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Cyber Security: Damage to hit \$6 trillion annually by 2021

On Wednesday, October 3, ITAC's President and CEO, Robert Watson, attended the ***Utility Perspectives Symposium***¹ and participated in a panel discussion regarding 'Infrastructure Security for the Future' to discuss the fact that the electric power and pipeline systems are more vulnerable to cyber threats today than ever before. He was joined by panelists: Tyler Anthony, Senior Vice President and Chief Operating Officer, Pepco Holdings, Inc.; Eóin Cooke, Vice President, Security and Information Services, AltaLink; Brad Gammons, General Manager, Global Energy Utilities Industry, IBM; Jason Sharpe, Senior Vice President and General Manager, ATCO.

The key issue at hand – cyber attacks require a constant upgrading of new cyber tools oriented toward operational technology, not just the identification of attacks. New tools that give grid operators the ability to see attacks and maybe even predict them before they happen are important to the overall security of Canada's power system. Infrastructure owners around the world are spending billions of dollars per year to protect their systems. The panel also discussed the emergence of artificial intelligence and the outsourcing of critical skills, and how we could potentially use these resources to secure our infrastructure services.

According to Watson, "Cyber breaches will occur; it's not if, but when." He also pointed out that to address the issue, the industry needed a whole-of-community approach, with government, industry and researchers working together.

Some key highlights from the panel discussion include:

- Warren Buffett thinks cyber-attacks are bigger threat to humanity than nuclear weapons. In May 2017 he said that he doesn't think that nuclear weapons are going to be used but thinks cyber is the number one problem with mankind.²
- Damage of cyber crimes is estimated to hit \$6 trillion annually by 2021, up from \$3 trillion in 2015. This represents the greatest transfer of economic wealth in history, risks incentives for innovation and investment, and will be more profitable than global trade of all major illegal drugs combined.³
- Cyber security spending is expected to exceed \$1 trillion from 2017 to 2021.⁴ The rising tide of cyber crime has pushed information security (a subset of cyber security) spending to more than \$86.4 billion in 2017. Doesn't include internet of things (IoT), industrial IoT, and industrial control systems (ICS) security, automotive security,

¹ <http://www.utilityperspectives.com/> in case you want to imbed the link.

² <https://www.businessinsider.com/warren-buffett-cybersecurity-berkshire-hathaway-meeting-2017-5>

³ <https://www.csoonline.com/article/3153707/security/top-cybersecurity-facts-figures-and-statistics.html>

⁴ See above.

and other cyber security categories. Global spending on cybersecurity products and services predicted to exceed \$1 trillion over five years, from 2017 to 2021.

In 2015, IBM's president noted that 'cyber crime is the greatest threat to every company in the world'.⁵ So what should companies consider? All companies should operate under the principle that they will be hacked; and should also recognize that this is not just a tech problem - it's a human error problem as well. All employees must adhere to strict cyber security practices.

ITAC is hosting its ITAC hosting *Cyber Security Summit* in Ottawa Oct 30. This is a not-to-be-missed event that explores the Canadian cyber technology sector from the perspective of industry and the federal government, working together to help keep Canada cyber secure. While some cyber events focus exclusively on policy and others on technology, ITAC believes that it is critical to cover both elements; strong cyber policy needs input from advancing technology. [Click here](#) to learn more or to register.

To learn more about the work ITAC is doing around cyber, contact ITAC VP, Nevin French at nfrench@itac.ca.

⁵ <https://www.ibm.com/blogs/nordic-msp/ibms-ceo-on-hackers-cyber-crime-is-the-greatest-threat-to-every-company-in-the-world/>