

Canada's Winning Secrets

Think Dynamic.
Think Competitive.
Think Bottom Line.

Think **Canada.**

September 2006

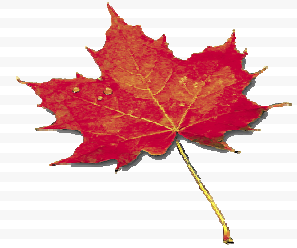




Canada's Winning Secrets

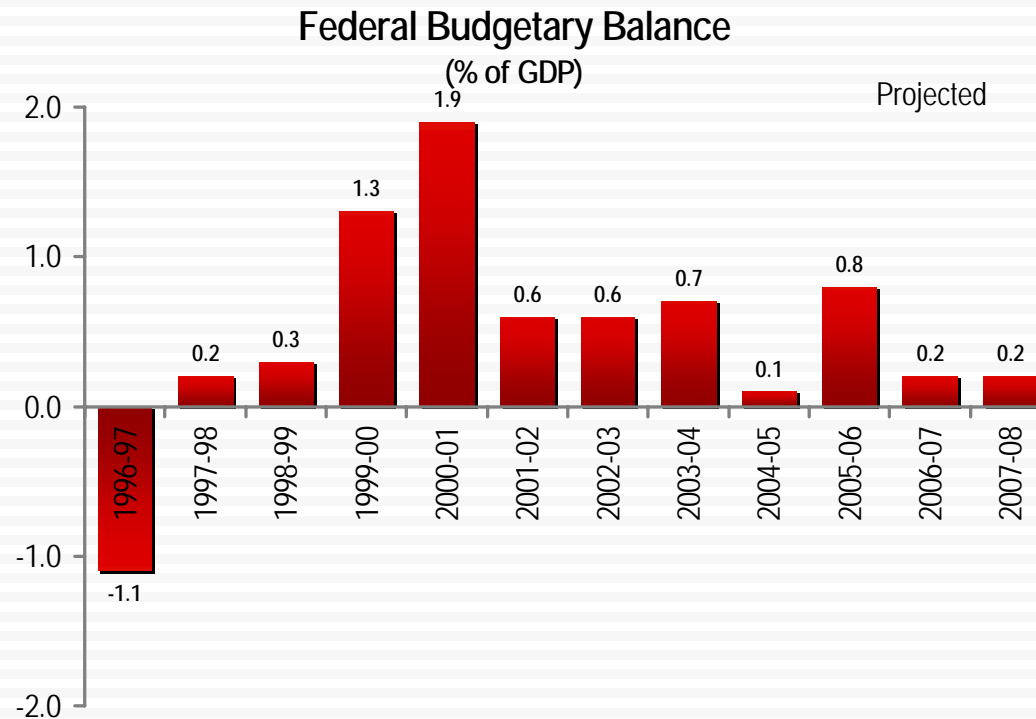
Excellent Economic
Fundamentals



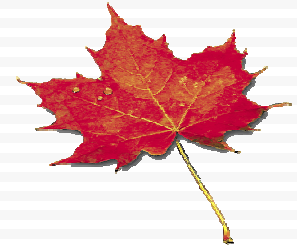


A Strong Fiscal Framework

- In 1997-98, Canada became the first G-7 country to post a surplus in the 1990s and reported its eighth consecutive annual surplus in fiscal year 2004-05. Balanced budgets or better are expected for 2005-06 and for at least the next two fiscal years.

