

# ONE OF NORTH AMERICA'S MOST SUCCESSFUL HIGH-TECH<sup>1</sup> CLUSTERS

SUMMARY<sup>i</sup>

Given its high concentration of companies and workers specializing in high tech, the Outaouais–Eastern-Ontario cross-border territory is one of North America's most prosperous hubs of technological innovation. It stands out in several fields, particularly in information and communication technologies and in research and development. Ottawa's high-tech sector has a beneficial influence on Gatineau, and several joint cross-border initiatives are being led by development organisations, especially in the area of cybersecurity, to strengthen competitiveness and seize new opportunities. Nevertheless, an imbalance persists between the two shores, as the majority of high-tech businesses and federal government research centres are concentrated in Ottawa. Moreover, the Outaouais' strategic position near Ottawa is a distinctive advantage that is not widely recognized.

## FUTURE DIRECTIONS AND PROSPECTS FOR CROSS-BORDER COLLABORATION

Several levers are in place to support the growth of high-tech businesses in the cross-border territory and to increase their economic spinoffs. The accelerated growth of the digital economy has led to the development of the cybersecurity niche in Gatineau-Ottawa. Digital health and clean technologies are also promising niches. The establishment of Canada's Digital Identity Laboratory, the creation of the Connexité innovation zone in 2021, the establishment of the Telesat operations centre and the announcement of Motorola's opening a network and security operations centre (NSOC) in Gatineau will contribute to the development and consolidation of high-tech projects and businesses.

## A FEW KEY FACTS

The Ottawa-Gatineau metropolitan area has a cluster of 1,900 high-tech companies.

50,025 people are employed in this industry within the cross-border territory, which represents 6% of all workers: 89.8% (44,930 workers) reside on the Ontario side, mainly in Ottawa; 5,095, or 10.2%, reside in the Outaouais, mainly in Gatineau and the MRC des Collines-de-l'Outaouais.

There are 4,970 self-employed workers in the high-tech sector within the cross-border territory: 695 live in the Outaouais and 4,275 live in Eastern Ontario.

More than half of the high-tech jobs in the cross-border territory are in two information technology sectors: computer systems design and related services (39.2%) and telecommunications (14.7%). Scientific research and experimental development are another important niche, accounting for 14.5% of high-tech jobs.

The Outaouais stands out for its large proportion of telecommunications workers, while Eastern Ontario stands out for its many jobs in scientific research and experimental development.

## ASSETS/OPPORTUNITIES

- Ottawa-Gatineau's high-tech cluster is one of the most successful in North America and the territory is recognized as a diversified technology centre of international stature. The Kanata cluster in Ottawa is referred to as Silicon Valley North because of its prosperity comparable to Silicon Valley in California.
- Ottawa is internationally recognized as a centre of excellence in communication technologies, with nearly 90% of Canada's research and development taking place here.
- Gatineau-Ottawa ranks first among North American metropolitan regions for its high concentration of technology workers (11.3%), ahead of San Francisco, which ranks second (10.5%) (CBRE, 2021).
- The cities of Gatineau and Ottawa both stand out in their respective provinces for their higher proportion of self-employed workers involved in high technology.
- The cross-border territory includes 65 federal government research and development laboratories.
- The federal public sector offers many government contracts.
- Several conditions are in place to provide a climate conducive to innovation and development: a high concentration of political decision-makers and government agencies, access to a large pool of specialized and educated workers, a remarkable quality of life that attracts and retains workers, and a dynamic economic ecosystem that fosters business development.
- Presence of organizations that provide support and coaching to businesses to mitigate risk and foster innovation within businesses.
- The presence of Area X.O, which allows companies to develop technologies, find innovative solutions and have access to a network of potential customers, promotes collaboration opportunities (Area X.O).
- The Outaouais benefits from its ability to attract and retain high-tech companies from the Francophone world (Campbell and Magnan, 2019).

### Impact of Ottawa's high-tech sector on Gatineau and increased cross-border collaboration

- Various development organizations in Gatineau and Ottawa are collaborating on several projects.
- Cybersecurity is an emerging niche in the region that has led to successful cross-border collaborations to increase business cohesion and competitiveness.

## WEAKNESSES/ISSUES

- The imbalance between the two regions in the distribution of the number of companies and federal government research centres, all of which are located in Ottawa.
- The Outaouais' strategic location near Ottawa and halfway between Toronto and Montreal is a distinctive advantage that remains little known and little recognized, particularly by Quebec.
- Misperception of tax and regulatory realities in Quebec. In reality, the corporate tax rates between Quebec and Ontario are of variable geometry, but are comparable.
- The inaccurate perception of Québec's language requirements can be a barrier to attracting businesses.

### To learn more

Area X.O (n.d.) [Area X.O.](#)

Campbell, B. and M. Magnan (2019). *Analyse des facteurs influençant le potentiel de croissance et développement des entreprises en technologie dans la ville de Gatineau.* [CIRANO](#)

City of Ottawa (2017). [Smart City 2.0.](#)

CBRE (2021). [2021 Scoring Tech Talent.](#)

