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CANADA

A BOTTOM LINE

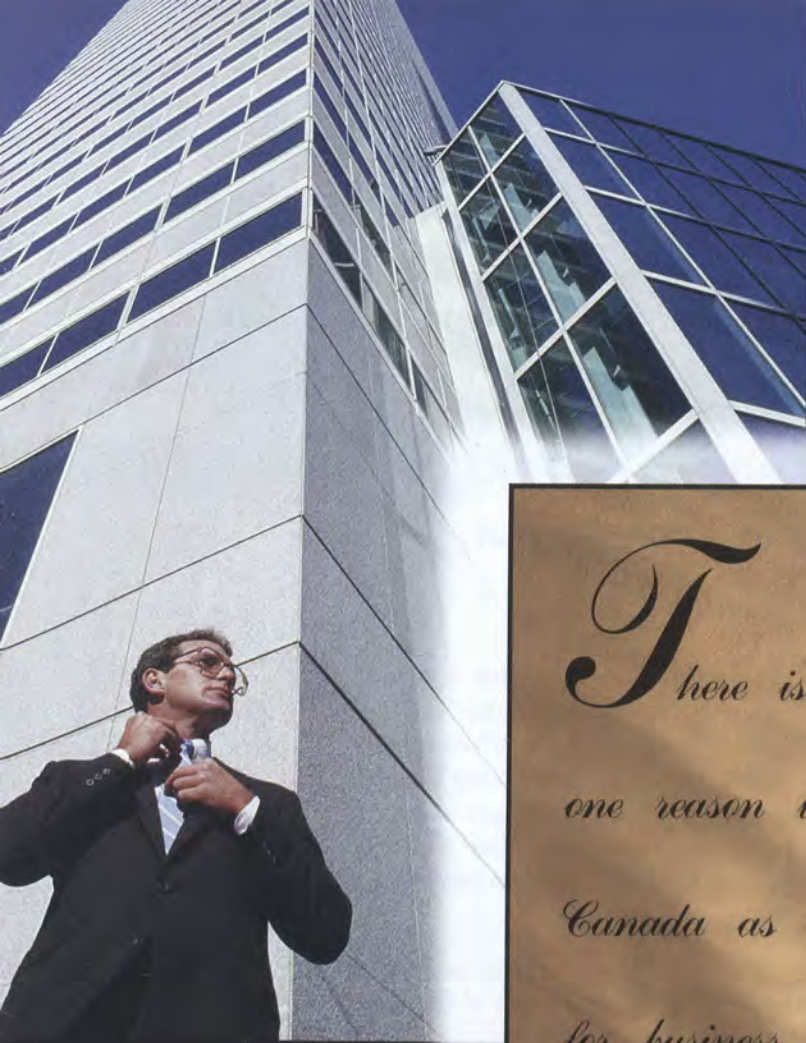
INVESTMENT

PERSPECTIVE
▼



Canada¹³¹





*There is only
one reason to choose
Canada as a base
for business operations:
the bottom line*



This publication documents the many advantages that Canada offers investors. It demonstrates that Canada's economic fundamentals are sound, with strong growth prospects, low inflation and increasing productivity. The highly skilled and dedicated labour force, competitive production costs, and supportive government policies have resulted in a business environment that steadily attracts international investment, and in which Canadian exports to world markets continue to grow.

Canada: A Bottom Line Investment Perspective has been prepared with the assistance of Price Waterhouse, for the Department of Foreign Affairs and International Trade of Canada.

Unless otherwise specified, all figures are quoted in Canadian dollars.

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Canada

A Profitable Site for Business

Canada is a trading nation, with a long history of success in international business. A winning combination of a well-educated labour force, competitive input costs, and supportive government policies has fostered international confidence in Canada as a site for business investment. Few destinations offer investors lower aggregate risk or more profitable opportunities.

"The positive image of Canada abroad is very important. We export to about 70 countries, and Canada has always been perceived as a good place in which to do business."

Dr. Aldo Baumgartner,
President and CEO
Wyeth-Ayerst Canada

A Magnet for International Business

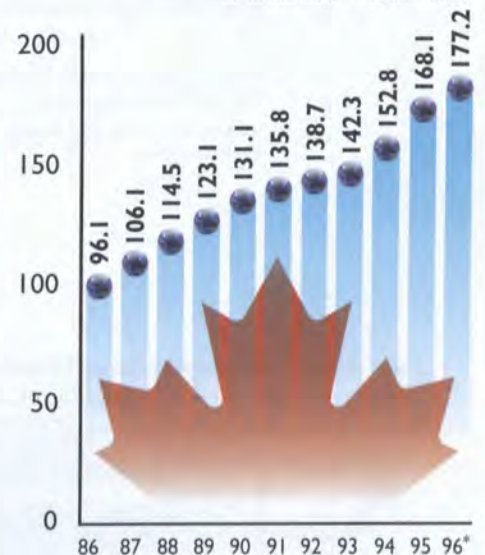
Multinational companies have historically played a key role in the Canadian economy. Investor confidence in Canada is demonstrated by the presence of many international companies, the growth in international investment, and the rise in the value of Canadian equities. The stock of foreign direct investment in Canada grew by close to 84% between 1986 and 1996, reaching some \$177 billion in 1996.

While American companies continue to account for the greatest proportion of existing, foreign-owned assets, European and Asian investments are also on the upswing.

Most of the world's largest corporations have major investments in Canada. Fifteen of the world's 20 largest industrials (as ranked by *Fortune*) have production facilities in Canada.

Growth of Foreign Direct Investment into Canada

Stock of foreign-owned assets in Canada,
in billions of \$ — 1986 - 1996

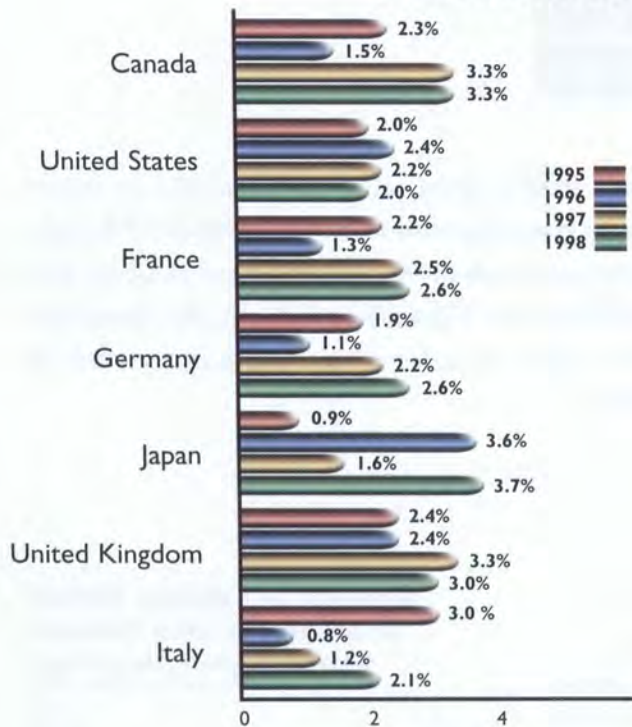


* Preliminary data.

Sources: Statistics Canada (Catalogue No. 67-202-XPB), *Canada's International Investment Position, 1995, 1996*; (Catalogue No. 11-001E), *The Daily*, Feb. 26, 1997.

Economic Growth Real GDP

G-7 Countries — 1995 - 1998



Notes: Figures for 1996 are estimates; figures for 1997 and 1998 are projections.

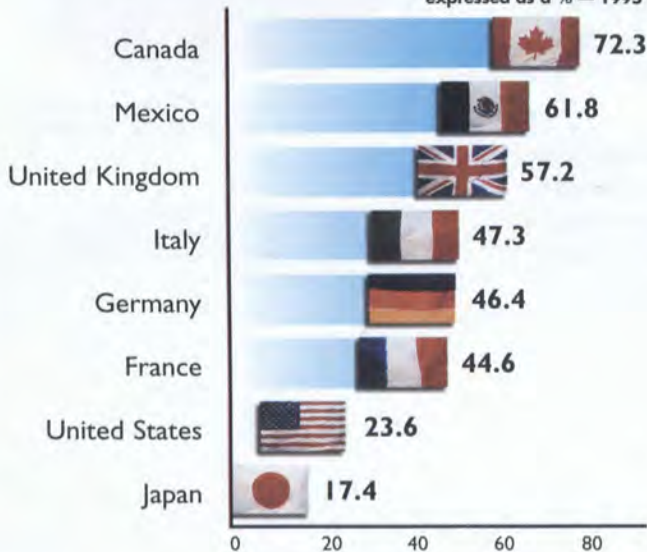
Source: OECD (No. 60), *Economic Outlook*, December 1996.



Most of the U.S. majors are here. Overseas investors include many of the largest Asian and European companies, such as Honda, Mitsubishi and Toyota of Japan; Siemens of Germany; Ericsson and Stora of Sweden; L'Air Liquide and Michelin of France; Dowty, Glaxo and ICI of the U.K.; Philips of the Netherlands; and Ciba-Geigy, Nestlé, and ABB of Switzerland. Increasingly, these American, Asian and European companies are using plants in Canada as production locations for North American or worldwide markets, or are sending skilled Canadian service workers on assignments to other countries.

Canada is a Trading Nation

Total Foreign Trade as Share of GDP, expressed as a % — 1995



Source: OECD, *National Accounts*, Volume 3, 1996.

Sound Fundamentals

- Strongest forecast growth in G7
- Inflation below 2% and forecast to remain low
- Low wage settlements
- Competitive labour costs
- Strong investment in machinery and equipment
- A commitment to fiscal responsibility, deficit reduction and job creation

"Investing in Canada opened up international sales opportunities for Banner. Thanks to favourable trade regulations, we were able to increase our market share."

Tom Hardi, Corporate Vice-President and
General Manager
Banner Gelatin Products



Strong Domestic Market

Canada has the third highest standard of living among the G7 countries. Its affluent, growing population is an attractive advantage to international investors, and represents an excellent growth potential for domestic demand for goods and services. The Organisation for Economic Cooperation and Development (OECD) expects Canada to be a leader in near-term economic growth, and surveys by the Conference Board of Canada have revealed that entrepreneurs and business people are very confident about growth prospects.

