

In Canada's private sector, a number of manufacturing industries have established *Sectoral Skills Councils* to address industry-specific needs. Supported by the federal Department of Human Resources Development Canada, formative work is already under way to address the sectoral needs of the Canadian seafood, meat and dairy processing industries through this model, with other food and beverage sectors to follow.

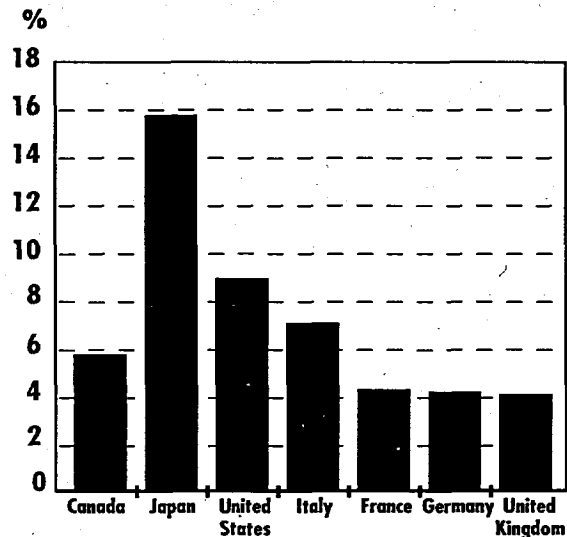
As part of these initiatives, industry organizations are identifying the leading training and education facilities throughout the world which offer specialized apprenticeship and professional training for food and beverage workers. Skill requirements which are not being met by the existing human resource base in Canada are being addressed through the recruitment of graduates of these international schools and through advanced training of Canadian workers and professionals at these institutions.

COMPETITIVE TAXATION AND SOCIAL PROGRAMS

Canada's corporate taxation regime is internationally competitive among developed countries (see Figure 17). With Canada's economy so closely linked to that of the United States, Canadian governments are sensitive to the need to ensure that taxation does not impair competitiveness.

Canada has phased out many tariffs on production inputs from the United States and on manufacturing and processing equipment from other countries. It has also abolished a tax on manufactured goods (levied at 25%) and replaced it with a Goods and Services Tax (GST) of 7 percent. The GST, however, does not apply to most foods and beverages sold in retail grocery establishments in Canada. Canadian exports, including all processed foods and beverages, are exempt from the GST thereby enhancing the competitiveness of these products in international markets.

Figure 17.
International Comparison of Corporate Tax as a Percent of Total Government Revenues, 1993



Source: Department of Finance, Economic and Fiscal Reference Table, 1994.

Studies have found that Canada's overall effective corporate tax rates are comparable to those of the United States and in some instances are even slightly lower (see Figure 18 on the following page). When combined with taxes on labour, worker health insurance premiums and refundable tax credits for training, the tax and social program cost of doing business in Canada compares favourably with that in the United States, which is both Canada's leading competitor and its leading export market.

In order to help Canadian-based processors gain access to those leading food processing technologies and equipment lines which are not of Canadian origin, the government of Canada has created a tariff structure that encourages technology transfer and adaptation from other countries. As a consequence, Canadian food processors employ the best available equipment, processes and quality assurance methods available anywhere in the world.