How Ontario can solidify its place in the global Artificial Intelligence (AI) ecosystem

Toronto, June 13, 2018 – New research from the [Institute for Competitiveness & Prosperity](#) suggests that Canada and Ontario must continue to make investments in their growing Artificial Intelligence (AI) ecosystems if they are to overcome the costs and maximize the benefits of AI. In Working Paper 32, *[From prediction to reality: Ontario's AI opportunity](#)*, the Institute argues that by making necessary investments now, Canadian companies can compete in the global AI market, creating jobs domestically, and providing opportunities for those who are displaced by automation to find a place in the new economic landscape.

"Ontario has a rich AI ecosystem led by some of the world's best AI scientists and business thinkers, many of them at the University of Toronto," says Tiff Macklem, Chair of Ontario's Panel on Economic Growth & Prosperity and Dean of the Rotman School of Management. *"Working with the AI clusters in Montréal and Edmonton can place Canada in a winning position in the global AI market by being an important part of major supply chains."*

Artificial intelligence, in the broadest sense, is the ability of a computer to perform tasks commonly thought of as intelligent or human. More specifically, machine learning feeds data into algorithms, allowing it to learn from examples. AI's strength lies in its predictive ability, learning from patterns and allowing for the analysis of vast troves of structured and unstructured data and can increasingly provide more accurate results than humans.

While AI does have costs—including risks of inequality from job loss and ethical issues like privacy— there are more benefits including increased productivity and improvements in health care, financial services, manufacturing, and more. For consumers, AI will mean cheaper goods and increased personalization.

"In order to secure its position as a global leader in AI, it is critical that Ontario stay ahead of the curve by supporting research and development of this technology so that we can better understand it and use it to our further competitive advantage," says Macklem.

The Institute proposes five recommendations that Ontario and Canada should implement to accelerate and sustain the development of AI:

1. **Create** a regulatory sandbox to allow companies to innovate and test technologies
2. **Balance** trade policy to protect consumers while stimulating economic competitiveness
3. **Align** skillsets learned in post-secondary institutions to meet the needs of AI organizations
4. **Retain** skilled talent educated in Canadian post-secondary institutions to grow the AI ecosystem
5. **Understand** the trade-offs before pursuing AI

This Working Paper was advised and guided by Rotman School of Management Professors [Dr. Dan Trefler](#), member of [Ontario's Panel on Economic Growth & Prosperity](#), and [Dr. Avi Goldfarb](#), co-author of *Prediction Machines: The Simple Economics of Artificial Intelligence.*

To download this Working Paper, please visit: https://www.competeprosper.ca/work/working-papers/from-prediction-to-reality-ontarios-ai-opportunity

About the Institute: The Institute for Competitiveness & Prosperity is an independent, not-for-profit organization that deepens public understanding of macro and microeconomic factors behind Ontario's economic progress. The Institute is supported by the Ontario Ministry of Economic Development and Growth.

For more information contact: Jamison Steeve, Executive Director
j.steeve@competeprosper.ca
416.946.7585