

Creative. Competitive. Canada

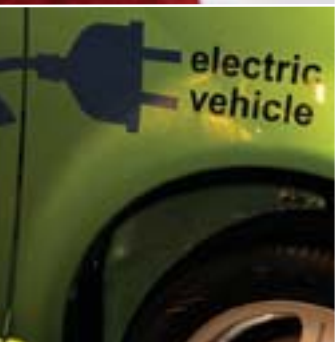


INVEST IN CANADA

GO FOR GOLD

2008 – 2009 EDITION

Canada 



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Strength. Competition. Excellence. Flexibility. Stability. Canada's strong economy has achieved performance excellence thanks to its highly competitive business environment, world-class R&D infrastructure, and a talented and determined workforce. Regardless of whether conditions are favourable or adverse, Canada exerts long-term endurance and control to remain a powerful, triumphant force on the global market.

Come see what Canada's winning performance has to offer.

a position of strength

Canada Wins Gold For Economic Growth Performance Among G7 Countries For Over A Decade

For foreign investors seeking shelter in a turbulent global economy, Canada offers stability and growth prospects that no other G7 nation can match.

With its strong, stable and dynamic economy, Canada is the ideal place to do business. From aerospace to software to life sciences, many of the world's most innovative and successful companies have a presence in Canada. Join them by making Canada your next investment destination.

To help firms like yours flourish even in these uncertain times, Canada offers a competitive tax regime and generous research and development (R&D) incentives. Its well-educated, talented and diverse workforce is another draw. Canada also delivers unparalleled access to the North American marketplace—along with high living standards and a safe business environment.

Canada's Winning Performance

- Over the past ten years, Canada has taken first place among the G7 countries in GDP and employment growth.
- Canada will lead the G7 in real economic growth from 2009 to 2013, according to the Economist Intelligence Unit (EIU).
- Canada is the best place in the G7 to invest and do business during the next five years, as ranked by the EIU.
- Canada has the soundest banking system in the world, according to the World Economic Forum's 2008-2009 *Global Competitiveness Report*.
- Canada will rebound much faster than any other G7 economy in 2010, expecting 2.3 percent growth in that year, according to a consensus forecast of the world's leading economists.
- Due to its prudent fiscal policies since the mid-1990s, Canada had been posting 11 straight budget surpluses and slashing its debt, making it far less vulnerable than the U.S. and other G7 countries, where current account deficits and net foreign debt are ballooning. 🍁



a **competitive** business environment, bar none

Canada's Welcoming Investment Climate Helps Your Firm Compete Globally

Canada's Winning Performance

- Canada leads all G7 countries in ease of doing business, according to the 2008 International Institute for Management Development (IMD) World Competitiveness Yearbook.
- Canada will have the lowest overall tax rate on new business investments in the G7 by 2010. And by 2012, it will offer the G7's lowest statutory tax rate.
- Canada offered the G7's lowest business costs for the seventh consecutive time according to the KPMG's Competitive Alternatives (2008) study.
- Canada was the lowest-cost G7 country for 11 of 17 industries analyzed: aerospace, agri-food, biotechnology, chemicals, medical devices, pharmaceuticals, precision manufacturing, product testing, software design, telecommunications, and Web and multimedia.
- The World Bank placed Canada first among G7 and OECD countries for the lowest number of procedures required to open a new business.
- The World Economic Forum recently ranked Canada first in the G7 for overall market access through low, non-tariff barriers, and the high number of duty-free imports allowed into the country.
- In 2008, IMD put Canada first in the G7 for the openness of its business legislation with respect to international transactions with foreign partners.
- Among G7 countries, Canada is the best at tailoring government policies to changes in the economy and ensuring that such policies are effectively implemented, according to the 2008 IMD World Competitiveness Yearbook.
- Canada has the lowest effective corporate income-tax rate in the G7 for manufacturing operations.
- Canada already has the second-lowest effective corporate income-tax rate in the G7 for non-manufacturing operations.
- In 2008, FDI holdings in Canada reached \$504.9 billion—up 2.8 percent from the previous year.
- Canada has one of the world's richest tax-credit programs in support of research and development (R&D).
- In 2009, the Canadian federal government has budgeted \$7.5 billion in financial support for foreign and domestic companies in the manufacturing, clean energy, agri-food, forestry, fishing and financial services sectors. 

By any measure—competitive business costs, low corporate taxes and lack of red tape—Canada makes it easy for foreign companies to invest and compete at the global level.

