

Innovation Powerhouse

Canada offers one of the most generous and flexible tax treatments for business research expenditures among advanced economies.

NRC Biotechnology Research
Institute in Montréal



Research institutions across Canada undertake leading-edge industry research in collaboration with foreign investors. Investors benefit from both the expertise of Canadian researchers and the facilities funded by government programs.

Canada's Strengths

- Canada invests more in higher-education R&D, as a share of the economy, than does any other G7 country.
- Canada ranks #1 in the G7 for the number of scientific articles published per capita.
- Vancouver is #1 in North America for patents filed for fuel cells, and Toronto is #3 in North America for patents filed in the automotive sector, according to the fDi Benchmark database from fDi Intelligence.
- According to the World Intellectual Property Organization (WIPO), Canada is ranked #8 in the world for the overall number of patents in force. On a per-capita basis, Canada ranks #3 in the G7 for patent filings related to IT methods for management and #4 in the G7 for patent filings related to civil engineering.
- Canada's Scientific Research & Experimental Development (SR&ED) program provides one of the most lucrative R&D tax credits and accelerated deductions for R&D expenditures in the world. In 2009, SR&ED provided over \$4 billion in tax credits.
- Canada's R&D tax structure is also one of the most flexible and open in the world. No limitation exists on the sector in which the R&D is undertaken. Eligible expenses include salaries, overhead, capital expenditures, materials and sub-contracted R&D services.
- Canadian tax incentives are ranked #2 in the G7, with a full 19.4% advantage over R&D tax incentives offered in the U.S.
- Canada's \$62-billion stimulus program, *Canada's Economic Action Plan*, includes investments of about \$4 billion for post-secondary education and research, and technology and innovation programs at research facilities in Canada that can benefit investors.