



# INVEST IN CANADA

CANADA'S COMPETITIVE ADVANTAGES

## BUSINESS SERVICES SECTOR



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## INFRASTRUCTURE SERVICES

The infrastructure market in Canada is supported by a vibrant services sector. Infrastructure services contributed \$135.5 billion to Canada's GDP in 2016<sup>1</sup>. The Global Infrastructure Investment Index (GIII) 2016 highlights that the most attractive markets for investors remain those with strongest growth potential, most secure business environments, well-established legislative and regulatory systems and stable political environments. GIII 2016 ranked Canada at fourth place ahead of U.S. (eighth), the U.K. (ninth), Australia (11th), Japan (12th), China (17th) and Mexico (30th). The 2016 *Engineering News-Record* ranked four Canadian firms among the world's top-25 design firms. The Government of Canada's Budget 2016 announced more than \$120 billion in infrastructure investments over 10 years. Budget 2016 also proposed to invest \$5 billion over five years in infrastructure that protects communities and supports Canada's ongoing transition to a clean economy.

## BUSINESS PROCESS OUTSOURCING (BPO)

Canada is a leading provider of BPO services thanks to its skilled workforce and proximity to the United States. Canada's BPO industry is sophisticated, mature and world-class, with most major providers operating in Canada to serve customers across the world.

## ACCOUNTING SERVICES

Accounting services contributed \$10.9 billion to Canada's GDP in 2016<sup>1</sup>. Toronto's CFA Institute has the second-largest CFA membership in the world. The Canadian accounting profession made history in 2015 with the creation of a single national Chartered Professional Accounting body representing the country's 190,000 professional accountants<sup>2</sup>.

## MANAGEMENT CONSULTING

Management services is a fast-growing industry in Canada. High-quality staff, coupled with an exceptional standard of living, makes Canada a global magnet for management-service operations. The Canadian management consulting services sector, which among others includes companies that focus on computer system design, is expected to grow at annualized rate of 2.5% to \$12.9 billion over the five years to 2021, according to *IBISWorld*. Management of companies and enterprises contributed \$12.2 billion of Canada's GDP in 2016<sup>1</sup>.

## TRANSPORTATION, WAREHOUSING AND LOGISTICS

The sub-sector employed approximately 738,000 Canadians and contributed some \$75 billion to Canada's GDP in 2016<sup>1</sup>. Canadian National (CN) and Canadian Pacific Railway (CP) serve most of the national market, offering services such as intermodal transportation, logistics, and brokerage services.

CANADA IS A GLOBAL LEADER in a variety of business-service verticals, including the management of human resources and customer relations, as well as knowledge-process outsourcing, logistics, data mining, application development, project management, business continuity, advertising, engineering consulting, legal and accounting services, and disaster-planning support.

<sup>1</sup> Statistics Canada.

<sup>2</sup> CFA Society Toronto.

# BUSINESS SERVICES CLUSTERS



ONTARIO'S BUSINESS AND PROFESSIONAL SERVICES cluster is among the largest in North America. British Columbia, Quebec, Alberta and New Brunswick are all home to rapidly expanding business-services clusters, while Manitoba's CentrePort Canada is an innovative logistics centre. Halifax consistently ranks among the top-100 outsourcing destinations in the world<sup>3</sup>.

**BRITISH COLUMBIA:** Annex Consulting Group, Copylab, GEM Advertising, Laing O'Rourke, Randstad, Robert Half International, Slalom Consulting, Veritas Communications.

**ALBERTA:** AECOM, Bennett Jones, Bank of America Merrill Lynch, Enerflex, Gowlings, Morgan Stanley, Stantec, Spencer Ogden.