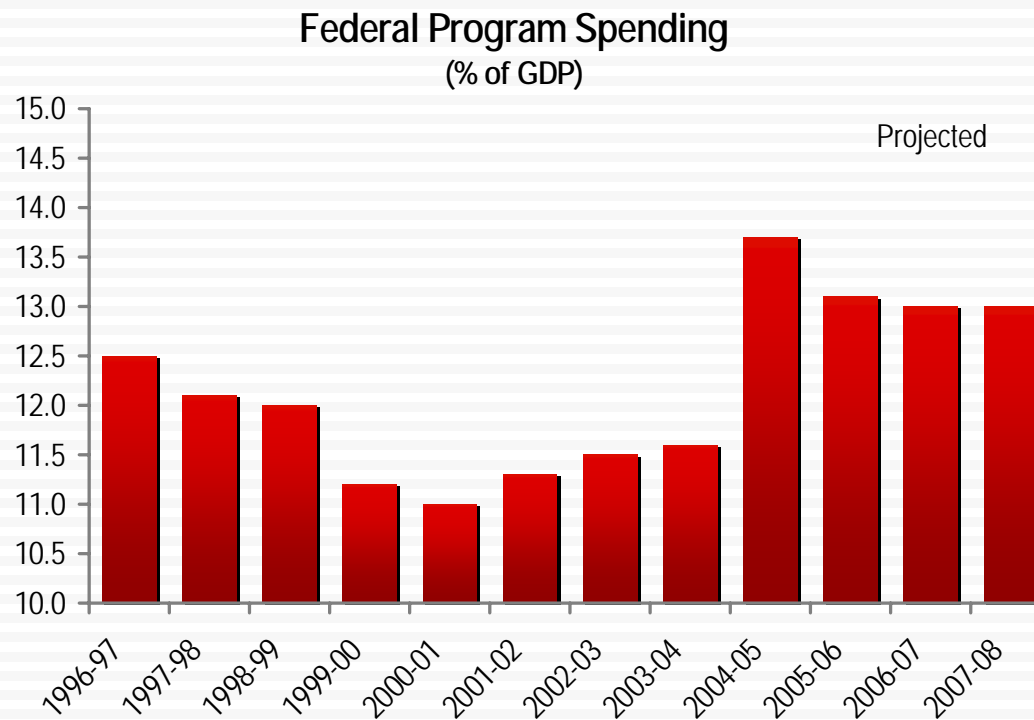


Source: The Federal Budget, Finance Canada, May 2, 2006

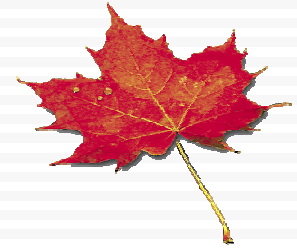


A Strong Fiscal Framework

- Federal government spending as a % of GDP reached a 50-year low in fiscal year 2000-01, the key source of Canada's fiscal turnaround.



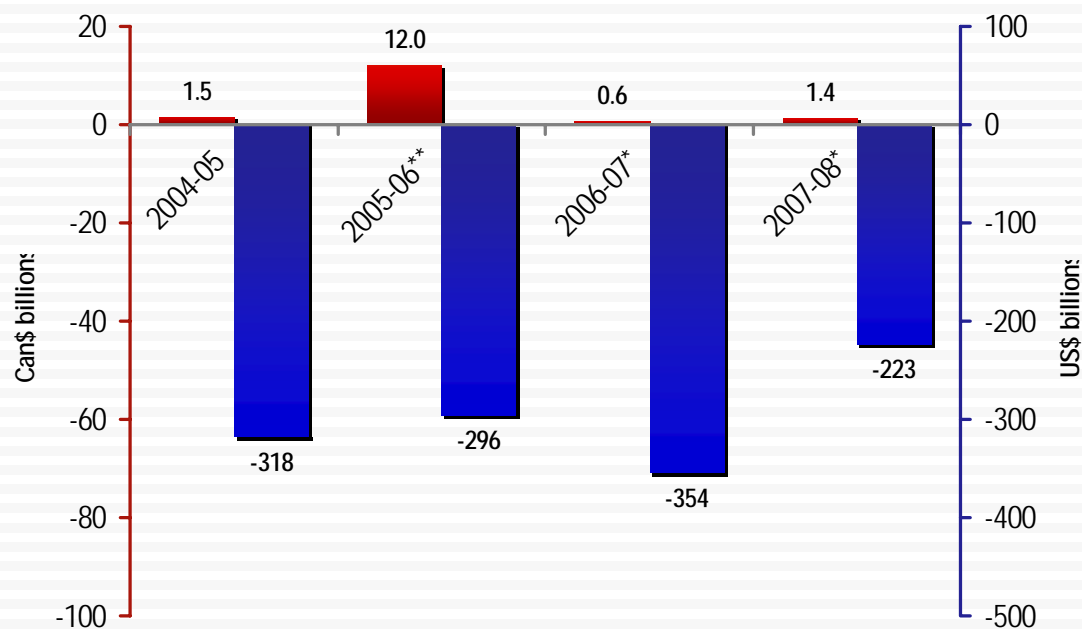
Source: The Federal Budget, Finance Canada, May 2, 2006



Leading All Other G-7 Countries

- Canada's federal government reported its ninth consecutive annual surplus in fiscal 2005-06.
- According to the U.S. Congressional Budget Office, the U.S. will continue to experience major deficits at least until fiscal 2010-11.

