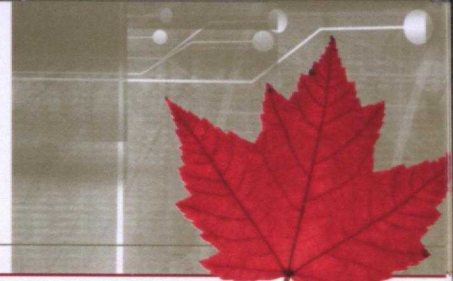


Chemicals



With value chains in chemical industries becoming increasingly complex, Canada offers unparalleled location and logistics advantages coupled with a deep chemicals manufacturing base that will benefit foreign investors in this sector.

Canada's chemical industry is one of the nation's great industrial success stories. It is one of the largest manufacturing industries in the country employing more than 85,000 workers in more than 2,100 firms. Almost every major chemical company in the world currently has production or R&D facilities in Canada, including BASF AG, Dow Chemical, Shell Chemicals, Bayer AG, ExxonMobil, DuPont, and Mitsubishi Chemical.

Shipments by Canada's chemicals industry reached \$52.2 billion in 2006—third among all manufacturing industries in Canada—with exports totaling \$27 billion. Fully 80 percent of these exports were primarily directed toward the U.S. market, the largest in the world for consumer and industrial chemicals.

A diverse manufacturing base and an integrated North American market translates into business success

With its diverse manufacturing base, Canada's chemical industry appeals to global investors attracted by cross-sector advantages not available in competing economies. In addition to providing critical components for use in a broad range of industries, including bio-pharmaceuticals, aerospace, and resource processing, the chemical industry in Canada also serves industrial sub-sectors such as petrochemicals, industrial gases, pigments, as well as other inorganic and organic chemicals, resins, and synthetic fibres. The symbiotic and mutually beneficial relationship between the chemical industry and related industries is illustrated by the fact that the average new car contains chemicals worth more than \$3,000, and Canada produces 17 percent of the cars manufactured in North America.