**SASKATCHEWAN:** TAmec Wheeler Foster, Fujitsu, Hill & Knowlton, Homeserve USA, Tetra Tech.

**MANITOBA:** Ceridian, Copernicus Consulting, Ernst & Young, GardaWorld Security Corp, Landsbanki Islands.

**ONTARIO:** Accenture, Adastra, Atelka Enterprise, bitheads, Corp Brookfield, CentriLogic, CH2M Hill, Convergys, CSA Group, DHL, FedEx, Geodis, Golder Associates, hexaware, IBM, Infosys, KPMG, MMM Group, MDC Partners, Tata Consultancy Services, UPS, Wipro.

**QUEBEC:** Altios International, Deloitte, Derichebourg Environnement, e2f translations, Hugo & Cie, Innocean, McKesson, Nutrikeo Consulting, Protiviti, Slalom Consulting, Vigeo Eiris.

**NOVA SCOTIA:** AMEC, NTT Data.

**NEWFOUNDLAND AND LABRADOR:** GHD Group AON, Price Waterhouse Coopers.

**NEW BRUNSWICK:** BMM Testlabs, Minacs, Sitel (ClientLogic).

**PEI:** CGI, Ceridian.

## RECENT INVESTMENTS



In December 2016 HGS Canada, a provider of business process management services and a subsidiary of India-based Hinduja Group, has announced to expand its operations in Canada. The company will create approximately 1125 new jobs at its centres across the country in 2017.



In 2016, G4S, a leading provider of security solutions has announced a major expansion to operations in the province of Quebec.



In July 2016, Convergys which provides business process outsourcing and relationship management services, expanded operations at its site in Cape Breton, Canada. The company is to add an estimated 200 new positions.

# CANADA'S ADVANTAGES

## DATA PROTECTION

Canada has fully endorsed the significance of, and need for, protecting personal data, and offers a number of additional safeguards and data-protection guarantees. Federal, provincial and territorial laws, along with industry-leading best practices, protect personal information—a crucial advantage for human-resources management, and activities related to finance, accounting and compliance outsourcing.

## SKILLED LABOUR POOL

The availability of qualified engineers in Canada is the second-highest in the G7, according to the Institute for Management Development. Canadian cities consistently rank near the top of Mercer's annual Quality of Living Survey and dominated the list for North America in 2017 City Rankings. Vancouver ranked fifth globally, followed by Toronto (16-tied) and Ottawa (18).

## LOGISTICS AND MARKET ACCESS BENEFITS

Companies can benefit from Canada's highly developed transportation and logistics infrastructure, which according to the World Bank, is one of the world's best. Also, Canada's pro-trade agenda helps provide firms with direct access to the world's most important and attractive markets. The Canada and European Union Comprehensive Economic and Trade Agreement (CETA) is a high-quality agreement that reinforces Canada's fundamental relationship with the European Union. Foreign investors in Canada will now have preferential access to both North America (via the North American Free Trade Agreement) and the EU. This represents nearly 989 million consumers and a combined GDP of US\$38 trillion, over one-half of the worlds' output of goods and services.



## DEEP SUPPLY CHAIN AND INFRASTRUCTURE

The business-services sector is a large part of the Canadian economy. Foreign investors can expect deep supply chains and infrastructure to support their objectives. Professional, scientific and technical services—a subset of business services—contributed \$90.97 billion to Canada's GDP<sup>1</sup> and employed 862,558<sup>1</sup> Canadians in 2016. Foreign direct investment in Canada's Professional, scientific and technical services industries reached \$25.0 billion in 2016<sup>1</sup>. Canada is globally recognized for its engineering services and is the fifth largest exporter of engineering services in the world, according to the Consulting Engineers of Ontario. Canadian firms are global leaders in the direct management of physical assets for global investors, especially in the fields of infrastructure, energy and real estate. Canada's transportation network is well developed and its services are diversified. The efficiency of the transportation network is complemented by gateways and trade corridors which optimise the competitiveness of the system.

*"At UPS Canada, we feel that there is a particular willingness from government to work with foreign investors to help them succeed. Canada provides us with access to an extensive and highly skilled workforce."*

— Cristina Falcone, Vice President of Public Affairs, UPS Canada

<sup>3</sup> Tholons. *Top 100 Outsourcing Destinations*, 2013.

