

## THE CANADIAN INNOVATION ADVANTAGE – R&D AND INNOVATION SUPPORT

Canada is one of the best locations in the world for pursuing sophisticated, cost-effective S&T partnerships and industrial R&D. Building on a business tax regime that encourages entrepreneurship, Canada provides the most generous R&D tax credit program in the G7.



### SCIENTIFIC AND EXPERIMENTAL DEVELOPMENT TAX CREDIT (SR&ED)

The SR&ED is a federal tax incentive program that helps Canadian businesses of all sizes and in all sectors reduce the cost of R&D into new, improved, or technologically advanced products or processes. Every year, this program saves innovative Canadian companies and their partners a total of \$4 billion.

The net after-tax cost of R&D expenditures can be less than 0.44 cents for each dollar spent, depending on the type of corporation and the province where the R&D is conducted.

In the 2008 budget, the Canadian government further strengthened the SR&ED. Changes included a new measure to support the increasing internationalization of innovation, by making 10 per cent of R&D undertaken by Canadians outside Canada eligible under SR&ED.

### IN THE DECADE BETWEEN 1997 AND 2007,

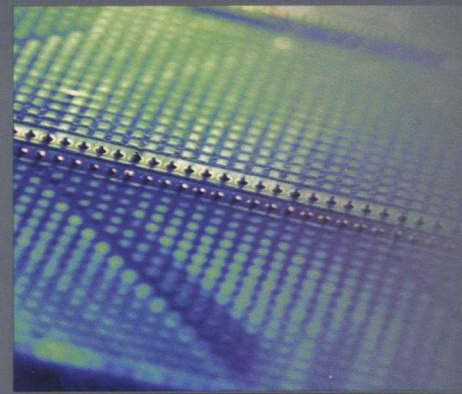
foreign direct investment in Canada grew 168 per cent to \$521.1 billion. (Statistics Canada, 2008)

## SCIENCE AND INNOVATION INFRASTRUCTURE

With state-of-the-art research facilities, significant and growing public sector investment in R&D, and a global reputation for science excellence – Canada's S&T base is one of the strongest in the world.

Business innovators benefit from this research infrastructure. Partnerships among industry, government and university researchers provide the impetus for much of Canada's success in the knowledge-based economy.

- Canada leads the G7 in public sector research funding on a per capita basis.
- University R&D in Canada is almost twice that of any other G7 country. Universities are on track to double R&D activities and triple their commercialization successes by 2010.



## THE CANADIAN INNOVATION ADVANTAGE – INNOVATION POWERHOUSES

Canada's sophisticated labs and research facilities, centres of excellence, and funding programs are key drivers of the nation's innovation system. Below is information on just some of Canada's "innovation powerhouses".

### CANADA FOUNDATION FOR INNOVATION (CFI)

Since its inception in 1997, the CFI has funded research infrastructure (state-of-the-art equipment, buildings, labs and databases) for more than 5,700 projects at 128 research institutions across Canada. CFI investments totaling more than \$3.8 billion have attracted additional dollars from public and private partners, and have supported discovery commercialization and the development of numerous spin-off ventures. [www.innovation.ca](http://www.innovation.ca)