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THINK CANADA October 2014

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 Government of Canada
Gouvernement du Canada



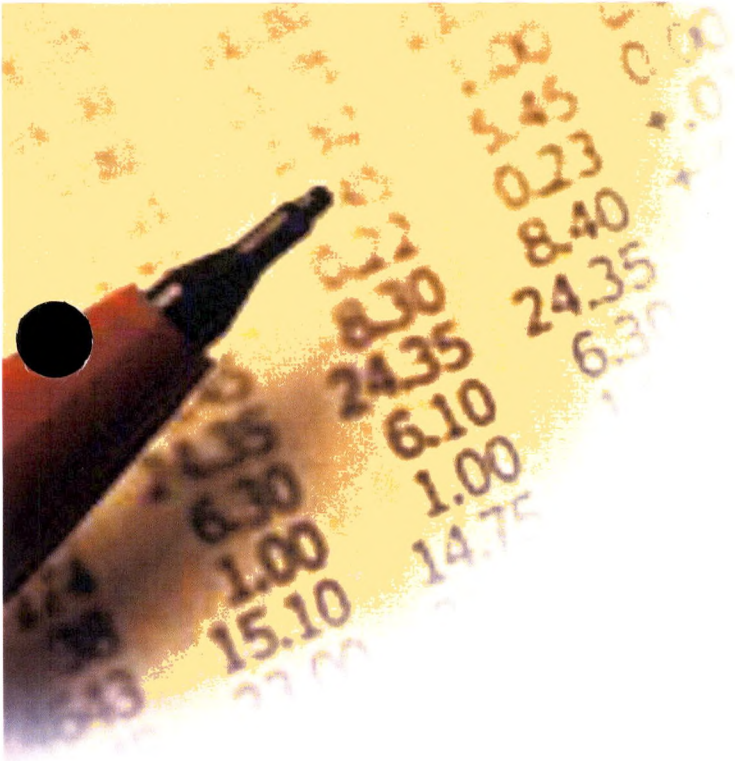


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I Excellent Economic Fundamentals

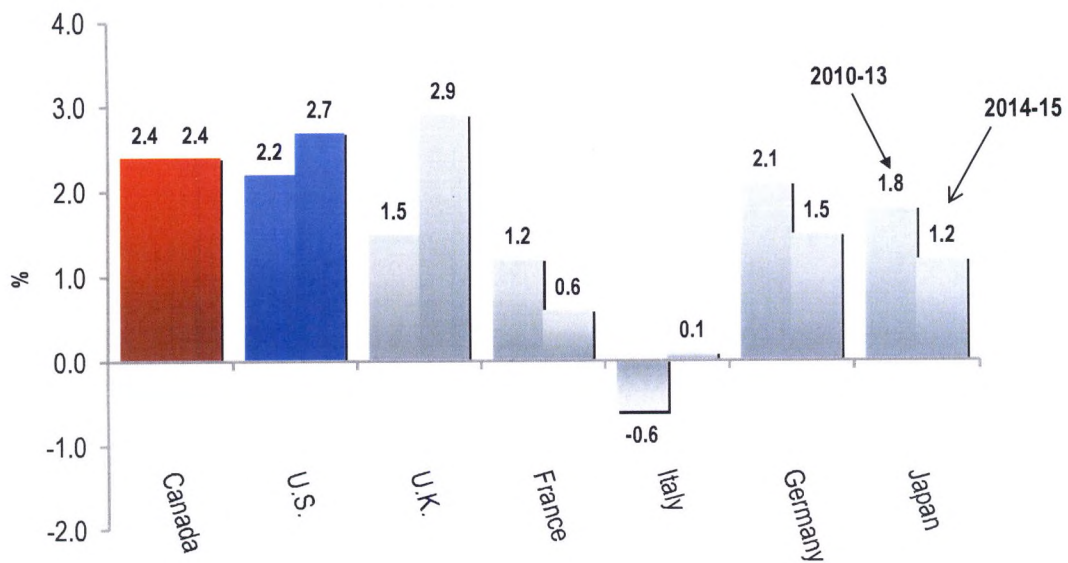




Despite the Global Slowdown, Canada's Economic Prospects are Relatively Strong Based on a Consensus of Forecasts...

- According to Consensus Economics, Canada has been a top performer among the G-7 in GDP growth over the 2010-13 period and is expected to remain so through 2014-15.

Real GDP Growth and Projections (%)



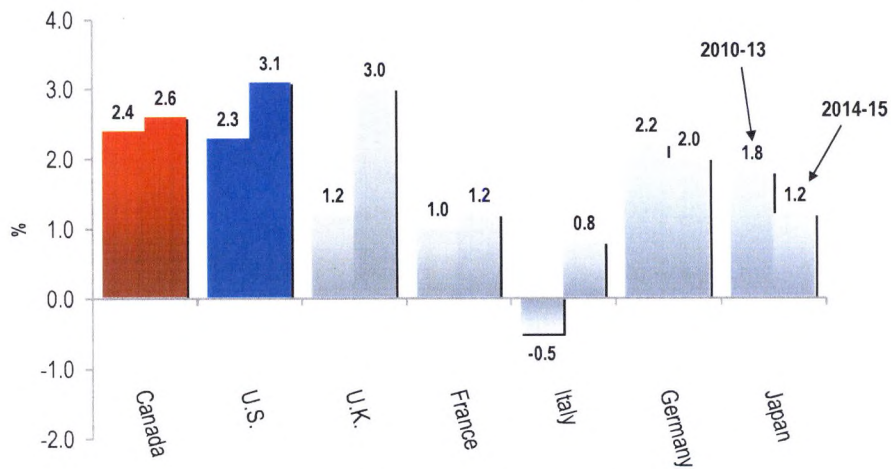
Source: Consensus Forecasts, October 2014, Consensus Economics Inc.



Other Forecasts also Highlight Canada's Relatively Strong Economy....

- Similarly, recent OECD statistics rank Canada as a top performer among G-7 countries in terms of GDP growth from 2010-13 and during the 2014-15 forecast period.

Real GDP Growth and Projections (%)



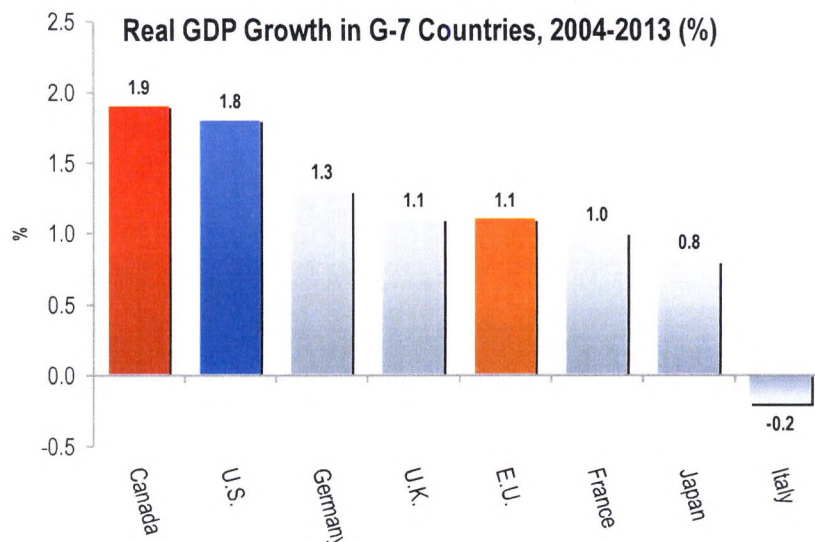
Source: OECD Economic Outlook, No. 95, May 2014.

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... and Canada leads the G-7 in Long-Term GDP Growth

- Long-term GDP growth statistics from the World Bank place Canada at the top of the G-7 in the last ten years.



Source: World Bank: World Development Indicators database, September 2014.

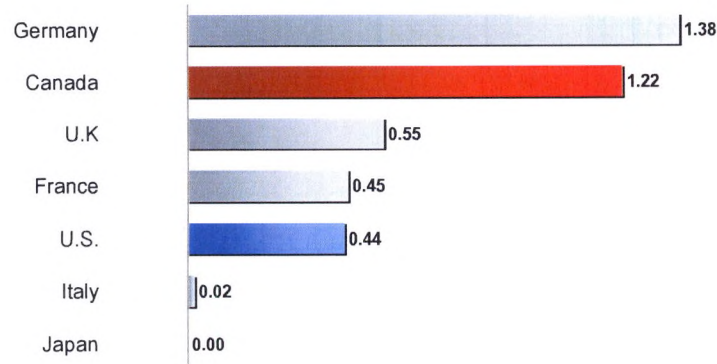
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Canada also has Strong Employment Growth...

- Canada has recovered both more than all of the output and all of the jobs lost during the recent recession.
- Almost 1,118,700 more Canadians are working today than when this recession ended in July 2009 and employment is about 750,400 above its pre-recession peak in October 2008. Over 80% of the positions created since July 2009 have been in full-time positions and high-wage industries, with nearly 80% in the private sector.

Employment Growth (%)
2004-2013



Source: U.S. Bureau of Labour Statistics, OECD Economic Outlook, No.95, May 2014.

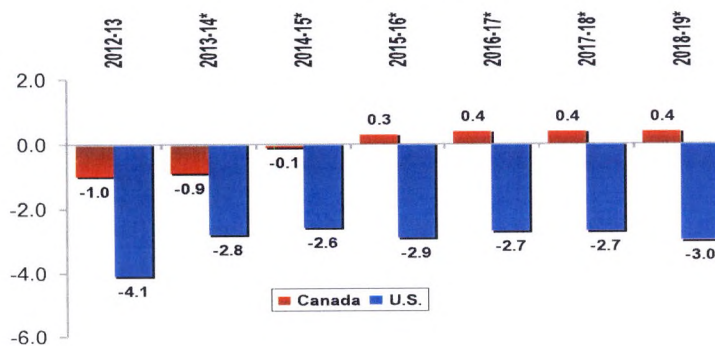
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...a Sound Fiscal Advantage...

- Canada enjoyed eleven consecutive annual federal budget surpluses ending in 2007-08; it undertook one of the largest stimulus packages among developed economies during the global economic downturn.
- Starting with Budget 2010, Canada chose to run short deficits to stimulate its economy without putting long-term prosperity at risk.
- As a percentage of GDP, the budgetary deficit is projected to decline from 1.0% in 2012-13 to a budget surplus of 0.3% in 2015-16.

Federal Government Budgetary Balance
(% of GDP)



* Forecasts for both countries

Source Canada: The Federal Budget: Finance Canada, February 11, 2014

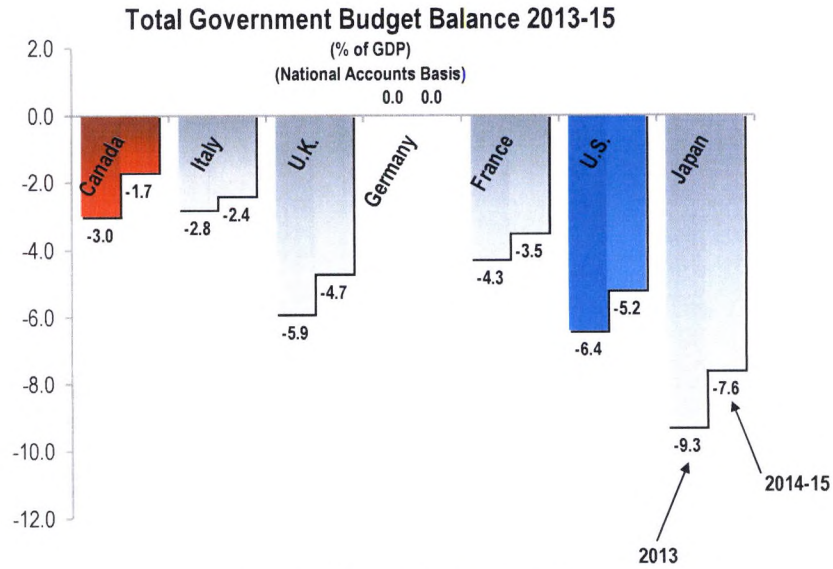
Source United States: United States Congressional Budget Office, August 27, 2014.

