

## High-quality foreign direct investment (FDI)

**Canada is the destination for strategic, multi-billion dollar investments by leading global companies that have established core business operations in Canada.**

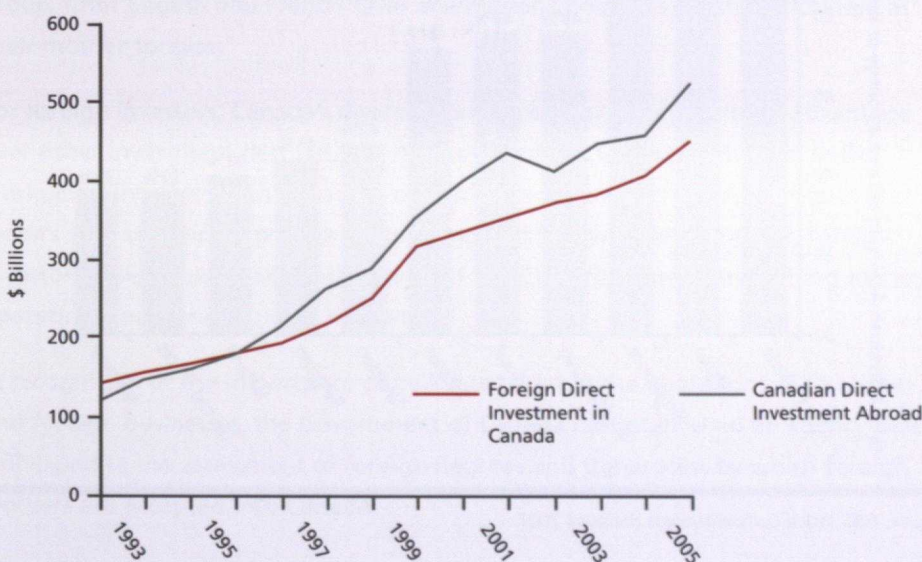
For Canada, FDI is crucial to the success of its economy. In 2006, Canada's inward FDI stock was 30.4 percent of Canada's GDP. By this measure, Canada is one of the most open countries in the G7 when it comes to FDI.

Canada's openness to FDI speaks for itself. Over the past two and a half decades, Canada has witnessed a substantial growth in inward FDI stock. Canada's inward FDI stock reached \$449 billion in 2006, an almost 7-fold increase from \$65 billion in 1980.

Multi-billion dollar strategic investments by leading global firms is evidence of this enthusiasm. From auto manufacturers to wireless technology vendors to pharmaceutical companies, the list of foreign firms investing in Canada is long.

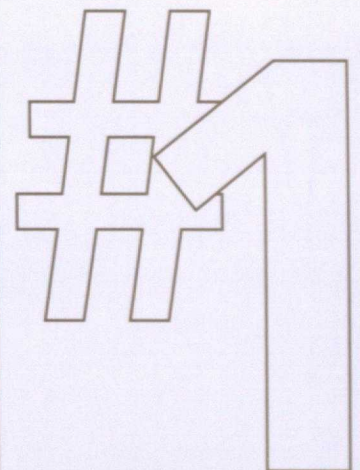
The type of investments undertaken by foreign firms has transformed the shape of Canada's economy over the last two decades. Clusters of innovation in automotive, aerospace, information and communications technologies, life sciences and other new economy sectors stretch across the country, allowing foreign investors benefits such as access to a deep pool of talent, world-class R&D infrastructure, and cost-effective supply, distribution, and sales channels.

CANADA'S INWARD AND OUTWARD FDI STOCK HAS EXPANDED RAPIDLY OVER THE LAST 25 YEARS



Source: Statistics Canada. May 2007.

**The Best**  
place in the G7 to do business over the next five years



in the G7 and OECD for fewest procedures needed to establish a new business

in the G7 for least time needed to establish a new business

**Lowest**  
marginal effective tax rate on business investment in the G7 by 2010