In today's highly competitive global economy, multinational companies need powerful incentives for choosing one jurisdiction over another. With the goal of boosting foreign direct investment (FDI), Canada has created one of the world's most hospitable business environments. Low operating costs are just the beginning. Canada also earns top marks for removing bureaucratic barriers to FDI—and for adapting government policy to changing economic circumstances.

To show its flexibility, Canada has introduced improvements to its tax regime that will make it the country of choice for international business investment. These tax reductions are part of a far-reaching Economic Action Plan designed to create an investment climate for foreign investors that is stronger than ever.

Trade and budget surpluses, tax relief from the current administration and conservative lending practices of its banks have left the U.S.' northern neighbour in an enviable position amid global tumult.

Forbes Magazine, placing Canada third on its Best Countries for Business 2009 ranking.





Sector Profiles

FINANCIAL SERVICES

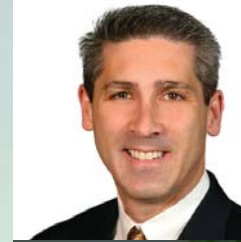


Steve Mackey,
Chairman,
EFG Wealth
Management Canada

“The catalyst that precipitated the decision to open in Canada was the availability of the right people.”

- Canada's financial services industry had revenues of \$78 billion in 2007 and employed 750,000 people.
- Canada has the soundest banking system in the world, according to the World Economic Forum's 2008-2009 Global Competitiveness Report.
- Toronto, Canada's finance and business capital, is North America's third-largest financial centre.
- Canada's financial institutions today are stable, diversified and well-funded due to their financial prudence and a watertight national regulatory oversight.
- Canada's five biggest banks are ranked among the safest in the world by Global Finance magazine.

SOFTWARE



Phil Sorgen,
President,
Microsoft Canada

“Microsoft considers Canada to be a relatively large and untapped pool of exceptional talent. It's no wonder that global technology companies such as Microsoft are keen to expand in this country.”

- The software sector employed 262,000 people and generated \$32.2 billion in revenues in 2007.
- Canada has the second-highest number of global software companies in the world after the U.S., according to Software Magazine's The Software 500 ranking.
- Of the roughly 30,300 Information and Communications Technology companies in Canada, 77 percent are in software and computer services.
- Canada has significant strengths in the following software development verticals: business intelligence, supply chain management, enterprise content management, human resource management, software-as-a-service, web development, security software, and green IT software.

WIRELESS COMMUNICATIONS



Brad Lowe,
Director of Research
and Development,
Nokia R & D Facility,
Burnaby, Canada

"There's no doubt that the Lower Mainland of British Columbia is home to a great deal of increasingly sophisticated research. Nokia is proud to be a part of it and the Burnaby office will help us usher in a new era in mobile communications."

- Canada's wireless manufacturing sector is renowned internationally, exporting 76% of its products in 2008. Its expertise is built upon a workforce of 14,000, and a domestic services market of \$14.6 billion.
- Key Canadian capabilities include: network equipment design, development, and manufacturing; mobile device manufacturing, Customer Premises Equipment (CPE); WiMax network and equipment design, development, and manufacturing; and software-defined radio equipment manufacturing.
- Canadian cellular equipment firms rank second in Code Division Multiple Access (CDMA) infrastructure sales.
- Canadian firms rank third in Gigabit Ethernet switching.

AUTOMOTIVE



Satoshi Aoki,
Chairman,
Honda Motor Company

"Strong support has come from so many directions, including the federal and provincial governments, the local community, our suppliers in Canada, our associates, our dealers and, of course, our customers. Based on this partnership and through our continued investment, Honda believes in Canada as a great place to do business."

- Canada's automotive industry had revenues of \$96.7 billion in 2007 and employed 153,000 people.
- Since 1991, Canadian auto assembly plants have won one-third of all J.D. Power plant quality awards.
- In five of the past seven years, the J.D. Power initial quality survey rated Canadian General Motors and Toyota plants the best in the Western Hemisphere.
- Canada's business environment is the best among auto-producing nations, according to the EIU.
- Canada has the second-lowest corporate tax rate among the world's top 10 automotive countries.

BUSINESS SERVICES



John Gillis,
Director of Service
Delivery,
Keane Canada

"Halifax has a big advantage, because there are so many excellent post-secondary institutions nearby. We maintain an active relationship with local universities and colleges both to recruit graduates and to keep them informed about changes within the industry."

- The Canadian business services sector generated \$57 billion in annual revenues in 2007 and employed more than 1.1 million people.
- Canada is ranked as the second most attractive global centre for information technology/business process outsourcing.
- Canada has developed significant business process outsourcing operations in human resources, payroll management, customer relationship management, finance and accounting, data mining, business continuity, and disaster planning support.
- Canada is among the top 10 countries in attracting business service investment projects.

