

Attractive new policies

CANADA, THE world's seventh largest economy with a GNP of \$US326 billion, has introduced new policies designed to encourage and facilitate investment. These policies, combined with Canada's markets, communications and transportation systems, skilled workforce, banking and finance system, energy and resources, and technological infrastructure are opening up investment opportunities in every sector of the Canadian economy from coast to coast.

In terms of per capita wealth, Canada ranks fourth in the world and the OECD predicts that in 1986 Canada will have GNP growth second only to Japan. From 1982 to 1985 Canada's real domestic product grew by an average 5.8 percent. Canada is one of the world's leading trading nations with exports growing at an annual rate of 13.6 percent between 1975 and 1985. In fact, among OECD summit countries, only West Germany is more export oriented.

From the standpoint of investment for manufacturing, Canada's reputation as a reliable source of energy and raw materials is well-established. The 1985 European management forum report ranked Canada number one in the world for

secure, cheap energy and raw materials. Supplies in oil, natural gas, coal and hydro electricity all exceed demand.

Industrial energy rates in Canada's leading cities were 75 percent lower than in New York and 50 percent lower than in Chicago, Houston and San Francisco in 1985.

Canada has a highly-skilled and competitive workforce. It has more than 500,000 scientists, engineers and technologists. More than 50 percent of Canada's workers have high school diplomas and more than 20 percent, college or university degrees.

Labour costs compare favourably. For example, in August 1985 the average hourly wage in Ontario was \$US8.34, and \$US7.85 in Quebec, whereas it was \$US12.29 in Michigan and \$US11.00 in Ohio.

US proximity

Canada has developed largely because of its proximity to the huge American market. It now offers investors a very attractive package of policies and programmes. In July 1985 the government of Canada replaced its foreign investment

screening agency, the Foreign Investment Review Agency, by Investment Canada, an agency whose primary mandate is to encourage and facilitate investment in Canada. This new agency provides useful information and other services to help investors take advantage of investment opportunities in Canada. There is now no screening for most investments by non-Canadians in Canada.

Investment Canada can best advise as to the Canadian government incentive programmes for establishing or expanding businesses. These are varied and include grants and tax advantages, loan guarantees and insurance. In addition, provincial governments offer their own incentive programmes which are often complementary to those of the government.

But is the time right to invest? According to a recent United States Department of Commerce report, Canadian subsidiaries of US firms expect to spend 9.1 percent more in Canada this year.

Canada has always been a good place to invest. In fact, 417 of the Fortune 500 Corporations already have operations in Canada and of the 10 most profitable companies in New Zealand, five have strong links with Canada.

Investment Canada spells out the opportunities for potential investors.

