FORTIFYING INTERNATIONAL RELATIONSHIPS AND PROTECTING CANADA'S TECHNOLOGICAL ASSETS

Opening Statement

Canada needs to rework our international playbook in the technology sector. The tech sector will grow exponentially in the next few years because of private industry innovation, which is not occurring at a reasonable level in Canada. Countries like Japan, China, United States, Germany, and Russia are far more advanced in technological capacity than Canada.

Geopolitics will continue to have unprecedented impacts on Canada's ability to protect our assets, grow economically, and leverage our current intellectual property. As technology continues to develop, Canada needs to work collaboratively with countries that hold similar values and interests to increase global competition in certain sectors such as AI, cloud computing, quantum technology, mathematics, aerospace, and 5G or 6G technology. Multilateral advisory groups are one way to ensure that many actors are working towards a similar goal with shared interest. The technology that arises from these working groups can be utilized within each member country to prevent the formation of a global technological monopoly.

Canada must also address its regulatory barriers to infrastructure development. An effective federal regulatory framework that balances environmental concerns, land use designations, and innovation is needed.

Background

The effects of Canada's lack of technological investment have been exacerbated due to the pandemic. We have had to pivot towards business support in the face of economic shut downs. Many countries are in the same situation, however, they are also using this opportunity to invest in digitizing the economy by making additional technological investments.[1] Additionally, many countries have developed policy frameworks that streamline technological advances. This is enhanced through direct investment into various sectors within the technology space.

Canada has a multitude of bilateral[2] and multilateral[3] relationships. These relationships are essential for a country like Canada to ensure our domestic economic prosperity improves. Through the multilateral relationships, the participating countries address sectoral issues related to agriculture[4], vaccine manufacturing[5], and others. What is missing from this list is a multilateral approach to technological advancements.

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[1] https://www2.deloitte.com/xe/en/insights/focus/cio-insider-business-insights/impact-covid-19-technology-investments-budgets-spending.html

[2] https://www.international.gc.ca/world-monde/international_relations-relations_internationales/bilateral_relations-relations_bilaterales.aspx?lang=eng

[3] https://www.international.gc.ca/world-monde/international_relations-relations_internationales/partnerships_organizations-partenariats_organisations.aspx?lang=eng

[4] https://www.international.gc.ca/world-monde/international_relations-relations_internationales/multilateral-multilateraux/cgiar-gcrai.aspx?lang=eng

[5] https://www.international.gc.ca/world-monde/international_relations-relations_internationales/multilateral-multilateraux/gavi.aspx?lang=eng

Canada's Regulatory Implications

With respect to implementation of 5G infrastructures, carriers rely on conduits owned by hydro, telephone companies, and developers to passively utilize wireline networks, towers, and rooftop antennas. The piece of legislature that provides the groundwork for carriers to access these pieces of infrastructure is dictated by the 1993 Telecommunications Act.

Through the Act, the carriers are at the mercy of public authorities and other property owners, who regularly impose higher costs to access the infrastructure. Additionally, many carriers decide to forgo deployment as terms of agreements are heavily burdensome and the dispute resolution process is uncertain and inefficient.

The current regulatory system is uncertain and reduces investment and deployment of 5G and rural broadband deployment. It also increases costs for consumers when it is deployed. An effective federal regulatory framework that balances environmental concerns, land use designations, and innovation is needed.

In 2017, the Government of Canada appointed the Canadian Institute for Advanced Research (CIFAR) to develop a pan-Canadian AI strategy. CIFAR has worked with international partners such as the EU, UK, and France[6]. There are many other countries that are achieving great technological advancements such as Japan and India.

The Solutions

According to the World Intellectual Property Organization (WIPO), Canada ranks 23rd in Global Innovation Index in 2021.[7] It is evident that Canada is lagging behind many countries when it comes to technological advancements. The question is, how does Canada leverage existing knowledge to catapult its standing in the technology sector?

In budget 2021, Canada dedicated a large sum of money to a long-term technology enhancement strategy.[8] This strategy included the launch of a national quantum strategy with $360 million over seven years, expanding the industrial research assistance program with $500 million over five years, renewing the pan-Canadian artificial intelligence strategy with $443.8 million over ten years, launching a pan-Canadian genomics strategy with $400 million over six years, promoting Canadian intellectual property with $90 million over two years to help start-ups with expert intellectual property services, and growing Canada's life sciences and bio-manufacturing sector with $2.2 billion over seven years.

[6] https://cifar.ca/ai/ai-society/ai-society-workshops/
[7] https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021/ca.pdf
[8] https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-building-an-innovation-economy-of-the-future.html

These investments are great starting points to achieve technological advancement. However, there are many countries Canada lags behind, such as Japan in the R&D space[9], the United Kingdom[10] and United States[11] in broadband access, innovation in India[12]. Canada [13]

Canada could simply partner with a known player that is ahead in technological advancement and is a known trading partner such as the US. This route would limit our abilities as our economies are so interconnected, we could be left in tariff wars, as was the case during the Trump administration.

To protect Canada's interests and hedge our future growth, Canada should partner with many countries with similar goals and values. Doing so allows us to work collaboratively with many actors, keeps people accountable, and prevents the situation where one actor/state pulling out won't jeopardize our ability and technological advancement.

Countries such as Japan, the United Kingdom, the United States, India, trading blocs, such as the Association of Southeast Asian Nations (ASEAN)[14], and other countries in the EU where Canada has been trying to increase trade and relations are viable partners. These countries should form a multilateral technology advisory group. The purpose of this group is to share technology and information so that we can compete with other giants in the tech-sector and prevent a monopoly of technological advancement.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Form a multilateral technology advisory group with the EU, India, Japan, US, ASEAN, and UK to ensure that we are competitive in the implementation and commercialization of Artificial Intelligence, cloud computing, quantum technology, mathematics, aerospace technology, and 5/6G technology; and,
2. Establish an effective federal regulatory framework that balances environmental concerns, land use designations, and innovation.

Submitted by the Surrey Board of Trade

[9] https://goingdigital.oecd.org/indicator/31
[10] https://goingdigital.oecd.org/dimension/access
[11] https://goingdigital.oecd.org/dimension/access
[12] https://goingdigital.oecd.org/dimension/innovation
[13] https://www.analysysmason.com/contentassets/3142cca88f924253be79605a6703503a/analysys_mason_5g_spectrum_canada_nov2021_rdnt0.pdf
[14] https://www.cdhowe.org/media-release/canada-asean-trade-deal-critical-pivot-wider-economic-engagement-east