

Technology

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Canadian Government Announces Winners of \$950 Million “Supercluster” Initiative

On February 15, 2018, The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development, announced the winners of the federal government’s high-tech “superclusters” initiative, launched May 24, 2017. Through the initiative, the federal government will invest \$950 million of public funding into five innovation “superclusters” located across the country (see our May 30, 2017 Update, *Canadian Government Announces Details of \$950 Million “Supercluster” Initiative*).

The supercluster initiative was a focal point in the March, 2017 federal budget. The project was designed to encourage academia and businesses to work together on strategies to boost fast-growing sectors, and help Canada maintain and grow its global stature in high-tech and emerging fields.

What is a Supercluster?

“What is a supercluster? It is a made-in-Canada Silicon Valley that will create tens of thousands of jobs – that’s what a supercluster is” Minister Bains stated when announcing the initiative winners. Superclusters are dense areas of business activity focussed on particular areas of innovation. They are intended to create many of the middle-class jobs of today and tomorrow. Within superclusters, large and small companies form consortiums with universities, colleges and not-for-profit organizations to turn ideas into solutions that can be brought to market. Minister Bains predicts the establishment of these industry and research hubs across Canada will grow the economy by \$50 billion over the next decade and create more than “50,000 middle-class jobs”.

The Five Winning Superclusters

Approximately 50 applicants to the supercluster program were narrowed down to nine finalists. The five winning superclusters are as follows:

- **Digital Technology Supercluster** (British Columbia): This supercluster will use bigger, better datasets and cutting-edge applications of augmented reality, cloud computing and machine learning to improve service delivery in the natural resources, precision health and manufacturing sectors. Over the next ten years, it is expected to contribute \$5 billion to the Canadian GDP and create more than 13,500 jobs.
- **Protein Industries Supercluster** (Prairie provinces): This supercluster seeks to make Canada a leading source for plant proteins, and will use plant genomics and novel processing technology to increase the value of key Canadian crops, such as canola, wheat and pulses that are coveted in high-growth foreign markets, such as China and India, as well as to satisfy growing markets in North America and Europe for plant-based meat alternatives and new food products. Over the next ten years, it is expected to contribute \$4.5 billion to the Canadian GDP and create more than 4,500 jobs.
- **Advanced Manufacturing Supercluster** (Ontario): This supercluster, focussed on training and technology adoption, will build up next-generation manufacturing capabilities, incorporating technologies like advanced robotics and 3D printing. Over the next ten years, it is expected to contribute \$13.5 billion to the Canadian GDP and create more than 13,500 jobs.
- **AI-Powered Supply Chains Supercluster (SCALE.AI)** (Quebec, spanning Quebec-Windsor corridor): This supercluster will help small and medium-sized Canadian business scale, and will bring the retail, manufacturing, transportation, infrastructure, and information and communications technology sectors together to build intelligent supply chains through artificial intelligence and robotics. Over the next ten years, it is expected to contribute \$16.5 billion to the Canadian GDP and create more than 16,000 jobs.

Goodman's Update

- **Ocean Supercluster** (Atlantic Canada): This supercluster will harness emerging technologies to strengthen Canada's ocean industries – industries including marine renewable energy, fisheries, aquaculture, oil and gas, defence, shipbuilding, and transportation. Over the next ten years, it is expected to contribute \$14 billion to the Canadian GDP and create more than 3,000 jobs.

The winning superclusters represent more than 450 businesses, 60 post-secondary institutions and 180 other participants, such as research institutions and non-government organizations. They will receive between \$150 million and \$250 million each, distributed over five years, which will be matched dollar for dollar by the private sector.

The supercluster initiative not only solidifies the federal government's commitment to unlocking Canada's innovation potential, but seeks to propel Canada's innovation ecosystem and the country's emergence as a leader in the global technology landscape.

Goodmans Tech Group

To assist clients in the technology sector, Goodmans brings together our acknowledged expertise in corporate/commercial, private equity, corporate finance, mergers and acquisitions, outsourcing, licensing, intellectual property, privacy, regulatory and media, cleantech, tax, litigation, human resources, corporate restructuring and administrative law. We do so both for innovative businesses in their start-up phase and for well-established businesses of all types. Goodmans continues to lead in the technology sector and is partnered with the DMZ at Ryerson University. The DMZ is a leading business incubator (selected by UBI as the top-ranked university incubator in North America, and third in the world), which connects its start-ups with resources, customers, advisors, investors, and other entrepreneurs. Goodmans is also a proud partner of IDEABOOST, an initiative of the Canadian Film Centre's Media Lab; building the next generation of technology-based media entertainment products, services and brands. Through these partnerships, Goodmans provides legal advice, mentorship and networking opportunities to assist start-ups in maximizing their potential.

Goodmans is also an internationally recognized leader in other aspects of technology law and transactions. From our thought leadership, through participation on the Boards of associations such as CanTech (Canadian Technology Law Association), CORE (Centre for Outsourcing Research and Education), CIEG (Canadian Institute for Exponential Growth, which organized the Summit) and iTechLaw (International Technology Law Association), to our involvement in major technology procurement, joint venture and outsourcing transactions, to our representation, in court proceedings and in arbitrations, of major technology providers, and users of technology, in ground-breaking cases, our Technology Group is consistently at the forefront of leading technology transactions and cases.

Members of our Technology Group are recognized as leading technology lawyers in Chambers Global, Lexpert, Legal 500 Canada, Legal Media Group's The Best of the Best, The Best Lawyers in Canada, Law Business Research's The International Who's Who of Business Lawyers, and The Lexpert /American Lawyer Guide to the Leading 500 Lawyers in Canada, teach internet and communications law at Canada's largest law schools, are regular lecturers at technology industry events and legal conferences, and have published articles in the technology law field.