# INNOVATION SUPPORT PROGRAMS

## INNOVATION AND EDUCATION

Canada has a world-class higher education system—25 Canadian universities rank among the top 600 in the world<sup>4</sup>—that offers programs in engineering, law, finance, accounting, marketing and management at the undergraduate and graduate levels. Five Canadian business schools rank among the top 100 in the world<sup>5</sup> and three Canadian law schools rank among the world's top 40<sup>6</sup>.

### Leading research centres and groups include:

- » Conrad Business, Entrepreneurship and Technology Centre (University of Waterloo, Waterloo, Ontario)
- » Social Research Centre (University of Ontario Institute of Technology, Toronto, Ontario)
- » Osgoode Hall Law School (York University, Toronto, Ontario)
- » McGill University Faculty of Law (Montréal, Quebec)
- » University of Toronto Faculty of Law (Toronto, Ontario)
- » University of Alberta Faculty of Law (Edmonton, Alberta)

- » Institute for Oil Sands Innovation (University of Alberta, Edmonton, Alberta)
- » Business and Management Research Centre (BMRC) (McGill University, Montréal, Quebec)
- » Innovation Centre for Engineering (University of Alberta, Edmonton, Alberta)
- » KPMG Research Bureau in Financial Reporting (University of British Columbia, Vancouver, B.C.)
- » Marketing Research Group (University of Ontario Institute of Technology, Toronto, Ontario)
- » Rotman Institute for International Business (University of Toronto, Toronto, Ontario)
- » Ed Lumley Centre for Engineering Innovation (University of Windsor, Windsor, Ontario)

## SUPPORT PROGRAMS

Canada also offers tax credits and funding for business-services companies to support international investment and innovation in Canada.

- » The Scientific Research and Experimental Development (SR&ED)

program provides income-tax credits and refunds for expenditures on eligible R&D activity in Canada.

- » Export Development Canada (EDC) and Business Development Bank of Canada (BDC) provide flexible financing programs and solutions tailored to support foreign direct investment in Canada.
- » The National Research Council of Canada's Industrial Research and Assistance Program (NRC-IRAP), a cornerstone of Canada's innovation system, provides technical and business advice, as well as funding and other innovation services to small and medium-sized enterprises based in Canada at all stages of the innovation process.
- » Regional development agencies across Canada help address key economic challenges by providing programs, services, knowledge and expertise that support business growth, productivity and innovation.

4 The Times Higher Education. *Academic Ranking of World Universities*, 2016.

5 Financial Times. *Global MBA Rankings*, 2016.

6 Maclean's *Canadian Law School Rankings*, 2013.

# AN ENABLING BUSINESS ENVIRONMENT

## A WELCOMING BUSINESS ENVIRONMENT

Canada is the second best place for business in the G20.

Source: Forbes

## A HIGHLY EDUCATED AND TALENTED WORKFORCE

Canada has the most educated talent pool in the OECD with more than half of its population aged 25-64 having a tertiary level education.

Source: OECD

## LOW BUSINESS TAX RATES

Canada is the most tax competitive country in the G7.

Source: KPMG

## WORLD-CLASS CLUSTERS OF INNOVATION, WITH GOVERNMENT AS PARTNER

Canada has R&D-intensive sectors with the lowest business costs in the G7, as well as a dense network of universities and community colleges.

Source: KPMG

## FINANCIAL STABILITY

Canada has efficient, open and soundly regulated financial markets. Canada's banking system, ranked 3rd by the World Economic Forum (WEF), remains one of the soundest in the world following eight consecutive first place standings.

Source: World Economic Forum

CANADA HAS A STRONG AND STABLE business climate that is open for business, investment, and trade. Canada benefits from a sound, efficient financial system supported by low taxes and business costs and a government investing in the innovative, clean, inclusive economy of tomorrow.



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