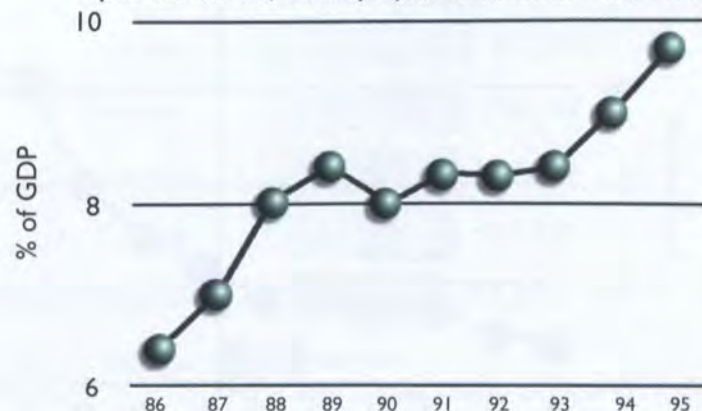
Firms already active in the U.S. or Europe will find a very similar consumer base in Canada. Canadians tend to adapt quickly to new consumer products and are well aware of international brand names. Most Canadian consumer markets feature the same brands that lead in American sales.

Canada is a solid base from which to launch an entry into North America. It enables European and Asian business managers to gain valuable experience in North American markets without entering the aggressive American market directly.

European and Asian firms find that Canada's large population of relatively recent immigrants from their home countries offers a positive starting point for market penetration in North America.

Increasing Investment in Machinery and Equipment

Expressed as % of GDP, seasonally adjusted at annual rates — 1986 - 1995



Source: Bank of Canada Review, Spring 1996.



Impressive Export Growth

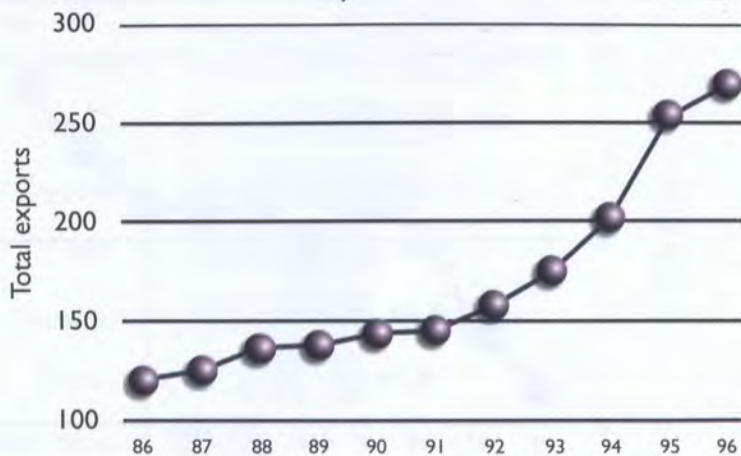
Canada has an open economy that has long been geared towards trade with the rest of the world. Canada is first among the G7 countries with respect to total trade as a share of its economic output, a testimony to the international focus of its business community. Exports account for more than one third of gross domestic product.

Businesses located in Canada are achieving record levels of sales on world markets. Under the Canada-U.S. Free Trade Agreement, in place since 1989, many Canadian companies have increased their market share of the combined Canada-U.S. market. Overall, Canadian exports have grown some \$100 billion between 1986 and 1996.

Canadian exports include transportation equipment, metals and mineral products, grains and forest products, as well as such high-technology products as telecommunications equipment and computer software. For instance, Canada exports more cars to the U.S. than Japan.

Record Export Growth

Canadian exports in billions of \$,
expressed in constant 1986 dollars — 1986 - 1996



Sources: *Bank of Canada Review*, February 1996; Statistics Canada (Catalogue No. 65-001-XPB), *Canadian International Merchandise Trade*, December 1996.

“Canada was selected as the country to establish a new health care biotechnology company and partner for Seragen Inc. because Canada was one of the few countries, if not the only one, that met the corporation’s basic requirements in establishing a partnership. Seragen’s requirements to establish a new company were the research capabilities, and the availability of investors and tax programs that recognize the value of research.”

“Canada should be proud that within its borders reside some of the world’s leading health care scientists and clinical investigators. Additionally, research centres at the universities and those found in many hospital institutions are at the leading edge in their respective fields. Research undertaken and completed in Canada often exceeds that which is being undertaken in other areas and at a fraction of the cost.”

Lorne Meikle, President, **Seragen Biopharmaceuticals Ltd.**

Global Growth Industries

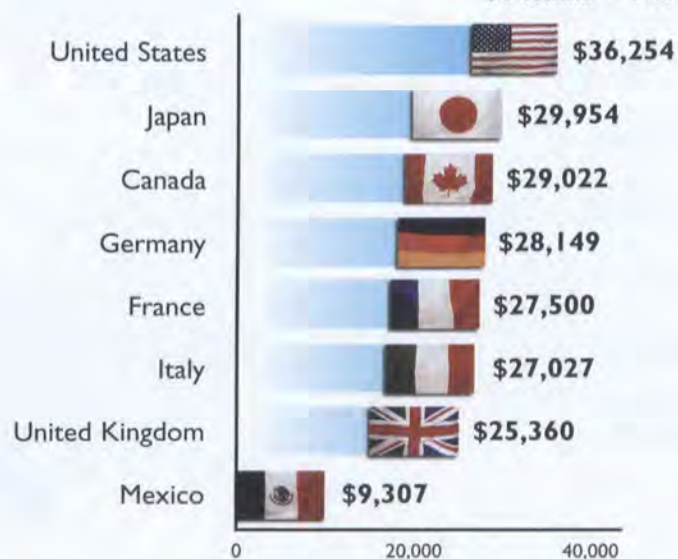
Many of tomorrow's leading industries are already significant contributors to the Canadian economy. These include high-technology industries such as telecommunications equipment, lasers, environmental technologies, biotechnology and pharmaceuticals, aerospace and software.

Other examples include plastics, electrical equipment, chemicals, machinery and paper products. As in other wealthy industrialized countries, the services sector, including sophisticated financial, information, communications, and engineering services, is benefiting from significant growth.

While some people still think of Canada in terms of its natural resources, the reality is that its electronics industry is actually greater than its pulp and paper industry. More Canadians are employed in financial services and communications than in forestry or energy.

Gross Domestic Product Per Capita

G-7 Countries* — 1995



* Mexico added to G-7 member countries.

Source: OECD, *Main Economic Indicators*, December 1996.





Photo: National Research Council Canada

"We hire more people from the University of Waterloo (Ontario) than any other university. They are good people and the University has a great cooperative programme."

Bill Gates, Chairman, **Microsoft Corporation**

Strong Research Capabilities

International businesses are increasingly using Canada as a centre for their research and development operations.

Canadian universities, technical colleges, and scientific research organizations provide unique pools of talent that can contribute to innovative product development and design. Cooperative education programmes, in which students spend part of their school year working with companies, are increasingly popular with employers.

Canadian companies benefit from the most generous R&D tax incentives in the G7. In addition, they have access to "centres of excellence" established within universities, and to university-business consortia in such areas as advanced technologies/materials, environment, wood pulp, technology-based learning, telecommunications research, robotics and intelligent systems, microelectronic devices, circuits and systems, and health care research (e.g. protein engineering, genetic diseases, bacterial diseases).

"Canada leads the world in canola R&D. We are excited about being part of that process and particularly in being able to add value to the business of canola farming with hybrid seed development using our InVigor technology."

Dr Henk Joos, President,
**Plant Genetic Systems
(Canada) Inc.**

Government Policies Contribute to a Healthy Competitive Environment

The Government of Canada provides a competitive, welcoming climate for international businesses. Along with other levels of government, it is committed to fiscal responsibility, deficit reduction, and job creation.

Government policies of particular interest to business managers are described later in this publication.



Ten Decisive Factors

Point to One

Bottom Line Conclusion

"Pratt & Whitney has a worldwide distribution network. Customs operations have been streamlined to the point that the Canada-U.S. border plays no role in our distribution system."

Brian McGill, Director of Transportation, **Pratt & Whitney Canada Inc.**

The North American Market



1. World's Richest Market

By investing in Canada, international businesses gain tariff-free access to the U.S. market, under the terms of the 1989 Canada-U.S. Free Trade Agreement. Most Canadian exports already enter the U.S. duty-free. The tariffs will be completely removed by December 31, 1998. The North American Free Trade Agreement (NAFTA), effective January 1, 1994, extended this free-trade area to include the growing Mexican market. NAFTA gives Canadian-based companies unequalled access to a market of over 386 million people with a total economy larger than that of the European Union.

More than 110 million consumers are within a day's drive of southern Ontario. Toronto, with a population of over four million, is situated nearly midway between New York City and Chicago, and about an hour's flight from either of them. Montreal is within a day's drive from Washington, D.C., New York and Boston. Vancouver is just 48 hours by truck from San Francisco and the large Californian market. The heart of the U.S. Mid-West market is only a day's drive from Winnipeg, Regina or Calgary. Canada's Atlantic region has ready access to the New England market, with Halifax being one hour by air from Boston.

Competitive Managerial Wages

Average wages and benefits for general managers, in thousands of \$



Note: Salaries are averages in thousands of dollars and include basic salary plus fringe benefits.

Sources: Multi-Services Professionnels (M.S.P.) Inc., Montreal, January 1996; Montreal Urban Community, 1996.

2. Competitive Labour Costs

Firms in Canada enjoy the benefits of a skilled, cost-effective labour force, which has proven to be adaptable to changing technologies and varied international management methods. Productivity is high and rising, offsetting apparent advantages of low wage, low productivity countries.

Canadian wage rates are very competitive with those of other countries, and current trends are making Canada even more competitive. Labour costs in the Canadian manufacturing sector showed the lowest growth among G7 countries since 1990.

Competitive Engineering Wages

Average wages and benefits for engineers, in thousands of \$



Note: Salaries are averages in thousands of dollars and include basic salary plus fringe benefits.

Sources: Multi-Services Professionnels (M.S.P.) Inc., Montreal, January 1996; Montreal Urban Community, 1996.

