

Atlantic Canada's Ocean Technology Industry

Findings from the Study of the
Atlantic Canada Ocean Technology Sector
(September 2005)

by Canmac Economics Ltd
and the ACZISC

**Presented by Don Hogan,
Atlantic Canada Opportunities Agency (ACOA) NL
at the ACZISC Meeting, 1 June 2006
Bedford Institute of Oceanography, Dartmouth, Nova Scotia**

Why this study?

- ACOA has placed high priority on ocean technology industry development, especially in Newfoundland
- Volume I of Study to confirm ACOA's understanding of the size of the industry, markets and customers
- Part of ACOA's strategy is to focus on addressing public sector ocean technology needs
- Volume II of Study to provide intelligence on public sector demand/contacts of interest to small and medium-sized enterprises (SMEs) in Atlantic Canada
- Reports available at <http://aczisc.dal.ca/docs.htm#ECON>



Volume I – Profile and Impact of the Ocean Technology Sector

Based on research carried out by
Canmac Economics Ltd

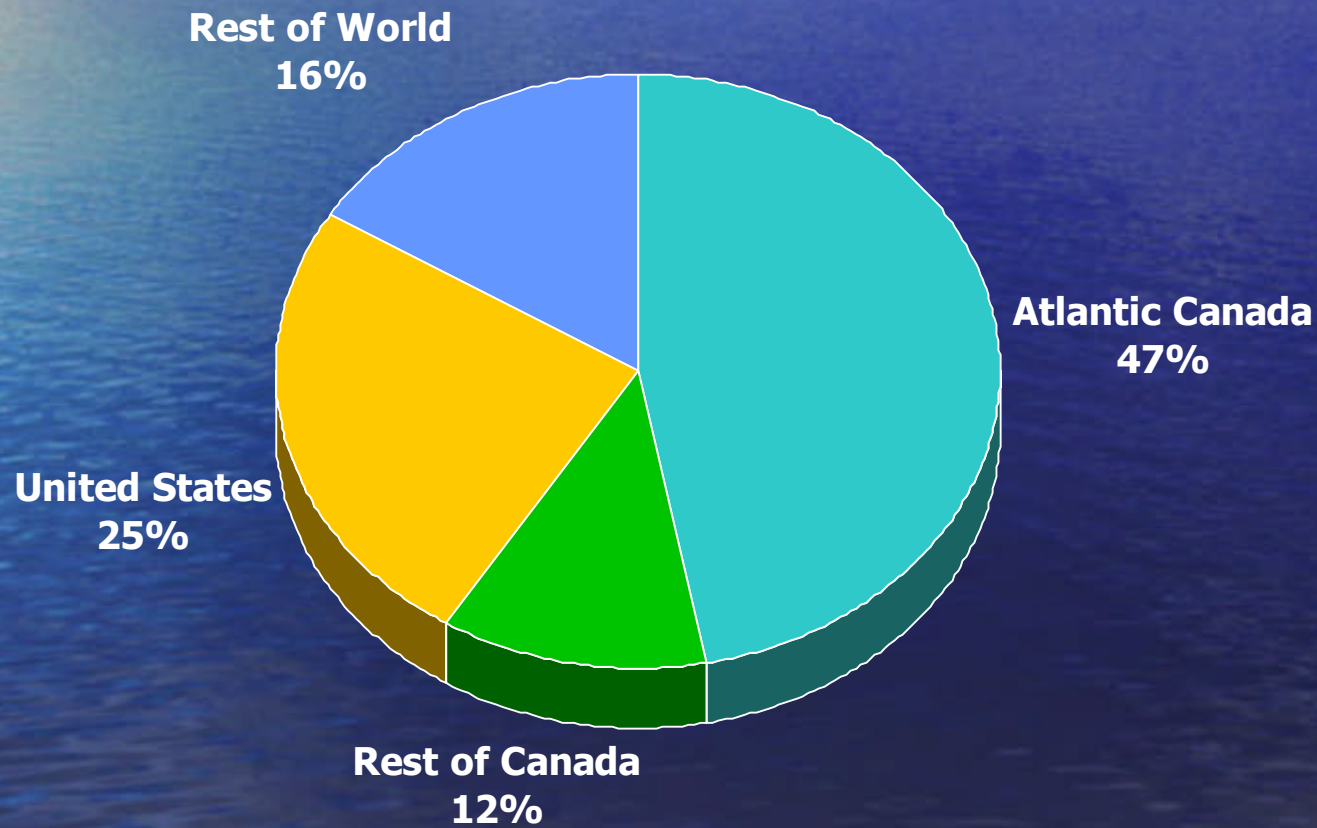
How Big is the Atlantic OT Industry?

