



# News Release

## *Canada has strength in industrial R&D, says Expert Panel*

### ***For Immediate Release***

**Ottawa (August 28, 2013)** – A new expert panel report on research and development in Canadian industry has found that, despite Canada’s historically poor performance in industrial R&D, four sectors of national strength exist.

*The State of Industrial R&D in Canada*, released today by the Council of Canadian Academies, provides a comprehensive and evidence-based analysis of Canada’s R&D strengths in industry, how these strengths are distributed regionally, and also how they align with Canada’s overall research and economic performance.

The four key areas of strength are:

- Aerospace products and parts manufacturing;
- Information and communication technologies;
- Oil and gas extraction; and
- Pharmaceutical and medicine manufacturing.

Although there is no single method for measuring IR&D strength, by using a wide range of indicators, including new patenting, publication, and expenditure data, the Panel found that IR&D activity is concentrated in central Canada, with Ontario and Quebec ranking highest, followed by Alberta and British Columbia. However, this does not exclude the potential impact one small firm can have anywhere in Canada.

“Industrial R&D has been a source of perennial concern for Canadian policy-makers as it is an important contributor to the innovation process,” said Expert Panel Chair Kathleen Sendall, C.M., FCAE, Director, CGG and Director of Enmax Corporation. “This report will serve as an important baseline for policy and decision-making going forward as it is one of the most detailed and systematic studies on industrial R&D ever undertaken in Canada.”

The Panel’s assessment also revealed that IR&D in Canada is relatively personnel intensive and less capital intensive than in other comparative countries, and that fewer large firms undertake IR&D in Canada. IR&D expenditures in Canada are now roughly half of the U.S. level and declining. This gap is largely driven by low IR&D intensity in Canadian high-tech manufacturing sectors, such as semiconductor and computer equipment manufacturing.

“Building a strong foundation of IR&D is essential if Canada is to compete globally, and the report sheds light on this complex topic,” said Elizabeth Dowdeswell, O.C., President and CEO of the Council of Canadian Academies. “Along with its companion report, *The State of Science and Technology in Canada, 2012*, this Panel’s report will contribute to the informed, evidence-based discussion about Canada’s future prosperity.”

For more information or to download a copy of the Panel's report, visit the Council of Canadian Academies' website, [www.scienceadvice.ca](http://www.scienceadvice.ca).

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### **About the Council of Canadian Academies**

The Council of Canadian Academies is an independent, not-for-profit organization that began operation in 2005. The Council supports evidence-based, expert assessments to inform public policy development in Canada. Assessments are conducted by independent, multidisciplinary panels of experts from across Canada and abroad. The Council's blue-ribbon panels serve free of charge and many are Fellows of the Council's Member Academies: the Royal Society of Canada; the Canadian Academy of Engineering; and the Canadian Academy of Health Sciences. The Council's vision is to be a trusted voice for science in the public interest. For more information visit [www.scienceadvice.ca](http://www.scienceadvice.ca)

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