FOOD PROCESSING



Benoît Keppenne,
General Manager,
Puratos Canada

“With 30 million people, the market is lucrative and well developed. The country produces many of the raw ingredients, such as top-quality grains, that we use in our [products]. Our business also relies on access to a reliable transportation network, and Canada is first-rate.”

- In 2007, the Canadian food and beverage processing industry employed 286,000 Canadians and produced shipments worth \$83.7 billion.
- Canada is a powerhouse of grain and oilseed processing, with more than 3.5 million tonnes of grain products exported to over 30 countries.
- From farm to plate, the country has one of the world's best food inspection systems.
- Canada is at the leading edge of agricultural biotechnology.
- Canada is a world leader in increasingly popular end-product ingredients such as wheat gluten, bioactive compounds and bio-based industrial applications.

PLASTICS AND CHEMICALS



Kevin Jüngel,
North American
Vice-president,
WEICON

“[In locating our regional headquarters,] we chose Canada over the United States because the Canadian government provides a great deal of support to investors and makes the whole process so much easier. Another critical factor in choosing our North American headquarters was the high quality of life that it would offer to future employees.”

- Canada's plastics and chemicals sector employs 198,000 workers, and had \$81 billion in revenue in 2007.
- For plastics, Canada offers the lowest production costs in the G7.
- The top three—and six of the top 10—North American mould makers in 2008 were Canadian companies.
- Nine of the world's 10 largest plastics and chemicals companies have a production or R&D facility in Canada.
- Canada's ready reserves of raw materials ensure that foreign investors in the chemicals and plastics industry in Canada achieve economies of scale and lower cost production.

DIGITAL MEDIA GAMES



Yannis Mallat,
President and CEO,
Ubisoft Montréal

“Ubisoft continues to expand its presence in Canada thanks to a very favourable business climate and the availability of a skilled workforce.”

- In 2008, 250 digital games software companies in Canada employed more than 14,000 staff and produced over \$2.2 billion in revenues.
- 500 companies in Canada work across the entire gaming value chain: hardware, development tools, supporting tools and services, developers and publishers.
- Some 20 percent of the top-selling games in North America are developed in Canadian studios.
- Canada is a world leader in the “serious games” market, building highly accurate simulations for industrial training, defence, and aerospace applications.

AEROSPACE



Tom Digan,
President,
Lockheed Martin
Canada

“Lockheed Martin’s investment...will create excellent export opportunities for Canadian industry.”

- In 2007, the Canadian aerospace industry employed 82,000 highly skilled Canadians with civil manufacturers generating over \$17.5 billion in revenue.
- Canadian firms are global leaders in the design and manufacture of large flight simulators, visual systems and flight training devices. Canadian-made products hold a 70-percent world market share for visual simulators.
- Canada is the world’s fifth-largest manufacturer of aerospace products.
- The federal government has committed to investing \$240 billion in capital and non-personnel-related defence materials over the next 20 years.

LIFE SCIENCES



Paul Lucas,
President and CEO,
GlaxoSmithKline Inc.

“Canada is an ideal environment for us. Among other advantages, this country offers top-quality infrastructure, internationally renowned academic and clinical institutions, and effective regulatory and patent-protection regimes.”

- Canadian biopharmaceutical companies had domestic sales of \$19 billion and over \$6.3 billion in exports in 2007, and employed over 29,000 people across the country.
- Canada has the highest rate of increase in the G7 in biotech R&D workers, external patent applications and business expenditures on R&D, and the lowest biotech labour costs.
- Canada leads the G7 countries in the growth of health research patents.
- Canada had the third largest number of life sciences firms in the world in 2007.
- Over \$1.3 billion was spent on biopharmaceutical-related R&D in Canada in 2007, much of it underwritten by federal tax credits and deductions.

WIND ENERGY



Marcus Scheele,
Service Manager
Canada,
ENERCON Services
Nova Scotia

“[This] is a great initiative and shows a real commitment to wind energy initiatives—and these are the reasons why ENERCON is investing in Canada. While there is a good feeling about going green from the people of Canada, we also need these types of strong political incentives and signals.”

