CANADA - A CHOICE LOCATION FOR INVESTMENT

CANADA'S WELCOMING INVESTMENT CLIMATE

Canada welcomes foreign investment and has taken tangible steps to create a more favourable climate for international business. Canadian laws governing foreign ownership have been extensively revised over the past decade. For example, there are no restrictions on foreign ownership of Canadian agri-food businesses. Nor are there any restrictions on an international investor's ability to repatriate investments or profits.

Under Canada's rules on the acquisition of Canadian companies, only transactions above a certain threshold are subject to review by the federal government. These thresholds are adjusted regularly to offset the effects of inflation or fluctuating exchange rates and they are applied equally to all members of the new World Trade Organization (WTO). Indirect acquisitions, through acquisition of a parent company outside of Canada, are no longer subject to federal government review.

Canada has no foreign exchange controls and the Canadian currency is freely convertible to U.S. or other currencies. Canada collects withholding taxes (at a statutory rate of 25 percent) on certain dividends, interest, salaries, bonuses, commissions or other sums of money paid out to non-residents for services rendered. These taxes, however, can be reduced to 15, 10, 5 or 0 percent under the terms of bilateral tax treaties entered into with other countries.

SECTORAL LINKAGES - WORLD-CLASS SUPPORT

Food and beverage processors in Canada have the benefit of established and competitive input and support industries. These include the major service industries such as rail, air and truck transportation which are becoming increasingly cost-competitive through deregulation and trade liberalization. Transportation companies in Canada are accustomed to dealing with the food and beverage sector and have specialized services and equipment to meet Canadian food industry needs in reaching all of North America.

Canada leads the industrialized world in transportation infrastructure. Flights from Canadian airports serve all major North American and global destinations and Canadian air cargo services provide overnight delivery throughout North America. A new Canada-U.S. "Open Skies Agreement" concluded in 1995 will benefit Canadian businesses through a dramatic expansion of air links. Under the agreement, Canadian carriers will have unlimited rights to fly from anywhere in Canada to any point in the United States. U.S. airlines will enjoy similar rights to destinations in Canada other than Toronto, Montreal and Vancouver.

Truck transportation is served by year-round access to a highly developed road network and efficient border crossing points and customs services. Canada's coast-to-coast rail network is an integral part of the North American continental system, linking the