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...Leading Most Other G-7 Countries...

- Despite posting a deficit of 3.0% of its GDP in 2013, Canada will still be in a better position than most G-7 countries during the 2014-2015 forecast period with an overall deficit of 1.7% of GDP.



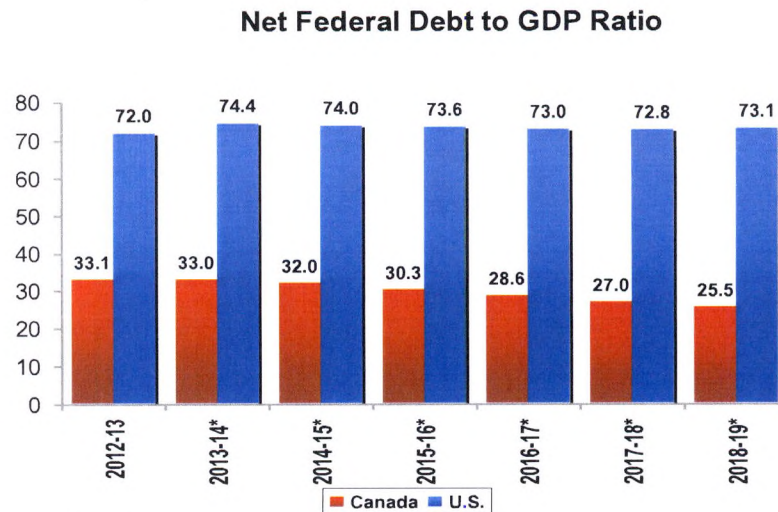
Source: OECD Economic Outlook, No.95, May 2014.

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...a Declining Federal Debt...

- The net federal debt-to-GDP ratio (accumulated deficit) stood at 33.1% in 2012-13, less than half its peak of 68.4% in 1995-96. The debt ratio is expected to fall to 25.5% in 2018-19, in line with its pre-recession level.



* Forecasts for both countries.

Source Canada: The Federal Budget: Finance Canada, February 11, 2014.

Source United States: United States Congressional Budget Office, August 27, 2014.

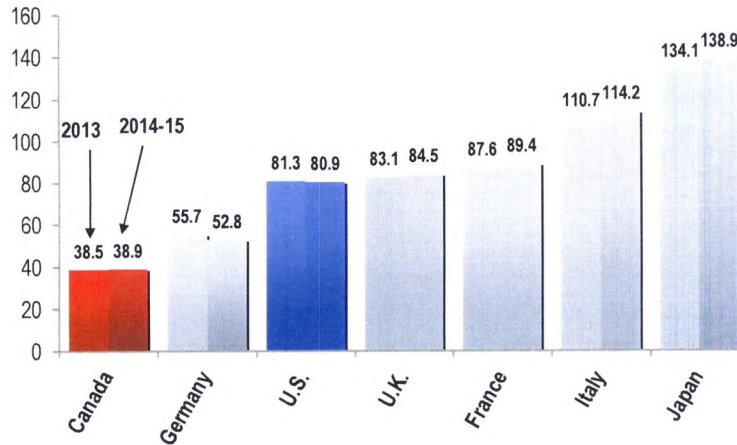
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...the Lowest in the G-7...

- Canada had the lowest net debt-to-GDP ratio in the G-7 in 2013 and will continue to hold this standing during the 2014-2015 forecast period.

General Government Net Debt 2013-15
(% of GDP)



Source: IMF Fiscal Monitor, October 2014.

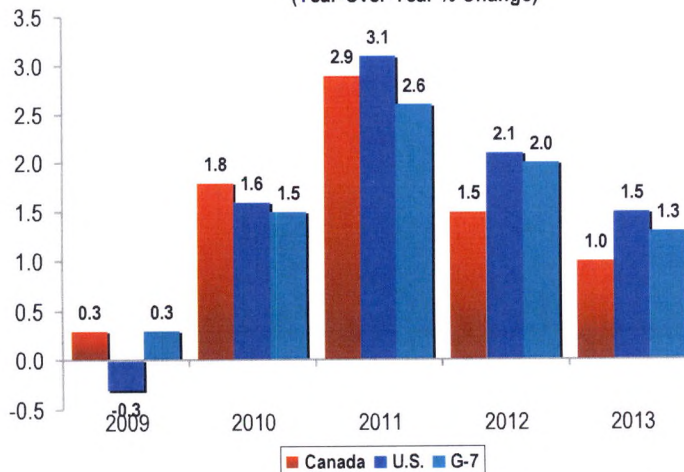
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...a Low Inflation Rate Regime...

- A low inflation environment provides business certainty for investors. Canada's targeted inflation rate range between 1% and 3% has been extended until 2016.
 - Over the past five years, Canada has enjoyed relatively low inflation – averaging 1.5% compared to 1.6% for the U.S. and 1.5% for the G-7 as a whole.

Inflation
(Year-Over-Year % Change)



Source: OECD Economic Outlook, No. 95, May 2014

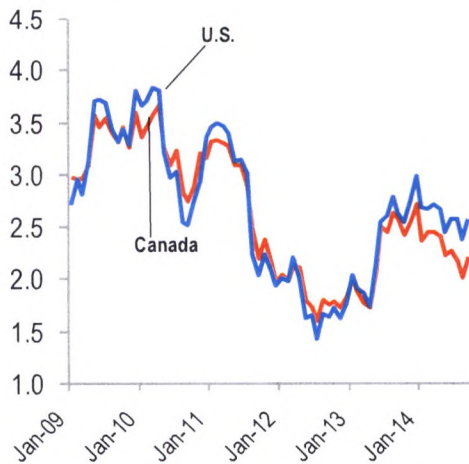
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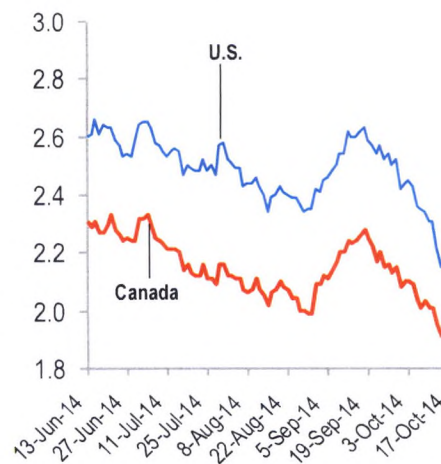
... Low Interest Rates...

- Canada's solid fiscal situation and low inflation has led to lower interest rates.
- The sharp decline in interest rates in both Canada and the U.S. in early 2009 was a consequence of the global economic downturn. Rates in the U.S. were lowered more than in Canada because of the greater severity of the slump in the U.S. economy.

Long-Term Bond Yields (%)



Daily Yields (%)



Source Canada: Government of Canada 10-Year Bond: October 17, 2014
 Source U.S.: U.S. Treasury, Constant Maturity 10-Year Bond: October 17, 2014

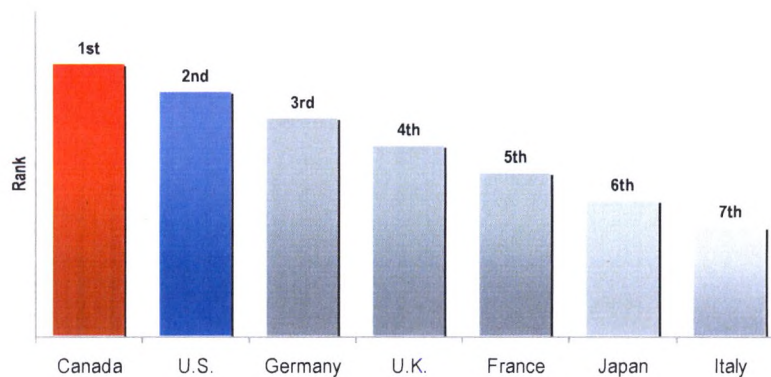
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...an Overall Environment of Prosperity

- According to the Legatum Prosperity Index*, Canada ranks 1st in the G-7 and 3rd among 142 countries in terms of overall prosperity based on material wealth and personal wellbeing.

Legatum Prosperity Index* G-7 Ranking



* The Legatum Prosperity Index ranks countries based on 89 variables grouped into 8 sub-indexes which are averaged using equal weights. The sub-indexes are: economy; entrepreneurship & opportunity; governance; education; health; safety & freedom; personal freedom and social capital. Source: Legatum Institute, London, October 2013

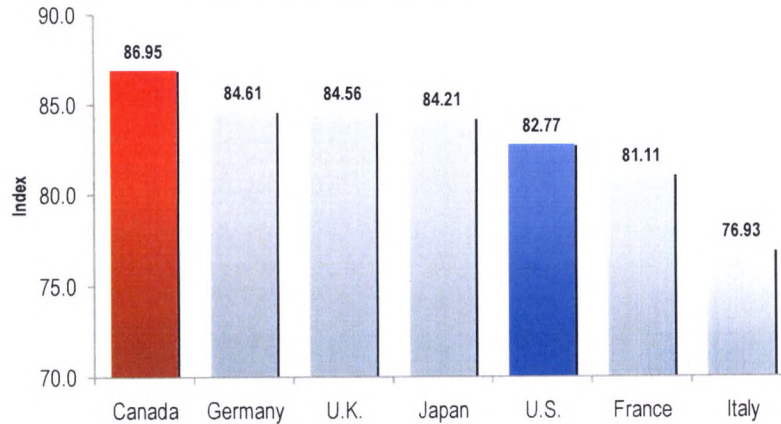
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...and a High Degree of Social Progress

- Canada ranked first in the G-7 and seventh overall in a 132-country study measuring social progress – defined as a society's capacity to meet the basic human needs of its citizens, establish the foundations that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential.

Social Progress Index* G-7 Ranking



Source: The Social Progress Imperative, April 2014. * The Index is the sum of three dimensions: Basic Human Needs, Foundations of Wellbeing, and Opportunity. Each dimension is made up of four equally weighted individual components scored on an objective scale from 0–100. This scale is determined by identifying the best and worst global performance on each indicator by any country in the last 10 years, and using these to set the maximum (100) and minimum (0) bounds.

