

LESS GOVERNMENT INTERVENTION

Regulatory reforms have improved efficiency in the resource, transportation, telecommunications, financial services, and food and drug industries.

In many cases, these reforms have created new competition in the supply of services to international businesses in Canada. As well, the federal government has stimulated free-market forces by privatizing many government enterprises in the aerospace, transportation, satellite communications, fisheries, oil and gas, and other sectors. Provincial governments have also been moving in step with many of these efforts to reduce the level of government intervention in the market.

PROGRAMS TO SUPPORT SMES, TECHNOLOGY AND R&D

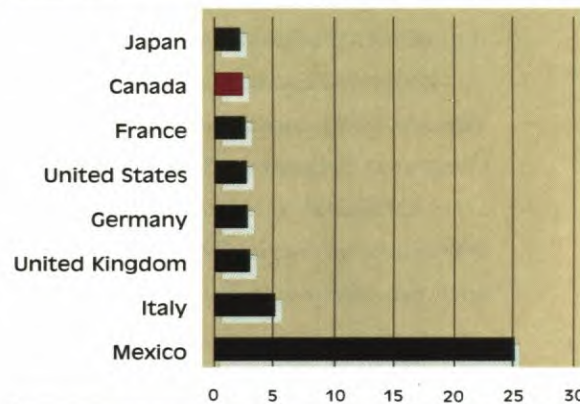
The Government of Canada has a number of programs of particular interest to smaller and high technology companies.

Industry Canada is the focus of these initiatives to build a modern, more competitive economy. In addition to funding capital expansion, modernization and start-up programs, it also promotes industrial research and development. Assistance generally takes the form of a repayable or non-repayable contribution up to a maximum per cent dollar cap.

Grant and contribution programs include:

- *The Microelectronics and Systems Development Program*
- *The Strategic Technologies Program*
- *The Environmental Technology Commercialization Program*
- *The Advanced Manufacturing Technologies Sector Campaign, and*
- *The Microelectronics Sector Campaign.*

Average Annual Inflation Rate
(GDP deflator 1990 to 1992, CPI for Mexico)



Source: International Financial Statistics, Feb. 1993.

WELCOMING INTERNATIONAL INVESTMENT

Canada welcomes international investment, whether from a multinational looking to invest in a new facility or from an individual bringing capital and an entrepreneurial spirit.

Canadian federal and provincial governments support business investment through an extensive network of regional

"WE BASED OUR DECISION TO INVEST IN ALBERTA (CANADA) ON SEVERAL FACTORS. WE WERE FAVOURABLY IMPRESSED BY THE STRENGTH OF THE PROVINCE'S ECONOMY ... THE AVAILABILITY OF A SKILLED WORKFORCE, AND THE ALBERTA GOVERNMENT'S FREE ENTERPRISE OUTLOOK."

DAVID CAPLAN, PRESIDENT,
PRATT & WHITNEY CANADA