Competitive Secretarial Wages

Averages wages and benefits for secretaries, in thousands of \$



Note: Salaries are averages in thousands of dollars and include basic salary plus fringe benefits.

Sources: Multi-Services Professionnels (M.S.P.) Inc., Montreal, January 1996; Montreal Urban Community, 1996.

"Canada provides an enviable environment in which to conduct research and development; at the same time, it has cost-effective knowledge-based resources and an equally important presence of advanced supplier chains."

Dan Branda, President and CEO,
Hewlett-Packard (Canada) Ltd.

"We found labour rates to be very favourable, which allows us to do business very cost-effectively."

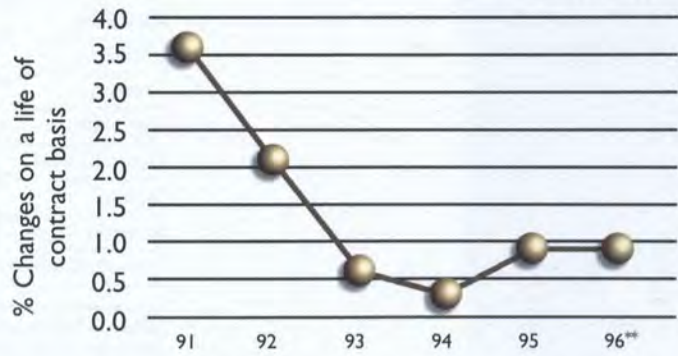
Dell Young, President, **Bell Helicopter Textron**

Other costs associated with labour such as employer-paid social security taxes and health insurance are lower for Canadian firms than for their American competitors. By reducing effective labour costs, Canada's publicly funded health care contributes to the competitiveness of its industries.

Professional and administrative personnel costs in major Canadian cities compare favourably with other countries. While relative wage costs among countries tend to shift with exchange rate movements, Canada's close manufacturing links with the United States ensure that market forces will serve to keep Canadian wage rates competitive.

Base Wage Rate* Increase

All industries — 1991 - 1996



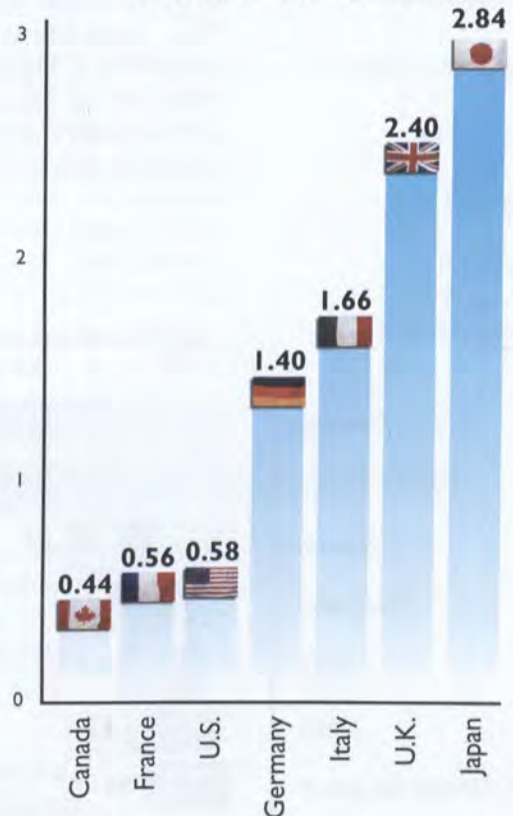
* The base wage rate is the lowest wage rate covered by a contract.

** Data up to November 1996.

Source: Human Resources Development Canada, Workplace Information Directorate, November 1996.

Unit Labour Cost Manufacturing Sector

G-7 Countries — Growth from 1991 to 1995



Notes: 1994 data unavailable for the calculation of this figure; low = best; high = worst.

Source: International Monetary Fund, *World Economic Outlook*, October 1996.

“Canada boasts an impressive availability of manpower, and most specifically skilled manpower. We employ a lot of university graduates in our research facilities and Canada’s universities are always producing an excellent workforce.”

D’Aldo Baumgartner,
President and CEO,
Wyeth-Ayerst Canada

Country	Incidence of Employer Training ^a	Post-secondary Education ^b
Canada	30-36%	76%
Finland	34%	38%
France	29%	37%
Germany	n/a	26%
Great Britain	31-43%	19%
Japan	31-37%	39%
Sweden	25%	38%
United States	31%	70%

Notes: a) Percentage of employees who took employer training in the most recent year for which data are available.
b) Ratio of post-secondary full-time equivalent enrolment to the population in the theoretical age range for such programmes in 1988 (in most countries the assumed age range for university education is 18 to 24 and for non-university post-secondary education is 18 to 20).

Source: *Canadian Business Economics*, Summer 1993.

3. An Educated and Skilled Workforce

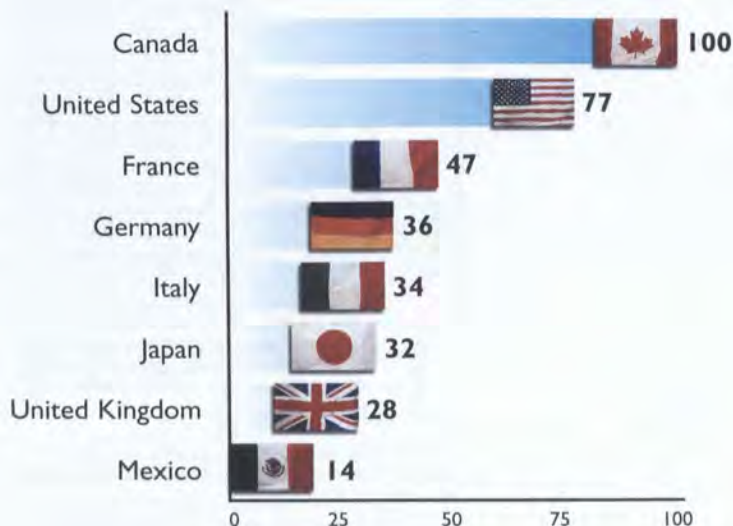
According to the OECD, Canada is among the top three countries in the terms of gross domestic product devoted to public sector funding of education. This commitment to education has resulted in a high level of literacy. In 1996, 31% of Canadian workers had a post-secondary diploma, and 17.3% had graduated from university.

A number of successful job training and cooperative training programmes are in place to help achieve a match between the needs of industry and the supply of skills. The Federal Government alone spends over \$1 billion annually on training, and provincial governments also devote significant amounts of money to professional training. A Statistics Canada survey estimates that, in addition, Canadian employers spend about \$1.4 billion each year on formal training courses.

This training effort takes place in community colleges, technical institutes, universities, trade and vocational schools, commercial training schools, etc. Employers who have taken part in cooperative training programmes, where students spent part of their school year working with companies, have strongly praised the results.

Higher Education Enrolment

G-7 Countries* — Canada = 100



* Mexico added to G-7 member countries.

Note: Based on the 20 to 24-year-old population enrolled in higher education in 1992.

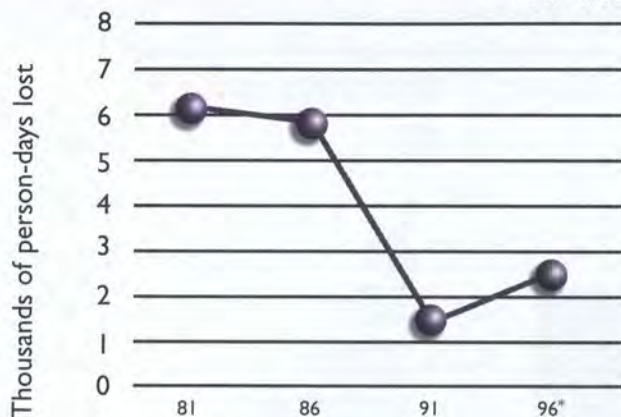
Source: IMD. *The World Competitiveness Yearbook*, 1996.

Photos: University of Ottawa



Major Work Stoppages

1981 - 1996



* Data is up to November 1996.

Notes: Work stoppages include all strikes and lock-outs, legal or illegal, lasting half a day or more and amounting to 10 person-days lost. Time lost by workers indirectly affected is not included.

Source: Human Resources Development Canada, Workplace Information Directorate, *Wage Settlement Bulletin*, January 1997.

4. Healthy Labour Relations

Canada can claim to have one of the most productive labour management environments among the G7 countries. International firms have achieved many productivity improvements in their Canadian operations through workplace initiatives in labour management relations. Many firms in Canada are moving forward, in cooperation with their workers, to institute quality management practices throughout the economy.

Many companies find that, relative to their experience in other countries, Canadian operations experience low turnover and absenteeism rates.

5. A Highly Competent and Dedicated Research and Development Community

Many international firms use Canada as a base for research, development and testing of new products and processes. The number of scientists and engineers working in research roles per capita is indeed higher than for the United States. Canada has encouraged international pharmaceutical firms to locate research facilities here by granting the industry important improvements in patent protection in the domestic market.

Canada is also home to research and product development facilities for such companies as IBM, Digital Equipment, Glaxo and Amdahl, as well as for such Canadian-based multinationals as Northern Telecom, CAE, Corel, Bombardier and Newbridge.

"The high productivity and low turnover we have experienced over the past 14 months have more than fulfilled our expectations. And our decision to expand is a direct result of that."

Lindo Lapegna, President, **Testori Americas Corporation**



"The superior universities, availability of highly skilled workers, along with excellent tax incentives for research and development, make Canada an ideal investment location for

Wyeth-Ayerst."

D^r Aldo Baumgartner,
President and CEO,
Wyeth-Ayerst Canada

“The most basic (location factor) is ready access to natural resources. Here in Nova Scotia, we have assured access to an abundant supply of coniferous softwood — the raw material of our business — at reasonable prices.”

Jack Hartery, President and General manager,
Stora Forest Industries Ltd.