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II A Highly Competitive Business Environment



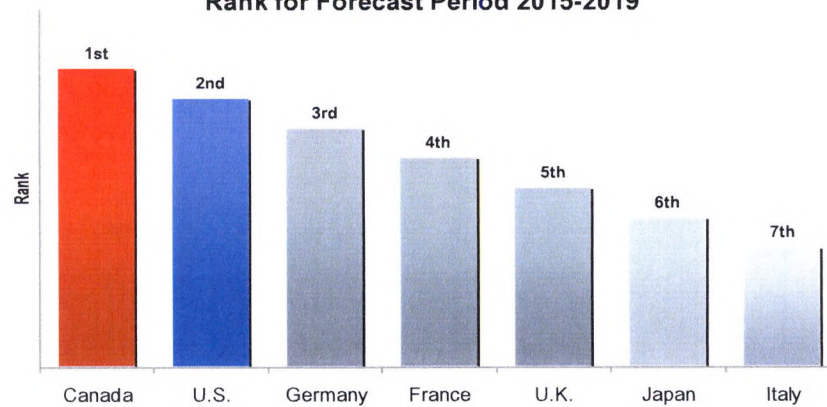
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Canada is Acclaimed by the EIU for its Superior Business Climate...

- Canada understands the importance of its business community and has created an environment to encourage its success.
- Canada is the best place for doing business among the G-7 and G-20 over the next five years according to the Economist Intelligence Unit (EIU) and it ranked sixth overall out of 82 countries in the Economist Intelligence Unit's global business rankings for the forecast period (2015-19).
- The country also ranks well for its infrastructure, market opportunities, low taxes, and foreign trade and exchange controls.

Business Environment of the G-7 Countries, Rank for Forecast Period 2015-2019



Source: The Economist Intelligence Unit, October 2014

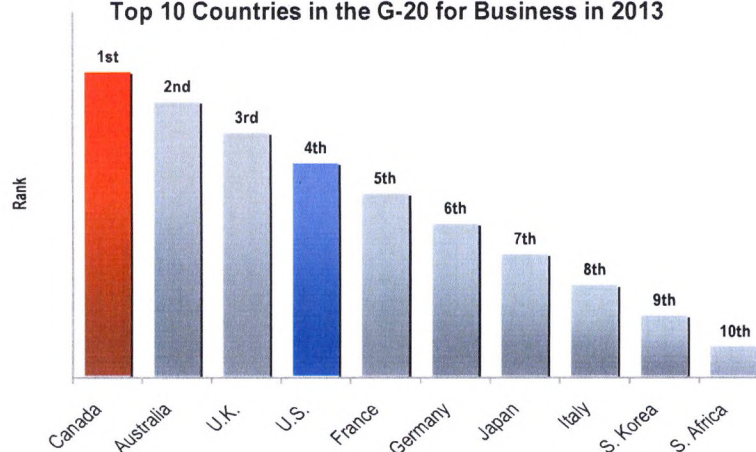
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... and More Recently by Forbes

- Canada led the G-20 and stood eighth overall in Forbes latest 145-country annual study on the Best Countries for Business.
- Canada ranked particularly well on a number of sub-elements, including the degree of red tape involved in starting a business (2nd overall) and investor protection (4th overall).

Top 10 Countries in the G-20 for Business in 2013



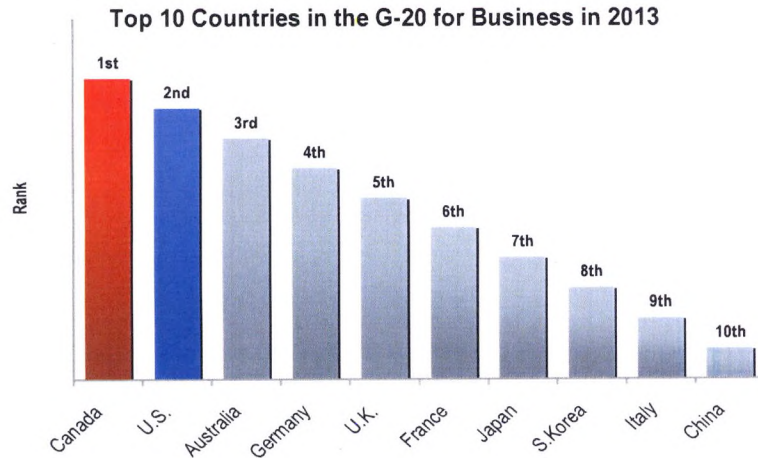
*Standing among G-20 countries. Rankings based on the following eleven categories of quantitative and qualitative indicators: trade freedom, monetary freedom, property rights, innovation, technology, red tape, investor protection, corruption, personal freedom, tax burden and market performance.
Source: Forbes Publishing, December 2013.

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... and Bloomberg Rankings

- Canada led the G-20 and stood second overall in Bloomberg Rankings' latest 157-country annual study on the Best Countries for Business.
- Canada ranked high on all six categories of the study, in particular the readiness of the local consumer base (1st overall), less tangible costs (1st overall) and the degree of economic integration (3rd overall).



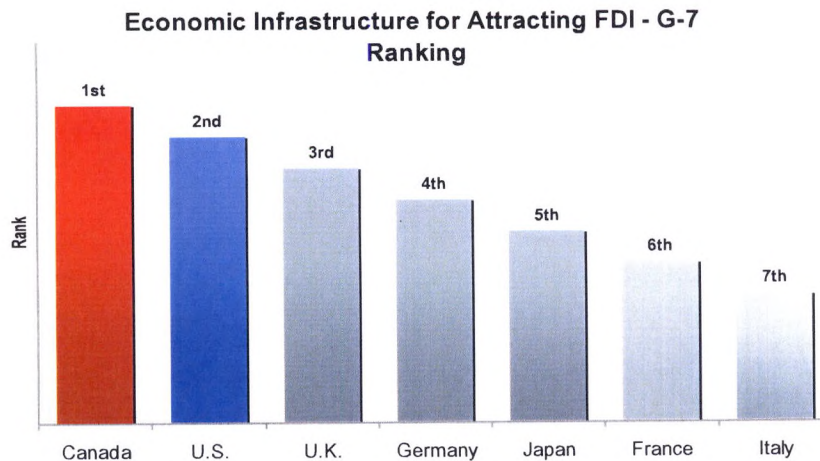
*Standing among G-20 countries. Rankings based on the following six categories of quantitative and qualitative indicators: degree of economic integration, business startup costs, labour and material costs, transport costs, less tangible costs and readiness of the local consumer base.
Source: Bloomberg Rankings, January 2014.

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Canada's Economic Infrastructure is Top Notch for Attracting Foreign Investment

- Canada ranks 1st in the G-7 and 3rd overall in a recent study measuring a country's ability to attract investment on the basis of economic infrastructure.*



Source: Global Infrastructure Investment Index, EC Harris Consultancy, December 2012.

* Standing among 40 countries. Economic infrastructure is the core internal facility of a country that makes business activity possible, such as communication, transportation, distribution, finance and energy supply. These assets are fundamental to society and economic growth.

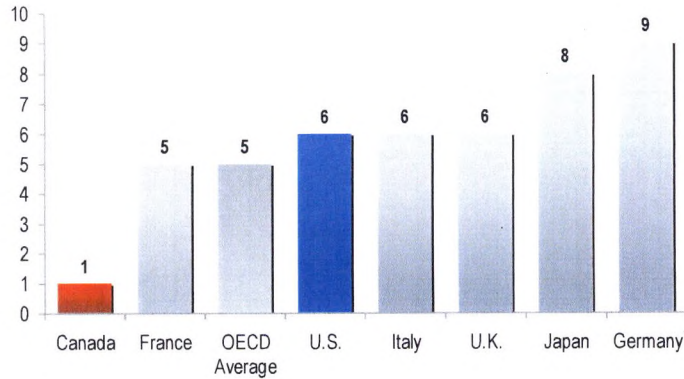
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Establishing a Business in Canada Involves Relatively Few Steps...

- Regulations pertaining to the creation of new businesses are considerably more flexible in Canada than those in the rest of the G-7.
- Canada ranks first among the G-7 and OECD countries for the lowest number of procedures required to establish a new business.

Number of Procedures*



Source: Doing Business in 2014 - The World Bank Group, 2013 * A "procedure" is defined as any interaction of the company founder with external parties (government agencies, lawyers, auditors, notaries, etc). Interactions between company founders or company officers and employees are not considered as separate procedures. For example, an inauguration meeting where shareholders elect the directors and secretary of the company is not considered a procedure, as there are no outside parties involved.

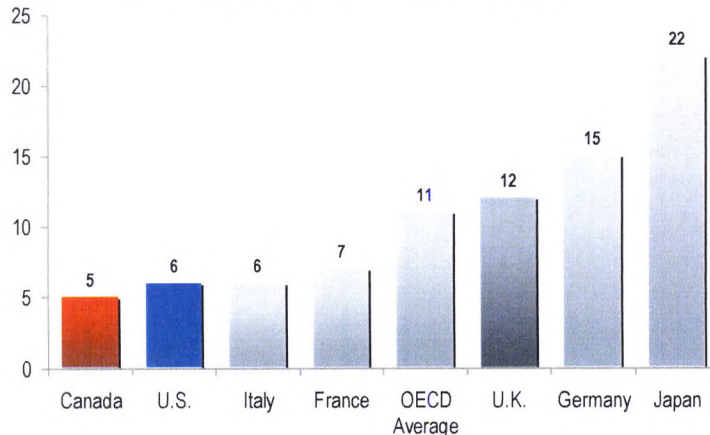
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...and Takes Relatively Less Time

- Canada ranks first among the G-7 for the fewest number of days required for establishing a new business.

Time Required to Start a Business (days)



Source: Doing Business in 2014 - The World Bank Group, 2013

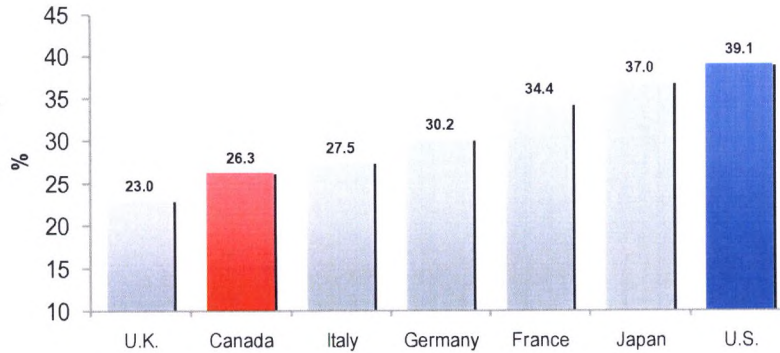
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Canada Offers an Overall Tax Advantage for Firms to Expand.....

- As a result of corporate income tax reductions introduced by the Government since 2006, Canada has the second lowest statutory corporate tax rate in the G-7 as of 2014.
- In addition, Canada's overall tax rate on new business investment is substantially lower than all G-7 countries.*

International Comparison of Statutory General Corporate Tax Rates in 2014



* The tax rate on new business investment is the marginal effective tax rate (METR) that takes into account federal, provincial and territorial statutory corporate income tax rates, deductions and credits available in the corporate tax system and other taxes paid by corporations, including provincial capital taxes and retail sales taxes on business inputs.

