

Advanced Research and Development Capability

From next-generation cars to smartphone technology, Canadian innovations touch the lives of millions worldwide.

- **Turning Knowledge into Profits** - Canada offers some of the most lucrative R&D tax credits and accelerated deductions for research expenditures in the world. All companies based in Canada that invest in R&D can benefit—irrespective of size, industry sector or technology area—as long as they perform qualified R&D.
- **Accelerated Deductions** - Eligible expenses include salaries, overhead, capital expenditures, materials and subcontracted research services.
- **R&D Tax Credits** - The Canadian Scientific Research and Experimental Development Tax Incentive Program offers a 35-percent tax credit for qualified R&D expenditures up to \$3 million and a 20-percent non-refundable tax credit for research expenditures over \$3 million.
- **Provincial Tax Credits** - Provincial governments top up federal tax credits with a number of programs, enabling foreign investors to save an average of 30 cents for every dollar invested in R&D in Canada.
- **Growing R&D Spending** - Total expenditures on R&D amounted to \$29.2 billion in 2010—a 26.3-percent increase over 2001. Private-sector personnel working full-time in R&D increased by an impressive 74.1 percent from 1999 to 2008.
- **Cost Advantage** - The advantages of doing research and development in Canada are clear. The cost of R&D in Canada is the second lowest in the G-7, as much as 12.9 percent lower than in the United States.
- **Economic Success** - Nine of Canada's top 25 corporate R&D spenders in 2009 were foreign investors. At the height of the global financial crisis, these companies increased their R&D expenditures by a full 6.5 percent from 2008 levels.