- 137 firms identified as being related to Ocean Technology (OT) in 2005
- Annual Sales = \$329 million
- Employment = 2,267 (FTEs)
- Wage Bill = \$84.6 million

Nova Scotia and Newfoundland are neck and neck in terms of sales and employment !

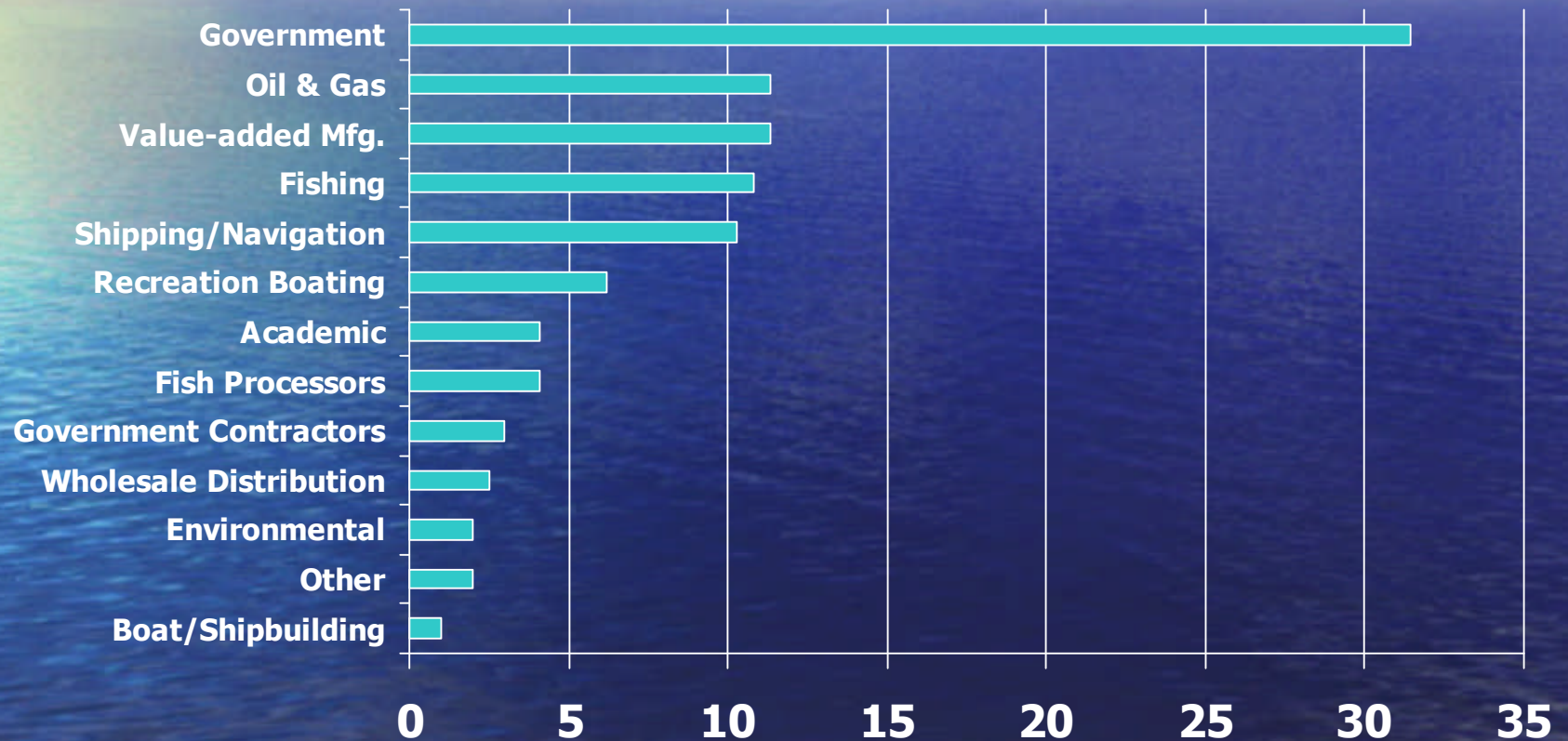
Province	No. of Firms	Annual Sales - \$M	Employmt. FTEs	Fiscal Impact - \$M
NS	64	155.2	1,052	24.5
NL	47	150.5	996	27.8
NB and PEI	26	23.5	219	5.3
Total	137	329.2	2,268	57.6

Atlantic firms sell their products around the world



Who the customers are...

