



Canada: The right place at the right time gives a general description of the country and the people who live in it. It also deals with the investment climate; the country's economic profile; imports and exports; North American trade; transportation and communications; energy and raw materials; the workforce; and banking and finance.

Canada: Tax and financial incentives update (issued quarterly) outlines taxation, both corporate and individual, and many of the federal and provincial incentive programmes offered to investors who are either starting up or expanding a business in Canada. The programmes include grants and tax advantages, loan guarantees and insurance — all of which are designed to help make new investors welcome. For a copy of the kit contact R B Fournier, Counsellor (Commercial), Canadian High Commission.

Rewarding experience over 50 years

One company that needs no introduction to Canada is Low & Bonar. It has long invested in Canada — with, it says, 'continuing success'. In this article, Low & Bonar's Managing Director, R J Jarvis, explains some of the reasons for that success.

Low & Bonar PLC is a UK public company formed in 1912 to operate in the jute industry and to trade world wide. Today, it is a modern industrial group with widespread interests in specialised areas of packaging materials, plastics, high-performance textiles and high-technology electronic products.

Bonar's operations are concentrated in the UK, Europe and North America, and its world-wide sales are approximately £250 million per year.

The company is headquartered in Dundee, and its total workforce consists of some 7500 employees world-wide.

Low & Bonar began operating in Canada in 1920. In 1937, it formed a partnership with Bemis to form Bonar & Bemis, which quickly expanded in major cities across Canada.

Today, the company has plants in Calgary, Winnipeg, East Angus, Burlington, Lindsay, Guelph, Toronto and Fredericton, and a joint venture in Prince Edward Island.

In 1980, Low & Bonar bought out the Bemis share of the partnership. This enabled the then-re-formed Bonar Inc — headquartered in Burlington, to expand even further its operations in Canada, and, to begin selling its products in the United States.

In 1984, 25% of the equity in Bonar Inc was floated on the Toronto Stock Exchange in what has proven to be one of the most successful public issues over the past two years.

During those two years, the company has increased the size of its investments in Canada, spending \$11-12 million on new capital equipment in each of 1985 and 1986.

New attitude to foreign investment

'If I had to describe in one word the main appeal of Canada to a company like ours,' says Low & Bonar Managing Director R J Jarvis, 'I would have to say it is "opportunity". There are a tremendous number of opportunities for almost any company moving into Canada.

'There is a new attitude towards foreign invest-

ment there, and we will be increasing our investment as a result'.

One reason Jarvis finds Canada appealing is the access it offers to the whole North American market.

'We can operate fairly freely across the (Canada-US) border, so in effect there is a single North American market, which is more integrated than Europe in terms of corporate structures, and business culture.' At least 25% of the company's Canadian output is now sold in the US.

The main products made at Bonar's Canadian plants are high-performance packaging materials, including linear low-density polyethylene film for the stretch film and shrink film markets, bags and other materials made from film.

In addition, the Canadian company has a plastic moulding division, which is one of the world's leading manufacturers and suppliers of large complex industrial and agricultural mouldings.

Costs are 10% lower

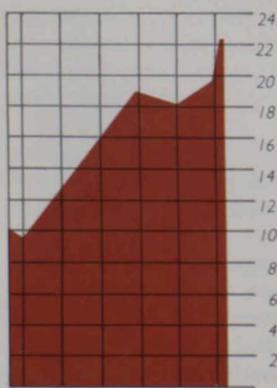
'Costs in Canada are on balance about 10% lower than in the US,' Jarvis says. 'Also, as a Briton, I find I have more rapport with Canadian business people than I do with their US counterparts. Canada seems to be more "user-friendly", if I can use that expression. The quality of life is that much better.'

One of the other reasons for the company's success in Canada (Jarvis says) is its ability to attract a considerable cadre of middle and senior management in all its operations. The quality of Canadian graduates and business students has provided an excellent source of recruits as the company has expanded.

'Generally, the Canadian culture and environment seem to lend themselves to a combination of hard working, expansionist-minded employees with a sound infra-structure for further support.

'Low & Bonar's experience over more than 60 years in Canada has been most rewarding. We look forward to continuing growth and success in the years ahead.'

Bonar Inc. Share Price Growth (C\$)
31st October 1984 to 12th March 1986



Market Capitalisation on 12/3/86
= C\$92 Million
Earnings Per Share: C\$1.84
Price Earnings Multiple: 12.5 times