

Software development and computer services, 2017

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Operating revenue for software development and computer service industries totalled \$68.4 billion in 2017, up 8.2% from the previous year. Computer systems design and related service providers generated 77.7% of the revenue.

Software development and computer service industries include businesses in the computer systems design and related services industry, the software publishers industry, and the data processing, hosting and related services industry.

Computer systems design and related services

Businesses in the computer systems design and related services industry reported total operating revenue of \$53.2 billion, up 8.9% from 2016. Ontario (50.8%) accounted for the largest share of revenue, followed by Quebec (24.4%).

Similar to previous years, 41.1% of the industry's sales came from information technology technical consulting services.

Businesses in Canada (61.8%) were the main clients for this industry, followed by clients outside of Canada (25.9%).

Operating expenses increased 7.9% to \$47.6 billion in 2017. Salaries, wages, commissions and benefits (44.9%) contributed the most to expenses.

The operating profit margin (10.5%) in 2017 was up compared with the previous year (9.7%).

Software publishers

Software publishers reported an 8.0% increase in operating revenue to \$10.1 billion in 2017. Application software (43.3%) generated the largest share of sales.

By client type, most sales in 2017 were made to businesses in Canada (47.7%) and clients outside Canada (46.3%).

In 2017, e-commerce made up 41.8% of total sales.

Operating expenses grew 6.9% to \$9.5 billion in 2017. Salaries, wages, commissions and benefits (49.2%) contributed the most to operating expenses.

The operating profit margin rose from 5.5% in 2016 to 6.4% in 2017.

Data processing, hosting, and related services

The data processing, hosting, and related services industry generated \$5.2 billion in 2017, up 2.4% from 2016.

In 2017, hosting and information technology infrastructure provisioning services (53.3%) accounted for the largest share of sales revenue, followed by information and document transformation services (30.4%). The main clients were businesses in Canada, which accounted for 65.5% of total sales.

E-commerce represented 50.5% of total sales in 2017.

Operating expenses increased more slowly than revenue, reaching \$4.4 billion in 2017. As a result, the industry's operating profit margin rose to 14.2%, up from 13.5% in 2016.



Note to readers

Based on the North American Industry Classification System (NAICS) 2017, the Annual Survey of Service Industries: Software Development and Computer Services includes businesses in computer systems design and related services (NAICS 54151), software publishers (NAICS 51121), and data processing, hosting and related services (NAICS 51821).

Data for 2015 and 2016 have been revised.

Available tables: [21-10-0209-01](#), [21-10-0210-01](#), [21-10-0235-01](#) and [22-10-0087-01](#) to [22-10-0089-01](#) .

Definitions, data sources and methods: survey number [2410](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).