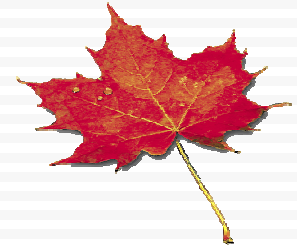
Federal Government Budgetary Balance



* Forecasts for both countries, ** Forecast for US only.

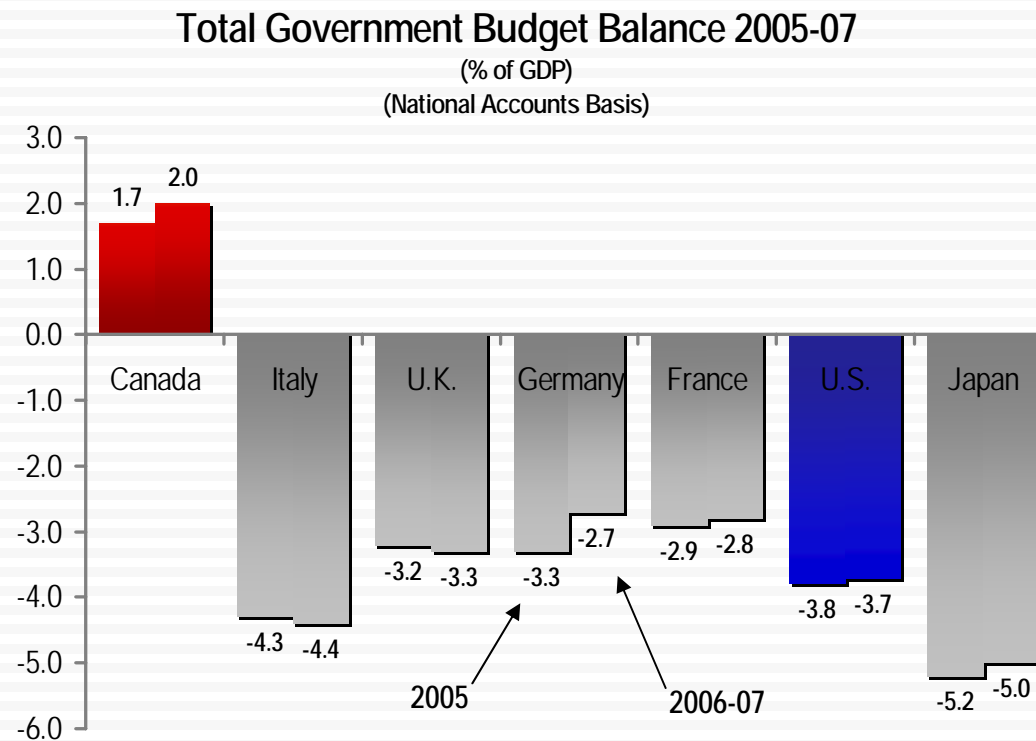
Source Canada: The Federal Budget, Finance Canada, May 2, 2006

Source U.S.: Budget of the United States Government, Fiscal year 2007

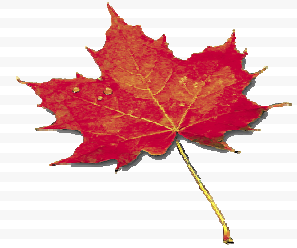


Leading All Other G-7 Countries

- According to the OECD, Canada was the only G-7 country in surplus in 2005 and this is expected to continue in the 2006-07 period.

