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Canada ICT Market Set to Reach \$206.47 Billion by 2031 as AI and Cloud Investment Accelerate

ResearchAndMarkets forecasts 7.12% annual growth through 2031, driven by generative AI adoption, cloud migration, broadband expansion, cybersecurity demand and enterprise digital transformation.

By **Ankit Kankar** | September 14, 2026



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"Canada ICT - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026-2031)" has been added to **ResearchAndMarkets.com**'s offering.

Canada ICT Market Forecast to Reach USD 206.47 Billion by 2031 as AI, Cloud and Broadband Investments Accelerate

The Canada ICT market is projected to grow from USD 136.69 billion in 2025 to USD 146.42 billion in 2026. By 2031, the market is forecast to reach USD 206.47 billion, expanding at a compound annual growth rate of 7.12% from 2026 to 2031. Growth is being supported by generative artificial intelligence investment, cloud migration, broadband expansion, cybersecurity requirements and increased digital adoption among Canadian enterprises.

Federal AI Investment Supports ICT Market Transformation

Canada's USD 2.4 billion federal artificial intelligence package has strengthened the country's position among the world's leading AI ecosystems. However, only 26% of Canadian enterprises have adopted AI tools, compared with 34% globally, indicating substantial potential for further implementation across the economy.

Microsoft's planned USD 80 billion AI-enabled region is estimated to generate USD 187 billion in economic output by 2030 while expanding hyperscale capacity in Toronto. Provincial initiatives are also contributing to the development of Canada's AI sector. Quebec has allocated USD 11 million to 15 industry-focused AI projects and established innovation zones such as DistriQ, which connects academic institutions, startups and established businesses working in quantum technologies.

AI investment is increasingly moving beyond technology companies into healthcare, manufacturing, financial services and the public sector. Canadian vendors are targeting productivity improvements of 30% to 40% through tailored AI implementations. These projects are expected to increase demand for high-performance computing, data infrastructure, cloud platforms, cybersecurity solutions and professional IT services, creating long-term opportunities across the Canada ICT market.

Universal Broadband Fund Expands Rural Digital Infrastructure

The USD 3.2 billion Universal Broadband Fund is targeting 98% national coverage by 2026, with fiber infrastructure playing a central role in improving connectivity. Expanded broadband access will support telehealth, online education, remote work, digital government services and cloud-based commerce in underserved, Indigenous and northern communities.

As more households and businesses gain access to reliable high-speed connectivity, small and medium-sized enterprises are expected to increase their use of cloud applications and digital services. This expansion will generate additional demand for managed networks, cybersecurity services, software-as-a-service platforms and digital billing solutions. The initiative is also expected to help reduce Canada's urban-rural digital divide while creating recurring revenue opportunities for ICT providers.

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