(Percent of "Direct" Sales)



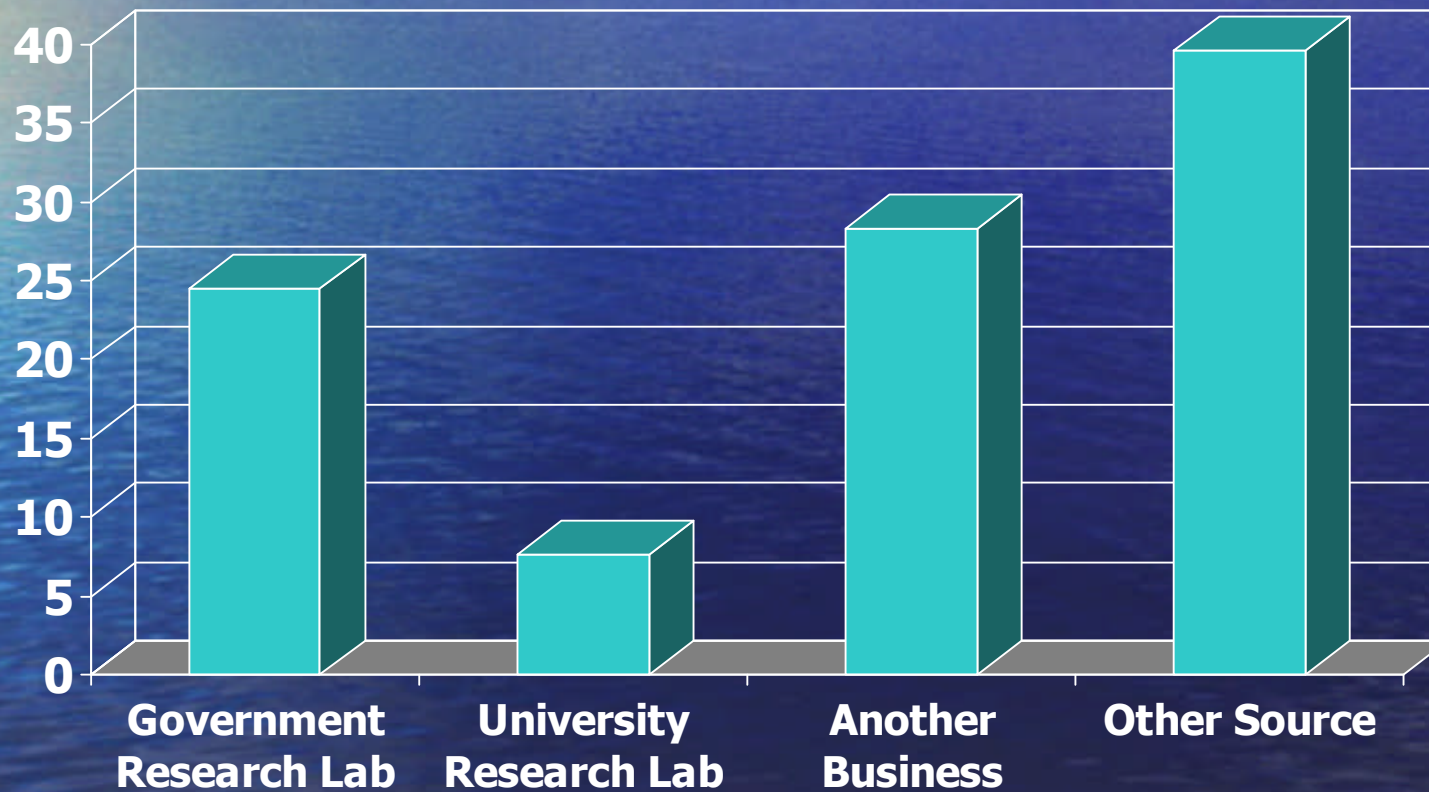
Distribution of sales to governments (\$Millions)



But Governments account for a greater share of the market than the analysis suggests !