Source: Finance Canada, October 2014

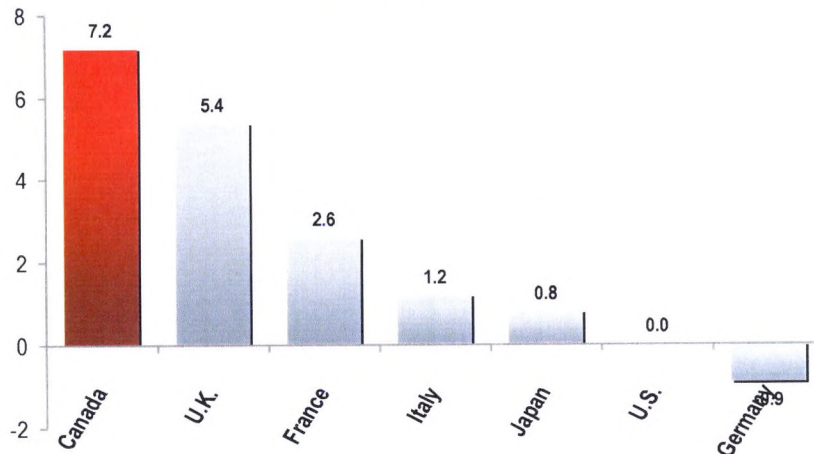
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...with the Lowest Business Costs among the G-7...

- KPMG's Competitive Alternatives study finds Canada as having the lowest business costs among G-7 countries and a 7.2 percentage cost advantage relative to the United States.

Percentage Cost Advantage (Disadvantage) Relative to the United States



Source: KPMG Competitive Alternatives 2014

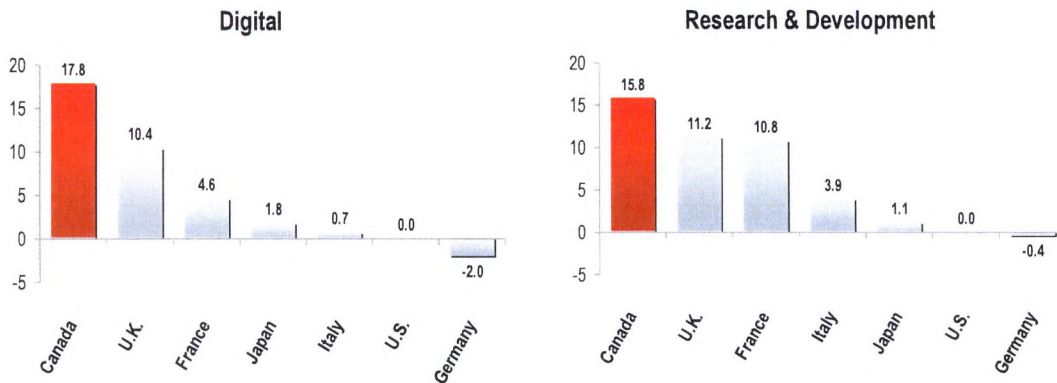
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...especially in the Digital and Research & Development Sectors

- Canada is the lowest cost G-7 country in the Digital and Research & Development sectors.
- Of the 2 industries in the Digital sector, Canada is the lowest-cost G-7 country in both the Digital Entertainment and Software Design industries.
- Among the 3 industries comprising the Research & Development sector, Canada is the lowest-cost G-7 country in the Biotechnology and Product Testing industries and second lowest in the Clinical Trials industry.

Percentage Cost Advantage (Disadvantage) Relative to the United States



Source: KPMG Competitive Alternatives 2014

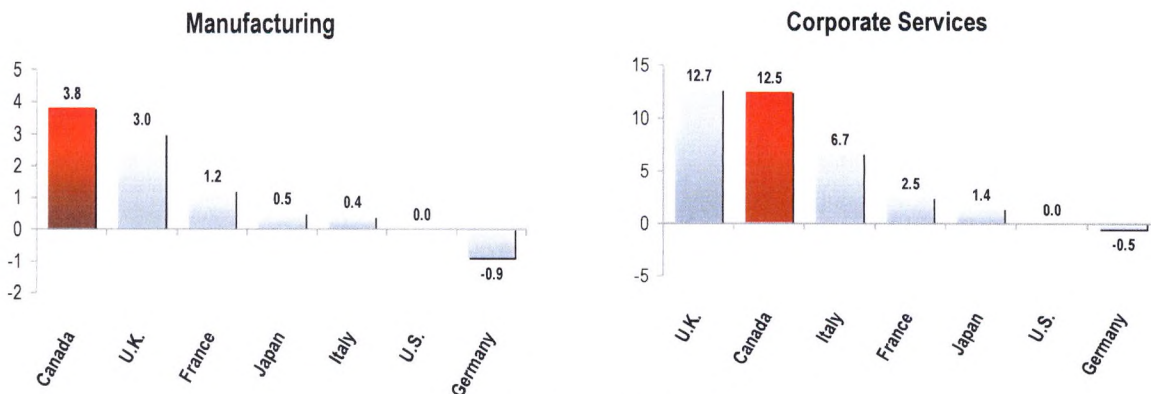
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Canada is also highly cost-competitive among the G-7 in the Manufacturing and Corporate Services sectors

- Canada is the lowest-cost G-7 country in the Manufacturing sector and second lowest in the Corporate Services sector.
- Of the 12 industries within the Manufacturing sector, Canada is the lowest-cost G-7 country in the Aerospace, Automotive, Electronics, Green Energy, Medical Devices, Metal Components, Pharmaceuticals, Plastics and Telecommunications industries. Canada is the second lowest in the Agri-Food, Chemicals and Precision Manufacturing industries.
- Of the 2 industries in the Corporate Services sector, Canada is the lowest-cost G-7 country in the Professional Services industry.

Percentage Cost Advantage (Disadvantage) Relative to the United States



Source: KPMG Competitive Alternatives 2014

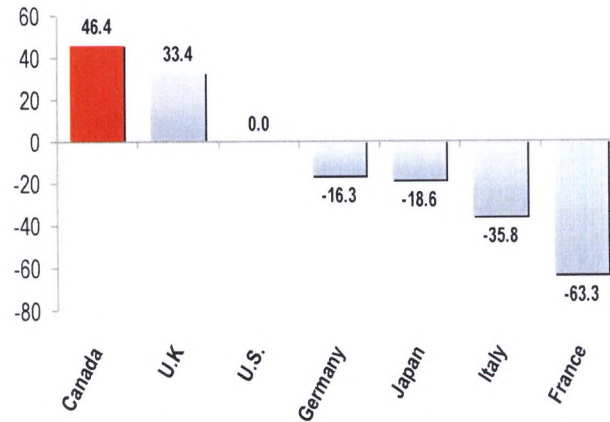
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... and is the most Tax Competitive G-7 Country

- Canada leads the G-7 in tax competitiveness as measured by the relative Total Tax Index*.

Percentage Advantage (Disadvantage) Relative to the United States Tax Competitiveness



Source: KPMG Competitive Alternatives 2014: Focus on Tax

* A measure of the total taxes paid by corporations in a particular location expressed as a percentage of total taxes paid by corporations in the US.

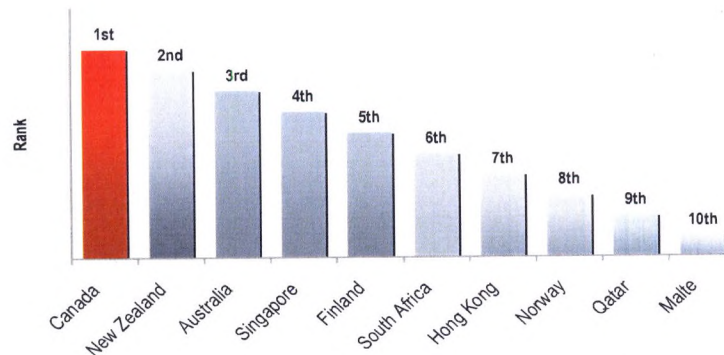
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Canada has Sound Financial Institutions...

- With the world in the midst of the current financial crisis, investors can take comfort in the fact that Canada has the soundest banking system in the G-7.
- Six of the world's 50 safest banks are in Canada, according to a recent study: Toronto Dominion Bank (11th), Royal Bank of Canada (16th), Scotiabank (22nd), Caisse Centrale Desjardins (26th), Bank of Montreal (30th) and CIBC (31st).**

Soundness of Banks* World Rank



*Standing among 148 countries. Ranking based on the degree of soundness of financial institutions. Source: Global Competitiveness Report, 2014-2015
** Standing among 500 world banks based on total assets and long-term credit ratings. Source: Global Finance Magazine, August 2014

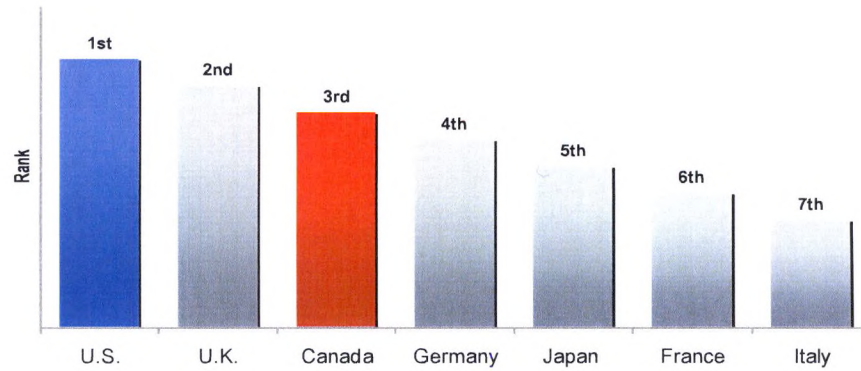
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...and Stands Among Leaders in IT Industry Competitiveness

- Canada ranks third behind the U.S. and the U.K. among the G-7 and seventh in a 66-country review of the countries best suited to provide an optimally competitive environment for information technology (IT) firms.

IT Industry Competitiveness Index* G-7 Ranking



*Standing among 66 countries. Index based on the following six categories of quantitative and qualitative indicators: overall business environment; IT infrastructure; human capital; legal environment; R&D environment; and support for IT industry development.
Source: Economist Intelligence Unit, September 2011

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III A Dynamic Workforce



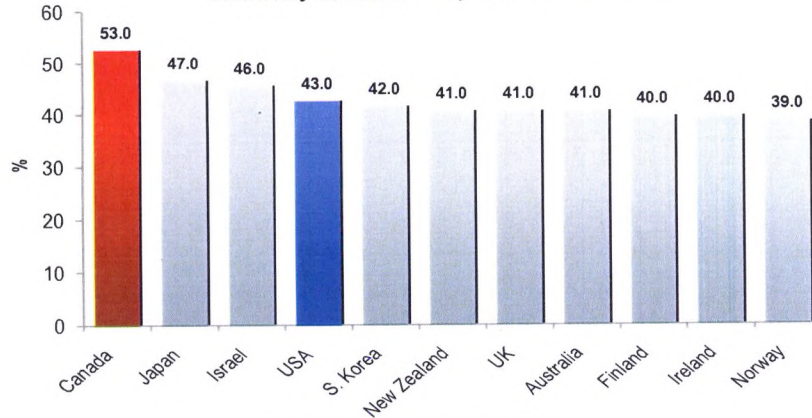
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Canada has one of the World's Best Educated Workforces...

- The overall skill level of Canada's workforce ranks high among competing countries.
- Canada has the highest percentage of individuals achieving at least college or university education, among OECD member countries.
- Five Canadian universities are ranked among the top 100 in the world according to the UK-based *Quacquarelli Symonds (QS) World University* rankings for 2014-15: University of Toronto 20th; McGill University 21st; University of British Columbia (UBC) 43rd; Université de Montréal 83rd and the University of Alberta 84th.