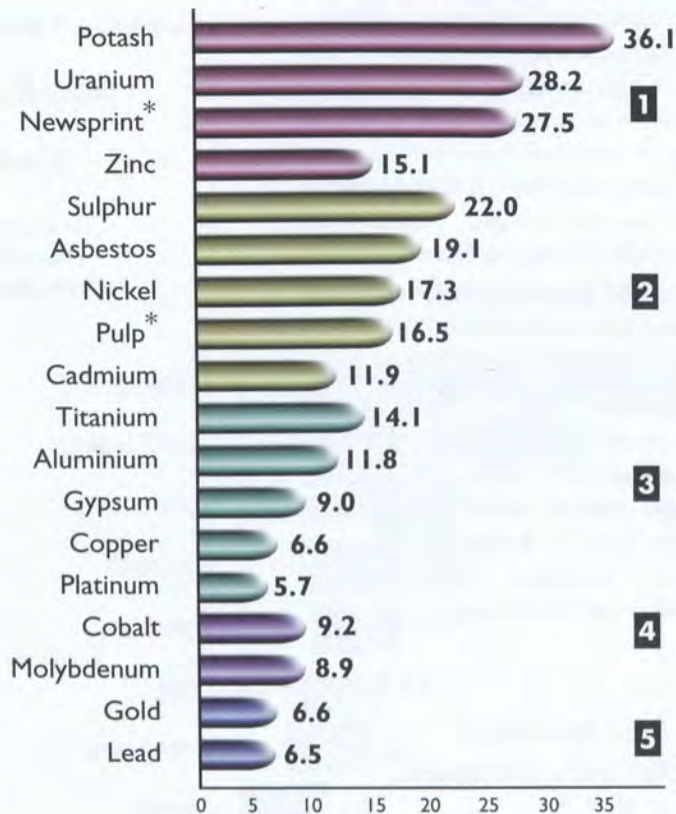


6. Abundant Raw Materials

Canada is renowned for its rich mineral reserves and productive agricultural land. These resources, and the cost-effectiveness of their extraction, enable Canada to be a leading exporter of key commodities in both raw and processed forms. Canada has very competitive suppliers of ferrous metals, aluminium, nickel, gold, zinc, copper, pulp and paper, lumber and potash, as well as grains, oilseeds, and meats that are internationally recognized for their high quality. Canadian-based processors and manufacturers can reduce transportation costs by being close to these globally competitive sources of supply.

World Leader in Mineral and Commodity Production

% of world production, and international rank — 1995



* 1994 figures.

Sources: Natural Resources Canada, *Canadian Minerals Yearbook* (Preliminary data), 1995; Canadian Pulp and Paper Association, 1994.

Natural Gas Prices For Industry

G-7 Countries*, in $\$/10^7$ Kcal [GCVB] — 1995



* Mexico added to G-7 member countries.

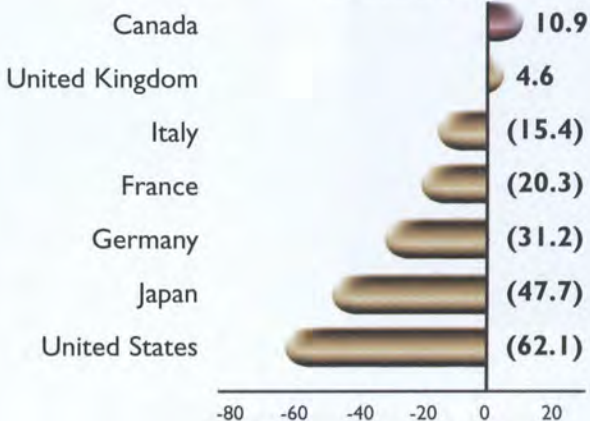
** 1994 figures.

Notes: Low = best, high = worst; Kcal = one calorie $\times 10^3$; GCVB = Gross Caloric Value Basis.

Source: International Energy Agency, *Energy Prices and Taxes*, 2nd Quarter, 1996.

Highest Energy Self-Sufficiency

Energy surplus or deficit, in billions of \$ — 1993 - 1994



Source: *Annuaire économique et géopolitique mondial*.

7. Vast, Low-cost Energy Supplies

Canada is blessed with abundant deposits of mineral fuels and river systems that have been tapped for massive hydroelectric generating capacity. Canada and the United Kingdom are the only G7 countries to be self-sufficient in energy with large net exports of oil and natural gas.

“Union Carbide has made a major commitment with investments in Canada, particularly in Alberta, in order to capitalize on abundant, low-cost petrochemical feedstocks and access to markets in North America and Asia.”

L.P. McMaster, Corporate Vice-President,
Union Carbide

Electricity Prices For Industry

G-7 Countries*, in $\$/kWh$ — 1995



* Mexico added to G-7 member countries.

** 1994 figures.

Notes: Low = best, high = worst; kWh = kilowatt hour.

Source: International Energy Agency, *Energy Prices and Taxes*, 2nd Quarter, 1996.



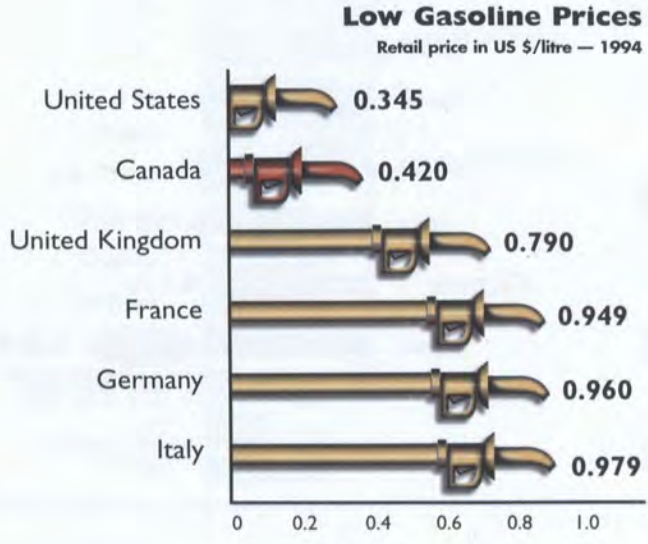
“Energy costs, particularly for fossils, are moderate here, compared with many parts of the world and particularly Europe where the price of gasoline is literally double that in Canada.”

Jack Hartery, President and General manager,
Stora Forest Industries Ltd.

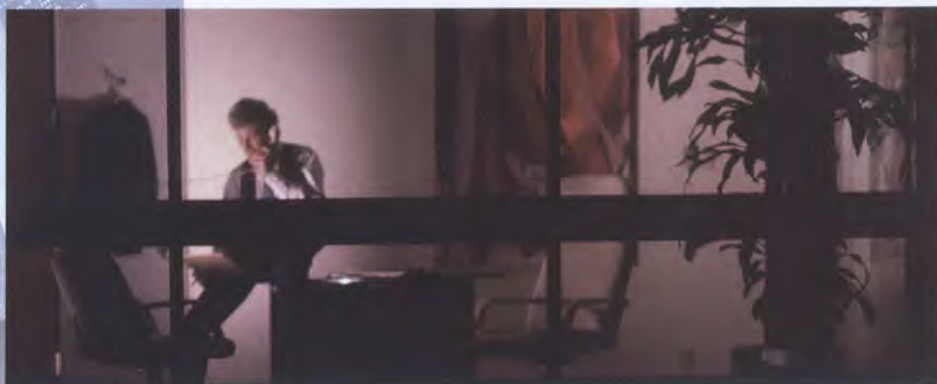
Canada's future energy needs will be readily provided for, using existing capacity as well as a number of possible oil and gas developments and other electric generation facilities. It is therefore not surprising that international business leaders ranked Canada first among the G7 countries in the supply of power to business in 1996, according to the World Economic Forum.

The most recent international data show that industrial prices for natural gas and electricity are significantly lower in Canada than in Europe, Japan or the United States.

This advantage has helped Canada become a globally competitive location for energy-intensive manufacturing industries and should remain that way. For instance, industrial and commercial rates of Ontario Hydro, Hydro-Québec and BC Hydro are fixed until the year 2000, thereby contributing to maintain this competitive advantage.



Sources: OECD; International Energy Agency, *Energy Prices and Taxes*, 3rd Quarter, 1995.



8. Advantageous Occupancy Costs

Canadian cities and towns offer modern, well-designed offices and industrial buildings at highly competitive rates. Many Canadian cities offer ample room for new manufacturing and office demand.

Much of the stock of commercial buildings is designed to accommodate advanced communications and information technology systems. Similarly, industrial buildings have the high ceilings and other features needed for sophisticated manufacturing and distribution operations.

Average Cost of Office Space

Selected cities worldwide, in \$ per square foot — 1996



Notes: Annual occupancy cost includes base rent, operating expenses and taxes, less amortized value of landlord concessions. Costs are based on a five-year lease of 10,000 sq. ft. (Class A) in a prime downtown location to a credit worthy tenant; 10 ft² = 0.93 m²; figures have been rounded off.

Source: Colliers Macaulay Nicolls International Inc., 1996.



"We also benefited from the existence of a strong basic infrastructure, including Summerside Aerospace Centre (in Prince Edward Island) and excellent telecommunications services. Geography was also a plus. This is an excellent base from which to serve not only the U.S. but European markets."

Lindo Lapegna, President,
Testori Americas Corporation

Transportation Infrastructure

G-7 Countries* — 1996

Country	Score	Roads	Railroads	Air Transport	Port Access
United States	88.0	90	81	92	89
Canada	86.0	86	83	88	87
France	82.1	87	84	83	74
Germany	81.9	83	77	84	83
Japan	73.0	62	87	66	77
United Kingdom	67.0	59	50	84	76
Italy	62.2	72	54	64	59
Mexico	48.0	50	29	66	48

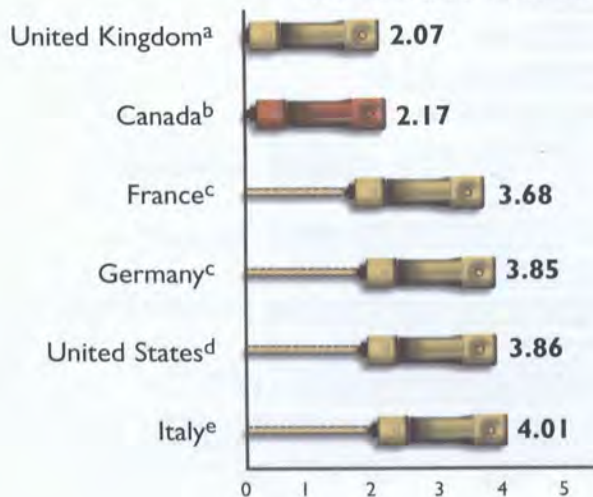
* Mexico added to G-7 member countries.

