

"VOLVO HAS, OVER 25 YEARS, EXPERIENCED SUCCESS WITH THE EMPLOYEES FOR THE HIGH QUALITY OF THE PRODUCT AND THE VERY GOOD PRODUCTIVITY, WHICH HAS BEEN COMPETITIVE WITH THE OTHER VOLVO PLANTS AROUND THE WORLD."

GUNNAR JENNEGREN,
FORMER VICE-PRESIDENT AND
GENERAL PLANT MANAGER
VOLVO CANADA

"CANADA IS A GOOD COUNTRY TO EXPORT FROM ... CANADA HAS PARTICIPATED IN MORE UNITED NATIONS PEACE MISSIONS THAN ANY OTHER COUNTRY IN THE WORLD ... THEY HAVE A LOT OF FRIENDS."

MICHAEL PFEIFFER,
PRESIDENT AND CEO,
HUGHES AIRCRAFT OF
CANADA, A SUBSIDIARY OF
HUGHES AIRCRAFT (U.S.)

SOUND FUNDAMENTALS

- *Strongest growth in G-7*
- *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*

STRONG DOMESTIC MARKET

Canada has the seventh largest economy and the second highest standard of living in the world. Its affluent, growing population is an attraction to international investors, with excellent growth potential for domestic demand for goods and services. Both the OECD

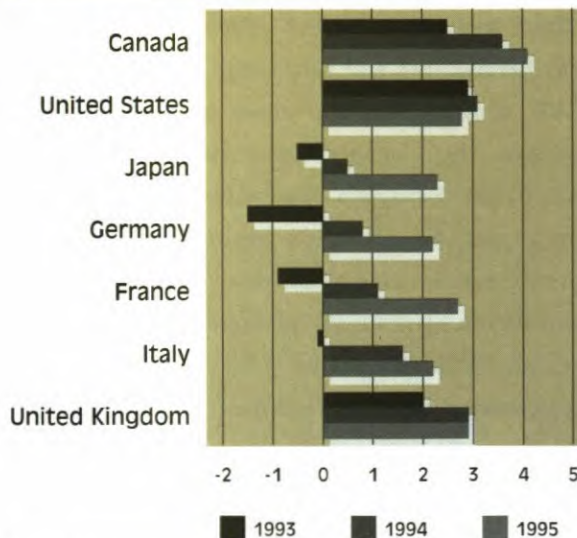
and the IMF currently expect Canada to be a leader in near-term economic growth, and surveys by Canada's Conference Board and Ernst & Young have revealed that entrepreneurs and business people are confident about growth prospects.

Firms already active in the U.S. or Europe will find a very similar group of consumers in Canada. Canadians tend to be early adopters of 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 good 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.

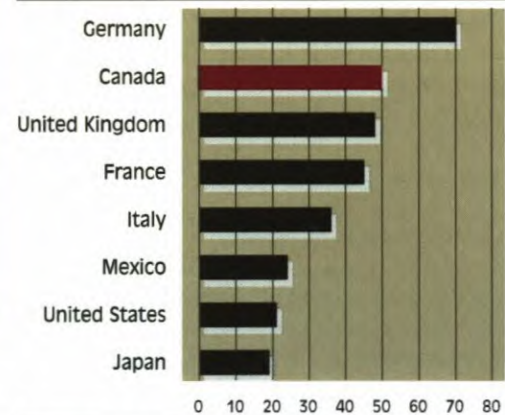
European and Asian firms find that Canada's large population of relatively

Strong Economic Growth
(OECD predicted growth of GDP - 1993 to 1995, % increase in GDP)



Source: OECD, Economic Outlook.

Canada is a Trading Nation
(total trade as share of GDP - 1991; 1989 data for Mexico)



Sources: OECD, Quarterly National Accounts, 1992, No. 4; IMF, International Financial Statistics, Feb. 1993.