Percentage of Individuals Aged 25-64 Having Attained Post-Secondary Education - Top 10 OECD Countries



Source: OECD, Education at a Glance 2014

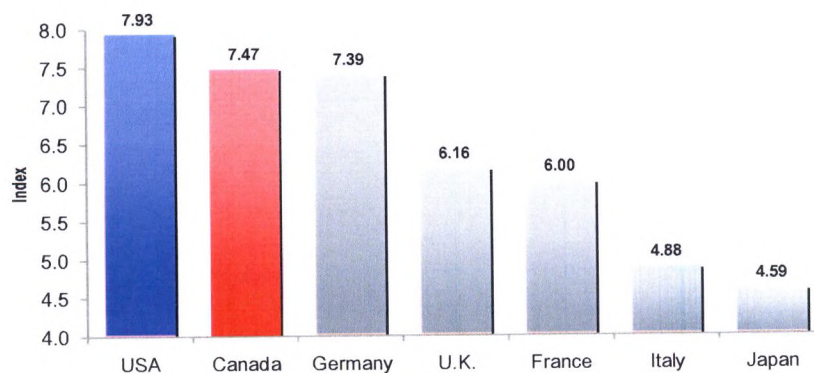
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...Superior Management Training...

- Five Canadian schools of management are ranked among the top 100 in the world according to the *Financial Times* (UK) Global MBA rankings for 2014: University of Toronto (Rotman) 51st, York University in Toronto (Schulich) 66th, University of British Columbia (Sauder) 72nd, McGill University (Desautels) 84th and Western University (Ivey) 89th.
- In addition, Canada ranked second in the G-7 in a study measuring the extent to which management education meets the needs of the business community. (see chart below)

Management Education Quality Index*



Source: IMD, * Rank among 60 economies considered in the World Competitiveness Yearbook 2014.

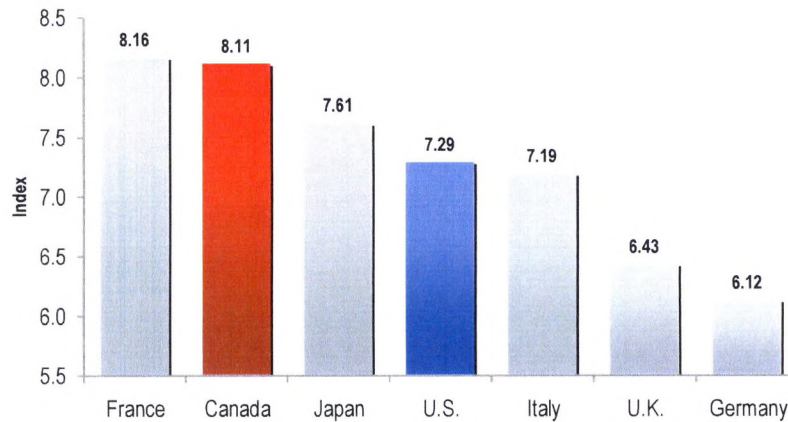
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...and a Readily Available Army of Qualified Engineers

- The availability of qualified engineers in the labour force in Canada is the second highest in the G-7 according to a survey conducted by the Institute for Management Development (IMD).

Qualified Engineers Availability Index*



Source: IMD, * Rank among 60 economies considered in the World Competitiveness Yearbook 2014.



Canada is also a World Leader in Youth Academic Performance...

- Canadian schoolchildren ranked second in the G-7 in each of three subject areas (Reading, Science and Mathematics) surveyed in the OECD Program for International Student Assessment (PISA).
- Among the 65 countries and economies that participated in PISA 2012, Canadian schoolchildren ranked 9th in Reading, 10th in Science and 13th in Mathematics.
- The PISA survey is conducted annually involving over 500,000 school pupils across 65 countries, and evaluates the capacity of 15-year old schoolchildren to understand and solve academic problems.

PISA Score (points – Standing Among G-7 Countries)

	Reading		Science		Mathematics
Japan	538	Japan	547	Japan	536
Canada	523	Canada	525	Canada	518
Germany	508	Germany	524	Germany	514
France	505	United Kingdom	514	France	495
United Kingdom	499	France	499	United Kingdom	494
United States	498	United States	497	Italy	485
Italy	490	Italy	494	United States	481

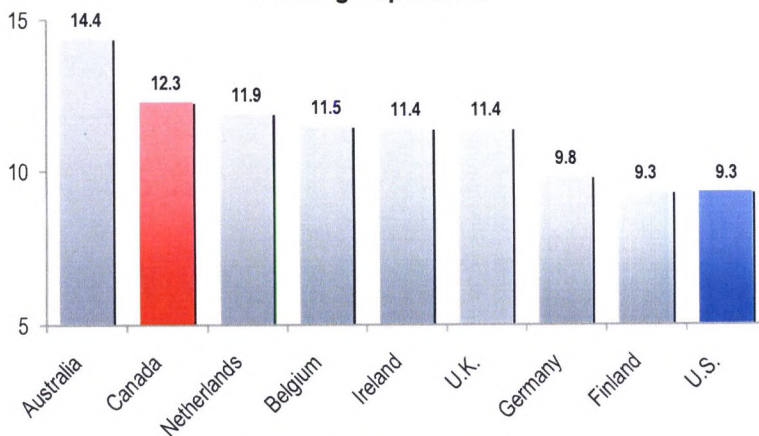
Source: OECD 2012



...with the Highest Concentration of Entrepreneurs in the G-7...

- From a global standpoint, Canada has the 2nd highest concentration of entrepreneurs within its working population and the highest among the G-7 countries.
- Businesses, including start-ups, develop new products and services and get them to market and conceive new types of organization and production and put them into practice.
- New companies also serve to remind existing firms of the need to adapt and continue innovating.

Number of Entrepreneurs as a Percentage of the Working Population



Source: Statistics Netherlands 2012

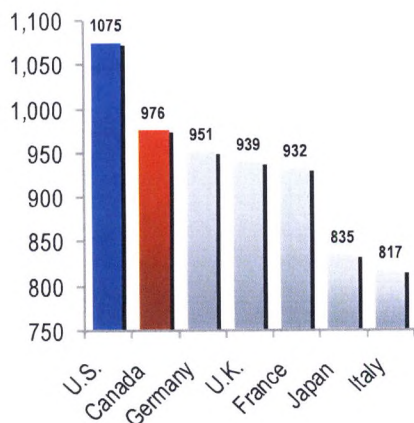
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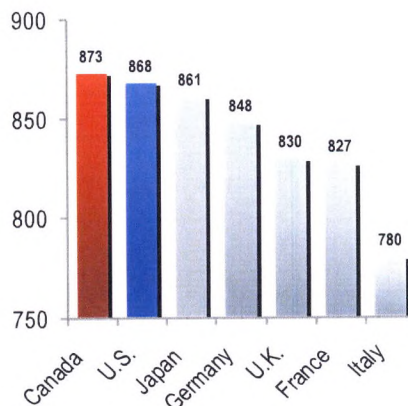
...and the most PC and Internet Users

- Canada has a technology savvy population and workforce. It leads the G-7 with respect to Internet users per capita and is second to the U.S. among the G-7 in terms of personal computers per capita.

Personal Computers Per 1,000 Inhabitants



Internet Users Per 1,000 Inhabitants



Source: IMD, World Competitiveness Yearbook 2014

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IV A Solid Venue for Innovation & Investment



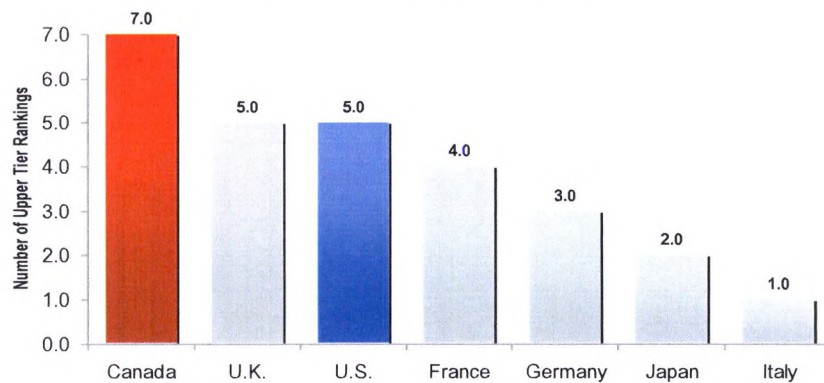
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Canada Ranks High on Innovation Policies

- Canada ranks highest among G-7 countries in terms of the number of upper tier rankings across seven core innovation policy areas: Science/R&D; Domestic Competition; Intellectual Property; Information and Communication Technology (ICT); Government Procurement and High-Skill Migration.

Core Innovation Policy Ranking*



Source: The Global Innovation Policy Index – Information Technology and Innovation Foundation and the Kauffman Foundation – United States – March 2012.

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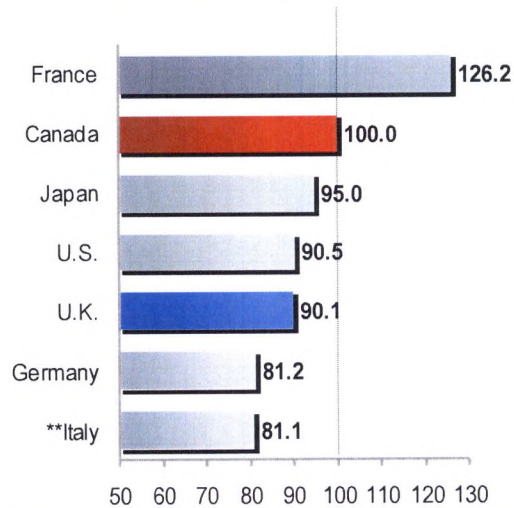


Canada Benefits by Having One of the Best R&D Tax Treatments in the G-7

- Canada currently offers one of the most favorable tax treatments for R&D among the G-7.
 - Canada provides a system of tax credits and accelerated tax deductions for a wide-variety of R&D expenditures.
 - Eligible costs include: salaries, overhead, capital equipment, and materials.
- These tax-based treatments permit firms to significantly reduce R&D costs through direct investment or sub-contracting in Canada.

Relative Generosity of R&D Tax Treatments*

(Index: Canada = 100.0)



Source: Warda, Jacek, *Assessing changes to SR&ED and related policy instruments on Canada's competitiveness for Foreign Direct Investment*: November 22, 2013.
 Note: Relative generosity is determined by dividing the after tax cost of performing \$1.00 of R&D by 1 less the corporate tax rate.
 Results are indexed to the relative generosity of Canada's system of tax-based support for R&D. The higher the ratio the more competitive the tax system.
 * Calculations based on large firms, ** Pending new legislation proposal.

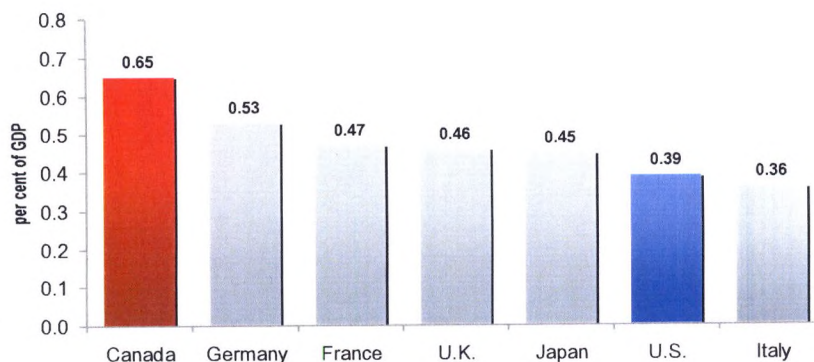
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...and a High Level of R&D Investment in Higher Education

- Canada is a world leader in post-secondary research, outpacing other G-7 countries on higher education investment.

