

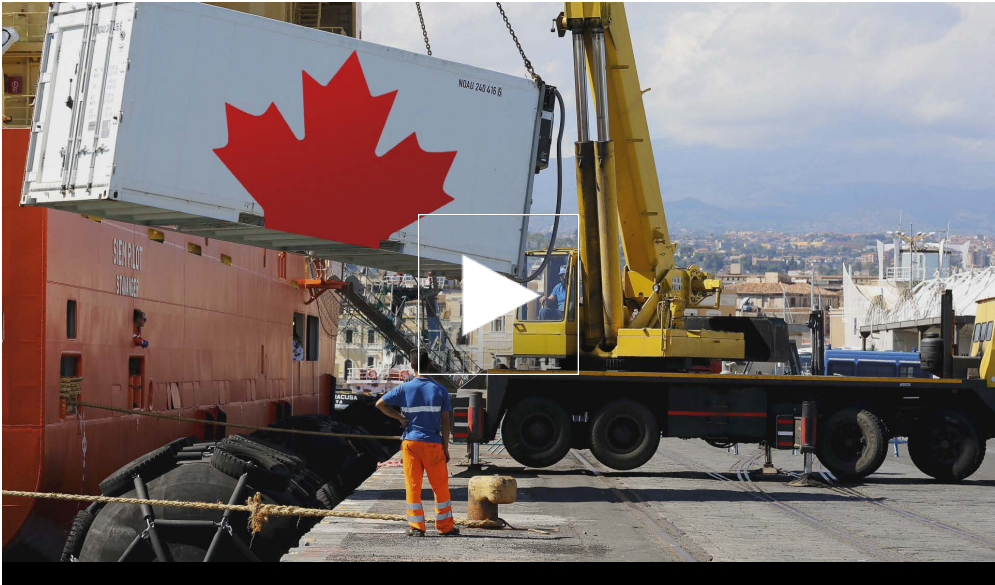
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CIBC CEO Victor Dodig says colleges and universities need to make more innovative grads

The Canadian Press Posted: Nov 25, 2015 9:44 AM ET | Last Updated: Nov 25, 2015 8:40 PM ET



Moving Canada toward innovation 5:03

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Canada's post-secondary institutions are not producing enough graduates with the right skills to drive future economic growth, warns the head of one of the country's largest banks.

CIBC chief executive Victor Dodig told The Canadian Press in an interview Tuesday that much of the country's eventual economic success will be generated by entrepreneurs who commercialize new ideas and technologies.

And Dodig wasn't just talking about innovators focused on the high-tech sector. He pointed out that technological breakthroughs also key to the success of traditional industries like manufacturing and natural resources.



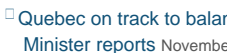
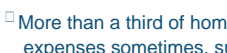

But while Dodig credits Canada with boasting a high overall participation rate in post-secondary education when compared to other industrialized countries, he says the system falls short in the disciplines that will really count down the road.

Innovation key

Canada, he added, lags its international peers in training graduates in areas geared for boosting innovation. Those fields include science, engineering and mathematics.

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"We have gaps — we're not producing the types of skills that industries need," Dodig said Tuesday before raising the topic again in a speech to business leaders and policy-makers at the Canadian Club of Ottawa.

"A lot of people are overeducated and underqualified for the jobs that are needed."

His comments come at a time when Canada has struggled amid an uncertain global economy and the sting of low commodity prices, particularly in the energy sector. Other industries, meanwhile, have been slow to pick up the slack.

These factors have had consequences for Canada: the economy contracted in the first two quarters of 2015.

In his speech, Dodig noted that over the last decade 10,500 manufacturing plants have shuttered their doors — or 17 per cent of Canada's capacity.

He said it's unrealistic to expect old-time sectors like manufacturing to fully regenerate, nor can Canada continue to rely on a low loonie to bail out the economy as a "single variable to drive growth."

Dodig described Canada's growth as "anaemic."

"Yeah, financial services, I think, will be strong, commodity prices will come back — but in the meantime we need to innovate across all of our economic sectors to be successful in the modern-day economy," he said in his speech.

"We need to be more than hewers of wood and drawers of water."

Diversify economy

Dodig's remarks also draw more attention to a branch of the economy that has been under the spotlight lately.

Jim Balsillie, a former co-chief executive of Research in Motion, recently warned that Canada has likely missed out on billions of dollars because its innovation economy has shown zero growth for three decades.

Balsillie is also helping guide the new Council of Canadian Innovators, a lobby group that will press for the needs of the country's entrepreneurs.

He has expressed concerns about the intellectual-property provisions in the massive Trans-Pacific Partnership treaty, which the former Harper government committed to last month. Balsillie said the TPP rules would favour the more-dominant United States and its companies that already own the rights to many ideas.

Dodig said it's important to have robust intellectual-property protection for Canadian innovators, but added it's too early to make any definitive judgments on how deeply they could be affected by the yet-to-be ratified TPP.

He also wants to connect up-and-coming innovators to networks of advisers that will help them grow. He argued that the private sector must help foster the innovation segment of the economy by providing more long-term, "patient" capital for those technology-developing firms.

One goal, he said, is to help "start-up" companies scale into permanent,



Canada needs a more diversified and innovative economy, the CEO of major bank CIBC says. (The Canadian Press)

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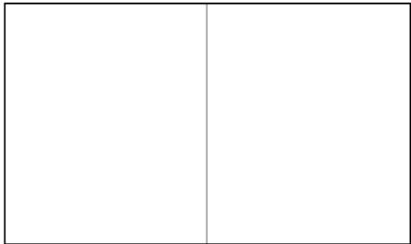
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job-creating global players before they are bought out by even bigger firms from abroad.

To help them get there, governments, post-secondary institutions and the private sector can help create conditions for growth.

"We need to be doing this across our economy," said Dodig, who noted Canada should be looking to learn from models in countries that have been successful in helping innovators, such as the United Kingdom and Germany.

Infrastructure spending

Dodig also said the new federal government's vows to pump billions of additional dollars into infrastructure could go a long way in helping innovators as well.

On top of building roads and bridges, he suggested the government consider investing some of the cash in projects that provide benefits — such as lower-cost electricity and tougher data security — to help attract entrepreneurs.

Dodig also explained how CIBC created its own "technology hub" where it employs about 300 people who work on developing new technologies aimed at improving banking services for its clients. The bank has also partnered with other "fintechs," which are start-ups that provide new ways of delivering financial services.

He listed several post-secondary institutions that have also made strides in helping build hubs to boost innovation, such as Ryerson University, the University of Alberta and McMaster University.

But Dodig would like to see more.

"I think we've seen many points of light, but I think there needs to be a much more forceful debate — (a) much more forceful effort in terms of driving that agenda going forward," he said.

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