

promotion or prospecting campaign. These techniques can be tailored to fit geographic and business circumstances or the various development stages of foreign investment opportunities, and are designed to fulfil the following objectives:

- increase awareness of the advantages of investing/doing business in Canada;
- increase international investors' knowledge of and confidence in Canada;
- attract new job and technology-bearing international investments; and
- retain and expand existing international investments.

Promotion activities normally performed to achieve these objectives can be classified as:

**Generic Promotion:**

proactive activities that are broadly aimed at business, financial and investment communities in order to increase awareness of Canada's favourable investment climate and to change attitudes towards investment opportunities.

**Targeted Promotion:**

proactive activities also designed to increase international investor confidence in Canada and to increase awareness of the advantages of doing business and expanding in Canada under the NAFTA. However, the promotion is aimed at a group of investors already selected because of the sectors they are in, or because they are already doing business in Canada. As the approach is targeted and smaller than that of generic promotion activities, the return per client reached will likely be high as the target group may already be disposed towards overseas investments or alliances, although not necessarily in Canada.

**Services to foreign investors:**

a reactive activity, responding to specific enquiries and information requests, often as a result of generic and targeted promotion; and

**Partnering and match-making services:**

either proactive or reactive – a "find me a partner" request. These services are particularly relevant for attracting investments in advanced technology and in venture capital activities.

**Increasing Awareness**

Canada has much to boast about and needs to do just that on every possible occasion, especially in the wake of KPMG's 1997 findings and "good news" messages about Canada's business costs advantages (see item 12 below). Some of the reasons most often cited by international investors about Canada's locational advantages are as follows:

1. High standard of education and quality of labour
2. Political stability as a mature democracy
3. Low crime rate
4. National healthcare system
5. Well established infrastructure
6. Preferential fiscal policy encouraging investment and free trade
7. Abundance of natural resources and low energy costs
8. Proximity to the United States and easy access to this huge market thanks to NAFTA
9. Competitiveness provided by a weak Canadian dollar
10. Support of foreign expatriates; in other words, the presence of many U.S. business executives and citizens, and other expatriates in Canada helps to smooth the way of foreign investment. The ready acceptance of and respect for people from other lands is an advantage often quoted by foreign companies in Canada, many of which also have North American HQs in the U.S. run by expatriates.

There are several other well recognized Canadian advantages:

11. Solid research and development community
12. Competitive wages and business costs, as documented in the 1997 KPMG study\* comparing business location costs between Canada, the USA and Europe in eight sectors
13. A less litigious environment than in the United States
14. One of the highest qualities of life in the world

\*The Competitive Alternative: A Comparison of Business Costs in Canada, Europe and the United States, KPMG, October 1997

**Increasing International Investor Confidence in Canada**

Confidence in Canada as a place in which to invest has to be instilled by constant reference to the "reasons to invest" described above. Equal emphasis should be placed on the strong performance of the Canadian economy, low inflation, growth in business investment, strengths in knowledge intensive manufacturing and services and government policies which consistently welcome foreign investment.

The investment climate is a key factor influencing investment decisions. While advantages to investing in Canada far outweigh disadvantages, some impediments have been pointed out by investors. These include: high taxation, training and skills development, business immigration and visa difficulties, market access, regulatory issues such as drug