

CANADA-US.



CANADA: NORTH AMERICA'S CHOICE INVESTMENT LOCATION

The Place for R&D Investment



The Montreal R&D unit of Ericsson, a Swedish telecommunications giant.

Last year foreign investors poured a record \$15.3 billion into Canada in new direct investment, with ever-increasing sums going into advanced industrial sectors where R&D activity is intense.

One of the key reasons is that Canada today offers one of the most welcoming environments anywhere for industrial R&D. Its R&D tax regime is among the most generous in the world. Its engineers, scientists, health professionals and technicians are highly trained and educated, and available at exceptionally competitive wage rates.

Together, this adds up to large cost savings for firms conducting R&D in Canada and is a tangible sign of Canada's supportive climate for research activity and innovation. Furthermore, Canada offers a healthy lifestyle, safe environment, quality social services, and great recreational amenities. For instance, according to Fortune magazine, Toronto is the best city in the world to mix "work and family."

Increasingly, as these attractions suggest, Canada is building its economy on a base of knowledge-intensive industries and putting in place a dynamic infrastructure to support it:

- Industry, governments and universities have been investing heavily in new laboratories, research institutes, centres of

excellence and research networks, building on Canada's already rich array of research institutions. Increasingly, industry and public sector researchers are forging alliances to seek out frontier knowledge and to bring new products to market.

- At the same time, intellectual property rights receive strong protection, as a result of a recently revised Patent Act.

- World-class telecommunications facilities keep research professionals and

their firms in touch and out front. A highly developed road, air, rail and marine transportation network links Canada seamlessly with its southern neighbours and provides easy access to the world.

- Its universities and colleges are graduating some 40,000 engineers, scientists, health professionals and technicians a year. Education levels in the workforce are steadily advancing, with two-thirds of young people aged 20 to 24 enrolled in universities or training institutions.

Today interest is focused, in particular, on a handful of R&D-intensive industrial sectors in which Canada has world-class capabilities, and where market opportunities exist on a global scale. These sectors are: information technologies and telecommunications, electronics, health care including biotechnology, agri-food, environmental industries and ocean technology.

World-class industries in these sectors, along with major teaching and research institutions, have helped spawn vibrant high-tech "clusters", as illustrated in six major Canadian locations: Vancouver; Calgary; Greater Toronto; the "Technology Triangle" which includes Guelph, Kitchener-Waterloo and Cambridge; the Ottawa-Hull National Capital Region and the Greater Montreal Region.

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"We do our R&D in Canada because, economically and in other ways, this is a good setting for innovative work... For an R&D-intensive company such as ours, the system actually makes the total tax bill lower than it would be in the United States..."

DR. KARL BRACKHAUS,
PRESIDENT & CEO, DYNAPRO SYSTEMS INC.

Inside:

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Canada