

HD9696  
.C63  
C32P7  
1988  
c. 1 aa

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



Industry, Science and  
Technology Canada

Industrie, Sciences et  
Technologie Canada

## BEING IN GOOD COMPANY

DEPARTMENT OF REGIONAL  
INDUSTRIAL EXPANSION  
LIBRARY  
AMT  
MAR 28 1990

BIBLIOTHEQUE  
MINISTERE DE L'EXPANSION  
INDUSTRIELLE REGIONALE

## **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**
- **Consisting 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 approaching \$10 billion** ↙
  - one of the fastest growing sectors
  - whose share of GNP has doubled over the last five years
  - part of Canada's \$30 billion Information Technologies industry sector //
- **The industry directly employs over 60,000 people**
  - 20,000 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 80% of manufactured goods serving world demand
- **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**
  - 80% of manufactured products are exported
  - primarily to the United States and Europe
- **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 worldwide requirements of individual corporations

**..... FACING SIGNIFICANT PROSPECTS FOR  
CONTINUED GROWTH**

- **Industry revenues for 1988 are forecasted to**
  - exceed \$11 billion
- **Private sector sources project annual industry revenues in 1995 to be**
  - \$25 billion
  - with the strongest growth in government organizations, resource-based industries, and financial and educational institutions
- **Several major multinational computer companies are experiencing growth rates**
  - in excess of 35%
  - with some in excess of 100%

**..... CONSISTING OF ALL THE MAJOR PLAYERS**

- **Control Data Canada Ltd.**
  - **Digital Equipment of Canada Ltd.**
  - **Gandalf Technologies Inc.**
  - **Honeywell Bull Limited**
  - **IBM Canada Ltd.**
  - **Motorola Canada Limited**
  - **NCR Canada Ltd.**
  - **Philips Electronics Ltd.**
  - **Unisys Canada Inc.**
  - **Xerox Canada Inc.**
- 
- **All of these companies have manufacturing and R&D facilities in Canada.**

## **.... DEVELOPING AND MANUFACTURING PRODUCTS FOR WORLD MARKETS**

- **Control Data Canada, Ltd.**
  - midframe computer systems
- **Digital Equipment of Canada Ltd.**
  - minicomputers
  - backplanes
- **Gandalf Technologies Inc.**
  - data communications products
  - electronic office systems
- **IBM Canada Ltd.**
  - ceramic IC packages
  - software development
  - electronic card assembly for PS/2
  - power supplies
- **Philips Electronics Ltd.**
  - personal computers
  - software development
- **NCR Canada Ltd.**
  - banking equipment
  - electronic funds transfer systems
- **Unisys Canada Inc.**
  - disk drives
  - defence systems
  - power supplies

## **.... 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
- Canada is a good investment location for the North American 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 to 15% below those in the United States
- transportation and communication facilities are among the world's best

**.... MOVING AHEAD WITH NEW BUSINESS MISSIONS**

- **Control Data Canada Ltd.**
- **Digital Equipment of Canada Ltd.**
- **Honeywell Bull Limited**
- **IBM Canada Ltd.**
- **Philips Electronics Ltd.**

**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 percent 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**

- **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 Information Technologies Industry**
  - including computers and office equipment, telecommunications, instrumentation and components
  - the strategic role played by the computer industry is recognized through special measures
  - Canada has been a leading recipient of foreign investment including investments by the world's major players in the Information Technologies Industry - this investment is encouraged
- **Computer companies with an established presence in Canada are supported by:**
  - competitive tax practices to encourage investments in R&D and manufacturing
  - 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, language and business practices
  - 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**
  - 80% of Canada's exports are to the United States
  - 82% 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 have a value of 3.9%
- **Aiming at freer trade between the two nations**
  - Canada and the United States have negotiated a free trade agreement scheduled to be implemented January 1, 1989
  - eliminating 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

**.... 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 information technologies 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**

**Deputy Director - Computer Industry  
Information Technologies Directorate  
Industry, Science and Technology Canada  
235 Queen Street  
Ottawa, Canada K1A 0H5**

**Tel: (613) 954-3291**

HD9696/.C63/C32P7/1988  
Canada. Information Techno  
A prospectus on success :  
the computer industry in  
AMTT c. 1 aa ISTC

## DATE DUE - DATE DE RETOUR

JUL 27 1990

MAR 6 1991

MAR 25 1993

ISTC 1551 (8/88)

INDUSTRY CANADA/INDUSTRIE CANADA



60053