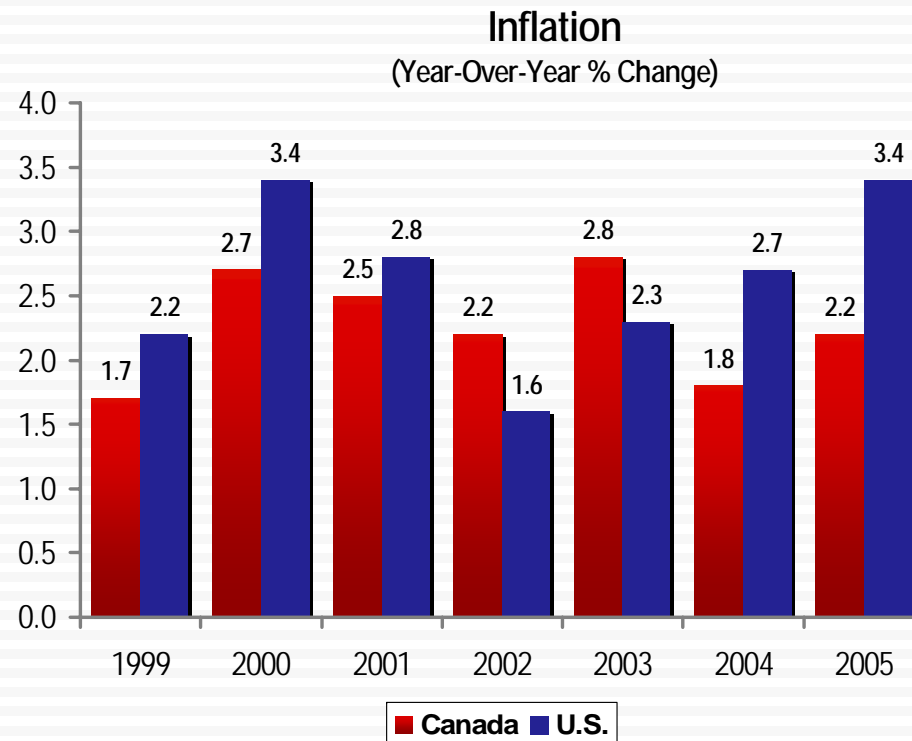


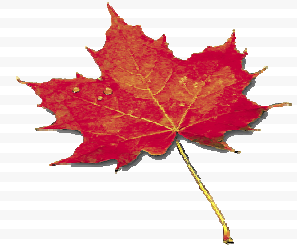
Source: OECD Economic Outlook, Number 79, May 2006



Low Inflation and Low Interest Rates

- Canada's targeted inflation rate is locked between 1% and 3% and has been extended until 2006.
- With low inflation over the past decade, Canada is considered among low inflation countries.
 - Over the past five years, Canada's inflation rate averaged 2.3%, lower than the U.S. inflation rate.