Notes: The score measures the extent to which the transportation infrastructure is developed to meet the business requirements of a company competing internationally and measures adequacy of roads, railroad, air transport and port access; 0 = least adequate; 100 = most adequate.

Source: WEF, *The Global Competitiveness Report*, 1996.

Competitive International Telephone Rates

Cost of a three-minute call in dollars



a) June 1995; b) May 1995; c) January 1996;
d) November 1995; e) March 1994.

Note: International calls are to New York, except for Canada and the U.S. which are to London.

Source: Teleglobe Canada Inc., March 1996.

9. Sophisticated and Efficient Infrastructures

A 1996 report published by the World Economic Forum rates countries on several competitiveness criteria. Four of these criteria — roads, railroads, air transport and port access — deal with the adequacy and flexibility of transportation infrastructure relative to business requirements. Canada's average rating for these criteria was the second highest among G7 nations.

A comprehensive network of roads, ports, airports and rail lines provides fast and cost-effective freight and passenger services. Deregulation has led to enhanced competition among alternative modes of transport. Rail, truck and air services are fully integrated with U.S. networks, providing efficient access to consumers and suppliers throughout North America.

“Halifax possesses a favourable infrastructure, including the waterway which is very close to the industrial park in which we are located, as well as rail tracks leading into the facility. We have been successful with those ingredients over the years.”

Kaj Neilsen, Vice-President and General Manager,
Volvo Canada Ltd.

The St. Lawrence Seaway system is a major inland water route into North America's heartland, serving ports that are over 2,200 km from the nearest coast. Canada's Atlantic and Pacific ports are major links to Europe and the Pacific Rim.

Convenient flights link business travellers with all major North American and global destinations, thanks to increased competition and the integration of North American air services. A variety of freight cargoes can be accommodated and premium express services provide door-to-door delivery on the next business day for destinations in the U.S. and Mexico.

In telecommunications, Canada has consistently been a world leader. It boasts a network that includes satellites, fibre optic technology, a highly digitized telephone system and a deregulated long-distance calling system.

Long-distance rates have gone down by more than 25% between 1990 and 1995 and calls to overseas headquarters are often cheaper from Canada than from a comparable U.S. location.





“Our location is another plus. Here in Ville Saint-Laurent, we have easy access to the U.S. market via superb road and rail connections, and to European destinations through the Port of Montreal.”

Serge Brodeur, Vice-President, Finance and Administration, **Cosmair Canada**

Canadian telecommunications suppliers have been investing heavily to provide the latest in fibre optic technology and high-speed data transmission services. Moreover, the opening of the long-distance market to increased competition will ensure that costs remain competitive.

Personal Communications Systems (digital wireless technology) are operational since 1996. Three billion dollars will be spent in the coming years in R&D and equipment in order to further develop the system from coast to coast.

Major Canadian telecommunications companies such as BCE Mobile and Teleglobe are contributing with financing and technology in international consortia in order to develop satellite-based PCS, either with medium-earth orbits

and low-earth orbits. This infrastructure will be operational before the year 2000.

Canada is part of a 9,000-km superhighway linking Europe and North America, through two high-capacity fibre optic cables (CANTAT 3 and CANUS 1). It is the first intercontinental link on the global information highway to use state-of-the-art SDH (Synchronous Digital Hierarchy) technology.

Population

By Mother Tongue, % of Total Population — 1991

	Canada	Halifax	Montreal	Toronto	Edmonton	Vancouver	Ottawa/Hull
English	60.5	93.1	14.3	66.4	77.9	72.9	53.5
French	23.8	2.7	66.9	1.3	2.3	1.3	32.9
Multilingual	2.6	1.0	4.2	4.1	3.1	3.1	3.5
Italian	1.6	0.2	3.8	4.9	0.7	1.1	1.1
Chinese	1.6	-	0.9	4.5	2.8	8.2	1.2
German	1.6	0.3	0.4	1.2	2.4	2.2	-
Portuguese	0.7	0.1	0.8	2.5	0.4	0.4	-
Polish	0.6	0.2	0.5	1.5	1.1	0.5	-
Spanish	0.6	1.0	1.4	1.4	0.7	0.7	-
Other	6.4	1.4	6.8	12.2	8.6	9.6	7.8

Note: Values which are too small to be expressed are denoted by a (-).

Source: Statistics Canada (Catalogue No. 93-313), *Mother Tongue*, 1991.

Immigrant Population By Last Country of Permanent Residence

January to December 1996

COUNTRY	CANADA Number	NFLD %	PEI %	NS %	NB %	QB %	ON %	MB %	SK %	AB %	BC %	NWT %	YT %
Hong Kong	29,676	0.0	0.1	1.0	0.0	3.8	47.0	0.7	0.4	6.2	40.8	0.0	0.0
India	20,986	0.1	0.0	0.3	0.1	6.6	54.8	1.7	0.3	7.2	28.6	0.1	0.0
China	17,403	0.9	0.0	1.1	0.6	6.9	54.7	2.6	1.5	7.2	24.3	0.0	0.0
Taiwan	13,031	0.0	0.0	0.3	0.1	5.0	20.0	0.2	0.3	3.4	70.7	-	-
Philippines	12,686	0.1	-	0.2	0.1	6.2	53.9	6.4	1.0	8.6	23.3	0.2	0.1
Pakistan	7,649	-	-	2.2	0.1	6.0	80.4	1.0	0.4	5.9	4.0	-	-
Sri Lanka	6,044	0.1	0.1	0.1	0.0	12.1	83.5	0.3	0.1	1.1	2.5	-	-
Iran	5,650	0.1	0.0	0.9	0.2	9.2	60.3	2.3	0.4	4.1	22.5	-	-
United States	5,634	0.4	0.3	1.7	2.1	9.1	49.5	3.4	2.3	10.0	21.1	0.1	0.2
Bosnia-Herzegovina	5,487	1.0	0.1	1.2	0.3	3.2	52.6	5.0	0.9	11.1	24.4	0.1	0.1
United Kingdom	5,081	0.2	0.1	0.2	0.1	2.9	3.4	0.7	0.6	0.9	1.0	-	0.0
Romania	3,614	0.1	-	0.3	0.3	27.4	56.4	1.4	0.6	4.5	8.9	-	-
France	3,309	0.2	-	0.2	0.2	82.8	10.0	0.3	0.7	1.3	4.3	-	-
Jamaica	3,138	-	-	0.0	0.1	3.5	90.7	1.0	0.4	3.5	0.6	0.1	0.0
South Korea	3,129	-	-	7.5	0.1	11.4	37.2	0.9	0.3	10.7	31.9	-	-
Ukraine	2,619	0.2	0.1	0.6	0.2	11.2	65.2	3.4	0.6	5.0	13.6	-	-
Israel	2,489	-	-	0.1	-	22.4	61.7	0.6	0.2	5.5	9.5	-	-
Germany	2,476	0.1	-	3.3	1.0	6.8	39.8	3.5	1.0	9.9	34.1	0.0	0.6
Vietnam	2,460	0.1	-	0.4	0.4	13.7	53.9	2.6	1.3	12.2	14.3	0.2	0.6
Saudi Arabia	2,440	-	-	8.1	0.2	5.7	73.8	1.3	0.6	5.7	4.7	-	-
Other Countries	66,183	0.3	0.1	2.7	0.4	20.9	55.9	1.8	0.9	5.7	11.3	0.0	0.0
TOTAL	221,184	0.3	0.1	1.6	0.3	12.9	53.0	2.0	0.8	6.3	22.7	0.0	0.0

Source: Citizenship and Immigration Canada, January 1997.

10. International Business Skills and Services

The Canadian business sector is very internationally oriented, which helps to explain booming exports. In particular, Canada is an effective bridge between North America and Europe. Canadian business practices and laws are a blend of American and European cultures. Canada's metric system of measurement means that Canadian manufacturers can readily meet requirements for European standards and measures.

“HP Canada has been favourably impressed by the high quality workforce in the country, particularly within the fields of business, computer science and engineering. These creative individuals are flexible and productive innovators and much more cost-effective than their U.S. counterparts. Our Panacom operation in Waterloo, Ontario, benefits greatly from this knowledge-based advantage, achieving worldwide success. In general, foreign companies are missing a great opportunity in the high quality knowledge-based workers readily available in Canada.”

Dan Branda, President and CEO,
Hewlett-Packard (Canada) Ltd.



“You have a great scientific environment, an excellent well-known Biotech Research Institute and well-educated workers who will work at reasonable costs. Good incentive packages. Big investment funds willing to invest in biotech and, apart from this, a number of A-1 companies providing the necessary services to bring new products to the marketplace.”

René Van Rappard, President and CEO,
Bio-Intermediar International

Employers will find pools of experienced workers who also offer fluency in foreign languages, knowledge of international cultures and business practices, and networks of business contacts in Asian, European and American markets.

Businesses are well served by a modern and sophisticated financial sector. This includes seven national banks which provide both lending and investment banking services, five of which rank among the ten largest banks in North America. Canada has largely avoided the high public costs associated with failures of numerous smaller institutions seen in the United States. Many Canadian financial institutions maintain offices in major financial capitals around the world in order to serve their international clients.

Trust companies and insurance companies provide additional financial services. International investors who prefer to deal with financial service firms based in their home countries will find that many leading international banks, investment dealers and insurance companies have offices in Canada. Stock exchanges in Toronto, Montreal and Vancouver provide many international firms with Canadian equity participation.

In the fields of engineering and architecture, Canadian firms are world-renowned for their expertise. Other top quality professional services are available from globally active accounting, advertising, law and management consulting firms.

“Harris-Farinon was finding that products designed and built in Canada had particularly high acceptance in foreign markets, including Asia, Latin America and Europe. And our track record in marketing to offshore markets was literally unique in the company.”

