CANADA

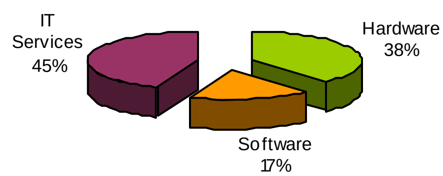
U.S. COMMERCIAL SERVICE

Computer Software Market

Overview

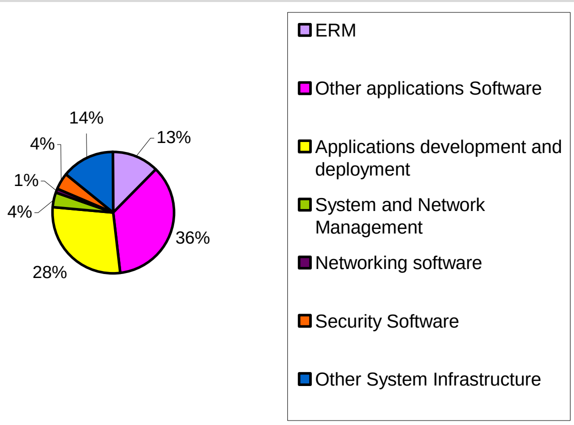
The software market represents approximately 17% of the total Canadian Information Technology (IT) market. In 2007 spending in this sub-sector stood at $7.1 billion. Over a five-year period strong growth is expected. By 2010 software spending in Canada will reach $8 billion with an average annual growth rate of 4.5%

IT Market in Canada
US$40 billion in 2007



Source: ICTC/IDC 2007

Software Sub-sectors



- "Other Applications Software" includes all applications software excluding Enterprise Resource Management (ERM), and it is the largest sector in the computer software market. This segment had a total spending of $2.4 billion in 2007. Estimated annual average growth rate is projected at 3.4% through 2010.

- "Application Development & Deployment Software" was valued at $1.9 billion in 2007. Estimated average annual growth rate of 5.1% is estimated through 2010.

- "Enterprise Resource Management (ERM) Applications" represented a total spending of $879 million in 2007. Estimated annual average growth rate 5.4% is projected through 2010.

- The security software segment was valued at $332 million in 2007. Projected annual average growth rate is 10.75% through 2010.

- The system and network management sub-sector presented a total spending of $281 million in 2007. Estimated annual average growth rate of 6% is projected through 2010.

- "Other system infrastructure" sub-sector accounted for a total spending of $976 million in 2007. Estimated annual average growth rate is 2.9% through 2010.

- One of smallest sub-sectors within the computer software market is networking software with a total spend of $87 million during 2007. Estimated annual average growth rate is projected at less than 1% through 2010.

Source: ICTC/IDC 2007

Main drivers in the Software market

- Increasing need to streamline business process, improve supply chain integration, improve customer relations and deliver increased functionality for competitive advantage will be main market drivers.

- Software as a Service business model (SaaS), and hosted applications, and software on demand will be popular product delivery models.

- Developments in the second generation of Internet-based technologies, and trends such as Web 2.0 will receive increased attention.

- Issues concerning "IT security" and "Green IT", two major topics in both the public and private sectors.

Source: ICTC/IDC 2007

Other Sources

U.S. Department of Commerce: Viktoria Palfi
Canadian Advance Technology Alliance www.cata.ca
Greater Toronto Marketing Alliance (GTMA) www.greater.toronto.on.ca
IDC Canada www.idc.com
Information and Communications Technology Council (ICTC) www.ictc-ctic.ca
Industry Canada www.ic.gc.ca
Information Technology Association of Canada www.itac.ca

If you would like further information, please contact Viktoria.Palfi@mail.doc.gov, the CS Canada National Information and Communication Technology Specialist. Visit our website http://www.buyusa.gov/canada to discover other commercial opportunities in Canada.

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