

SECTOR: INVESTMENT DEVELOPMENT PROGRAM

SUB-SECTOR: VARIOUS

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U.S. Market Potential: With a total of 20 million businesses in the U.S, the United States offers the largest pool of companies potentially interested in investing in Canada. For the last five years, more than 60% of the firms that invested in Canada were of U.S origin. These investments range from merger and acquisition of small manufacturing firms to joint ventures to greenfield investments as well as portfolio investment.

The US industry with 75% of the FORTUNE 1000 companies and more than 1.5 million small and medium enterprises (\$500,000 - \$100 million annual sales) regards investment as a growth mechanism. This is particularly true of small to medium-sized high-tech companies that investigate options in Canada in order to take advantage of business opportunities and investment incentives including R&D credits. Large companies are currently rationalizing their operations and seek acquisitions as a way to expand market penetration.

Canadian Capabilities: Due to similarities that exist both in terms of market and demography, Canada has long been the preferred location for US investment abroad. The FTA has made Canada a more attractive place to invest because of the removal of many trade barriers. Canadian capabilities in high-tech sectors such as telecommunication, software, and environmental technologies have worldwide recognition. Canadian firms, backed by government policies encouraging investment, are eager to expand into the global market. This offers excellent opportunities for strategic alliances between small and medium sized enterprises as a way to complement their technical knowledge and competence while diminishing the risk. With a qualified workforce, renowned research facilities, advantageous financing and credits, Canada has much to offer to companies looking at strategic partnerships in Canada.

Strategy:

To identify and prioritize at each post the industrial sectors which offer the best matching opportunities for Canadian industry.

- In cooperation with ISTC, Investment Canada and others, to plan and develop a focused pro-active program including a range of investment development initiatives directed at specific industrial sectors/firms in the post territory which offer the best potential for investment into Canada.
- Positively influence high-level US corporate contacts through a focused Corporate liaison program involving head of posts and senior US executives.