# Canadian tech sector urges action from Mark Carney's new government



Following the recent federal election in Canada, where the Liberal Party secured a fourth consecutive term in office since 2015, various industry groups within the Canadian technology sector have expressed hopes that Prime Minister Mark Carney will address critical issues affecting innovation and investment in the country. The election results left some uncertainty as to whether the Liberals will form a minority or majority government. Prime Minister Carney is set to reconvene Parliament and assemble a new cabinet, with key figures such as Innovation Minister Anita Anand and Finance Minister François-Philippe Champagne having been re-elected.

Industry leaders and organisations are advocating for decisive action on several persistent challenges that have hindered Canadian tech growth, including low productivity levels, the need for investment incentives through tax credit reforms, and enhanced support for domestic companies amid ongoing trade tensions with the United States.

The Canadian Venture Capital & Private Equity Association (CVCA) emphasised the urgency of government intervention. CVCA CEO Kim Furlong stated, “The urgency for action has rarely been greater amidst ongoing trade threats from our largest market and trading partner.” Prior to the election, the CVCA had issued a white paper recommending measures such as a temporary reduction in the capital gains tax inclusion rate, doubling the Lifetime Capital Gains Exemption from $1.25 million to $2.5 million, and the introduction of a new federal tax credit aimed at Canadian small businesses.

In light of the election, the Council of Canadian Innovators (CCI), which advocates for the interests of Canadian scale-up companies, reiterated the importance of these commitments becoming tangible policy outcomes. CCI President Benjamin Bergen remarked, “Campaign promises will only translate into economic prosperity if the Liberal government can buckle down and follow through with the hard work of governing.” The CCI’s policy proposals, including a “Buy Canadian Tech” procurement policy and a patent-box regime to protect Canadian intellectual property, were incorporated into the Liberal platform.

Regional voices such as Québec Tech CEO Richard Chénier highlighted the stagnant state of productivity in Canada and the excessive reliance on the US market. Similarly, Doug Robertson from Startup Atlantic underscored the need to stimulate and support an emerging openness within the startup community across Canada.

On the technology front, particular attention was directed at artificial intelligence (AI) and financial technology (FinTech). Aidan Gomez, CEO of AI company Cohere, noted on the social media platform X that Canada possesses “world-class talent to continue to lead in AI” and pointed to the sector as a key opportunity to reinforce the national economy. The previous Liberal government had pledged over $2.5 billion towards broadband infrastructure and data centres, including $240 million earmarked for AI compute capacity at Cohere.

Conversely, the Conservatives had proposed significant cuts to AI funding and pledged the introduction of an open banking framework, a policy not explicitly pursued by the Liberals despite prior attempts to progress in this area. Alex Vronces, Executive Director of Fintechs Canada, highlighted the importance of continued efforts to modernise banking regulations. He commented, “There are moves we can make in the financial sector to make the system work better for all,” including completing the rollout of open banking and launching real-time payment systems. However, Vronces noted potential friction if the Carney government adopts a cautious, technocratic style seen in Carney’s previous leadership roles at the Bank of Canada and the Bank of England, which might contrast with the FinTech sector’s preference for rapid innovation.

Toronto-based innovation hub MaRS CEO Grace Lee Reynolds also stressed the need for procurement reforms that favour Canadian startups, stating, “Scaling Canadian ventures requires more than capital—it requires customers.” This follows a recent survey by MaRS and Communitech revealing that nearly half of Canadian startup leaders are concerned about market access amidst the current trade tensions.

As Prime Minister Mark Carney prepares to lead the new government, the Canadian technology industry is closely watching to see how the administration will translate election promises into concrete policies aimed at fostering innovation, investment, and domestic economic resilience.

Source: [Noah Wire Services](https://www.noahwire.com)

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