Richard Peabody, President, **Harris-Farinon Canada**



Supportive

Government Policies

As mentioned at the beginning of this document, the Government of Canada recognizes the need to have the right balance of strong economic fundamentals if Canada is to be competitive and provide jobs for its citizens. Sound fundamentals begin with a commitment to fiscal responsibility and deficit reduction.

"We had tremendous support from the federal and provincial governments, including the Canadian embassies which we view as the best in the world in helping us market our products worldwide."

Dell Young, President,
Bell Helicopter Textron

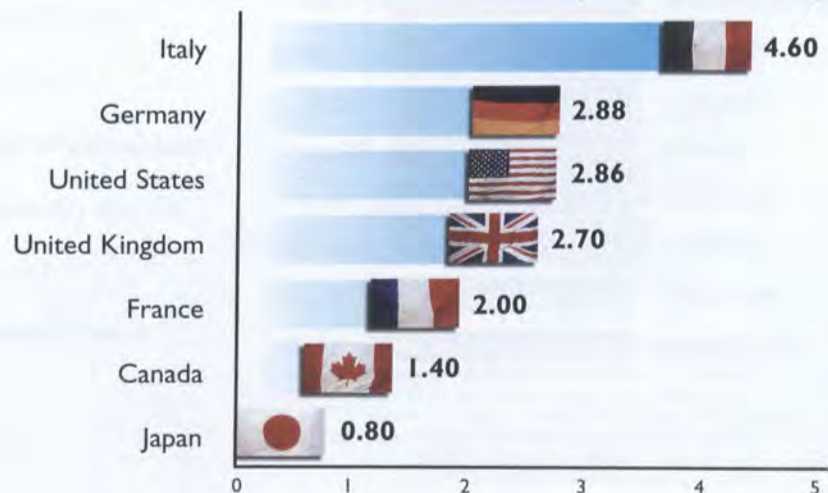
Competitive Tax Regimes

With Canada's economy so closely linked to that of the U.S., Canadian governments are sensitive to the need to maintain a competitive tax regime. A number of tax reform measures instituted over the past few years have been specifically targeted at removing tax barriers to international competition.

In addition to phasing out many tariffs on production inputs from the United States and Mexico, the Canadian government has replaced the federal sales tax (FST) with a value-added tax, the goods and services tax (GST).

Low Inflation Rate in the G-7

% increase in consumer prices — 1992 - 1996 Average

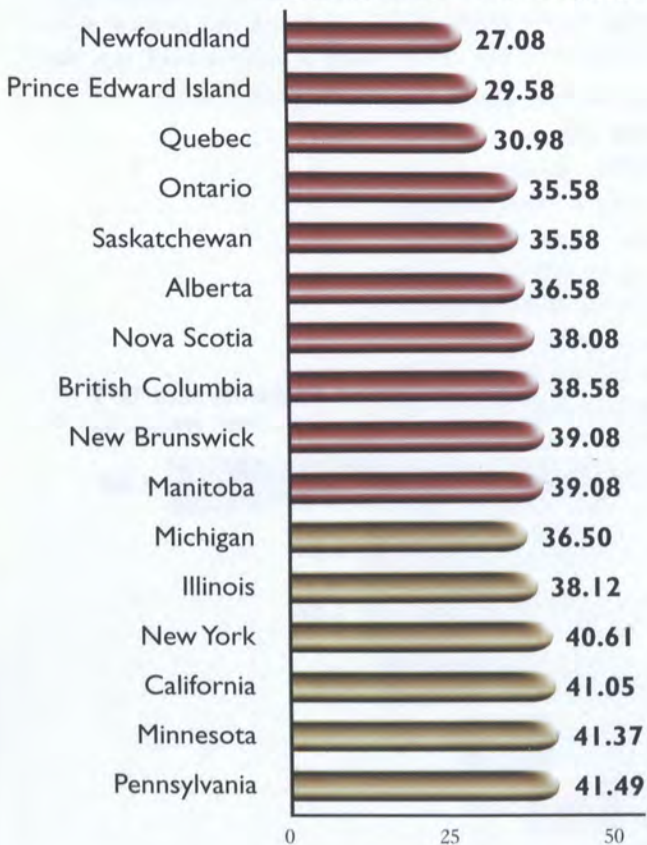


Source: IMF, *International Financial Statistics*, February 1997.



Competitive Manufacturing Corporate Tax Rates

Combined federal/provincial
or federal/state rates — December 31, 1995

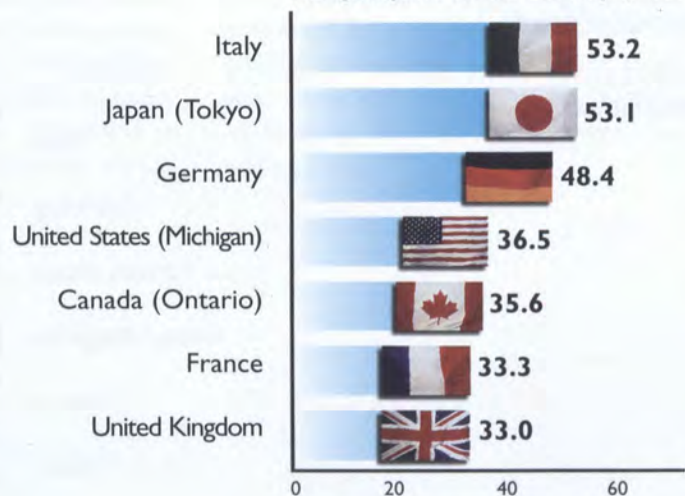


Sources: Price Waterhouse, *Corporate Tax Strategy*, 1995-1996; CCH INC, *State Tax Handbook*, 1995.

The GST is a tax on the consumption of goods and services in Canada designed to be paid by the ultimate consumer or purchaser. Businesses are charged the tax on all their purchases of goods and services but are subsequently entitled to a full refund of the tax, thereby eliminating the cascading effect and ensuring that the tax applies only on the value of final consumer sales.

Competitive Manufacturing Corporate Tax Rates

Average corporate tax rate — January 1, 1994



Note: Tokyo includes municipal and prefectures taxes.
Sources: CCH Canadian Limited, 1995; Price Waterhouse, *Corporate Taxes: A Worldwide Summary*, 1995.

"Basically, for every \$1 you invest in R&D for eligible expenses you get a 35% refund. So if you invest \$2 million in R&D, you could get \$700,000 back. In addition to which, of course, your R&D expenses go under your expense line, reducing your taxable earnings. I am not aware of anything comparable in the United States or elsewhere."

Dr. R.D. Samuel Stevens, President, **Solarchem Environmental Systems**

Photo: National Research Council Canada

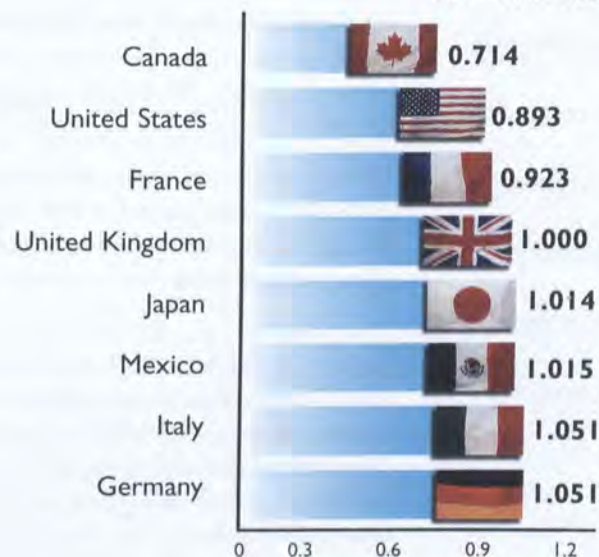
Under the former FST, exports were not directly subject to tax. However, as the FST was imposed on many inputs used in the production process and could not be recovered, it was increasing the cost of Canadian exports. Under the GST, the destination of the goods and services determines the tax liability. Goods and services consumed in Canada are subject to the GST, while goods and services consumed outside Canada are not taxable, enhancing the competitiveness of Canadian-made goods on the international market.

A recent study found that Canada's overall effective corporate tax rates are comparable to those of the United States, and slightly lower when the more favourable treatment of corporate losses is taken into account. Other studies examining taxes on labour, health insurance premiums, and refundable tax credits available for manpower training indicate that the burden of corporate and other taxes and social contributions on businesses is generally lower in Canada.

Most Generous R&D Tax Incentives

A study by the Conference Board of Canada shows that Canada's tax treatment of R&D expenditures is the most favourable among the major industrialized nations studied. Tax relief for R&D spending is provided by both the Federal Government and six provinces.


Tax Burden Index on R&D Investment G-7* — 1995 - 1996



* Mexico added to G-7 member countries.

Notes: 1) Canadian figures are based on Quebec tax regimes; U.S. figures are based on California tax regime. 2) Figures represent the B index, or ratio of the after-tax cost of \$1 expenditure on R&D divided by 1 less the corporate income tax rate. Generally, the lower the B index, the greater the amount of R&D that a firm will undertake; low = best; high = worst.

Source: Conference Board of Canada, *R&D Tax Incentives in OECD Countries: How Canada Compares*, January 1997.



“Quebec possesses some of the top clinical research centres and universities in the world. The dedication of the workforce also makes Montreal one of the best places internationally for the types of development initiatives we are currently undertaking. The introduction of Bill C-91 relating to the extension of patent protection was a major factor in the investment decision for us as well.”

Paul Howes, President,
Merck Frosst

Large companies qualify for a federal R&D tax credit of 20% on eligible R&D expenditures, which can be used to reduce or eliminate federal tax otherwise payable. Small Canadian-controlled companies qualify for a federal R&D tax credit of 35% on up to \$2 million of annual R&D expenditures. The 35% tax credit on current expenditures may be fully refundable. All R&D expenditures can be written off over one year.

The tax credits are applicable to all eligible current and capital R&D expenditures. Buildings and used equipment do not earn tax credits.

This regime is substantially more favourable than the one in the United States, where a tax credit of 20% is available on incremental R&D expenditures only, and where capital expenditures are depreciated over five years and do not earn tax credits.