R&D Investment in the Higher Education Sector, 2012



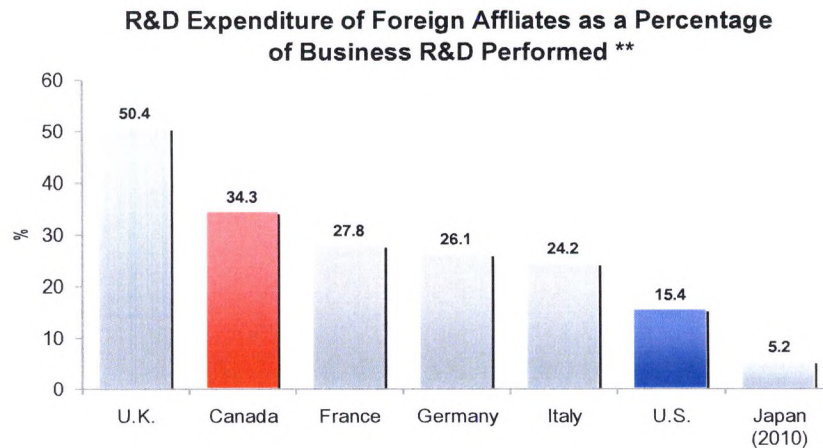
Source: OECD Main Science and Technology Indicators, 2014, Volume 1, June 2014.

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Foreign Affiliates Play a Major Role in R&D Expenditures in Canada...

- Canada ranks 2nd in the G-7 in terms of the proportion of Business R&D expenditure undertaken by foreign affiliates.



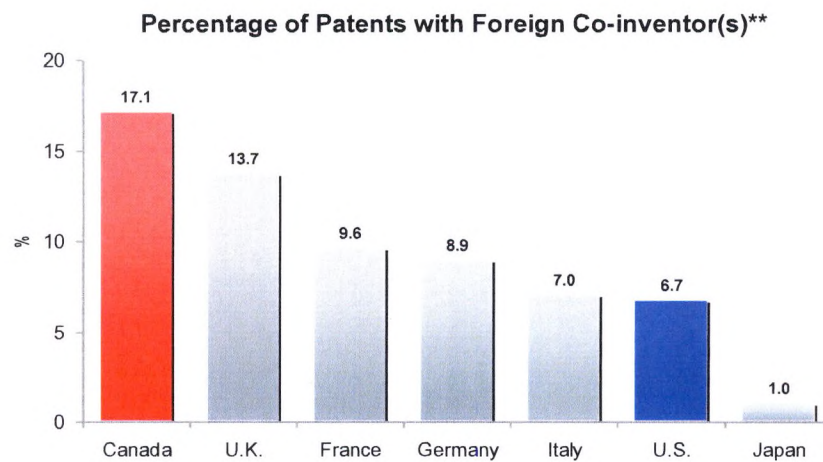
** Data are for 2011 unless otherwise indicated.
Source: OECD Main Science and Technology Indicators, 2014, Volume 1, June 2014

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...with a Significant Number of Patents Filed Involving Foreign Co-Inventors...

- Canada leads the G-7 in terms of the number of patents filed involving foreign co-inventor(s).



** Data are for 2009-2011 (most recent data available).
Source: OECD, Science, Technology and Industry Scoreboard 2013

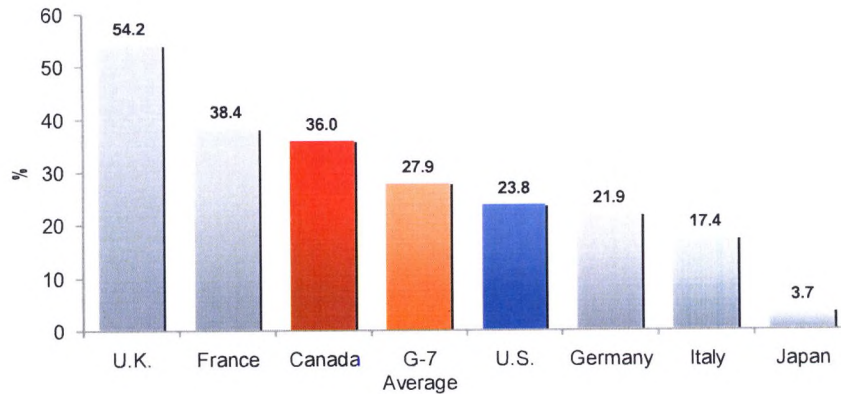
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in an Above Average Investment Environment

- From 2009-2013, Canada has been a leading G-7 nation in foreign direct investment performance when measured in terms of its GDP.

FDI-GDP Ratio 2009-2013



Source: UNCTAD Stat Database, September 2014

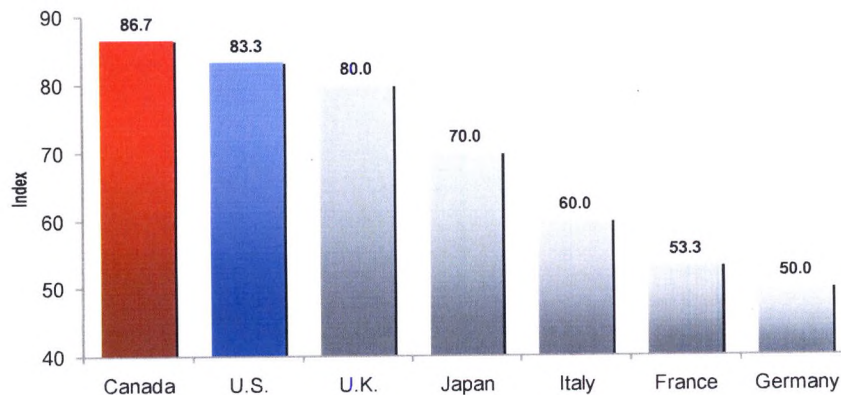
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with Solid Investor Protection

- Canada leads the G-7 and ranks fourth in a 142-country study measuring the ease in investor protection.

Ease of Investor Protection* G-7 Ranking



* Standing based on three dimensions of investor protection: transparency of related party transactions, liability for self dealing, and shareholders' ability to sue officers and directors for misconduct.

Source: Global Innovation Index 2014, Cornell University, INSEAD Business School, and World Intellectual Property Organization (WIPO)

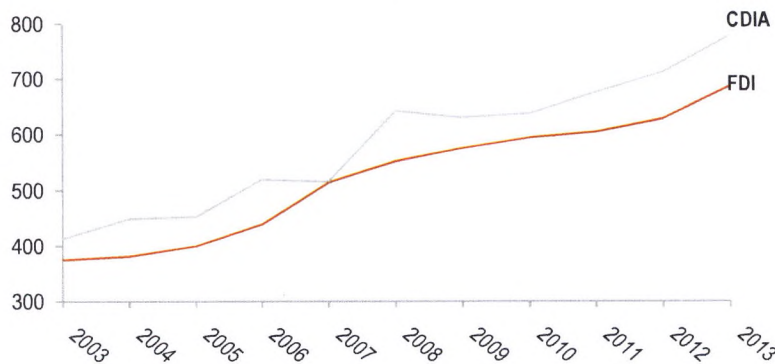
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Canada's Globalized Economy is Driven by a Dynamic Two-Way Investment Process...

- Over the past decade, Canada has witnessed a substantial growth in both inward and outward FDI reflecting its strong connection to global supply chains.
- Canada's inward FDI stock reached C\$686 billion in 2013, an almost 2-fold increase from C\$374 billion in 2003.
- As for Canada's outbound FDI, the expansion of Canadian direct investment abroad (CDIA) has been equally spectacular, rising from C\$412 billion in 2003 to C\$779 billion in 2013.

Canada's Inward and Outward FDI Stock (\$Billion)



Source: Statistics Canada, April 25, 2014

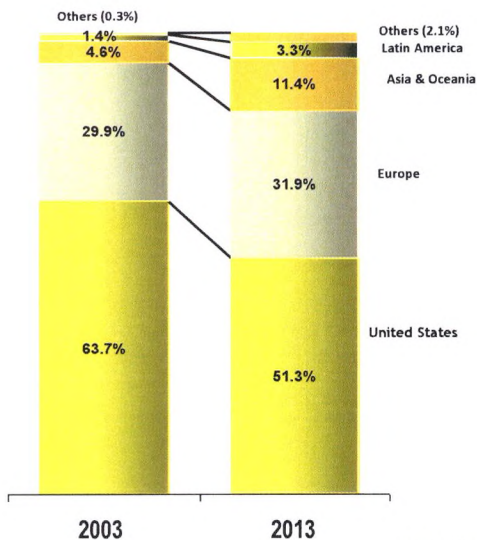
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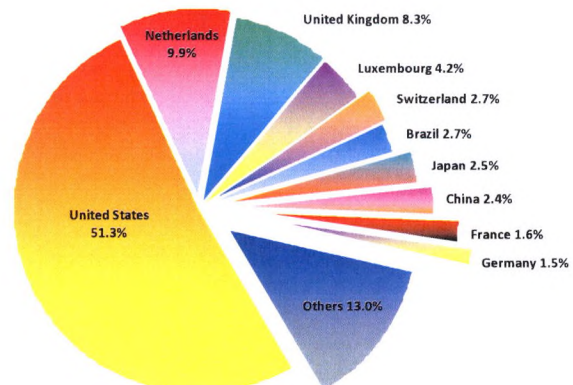
...with the United States as Canada's Largest Source of FDI

- In 2013, the U.S. share of foreign direct investment (FDI) in Canada stood at 51.3%, demonstrating its confidence in Canada's business climate.

Distribution of Canada's FDI Stock by Major Regions, (%)



Share of Top 10 sources of FDI Stock in Canada, 2013, (%)



Source: Statistics Canada, April 25, 2014

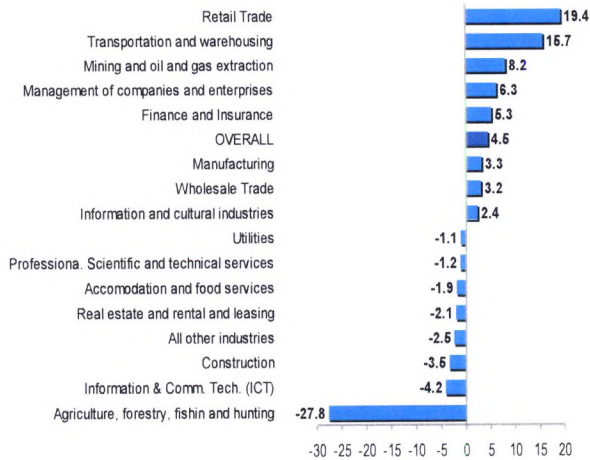
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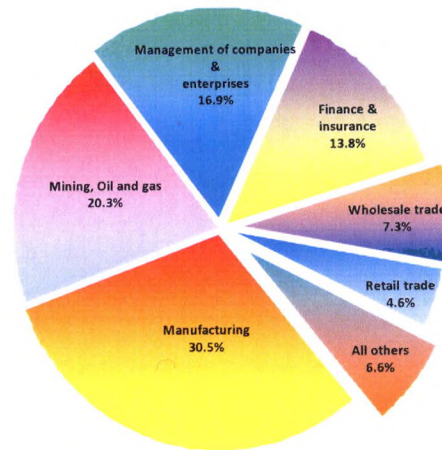
...and Overall FDI Geared Toward Various Industries

- Increasingly more investment goes toward industries such as manufacturing, mining and oil and gas extraction and toward management of companies and enterprises. Since 2009, significant growth in terms of FDI has occurred in retail trade and in transportation and warehousing.

