

**Speaking Notes for  
The Hon. Perrin Beatty  
President and CEO  
The Canadian Chamber of Commerce**

**Mapping the Future of the Digital Economy**

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Economy**

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(Check Against Delivery)

Good morning and thank you Andrew for the introduction and to Tony Clement and the Industry department for inviting me to speak here today.

Some of you may have seen a fascinating article in yesterday's New York Times that reported on efforts in a number of countries around the world to develop strategies to encourage innovation and national competitiveness. The goal is not to have heavy-handed government management of the economy with the government picking winners and losers, but to look at what can be done to create the conditions where innovation can flourish. That means being strategic, building upon the natural advantages that a country may already possess and coordinating policies across government departments.

According to the Times, Australia "is looking to nurture industries that arise from its harsh climate and a scattered population." There should be some resonance for us in their choice of criteria. We should also find what is happening in Finland of interest, where the article states, "Finland has long taken a comprehensive approach to innovation policy, investing in areas as an outstanding national education system and high-speed internet connections for its residents."

We could do much worse than to launch an intensive, focused, six month study on how Canada can step up our pace of innovation in this country. The goal would not be to delay action where it can be taken now, but to look at how we can stitch together efforts that today are scattered and uncoordinated.

I'm convinced that such an initiative would put having a modern and pervasive infrastructure of information and communications technologies near the top of the list of catalysts of social and economic innovation.

As many of you know, the Canadian Chamber network is the largest business organization in Canada, representing 175,000 businesses in all parts of the country. Our members include both the largest and smallest companies. We see how we use ICTs as essential to the success of Canadian business.

I'm struck by both the dramatic changes that have taken place in these technologies and by their growing importance for our future success. From the invention of the telephone and the founding of the CBC to the launching of the world's first domestic communications satellite, Canada was long a global leader in developing and using networks that could bind this vast land together and connect us to the rest of the world.

However, despite some stellar successes like the BlackBerry, we have fallen behind. Many other countries around the world are outpacing Canada in ICT and e-commerce adoption and we need to attack this issue with renewed urgency. The United States, Australia, Denmark and South Korea are a few of the nations that have recently invested heavily in these technologies, realizing the potential return for businesses and citizens. President Obama has noted that new ICT infrastructure will help strengthen the American economy. Australian Prime Minister Rudd recently announced an A\$43 billion project to create a nationwide high speed broadband network and he has characterized the initiative as "the single biggest infrastructure decision

in the country's history." Australia also has a separate Minister for Broadband, Communications and the Digital Economy, and Denmark has similarly established the Department of Science, Technology and Innovation that produces an annual report card on the nation's ICT engagement.

Canada currently sits about sixteen percent behind the United States in our standard of living. ICT adoption can help us close this gap.

In challenging economic times like these, it's easy to focus only on the short-term impact of the recession and on the measures we need to take to mitigate its damage, but we must not lose sight of the vital structural and strategic decisions on which our prosperity will depend once the economic cycle turns. We can't afford to go on sabbatical for the next year, only to emerge into a world that has continued to evolve rapidly. That is why we need to put a greater focus on ICT, innovation and the knowledge-based economy. We need to concentrate on this area not just because others are doing so, but also because the global economic disruption caused by the recession can create opportunities for Canada to advance ourselves in the world's economy if we are shrewd enough to take advantage of them.

Ten years after the first Ministerial meeting was held in Ottawa, strategies for ICT engagement are still being discussed. We have had ten years of discussion, but now Canada needs to take action. We cannot afford to delay further.

In 2006, the Telecommunications Policy Review Panel concluded that productivity is directly linked to ICT investment. The Panel called for a

National ICT adoption strategy to strengthen implementation by business, particularly small- and medium-sized businesses across the country. The Canadian Chamber strongly supports this initiative.

We need to invest more in innovation and ICT. While the government's commitment to \$225 million over three years in the 2009 budget for broadband infrastructure was a very positive first step, the job is far from complete. The public and private sectors must continue to work cooperatively to create an environment of innovation and establish a solid strategy for the internet economy. And we need to have the appropriate infrastructure in place if we are to succeed.

Canada continues to be a world leader in many areas, including energy, natural resources and the financial services sector, to name a few. While the availability of broadband internet access across Canada remains high, we have slipped internationally in ensuring that our digital infrastructure is world-class and, as a result, we now risk our ability to attract and keep jobs in the global knowledge-based economy. ICT infrastructure is now a 21<sup>st</sup> century pillar and must be treated as seriously as other traditional infrastructure. We cannot afford to be left behind.

Given our interest and involvement in strengthening Canada's ICT and e-commerce environment, the Canadian Chamber is releasing a paper today that will provide clear recommendations to get Canada back on track. I have brought some copies with me. It is also available on our website at [www.chamber.ca](http://www.chamber.ca).

Canada must create a true national ICT strategy in collaboration with business and academia. The federal government should accelerate investment in next-generation networks and take a more active role to encourage our youth to get engaged in ICT and entrepreneurship in innovative technologies. We also recommend that the federal government continue to work with the private sector to accelerate e-business adoption among SMEs and that the government create a more favourable investment climate for foreign and domestic investment in Canadian e-business opportunities.

Without proper investment and dedication to ICT, innovation and protecting intellectual property rights, Canada's productivity will be limited and other nations will eclipse us as a destination of choice for business investment. It's time for Canada to take back its proper place as a world leader in innovation and invest in our future economic prosperity in the digital economy.