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> " Small and medium enterprises need help to learn about and take advantage of e-commerce tools."
> —*Software start-up CEO, Canada*

> " Canada is on the leading edge of broadband and telecenters—there are few countries that can match our connectivity over such a vast region."
> —*Canadian IT observer*

Canada's high level of Readiness for the Networked World has been shaped in recent years by Connecting Canadians, a cohesive ICT strategy and private-public partnership. The strategy, which combines ICT-related funding with that of existing national improvement programs, is aligned along several of Canada's major development goals: inclusion of diverse cultures across a diverse geography; proliferation of Canada's many government services; and strengthening of the economy. Canada ranks twelfth overall in Readiness for the Networked World.

Canada has a highly developed communications infrastructure and service sector (Ranking in Information Infrastructure micro-index: 6). Beyond high levels of access to Internet, telephone, and mobile services, advanced offerings such as broadband and Application Service Provision (ASP) are available at a reasonable price to consumers and businesses (Ranking in Availability of Broadband: 2). Connecting Canadians has made it a priority to extend ICT opportunities to rural and economically challenged areas, based on the realization that market forces would service most of the 85 percent of Canadian citizens who live within 100 miles of the southern border. Canada has thus become a global leader in rural telecenters: through initiatives such as Smart Community and the Community Access program, more than 10,000 rural and urban community Internet access sites have been opened to the Canadian community[1] (Ranking in Public Access to the Internet: 8).

Canada is perceived by many to be a global leader in e-commerce (Ranking in e-Commerce micro-index: 6), but some domestic business leaders feel that untapped potential remains. Large Canadian businesses are comparable to U.S. and Finnish firms in technological sophistication. The ICT industry has gained a strong reputation, as several hardware manufacturers have established international presences. Locally, however, small and mid-size businesses have been slower in their migration to the Internet.[2] Growing consumer adoption of B2C e-commerce also trails that of other countries with similar connectivity, hindered by Canada's weak domestic online offerings and surcharges by U.S. companies for Canadian delivery.

A public-private partnership, dubbed the e-Business Roundtable, was established to identify and mobilize levers for ICT growth in Canada. In addition to raising awareness for the potential of ICT adoption by industry, the Roundtable has proposed corporate tax rate reductions of 7 percent between 2000 and 2005, which would put corporate taxes below comparable U.S. tax levels.[3] The government supports this initiative and appears interested in other measures that will accelerate the progress of Canadian e-commerce.

One issue that has caused considerable debate within Canada concerns the extent to which its best university graduates and skilled workers emigrate to more lucrative engagements in the U.S. and elsewhere (Ranking in IT Brain Drain: 22). Canadian school connectivity (Ranking in Internet Access in Schools: 2) and ICT training are considered strong (Ranking in Quality of IT Education: 8). However, U.S. firms and, to some degree, U.S. universities, lure many highly qualified Canadians across the border. To make Canadian salaries more attractive, Canadian capital gains tax laws were changed in 2000, equalizing rates with those of the U.S. Additionally, shortages of ICT labor have been improved by passing immigration laws that encourage skilled workers from the global community to enter and augment Canada's workforce.

Key Facts

Population	30,800,000
Rural population (% of total population) 1999	22.98 %
GDP per capita (PPP)	US$27,783
Global Competitiveness Index Ranking, 2001–2002	3
UNDP Human Development Index Ranking, 2001 (adjusted to GITR sample)	2
Main telephone lines per 100 inhabitants	67.65
Telephone faults per 100 main telephone lines	NA
Internet hosts per 10,000 inhabitants	768.78
Personal computers per 100 inhabitants	39.02
Piracy rate	38.00 %
Percent of PCs connected to Internet	19.70 %
Internet users per host	5.37
Internet users per 100 inhabitants	41.30
Cell phone subscribers per 100 inhabitants	28.45
Average monthly cost for 20 hours of Internet access	US$14.64

RANK

	RANK
Networked Readiness Index	**12**
Network Use component index	**16**
Enabling Factors component index	**9**
Network Access	**9**
Information Infrastructure	6
Hardware, Software, and Support	11
Network Policy	**8**
Business and Economic Environment	9
ICT Policy	7
Networked Society	**13**
Networked Learning	6
ICT Opportunities	23
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Networked Economy	**7**
e-Commerce	6
e-Government	6
General Infrastructure	10