- Canada’s wind energy sector consists of more than 430 companies with a combined workforce of 4,000.
- As its electricity generation and distribution network is integrated into the North American grid, investments in Canadian wind power generation result in a direct connection to the world’s largest electricity consumer market: the United States.
- Winnipeg, Charlottetown, Calgary and Montréal finished in the top five North American cities for cost-competitiveness in manufacturing of wind energy equipment, according to IBM-Plant Location International ranking.

excellence in research and development

Canada's R&D Infrastructure Integrates Basic Research With Practical Business Applications

Canada's R&D infrastructure, its world class research institutes and scientists, and its R&D tax incentive programs make it the best place in the world to undertake R&D activity.

From the light bulb to smart phone technology, from the heart pacemaker to DNA profiling, Canadian innovations start in Canada and radiate across the world, improving the lives of billions. Every day, Canadian researchers and scientists are working on the frontiers of human knowledge in every field of human endeavour.

Driving Canada's excellence in R&D activity is a made-in-Canada R&D model where basic research undertaken by Canadian scientists and researchers is closely integrated with business applications. The result is a go-to-market process that is significantly shorter in Canada than in other advanced economies.

Canada's Winning Performance

- Canada is the first country to create a nationwide High-Performance Computing (HPC) network, which takes advantage of the exceptional capabilities provided by CANARIE, the world's first national optical Internet research and education network.
- All companies based in Canada that invest in R&D can qualify for Canada's Scientific

Research and Experimental Development (SR&ED) program, the largest single source of federal government support for industrial research and development. The program provides open-ended access to upward of \$5 billion in tax credits each year.

- The net after-tax cost of R&D expenditures undertaken in Canada is well below 50 cents per dollar spent—one of the highest levels in the world, according to a 2008 study by JPW Innovation Associates Inc.



flexibility of Canada's workforce

Workers You Can Rely On

Canada's Winning Performance

- The IMD's World Competitiveness Yearbook ranks Canada first among G7 countries for:
 - Its secondary enrolment rates.
 - Its finance programs.
 - Its ability to attract and retain talented workers to strengthen its workforce.
 - Its openness to foreign ideas.
 - Its ability to recognize when economic and social reforms are required to ensure higher levels of business efficiency.
- IMD ranks Canada first in having the highest proportion of young adults with post-secondary education credentials among OECD countries.
- In *Business Week* magazine's 2008 MBA survey, three Canadian business schools ranked among the top 10 outside the United States.
- The World Economic Forum also placed Canada among the top 10 countries in a 125-country study of locally available management education in first-class business schools.
- Five Canadian management schools ranked among the top 100 worldwide, according to the *Financial Times*' Global MBA rankings for 2009.
- The federal government has budgeted \$1.3 billion per year for post-secondary funding.
- Business-friendly immigration policies enable highly qualified newcomers to contribute their skills and talents to Canada, ensuring a consistent supply of new knowledge workers.
- In Canada's 2006 census, Canadians reported speaking more than 200 languages as mother tongues. 🍁

A country's greatest asset in a knowledge economy is a smart workforce, and Canada is rich in talented human resources. While investing in its people, Canada is also providing over \$3.1 billion over two years in knowledge infrastructure.

Its reward: the most highly educated population in the OECD. Because its world-class schools and institutions train workers to such a high standard, Canada attracts the attention of businesses looking to expand and succeed globally.



PHOTOS

Inside Front Cover

Upper Row: Canadian Curling Association/Michael Burns Photography

Central Image: Getty Images/AI Bello

Bottom Row: Skate Canada/Brett Barden

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Canadian Press/Frank Gunn

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Getty Images/Nick Laham

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Getty Images/Gary M. Prior

Inside Back Cover

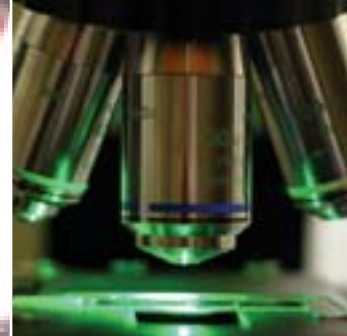
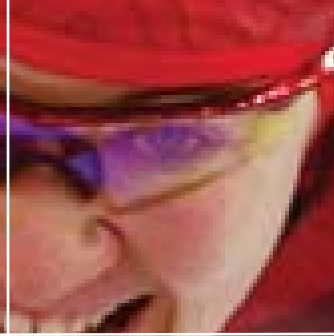
Upper Row: Canadian Curling Association/Michael Burns Photography

Central Image: Getty Images/Torsten Silz

Middle Row: Shutterstock Images/Sven Hoppe

STRENGTH ■ PERFORMANCE ■ COMPETITION ■ EXCELLENCE ■ FLEXIBILITY ■

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on
ENDURANCE
gth



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