Patent Protection

Changes to the country's Patent Act have also made Canada a more attractive investment destination for innovative companies involved in medical research and development. The amendments, which came into effect in 1993, brought patent protection for drugs and medication into line with that accorded to new products in all other sectors of the economy. On average, this increased the effective patent protection period of innovative drug products from 17 to 20 years.

Patent protection in Canada is generally consistent with that provided by other countries under both the World Trade Organization Agreement and the North American Free Trade Agreement (NAFTA).

“Our decision to expand our manufacturing operation underscores our confidence in Canada as a good place to invest. We have a high quality, motivated workforce, excellent infrastructure and excellent cooperation from all levels of governments. Winning the Siker Award for quality from J.D. Power and Associates as one of the best automobile manufacturing facilities in North America clearly has justified our decision to build our new minivan plant in Canada.”

I. Shimuzu, President and CEO, **Honda**



Photo: National Research Council Canada

Less Government Intervention

Regulatory reforms have improved efficiency in the resource, transportation, telecommunications, financial services, and food and drug industries.

In many cases, these reforms have created new competition in the supply of services to international businesses in Canada. Moreover, the Federal Government has stimulated free-market forces by privatizing many government enterprises in the aerospace, transportation, satellite communications, fisheries, oil and gas, and other sectors.

Provincial governments have also been moving in step with many of these efforts to reduce the level of government intervention in the market.

Programmes to Support Technology, R&D and Small- and Medium-sized Businesses

The Government of Canada has a number of programmes of particular interest to small- and medium-sized high technology companies.

The Industry Canada portfolio is at the centre of initiatives to build a modern, more innovative economy. It supports industrial research and development and technology transfers through repayable contributions under programmes such as:

- **Technology Partnerships Canada**, which focuses on environmental technologies and biotechnology, selected information technologies, advanced manufacturing technologies as well as the aerospace and defense industries, including defense conversion;




- **Industrial Research Assistance Programme**, which focuses on providing high quality and appropriate technical advice and assistance to its industrial clientele through its important network of trained advisers; and,
- **Networks of Centres of Excellence**, which provide productive university-industry collaboration in several areas of strategic importance ranging from biotechnology to telecommunications.

Welcoming International Investment

Canada welcomes international investment, whether it originates from an international corporation looking to invest in a new facility or from an individual entrepreneur with capital.

The Canadian federal and provincial governments support business investment through an extensive network of regional development programmes and by providing counselling and information services, as well as incentives for R&D, training, export promotion, export financing, and other business activities.



“The Canadian government’s Export Development Corporation (EDC) is a versatile agency experienced in assisting projects of every size. We find EDC much more flexible, innovative and helpful to exporters than ... counterparts in other countries.”

Richard Peabody, President, **Harris-Farinon Canada**



Investment Incentives Available

The Government of Canada has a variety of programmes that support business investment offered through various departments and agencies. In addition to programmes that apply across Canada, investors should be aware of the following regional programmes:

- **Western Economic Diversification Canada (WED)** has a strategic approach to regional economic development which is targeted at small- and medium-sized companies in Western Canada.

Activities include advocacy for Western interests; leveraging private sector capital with investment funds developed with major financial institutions and aimed at specific growth sectors; and improving the quality and accessibility of service to Western

Canadian businesses in large and small communities with an integrated service and information delivery network linking Canada Business Service Centres, Community Futures Development Corporations, Women's Enterprise Centres and WED offices.





- **The Federal Economic Development Initiative in Northern Ontario (FedNor)** promotes economic growth, diversification and job creation throughout Northern Ontario. FedNor does this:
 - by providing communities and small- to medium-sized enterprises with the tools they need to manage economic development locally;
 - through the use of partnerships and financial leverage to maximize the effectiveness of scarce federal resources;
 - by improving local access to investment capital, skills training, technological know-how, export markets and the information highway; and
 - through the encouragement of self-sustaining, mutually beneficial individual, community and business partnerships and networking within the region and elsewhere.
- **The Atlantic Canada Opportunities Agency (ACOA)** enhances economic development in Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick. ACOA's primary objective is to deliver the Federal Government's national jobs and growth agenda in Atlantic Canada by concentrating on the needs of the region's small- and medium-sized businesses in such areas as entrepreneurship development, trade and export development, innovation and technology enhancement. ACOA provides repayable financial support for projects in sectors that include manufacturing and processing, business services, commercial R & D activities, tourism and aquaculture. ACOA also provides advice and support in various areas throughout the life cycle of the project including marketing, improved management practices and quality assurance.



- In line with its mandate to promote the economic development of the regions of Quebec, the **Federal Office of Regional Development (Quebec)** is focusing on small- and medium-sized businesses. Companies can rely on the expertise of its 13 Small Business Access Centres located throughout the territory of Quebec to obtain assistance with the development of markets, technological innovation and entrepreneurship. These regional offices provide concrete support to the development of small- and medium-sized businesses by ensuring access to strategic information, business networks and financial support.

A broad range of investment incentives is also offered by provincial, regional and local governments. When it comes to incentives, Canadian jurisdictions are competitive with others in North America.

Job Training Support

Canada's governments place a high priority on training as part of a comprehensive effort to build a highly skilled workforce.

They offer financial assistance for companies wishing to train workers. Developed in consultation with both the private sector and the provincial governments, this strategy allows private sector employers to receive financial support for their training and retraining efforts.

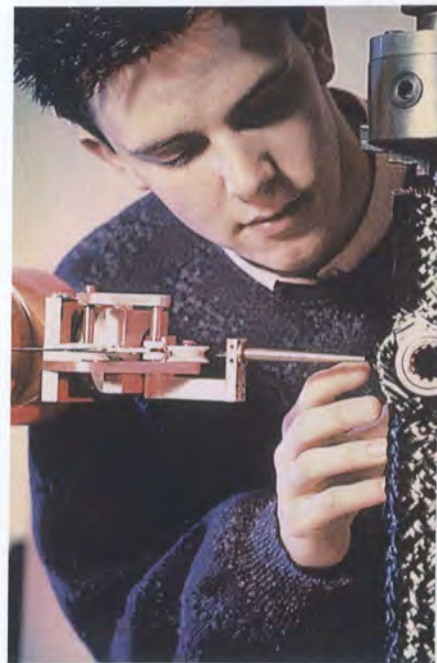


Photo: University of Ottawa



Free Trade

Unique Opportunities for International Investors

"This company's manufacturing has been integrated since 1972.

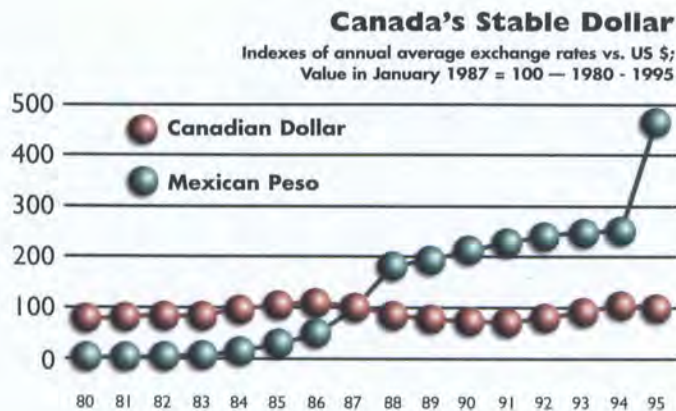
We are now moving towards our vision of North American manufacturing mandates. The free trade agreement has facilitated this process."

Tony Marranea, Vice-President,
Human Resources and
Administrative Services,
3M Canada

Investors in Canada enjoy the advantages of tariff-free access to the world's richest market through the Canada-U.S. Free Trade Agreement (FTA). The North American Free Trade Agreement (NAFTA), which came into effect January 1, 1994, improved the Canada-U.S. agreement and extended the access of Canadian-based companies to markets in Mexico.

The FTA was built on a long history of economic cooperation between Canada and the United States. As a result of the Canada-U.S. Auto Pact signed in 1965, the major American automobile companies have for many years operated cost-effective Canadian plants as a production base for cars and parts for the U.S. market, and Canada has been a consistent net exporter of automobiles for this reason. Even before the FTA, over 80% of Canada's exports were shipped to the United States duty-free.

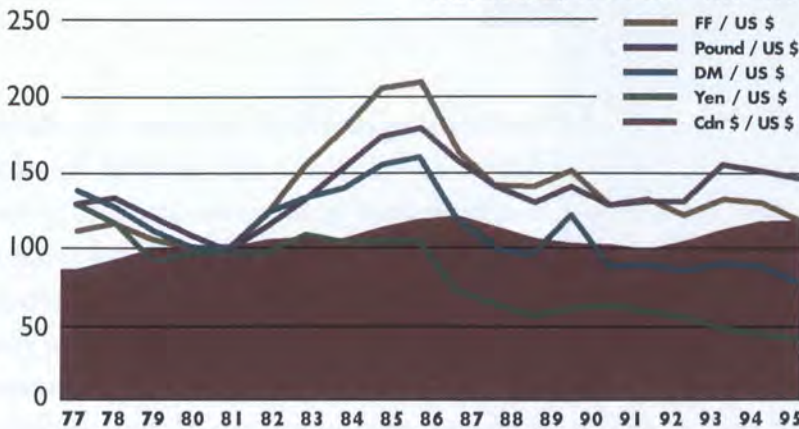
The FTA offered a number of important improvements on Canada's open trading arrangements with the United States. Canada gained unique access to an impartial trade dispute resolution procedure that has already been applied to eliminate trade barriers on a number of Canadian-made products, more expeditiously than through the World Trade Organization (WTO) Agreement. Canada is also exceptionally exempt from U.S. tariffs imposed under the WTO Agreement measures that enable a country to temporarily protect an industry against an import surge, where Canadian exports are not a major part of the surge. Many other provisions were designed to ensure that Canadian-based manufacturers and service suppliers had the same access to American markets and government contracts as firms based in the United States. In fact, Canada is, the leading exporter to the United States, as well as that country's primary trading partner.



Source: Bank of Canada Review, February 1996.