- Direct sales to governments = \$83.5M of \$329.2M (25.4%) – only part of story
- Canmac study acknowledges that much of B₂B sales are for intermediate demand – 50% of which ultimately goes to governments
- Canmac estimates that 58% of Atlantic OT sales are to meet government market demands !

Where OT companies obtained their ideas... (Percent of Companies)



Future prospects look good !

- On average, Atlantic Canada's Ocean Technology companies expect sales to increase by 16% per year over the next five years.

Summary

- Direct contribution of the OT industry in Atlantic Canada is significant and growing
- OT is probably the biggest locally grown component of the advanced technology sector in Atlantic Canada
- Firms attract highly skilled workers, have a propensity towards innovation and are export oriented

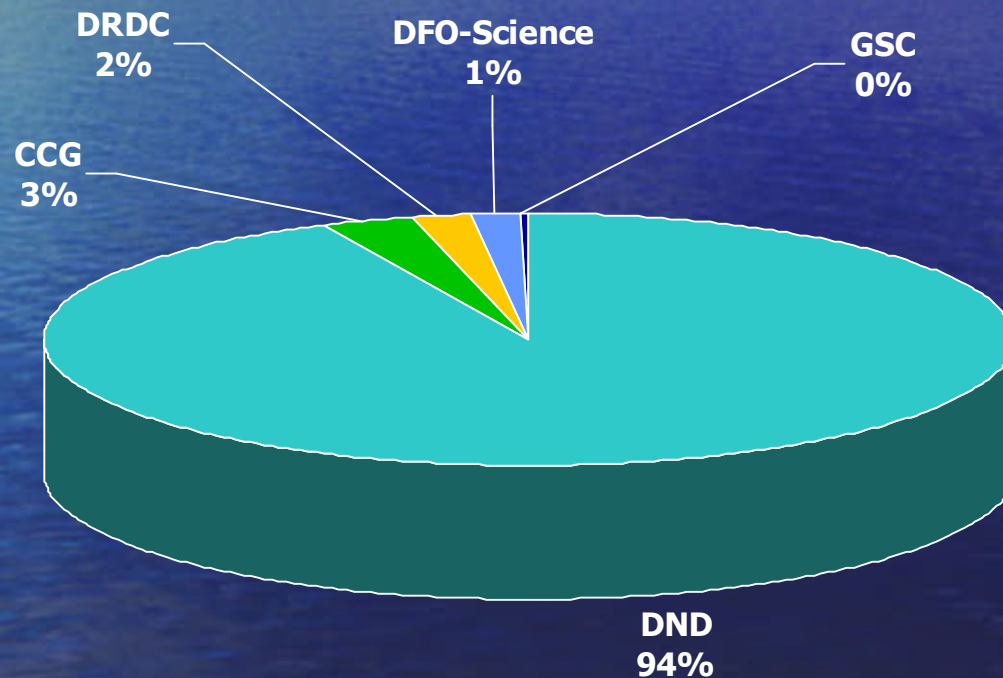
End of Part I



Volume II – Potential Public Sector Demand for Ocean Technologies

Based on research carried out by the
ACZISC Secretariat

The big spenders in Canadian Government using ocean technologies are...



SMEs can learn more about public sector requirements through...

- PWGSC Annual Procurement Outlook Conferences
- MERX – most comprehensive list of public tenders
- DRDC workshops – one per year in Atlantic Canada
- Industry Canada "*Industry Days*"
- Jane's Defence Weekly
- Government Electronic Directory Services (GEDS)

Recommendations...

- ACOA should encourage appropriate Sector Associations to organize info sessions specifically focused on federal *Ocean Technology* procurement opportunities
- Consideration should be given to establishing a Marine Equipment and Technology Centre with mandate to promote collaboration and commercialization
- Should task Science Forum Steering Committee of Atlantic Federal Council to foster inter-departmental collaboration on OT

More Recommendations...

- Atlantic OT companies should be encouraged to become active members of sector associations such as Oceans Advance, Offshore/Onshore Technologies Association of Nova Scotia (OTANS), Newfoundland Ocean Industries Association (NOIA), Aerospace and Defence Industries Association of Nova Scotia (ADIANS), etc.
- Companies should pursue opportunities for face-to-face contact with departmental contacts



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