



WHY INNOVATION AND TECHNOLOGY ADOPTION

Strategic investments in innovation and technology adoption is the starting point of a virtuous cycle that ultimately leads to more output, employment and economic growth across Canada.

Innovation and investment in new technology improves productivity. That, in turn, helps businesses become more competitive; attracting more production mandates and, capturing greater market share.

This leads to increased profitability and, more money to invest in innovation and new technology.

CURRENT LANDSCAPE

Canada ranks poorly in both technology adoption and innovation in manufacturing compared to other advanced economies.

Underinvestment in machinery and equipment is a major factor behind Canada lagging productivity growth.

Industry 4.0 & Canada's Digital Future in Manufacturing

A new CME report identifies three broad but interconnected issues that are limiting Canadian manufacturers' innovation and technology adoption.

HIGH PURCHASE COSTS & UNCERTAIN ROI

New equipment and technologies are expensive and, the way they fit into existing operations is not always obvious.

RECOMMENDATIONS

- Introduce a shared 20 per cent investment tax credit on the purchase of new machinery, equipment and technologies, including software.
- Support the creation and delivery of a nation-wide government-led SMART program that offsets the cost of technology assessment, diagnostic services and provide support for SMEs.
- Develop an awareness campaign that demonstrates the benefits of technology adoption

LACK OF INFORMATION & TESTING OPPORTUNITIES

Businesses are not always aware of what technologies are available, what their benefits and capabilities are, and how they would fit into (or disrupt) existing operations.

RECOMMENDATIONS

- Provide financial support to facilitate technology demonstration tours and site visits that showcase cutting-edge machinery, equipment and technologies.
- Fund a series of technology demonstration and testing hubs across Canada that give manufacturers the opportunity to learn about and test new technologies.
- Develop an online technology adoption roadmap.

LABOUR & SKILLS SHORTAGES

When businesses cannot find workers with the specialized skills needed to assess, operate and maintain that equipment, it limits their ability to adopt technology.

RECOMMENDATIONS

- Encourage more youth to choose a manufacturing career.
- Bring together major employers, their supply chains, and local secondary and post-secondary institutions to discuss workforce needs, and drive curriculum planning
- Extend and make permanent the Atlantic Immigration Pilot to the rest of Canada.
- Developing closer business/post-secondary ties for curriculum development and work-integrated learning programs.