Canada's Stable Dollar

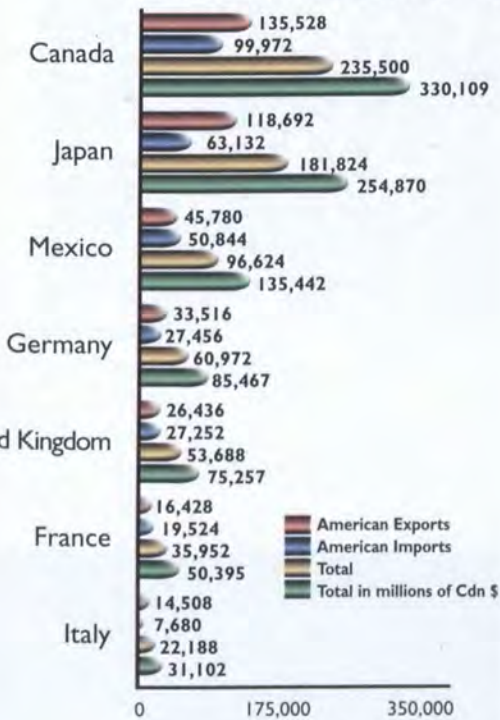
Indexes of exchange rates vs. US \$;
Value in January 1980 = 100 — 1977 - 1995



Source: Bank of Canada Review, December 1982 and February 1996.

Strongest Links with the U.S. Market

Total trade with the U.S.,
in millions of US \$ converted into Cdn \$ — 1994



Note: Cdn \$ / US \$ for 1994 = .7134.

Sources: OECD, *Monthly Statistics of Foreign Trade*, December 1995; Bank of Canada Review, Spring 1996.

Trade has boomed since the signing of the FTA. From 1989 to 1995, total trade between the two countries grew by an exceptional 92 percent to reach \$383 billion. Growth rates for goods such as office, telecommunications and precision equipment, chemical products, and textile materials were even higher.

NAFTA created even more opportunities for Canadian exporters by opening up the Mexican market in a similar manner. In the coming years, NAFTA will most likely be extended to other Latin American countries.

Canada's close trading relationship with the U.S. and its sound monetary policy have helped to ensure that Canadian exchange rates with the U.S. have been more stable than the U.S. dollar values of other major currencies. This stability is an asset to Canadian-based companies as it minimizes the threats to the international competitiveness of their exports.



"We knew there was a window of opportunity for our product but the economics of manufacturing weren't feasible without NAFTA. Canada's tariff-free status gives us access to North America.

We are pleased to report that with less than a year of operation our facility is already operating at full capacity."

Jaime Berbes, General Manager,
Petresa Canada Inc.

A Safe and Sophisticated

Way of Life

While Canada has a broad spectrum of political opinion, the stability and durability of its political institutions are among its chief claims to fame. In addition to a high level of business success, executives moving to Canada can look forward to enjoying a high quality of life. According to the United Nations' 1996 Human Development Report, and for the third consecutive year, Canada has ranked first among nations of the world with respect to the U.N.'s human development index, which combines economic, social and political indicators.

High-quality, Low-cost Education

Canada has a mix of both public and private schools including international schools that attract students from around the world. Canada's universities and colleges rank among the best in the world and, through extensive public sector support, are able to provide quality education at substantially lower tuition fees than those of equivalent institutions in the United States.

Clean, Safe Cities

Canada has 26 urban areas with populations in excess of 100,000, and three cities with more than one million people. They include many of the safest, cleanest and most picturesque urban centres in North America. Serious crime rates are less than half of those in the United States, and Canadian cities are renowned for their wide mix of ethnic groups living in harmony in a cosmopolitan environment. Clean air and drinking water are ensured by governments and industries, which work together to maintain a healthy environment.



Photo : Industry Canada



Other Features of Canadian Urban Areas

Varied Cultural Activities – Canadian cities boast high-quality live theatres, movie theatres, music and dance companies, art galleries, museums and public libraries. Canadian cities are home to ballet, opera and orchestral companies that tour to international acclaim, and also host visits from the finest performers from around the world. The U.S. National Endowment for the Arts found that Canada was a leader in per capita public support for the arts, among Western countries with independent arts councils.

Efficient Public Transit Systems – Canadian cities are known for their clean and efficient subways, commuter rail and bus lines, and modern, well-maintained highway and road systems.

Cosmopolitan Environment – Canada's cities bring together European, Asian, Latin American and African cultures. Vancouver boasts a major Asian community, for example, and Toronto is a blend of European, Asian and other cultures, while the Province of Quebec brings a bilingual (French-English), European flavour to North America. International executives are able to enjoy both North American and their traditional home-country cuisine, entertainment, and literature in Canada.

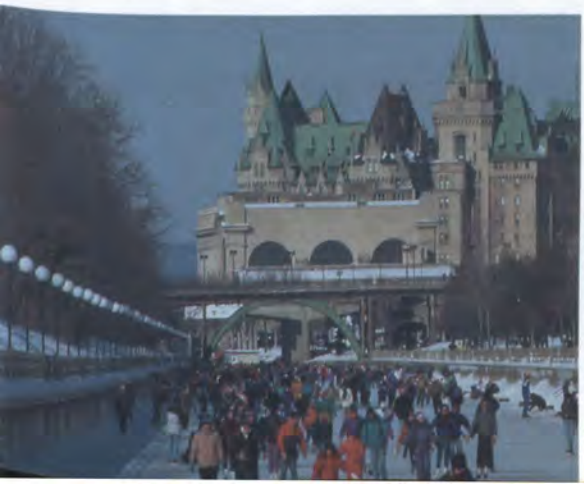


Photo: National Capital Commission

Cost of Living Index Selected Major Cities

International comparison



Note: Total annual costs combining housing, transportation, and goods & services expenditures.

Source: Runzheimer International, Wisconsin, U.S.A., 1997.



Photo: National Capital Commission

Open Spaces for Sports and Recreation

As the world's second largest country with the lowest population density among major industrialized nations, Canada offers unlimited opportunities for outdoor recreation.

Canada's national and provincial parks, encompassing an area larger than the entire national territory of Italy or Japan, include rugged mountain terrain, fresh-water lakes, scenic coastal areas, unique Arctic vistas, and vast stands of unspoiled forests. Many Canadian executives often own second homes in picturesque lake and mountain areas, just an hour or so from major cities.

Popular recreational sports include golf, fishing, swimming, cycling, skiing, hockey, baseball, soccer, hiking, sailing, and canoeing. Canada is also home to professional sports teams in major league baseball, hockey, football, basketball and soccer, as well as to professional and amateur events in golf, tennis, and other individual sports.



Photos: Industry Canada

"1996 has marked a special year in Eli Lilly's 58-year history in Canada with the opening of our new, state-of-the-art Research and Development Centre. This investment strengthens our commitment to Canada's medical research community and will provide long-lasting employment opportunities for many of Canada's brightest and best young scientists. It will allow us to play a leading role in the development of new medicines to improve the health of Canadians and people around the world."

Nelson M. Sims, President, **Eli Lilly Canada**



World-Class Meeting Facilities

Canadian cities have long been recognized for their expertise in organizing major international gatherings, including hundreds of international conventions each year. For example, in November 1997, Canada will be hosting the Asian-Pacific Economic Cooperation Conference in Vancouver. The G7 Heads of State met in Halifax in 1995; Vancouver was host to a U.S.-Russian Presidential Summit meeting in 1993; and both Montreal and Calgary have been the sites of highly successful Olympic Games. Major Canadian cities offer ample hotel and convention space for business meetings, trade shows and conventions.

Hospitable Climate

Canada has a varied, four-season climate that often surprises visitors who expect much colder conditions. The vast majority of the nation's population lives within 250 km of the U.S. border, and Canada's most southerly point is on the same latitude as Northern California. As a result, most major Canadian cities experience weather conditions that are similar to that of the Northern U.S. or Northern Europe.

Universal Health Care

Executives relocated to Canada become eligible for enrolment in Canada's universal system of health care, which combines the best features of American and European practices to provide excellent care at a reasonable cost.

All Canadian residents are insured through a health care plan administered by their provincial governments, which allows individuals the right to select their own doctor. This health insurance programme is particularly beneficial to the business community by offering comparable care at much lower costs than those in the United States.

Affordable Cost of Living

Canada's cities offer all of these amenities while remaining very affordable relative to other international business centres.



Photo: National Capital Commission

Canada's Bottom Line Advantages

Excellent Investment Prospects

Most of the world's leading multinational companies have operations in Canada and investment flows into Canada continue unabated.

"The most important variable has been the quality of our workforce. We continue to invest and reinvest in this plant because of the performance of our Canadian team."

Sandy Adam, Senior Vice-President,
**Toyota Motor Manufacturing
Company Inc. of Canada**

As this publication has demonstrated, there are sound reasons why international companies have selected Canada as a location for new investment. But do not take our word for it. Speak to the managers of corporations with operations throughout North America. They will tell you that their Canadian operations "produce the best numbers".

They have recognized that Canada offers a stable political and social environment, a rich domestic market for their products and services, and a competitive base for exports throughout North America and beyond. They rely on Canada's skilled labour force for sophisticated manufacturing, efficient service delivery, and effective research and development. They gain the advantages of secure, low-cost access to natural resources and energy, sophisti-

cated, well-maintained transportation and communications infrastructures, and proximity to the world's richest markets. And international executives who have moved here enjoy an enviable quality of life for themselves and their families.

With the Canadian economy entering a new growth period with low inflation and low labour costs relative to other G7 countries, Canadian international competitiveness is booming, as reflected by strong exports, and is expected by private sector economic forecasters to grow by more than \$30 billion over the short term (1995-97). Indeed, the prospects for international investors in Canada have never been better. Canada boasts a future that represents an attractive bottom line for the international investor.

For more information on investing in Canada, contact the nearest Canadian embassy or consulate, or the:

International Marketing Group
Communications Strategies and Planning Division
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive, C-2
Ottawa, Ontario, Canada K1A 0G2

Internet: www.dfait-maeci.gc.ca/english/invest/imd/imdindex.html
Tel.: (613) 995-4128 ▶ Fax: (613) 995-9604 ▶ FaxLink: (613) 944-6500



