

Nation behind in innovation

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Research investment In the last three decades Canada has consistently received a D for innovation

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FREDERICTON - Canadian innovation is lagging behind the rest of the world, mainly because the country is failing to translate new discoveries into applied research, said Eric Cook, the executive director of the New Brunswick Research and Productivity Council.

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Stephen MacGillivray/canadaeast news service

The panel discussion at the Manufacturers' Days 2009 conference, from left are: Eric Cook, executive director of the New Brunswick Research and Productivity Council; Kirk Cornell, Business Development Bank of Canada BDC; Andre Charron, director of enterprise Atlantic Canada Opportunity Agency; and Yvon Belliveau, executive director innovation and regional development Business New Brunswick.

"The 2009 federal budget includes \$5.1 billion for science and technology research and development. However, most of that remains budgeted for fundamental or science-push research," Cook said at a panel on government and its role in innovation. He addressed a crowd in Fredericton on the final day of Manufacturers' Days 2009, a conference put on by Canada Manufacturers and Exporters.

Cook said that Canada needs to focus on "market-pull" when investing in innovation. What that means is putting emphasis on applied research, especially the type that takes advantage of market opportunity and creates value for research investment.

"Essentially, Canada has missed the boat on this," said Cook.

According to a report card from the Conference Board of Canada, the country has consistently received a D grade in the last three decades for innovation. It ranks amongst the lowest of 17 industrialized countries. In contrast, countries such as the United States,

Switzerland and Ireland all received A's for innovation in the last decade.

New Brunswick, however, bucks the national trend in failing to properly emphasize applied research.

"The provincial government here, and in the (Atlantic) region, in general has used development funds to really focus on market-pull," said Cook.

André Charron, director of enterprise development for Atlantic Canada Opportunities Agency (ACOA), said that companies have to recognize innovation doesn't end outside of the lab.

"Innovation isn't only about what's happening in the labs, it's also about what companies do with that research."

Charron said that like much of Canada, New Brunswick's economy focuses on natural resources. Innovative companies however should be gradually moving away from those traditional industries.

"Companies really need to add value and diversity. They need to expand markets and enhance their productivity and competitiveness," he said.

That can only happen if Canada's innovation system begins to focus on outcome driven innovation, which includes applied research, said Cook. It's especially important now that competition and lower demand has caused traditionally reliable markets to become harder to sell to.

The resulting downturn is expected to hit trade in New Brunswick hard. Peter Hall, chief economist of Export Development Canada, predicts exports will tumble 27 per cent in 2009. However, the province will lead the rest of Canada in 2010, with exports surging by 23 per cent, largely on increased output of energy products - including liquefied natural gas and nuclear power.

Hall said New Brunswick is lucky to have "shovel-ready" projects already on the go in the energy sector that will mean a rebound in 2010.

Similar success in the rest of the country can only occur if money is being properly invested in the right kinds of research and development, said Cook. One of his reports cites a 2008 global R&D report that shows Canada remains in the middle of industrialized countries when it comes to research and development spending.

The report points out that the federal government only invested two per cent of the country's GDP into such projects last year. In contrast, Japan and Sweden rank amongst the highest R&D spenders, investing 3.4 and 3.9 per cent respectively.

"Most innovation promoted in the media is not true innovation, it's discovery or invention," said Cook. "We need to make clear both ideas as well as value are necessary to make innovation viable."

- with files from Rebecca Penty