Annual Average Growth Rates of FDI by Industry (%) 2009-2013*



Share of Top 6 Industries in Canada's FDI Stock, 2013, (%)



Source: Statistics Canada, April 25, 2014, * North American Industry Classification System (NAICS)

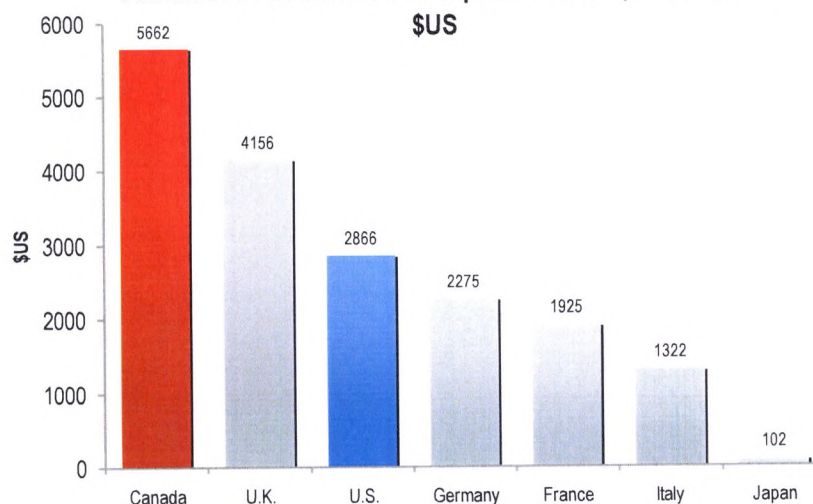
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Canada is Also a Leader in FDI Attraction

- Since the financial crisis and ensuing global downturn, Canada has outperformed major global economies in attracting FDI: From 2009-2013, Canada was the largest recipient of per capita inflows among G-7 countries and the second largest in the G-20 following Australia.

Cumulative FDI Inflows Per Capita in the G-7, 2009-2013



Source: UNCTAD Stat Database, September 2014

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V Easy Access to Markets

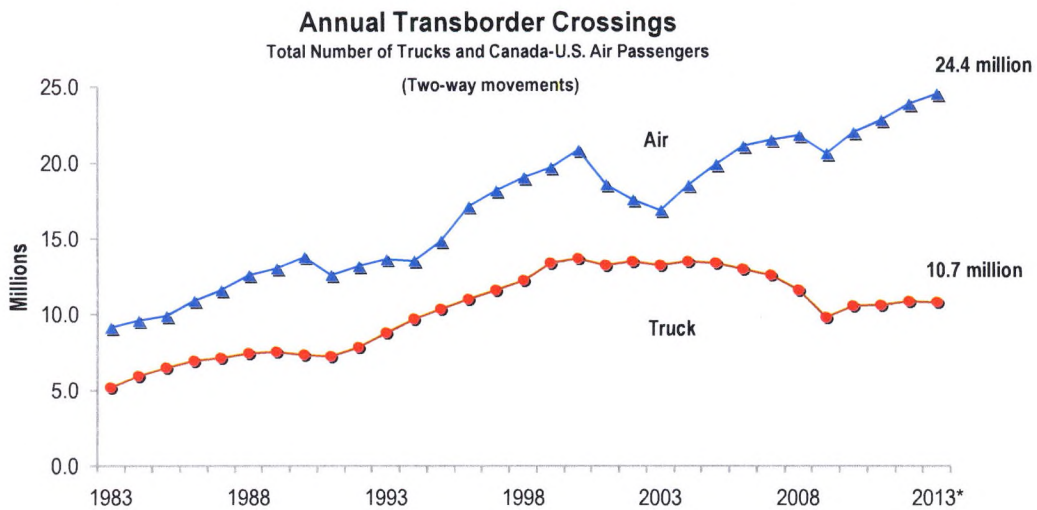


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Canada has a Streamlined Trans-Border Transportation System...

- The North American market is served by a well-integrated transportation system, which is among the world's best.
 - Automated permit ports, transponder identification systems and joint processing centres are being tested and deployed for easy movement of goods.
 - Bottom line – the border system is one of the world's most efficient.



Source: Statistics Canada and Transport Canada, 2013 (* Preliminary data for 2013)

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...with Direct Access to the NAFTA Market



- Canadian-based businesses have access to one market of 474 million consumers with a combined GDP of nearly US\$20 trillion.*
- Many Canadian production hubs are actually closer to U.S. markets than American production sites — of Canada's 20 largest cities, 16 are within an hour and half drive of the U.S.
- Direct air service between major cities in Canada and the U.S. has nearly doubled in the last six years.

* Source: World Bank: World Development Indicators database, September 2014

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... and Efficient Transport Linkages Tying North America with Asia and Europe



- A reliable and efficient transportation system is key to effective participation in global supply chains.
- In October 2006, Canada has launched the Asia-Pacific Gateway and Corridor Initiative, an unprecedented alignment of public and private sector investments to strengthen Canada's position as a fast, efficient and secure gateway between North America and Asia.
- These investments have facilitated the flow of people, goods and services across Canadian rail, roads, bridges and through our ports and airports.
- Sailing times from Canada's Atlantic and Pacific deep-water ports are up to two days shorter than other North American ports.

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VI An Excellent Place to Live



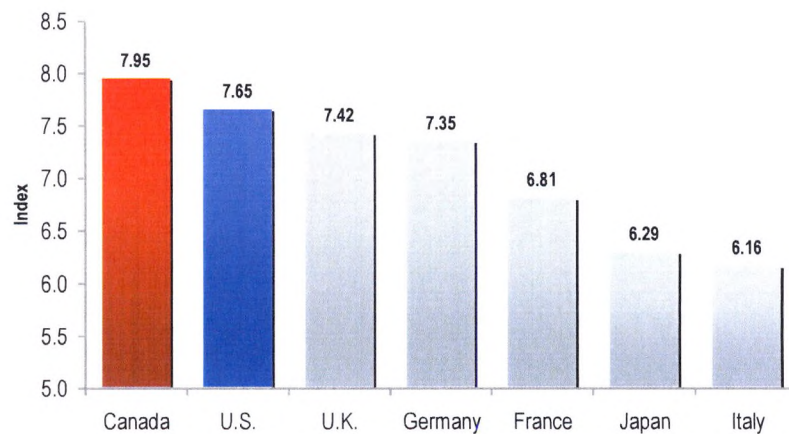
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Canada's Overall Quality of Life is One of the World's Best...

- Canada ranked first in the G-7 and fifth among the 34 OECD countries in terms of overall living conditions and quality of life.

Better Life Index* G-7 Ranking



Source: OECD May 2014 * Index based on weighted average of 11 topics (housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety and work-life balance) identified as essential by the OECD in the areas of material living conditions and quality of life.

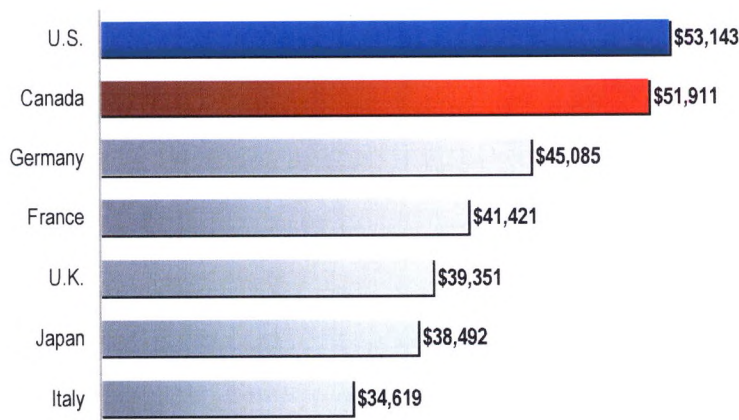
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...with a High Standard of Living among the G-7...

- Canada has the second highest standard of living in the G-7 as measured by the Gross Domestic Product (GDP) per Capita.

Gross Domestic Product per Capita of G-7 Countries 2013 (US\$ Market Exchange Rates)



Source: World Bank: World Development Indicators database, September 2014 .

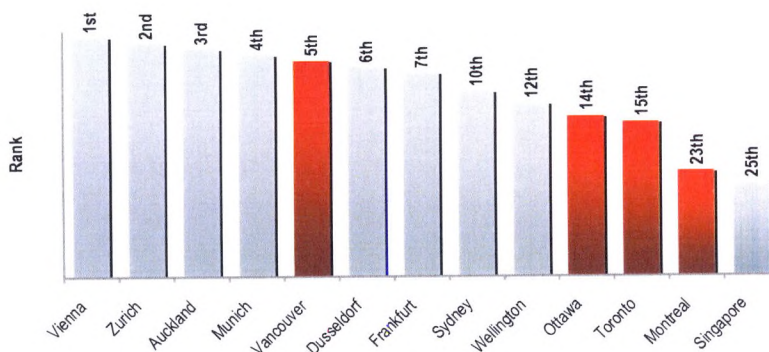
55



...Exceptional Quality of Life in Cities...

- According to a recent annual quality-of-life ranking of 223 world cities, four Canadian cities ranked among the top 25.

Overall Quality of Life Ranking (*Notable Cities Among the Top 25)



Source: Mercer Human Resources Consulting: February 2014

* Cities ranking in the top five of their respective regions : North America, Europe, Asia and Australasia.

Note: Some numbers are missing from the above chart because the information is not readily available by Mercer Human Resources Consulting.

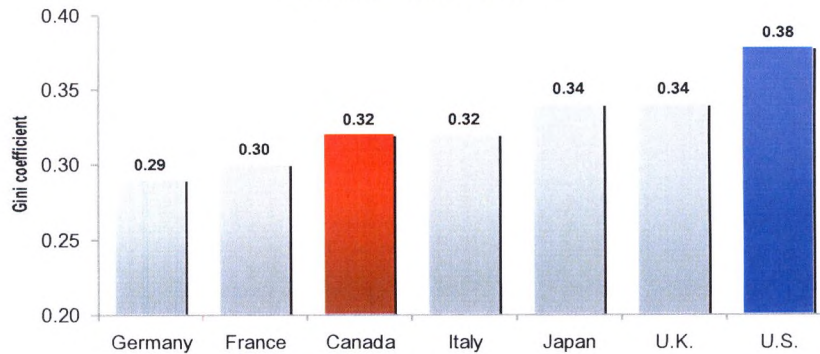
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... Minimal Income Disparity...

- According to the Gini coefficient, the most common measure of income disparity compiled by the OECD, income disparity in Canada is less than in most other G-7 countries.

Measure of income inequality (Gini coefficient*) in G-7 countries, late 2000's



* A lower number indicates lower income inequality. Data compiled after taxes and transfers
 Source: OECD Factbook 2014: Economic, Environmental and Social Statistics.

