

# Canada Leading U.S. In Recovery Of High-Tech

By ROBERT THOMPSON

Employment prospects in Canada's high-tech sector are much better than in the United States where 560,000 jobs have been lost over the last two years, according to a report released in the U.S. yesterday. According to the American Electronics Association, nearly 10% of all technology jobs in the U.S. have disappeared since January 2001.

However, the situation not as bad in Canada, according to a report released this month by Industry Canada. The report pointed out that the sector is now almost 90% larger than in the first quarter of 1997 and is approaching the peak level posted during the height of technology bubble in 2000.

The problems in the U.S. have led William Archey, president of the American Electronics Association to call for renewed focus on the economy. "The data would strongly suggest that there is a need for economic stimulus," he said. Currently there are 5.1 million people employed in the high-tech sector in the U.S., the report said.

Only the software services segment showed growth over the two-year time frame, adding approximately 5,300 jobs. In Canada, the nation's information and communications sector grew by 0.6% in the fourth quarter of 2002, a slight increase over the same period a year earlier. At the same time, Canadian GDP growth was approximately 0.5%. The technology services segment is one of the bright spots for the Canadian computer industry according to Gaylen Duncan, president of the Information Technology Association of Canada. "If you talk to the services guys, you'll find they are relatively upbeat," he said. "But anyone in the telecommunications food chain is still hurting."

One of the hardest hit cities in Canada has been Ottawa, which was the centre of this country's telecommunications industry. **Nortel Networks Corp.** and **JDS Uniphase Corp.** cut thousands of jobs. At its peak in January, 2000, Ottawa's tech hub employed 79,000. But even after 20,000 layoffs, technology companies still employ 72,000 workers.

Many of the lost jobs came from the technology manufacturing sector, which experienced a 2% drop during the fourth quarter. Companies like Nortel, JDS Uniphase and Celestica Inc. have sent many of their manufacturing jobs to countries in Asia.

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