

Through R&D tax incentives at the federal and provincial levels, especially the federal government's 20 percent investment tax credit for eligible R&D expenditures, Canada has one of the most advantageous R&D tax regimes among G7 countries.

...the Canadian tax system provides greater overall incentives for companies to engage in R&D than do the tax systems of nine other leading industrial countries, including the U.S. And its R&D tax credit regime is recognized as the best in the G7 countries today.

Bill Mclean, Vice President
Manufacturing and Development
IBM Canada

COMPETITIVE WAGES AND BENEFIT RATES

International corporations find the Canadian work-force to be highly cost-effective. On average, wages in Canada's business centres are lower than those in nearly all major business centres around the world. Annual salaries of employees at the managerial level in Toronto are roughly \$15,000 less than those of their New York counterparts.

In recent years, overall skilled labour costs have been found to be lower in Canada than in the U.S., several West European countries and Japan. Also, employer-paid taxes and benefits are lower in Canada than in the U.S. This is not only due to exchange rate fluctuations. In 1994, unit labour costs for all non-agricultural business sectors fell 0.7 percent, after a decline of 0.4 percent in 1993.

Volvo has, over 25 years, experienced success with the employees for the high quality of the product and the very good productivity, which has been competitive with the other Volvo plants around the world.

Gunnar K.G. Jennegren
Former Vice President and General Plant Manager
Volvo Canada

EDUCATED AND SKILLED WORK-FORCE

Canada's labour force is one of the most highly trained and adaptable in the world. According to the Organization for Economic Cooperation and Development (OECD), Canada is among the top four countries in the share of gross domestic product (GDP) devoted to public sector funding of education. Among G7 countries, Canada is near the top in terms of the number of people with an advanced education. About two thirds of its 20 to 24 year-olds are enrolled in post-secondary education.

HEALTHY LABOUR RELATIONS

Two important trends bear out Canada's claim to be one of the most productive labour-management environments in the G7 countries: strikes are on the downturn while employee-shared ownership plans are on the rise. Relative to other countries, Canadian operations experience low turnover and absenteeism rates.

WORLD'S RICHEST MARKET

The NAFTA, which came into force on January 1, 1994, gives Canadian-based companies unparalleled access to the entire North American market of 380 million people. The NAFTA forms the basis of a continent-wide economy equivalent to that of the European