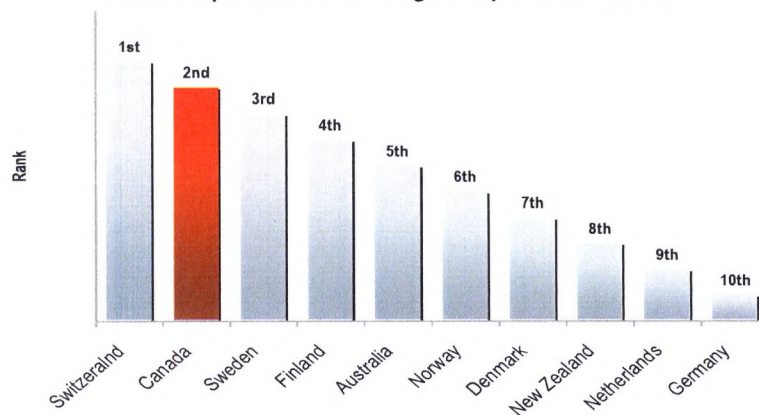
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... and the Best Overall Reputation on the Global Stage

- The Reputation Institute ranks Canada as having the 2nd highest reputation ranking among 55 countries based on several indicators, including a good quality of life, a safe place to live, an advanced economy, an effective government and an appealing environment.

Global Reputation* - Ranking of Top Ten Countries



Ranking based on the Reputation Institute's 2014 Country RepTrak(TM), an annual study measuring the public perceptions of 55 countries around the world. The study measures the overall Trust, Esteem, Admiration and Good Feelings the public holds towards these countries, as well as their perceptions across 16 different attributes, including a good quality of life, a safe place to live and a strong attention to their environment.
 Source: Reputation Institute, New York, August 2014

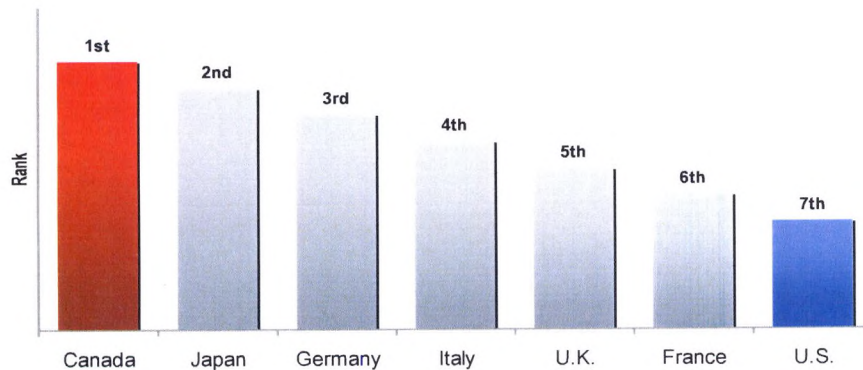
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Canada Ranks High Among Model Nations of Peace...

- According to the Global Peace Index, a recently released measure by the Economist Intelligence Unit, Canada stood 1st in both the G-7 and the G-20 and ranked seventh among 162 countries surveyed.

Global Peace Index* G-7 Ranking



*Standing among 162 countries. Index ranking countries based on peacefulness, both domestically and abroad using 22 indicators, including the number of soldiers killed overseas, the level of violent domestic crimes and relations with neighbouring countries.
Source: Economist Intelligence Unit, June 2014

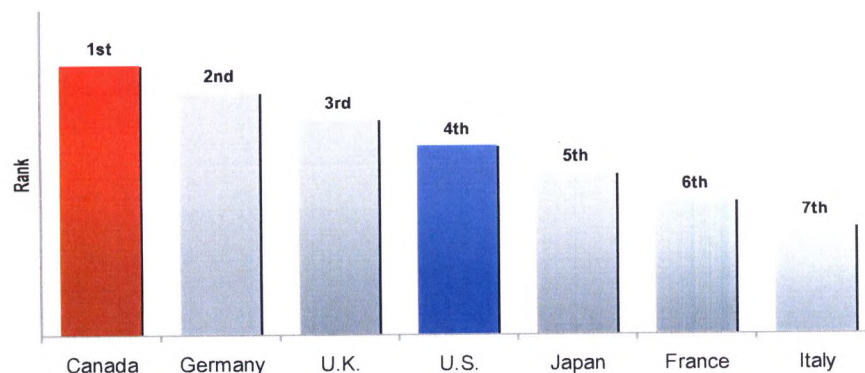
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...and Vibrant Democracies

- According to the Economist Intelligence Unit's Democracy Index, Canada stood first in the G-7, second in the G-20 and eighth among 167 countries surveyed.

Democracy Index* G-7 Ranking



*Standing among 167 countries. Index ranking countries based 60 indicators grouped in five different categories: electoral process and pluralism, civil liberties, functioning of government, political participation and political culture.
Source: Economist Intelligence Unit, April 2013

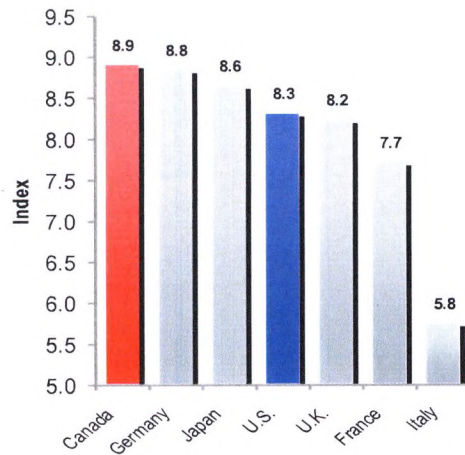
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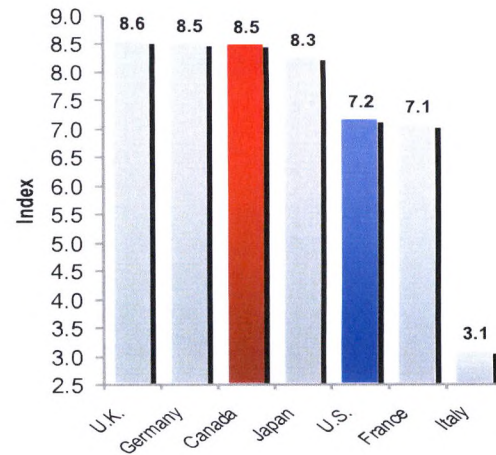
Canada is also a Safe and Just Society...

- Canada is a G-7 leader in terms of the safest place to live and to conduct business under a fairly administered judicial system.

Security* — World Rank



Justice** — World Rank



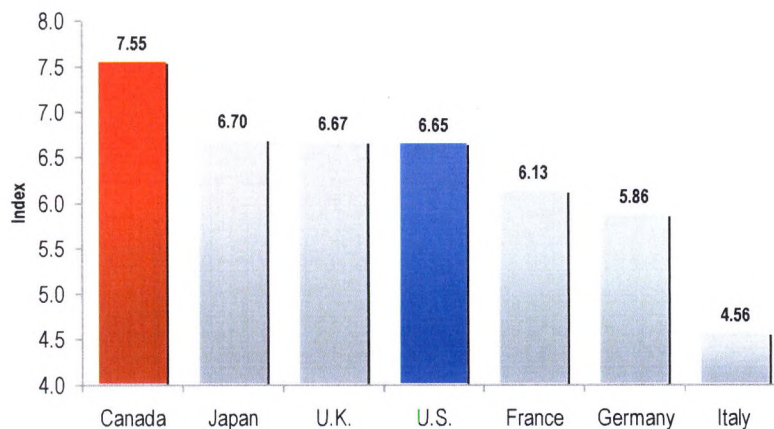
Source: IMD * Confidence that person and property is protected. Rank among 60 economies considered in the 2014 World Competitiveness Yearbook.
 **Degree of fairness of the judicial system in Society. Rank among 60 economies considered in the 2014 World Competitiveness Yearbook.



... a Land of Equal Opportunity...

- Canada ranks first among the G-7 in providing equal opportunities for individuals.

Equal Opportunity* — World Rank



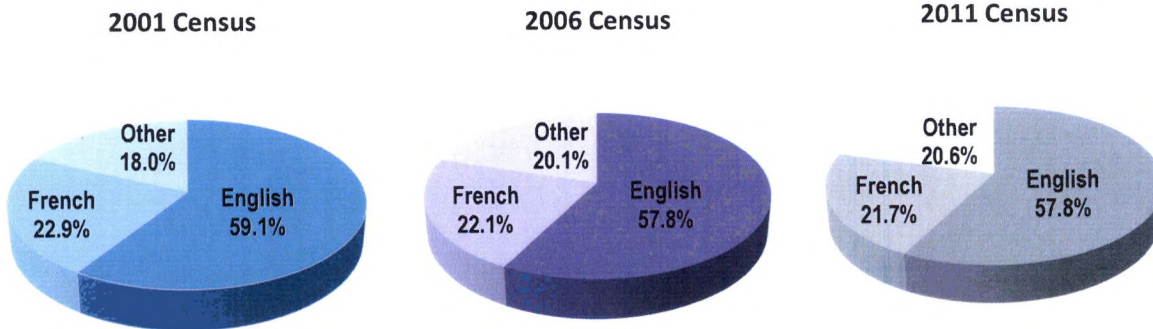
Source: IMD * Race, gender, family background does not pose a handicap for competitiveness. Rank among 60 economies considered in the 2014 World Competitiveness Yearbook.



...and a Society Rich in Multiculturalism

- Canada has one of the world's most multilingual societies with over 200 languages identified as the mother tongue.
- While there has been a decline in the proportion of the Canadian population whose mother tongue is one of the two official languages, there has been an overall increase in the proportion of the population whose mother tongue is neither English or French from 18.0% in 2001; 20.1% in 2006 and then to 20.6% in 2011.

Language Distribution in Canada* (% of Population)



Source: Statistics Canada, 2001, 2006 and 2011 Census * based on mother tongue.

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Canada – Solid Reasons to Invest

Canada's economic fundamentals and relative cost advantages provide a first-rate business environment. Canada offers:

Excellent Economic Fundamentals

- Low inflation and low interest rates
- Strongest economy in the G-7

A Highly Competitive Business Environment

- Ease in establishing and conducting a new business
- Competitive business costs
- Competitive tax system
- Strong financial and technological environment

A Dynamic Workforce

- One of the world's best-educated internationally-oriented workforces
- Quality management training
- Technology savvy workers

A Solid Venue for Innovation and Investment

- Quality R&D Tax Treatments
- Superior innovation policies
- World leader in post-secondary research

Easy Access to Markets

- Geography and NAFTA provide easy access to the world's most prosperous market
- Highly efficient transportation linkages with Asia and Europe

An Excellent Place to Live

- Superb overall quality of life
- A society rich in multiculturalism

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Invest in Canada

- Through Canadian diplomatic missions around the world, and with direct access to investment contacts at national, provincial and municipal levels within Canada, the Invest in Canada Bureau of the Department of Foreign Affairs, Trade and Development is well positioned to assist you with your investment in Canada. We invite you to start exploring all that Canada has to offer at:

www.investincanada.com

- For further information, please contact our investment specialists at your local Canadian Embassy, High Commission or Consulate:

www.tradecommissioner.gc.ca/

or write to us at:

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