increases in their**
 - revenues
 - profits
- **Contributing to the Canadian economy in terms of**
 - employment
 - exports
 - technology diffusion
 - improved productivity in all sectors
 - the development of designated regions

**.... DEDICATED TO WORKING CLOSELY WITH
CORPORATE DECISION-MAKERS**

- **In Canada, the United States and around the world**
- **Involved in the expansion of their computer companies in Canada**
- **Seeking information and support**
- **Wanting to market their products and services to the Government of Canada or increase their export sales abroad**
- **Advocating changes to existing policies and programs**
- **Addressing sector-wide issues and concerns through their industry associations**

.... OFFERING A WIDE RANGE OF INFORMATION AND SUPPORT

- **General data on land and building prices, labour rates, and other production input costs**
- **Statistics covering the computer industry in Canada and other electronics industry sectors**
- **Information regarding government taxation matters, policies and incentive programs**
- **Introductions to key government and industry advisors and decision-makers**
- **Assistance in identifying suppliers, markets, and joint-venture opportunities**
- **Advocacy support with Government of Canada organizations**

WHAT CAN WE DO FOR YOU?

.....JUST ASK

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