



February 2018

## Fact Sheet: Canada's Competitive Advantages for Foreign Direct Investment

### Canada is open for business and welcomes foreign investment

- Canada ranks third in the G20 for doing business over the five-year period 2018-2022.  
*Economist Intelligence Unit (EIU)*
- Canada is the easiest place to start a business in the G20.  
*World Bank, Doing Business 2018*
- Canada attracted the most foreign direct investment (FDI) flows per capita in the G7 in 2007-2016.  
*United Nations Conference on Trade and Development (UNCTAD)*
- Canada has the highest FDI stock-to-GDP ratio in the G7 and among OECD countries.  
*UNCTAD, 2016*

### Top performing economy

- Canada's real GDP growth over the last decade (2007-2016) outpaced all G7 economies and is forecast to top the G7 in 2017-2018 at 2.6%.  
*Organization for Economic Co-operation and Development (OECD)*
- Since the end of the recession in June 2009, Canada created almost 1.9 million jobs, an increase of over 10%, with over 80% of those being full-time-private sector jobs.  
*Statistics Canada, February 2018*
- The pace of job creation in 2017 – 35,600 jobs per month, most of which were full-time positions – was the fastest since 2002.  
*Finance Canada, Federal Budget, February 2018*

### Fiscal soundness

- Canada enjoys the lowest net debt-to-GDP ratio in the G7.  
*International Monetary Fund (IMF), World Economic Outlook 2017*
- Canada's real GDP is expected to grow by 2.0% over the period 2017-2022, and the federal debt-to-GDP ratio to decline to 28.4% by 2022-23.  
*Finance Canada, Federal Budget, February 2018*
- Canada tops the G20 with Germany and Australia for its sound fiscal soundness, with a triple A credit rating.  
*Standard & Poor's, Moody's and Fitch*

### Highly educated and competitive workforce

- Canada has the most educated talent pool in the OECD, with more than half of its population aged 25 to 64 having a tertiary level education.  
*OECD, 2016*
- Canada's population ranks third in the G20 for the number of internet users per capita.  
*International Institute of Management Development, 2017*
- Canadians are linguistically diverse, with 1 in 5 Canadians speaking one of over 200 languages in addition to either English or French.  
*Statistics Canada, Census 2016*



## Gateway to North America and the world

- 16 of Canada's 20 largest cities are located within a 90 minute drive of the Canada-U.S. border, anchoring cross-border Canada-U.S. trade valued at over US\$1.7 billion each day.  
*Statistics Canada and Bureau of Economic Analysis, 2016*
- As a NAFTA member, Canada offers foreign investors preferential access to a North American market of over US\$21 trillion in GDP with nearly 482 million consumers.  
*IMF, World Economic Outlook, October 2017*
- With the provisional implementation of the Comprehensive and Economic Trade Agreement (CETA), businesses in Canada now enjoy preferential access to a global market with a combined GDP of US\$ 41.4 trillion, representing one-half of the world's output of goods and services, and home to 1.2 billion consumers.  
*IMF, World Economic Outlook, October 2017*

## One of the world's most stable financial sectors

- Canada's banking system ranked first in the G7 and second overall, remains one of the soundest in the world.  
*World Economic Forum, Global Competitiveness Index 2017-2018*
- Five major Canadian banks are consistently ranked among the 10 safest banks in North America.  
*Global Finance Magazine 2017*

## Environment conducive to leading-edge innovation

- Canada leads the G20 in R&D spending in higher education as a share of GDP.  
*OECD, 2016*
- Canada offers one of the most generous R&D tax incentives in the G7.  
*OECD Science, Technology and Industry Scoreboard, 2017*
- R&D-intensive sectors in Canada also enjoy the lowest business costs in the G7, 27.7% lower than in the U.S.  
*KPMG, Competitive Alternatives 2016*

## Low cost, low tax environment

- Canada's combined federal-provincial statutory corporate income tax rate of 26.8% in 2018 is one of the lowest in the G7.  
*Finance Canada*
- Canada offers foreign investors a tariff-free zone for manufacturing, having eliminated tariffs on machinery, equipment and industrial inputs in 2015.  
*Finance Canada*

## Great place to live and prosper

- Canadians enjoy the third-highest standard of living in the G20 as measured by GDP per capita (US\$).  
*IMF, World Economic Outlook, October 2017*
- Canada ranks second in the G20 in terms of overall living conditions and quality of life.  
*OECD, Better Life Index 2016*
- Canada tops the G20 in terms of overall prosperity of its citizens.  
*Legatum Prosperity Index 2017*
- Canada is the most democratic country in the G20.  
*EIU, Democracy Index 2017*

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