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## Ontario Technology Corridor needs to establish itself among Montreal, Vancouver clusters: Analyst

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Representatives of the **Ontario Technology Corridor** (OTC) have returned from a mission to San Francisco to convince digital media companies to set up shop in the province, but the province appears to have significant work ahead of it to put itself on the map.

Representing the five regions across the southern edge of Ontario—London, Niagara, Waterloo, Toronto and Ottawa—the OTC attended the Game Developers Conference (GDC) San Francisco 2010 this month. The five-day event offered sessions on issues such as design and business management as well as networking opportunities.

The OTC met with 12 key companies at GDC, but it's too soon to name those firms, said Blair Patacairk, an OTC spokesman and senior consultant of foreign direct investment at the **Ottawa Centre for Research and Innovation** (OCRI), an Ottawa technology industry group.

The OTC also met with about nine animation and special effects companies in Los Angeles just before the games conference. The group said it believes it led a successful United States visit.

"You're coming back with 20 solid leads," Patacairk said, adding that the work of convincing those companies to take a good look at Ontario is just beginning.

"It's the follow-up that really matters."

Ontario's talented labour force is one of the province's best selling features, Patacairk said--especially for small businesses and independent games makers looking to grow. With animation and video game development schools such as **Sheridan College** in Oakville and **Centennial College** in Toronto, the province is producing graduates in the field.

While the province has made much of the fact that one of the world's largest

games developers--**Ubisoft Entertainment**--is opening a studio in Toronto, many of the OTC's prospects are in small business.

"In Canada, we're built on SMEs, with heavy emphasis on the 'S,'" Patacairk said, referring to a majority of Canadian businesses being small to mid-sized enterprises.

Small games developers would be comfortable in Ontario, and have the opportunity to partner with larger companies like Ubisoft for growth. "It's just a symbiotic relationship," Patacairk said.

Jesse Divnich, the Ontario-born vice-president of analyst services at **Electronic Entertainment Design and Research** (EEDAR), a video game market analysis firm in Carlsbad, Calif., said Ontario is in a good-news, bad-news situation with respect to the video-game market.

The good news is that Ontario has talent.

"Everything starts with talent," Divnich said. "And this isn't professional sports. We can't simply buy talent. We have to create it. The future of Ontario's presence in the digital space depends almost entirely on the talent we foster today."

Ontario also benefits from its proximity to Montreal, which houses one of the global digital-entertainment hotspots.

"Ubisoft's recent opening of a major studio in Toronto certainly had a lot to do with the fact that their Canadian headquarters is just one province away," Divnich said.

But that's as much a curse as a blessing.

"[Ontario's] close proximity to Quebec could be a weakness too. With video games being a global business, speaking native tongues is a huge benefit, and Montreal is one of the largest tri-lingual regions in all of North America," Divnich said, alluding to the volume of English, French and Japanese in the city.

That's why Montreal has attracted American, French and Japanese firms, including **Electronic Arts Inc.**, Ubisoft and **Square-Enix Co Ltd.**, respectively, he said.

But "Ontario is not even a blip on the industry's radar," Divnich said. "When people think about Canada and video games, they think Montreal and Vancouver, not Ontario."

He said Ontario needs a significant industry event, pointing out that although games-related events happen in Toronto and London, Ont., each year, they're not as big as GDC Canada in Vancouver, E3 in Los Angeles or the Montreal International Games Summit.

"The first step in growing Ontario's presence in this space is by first letting them know you even exist," he said.

Mike Schmalz, head of **Digital Extremes**, a London, Ont.-based developer of titles like BioShock and Unreal Tournament, has been sending teams to GDC for a number of years to learn the latest art, design and production techniques.

It's an opportunity for Digital Extremes to meet potential new licensing partners and other games makers looking to use the company's technologies.

"We have agreements with around a half dozen companies using it," Schmalz said, but wouldn't say which companies have licensed the technology.

Ontario has a lot to offer games developers, he added. The Ontario Intellectual Property Development Fund refunds nearly 30 per cent of early development costs, and the Ontario Interactive Digital Media Tax Credit refunds 35 to 40 per cent of production costs.

"There are lots of ups and downs in the industry," Schmalz said, and government support is critical "if you're an independent games developer."

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