

**P** *By any measure—competitive business costs, low corporate taxes and lack of red tape—Canada makes it easy for foreign companies to invest and compete at the global level.*

In today's highly competitive global economy, multinational companies need powerful incentives for choosing one jurisdiction over another. With the goal of boosting foreign direct investment (FDI), Canada has created one of the world's most hospitable business environments. Low operating costs are just the beginning. Canada also earns top marks for removing bureaucratic barriers to FDI—and for adapting government policy to changing economic circumstances.

To show its flexibility, Canada has introduced improvements to its tax regime that will make it the country of choice for international business investment. These tax reductions are part of a far-reaching Economic Action Plan designed to create an investment climate for foreign investors that is stronger than ever.

# a competitive business environment, bar none

## Canada's Welcoming Investment Climate Helps Your Firm Compete Globally

### Canada's Winning Performance

- Canada leads all G7 countries in ease of doing business, according to the 2008 International Institute for Management Development (IMD) World Competitiveness Yearbook.
- Canada will have the lowest overall tax rate on new business investments in the G7 by 2010. And by 2012, it will offer the G7's lowest statutory tax rate.
- Canada offered the G7's lowest business costs for the seventh consecutive time according to the KPMG's Competitive Alternatives (2008) study.
- Canada was the lowest-cost G7 country for 11 of 17 industries analyzed: aerospace, agri-food, biotechnology, chemicals, medical devices, pharmaceuticals, precision manufacturing, product testing, software design, telecommunications, and Web and multimedia.
- The World Bank placed Canada first among G7 and OECD countries for the lowest number of procedures required to open a new business.
- The World Economic Forum recently ranked Canada first in the G7 for overall market access through low, non-tariff barriers, and the high number of duty-free imports allowed into the country.
- In 2008, IMD put Canada first in the G7 for the openness of its business legislation with respect to international transactions with foreign partners.
- Among G7 countries, Canada is the best at tailoring government policies to changes in the economy and ensuring that such policies are effectively implemented, according to the 2008 IMD World Competitiveness Yearbook.
- Canada has the lowest effective corporate income-tax rate in the G7 for manufacturing operations.
- Canada already has the second-lowest effective corporate income-tax rate in the G7 for non-manufacturing operations.
- In 2008, FDI holdings in Canada reached \$504.9 billion—up 2.8 percent from the previous year.
- Canada has one of the world's richest tax-credit programs in support of research and development (R&D).
- In 2009, the Canadian federal government has budgeted \$7.5 billion in financial support for foreign and domestic companies in the manufacturing, clean energy, agri-food, forestry, fishing and financial services sectors. 