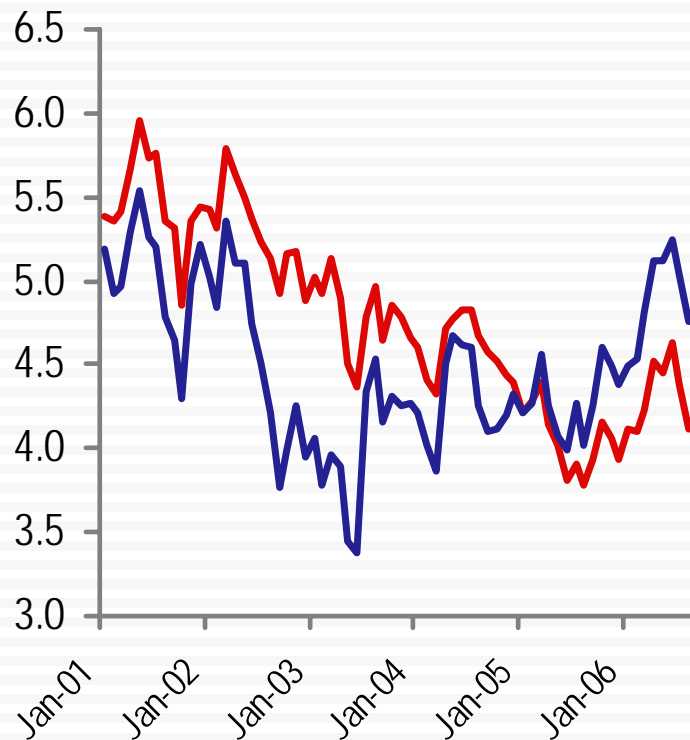




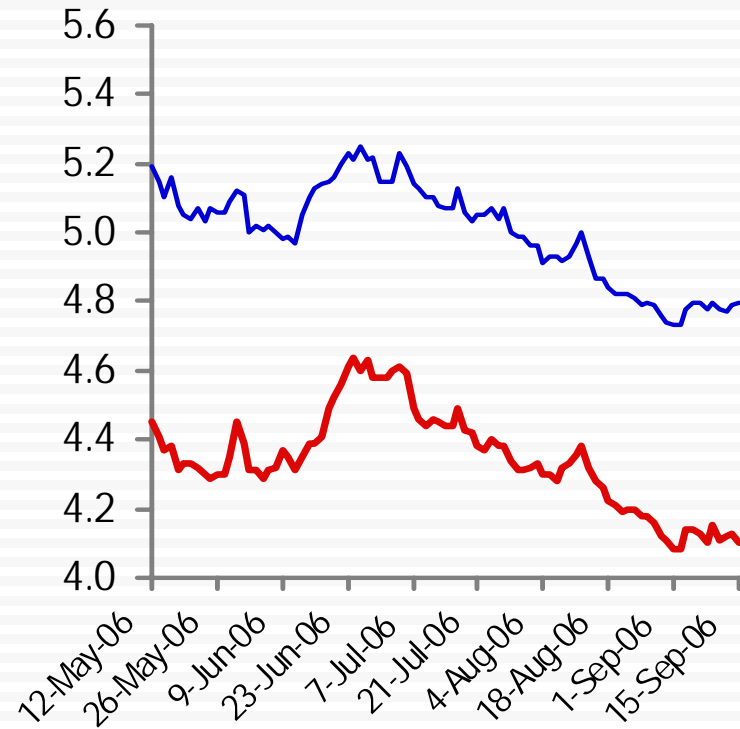
Low Inflation and Low Interest Rates

- Canada's excellent fiscal situation and low inflation has led to lower interest rates.

Long-Term Bond Yields (%)

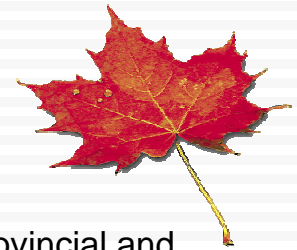


Daily Yields (%)



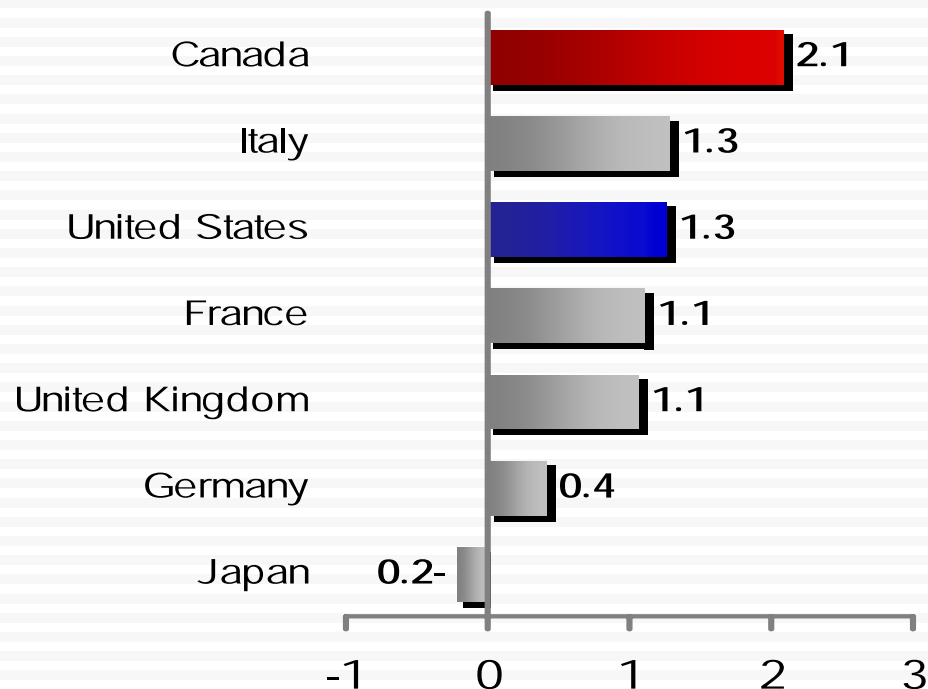


Superior Growth in Employment

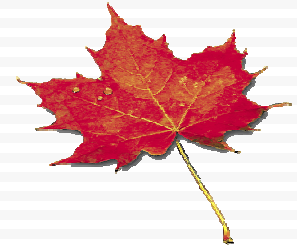


- Strong global growth and rising demand for Canadian commodities, combined with provincial and federal policies to improve the flexibility and adaptability of the economy, have helped generate healthy gains in employment.

Employment Growth (%) 1997-2005



Sources: Statistics Canada; United States Bureau of Economic Analysis, Bureau of Labor Statistics (Current Population Survey) and Census Bureau; OECD Economic Outlook, No. 78 (December 2005).

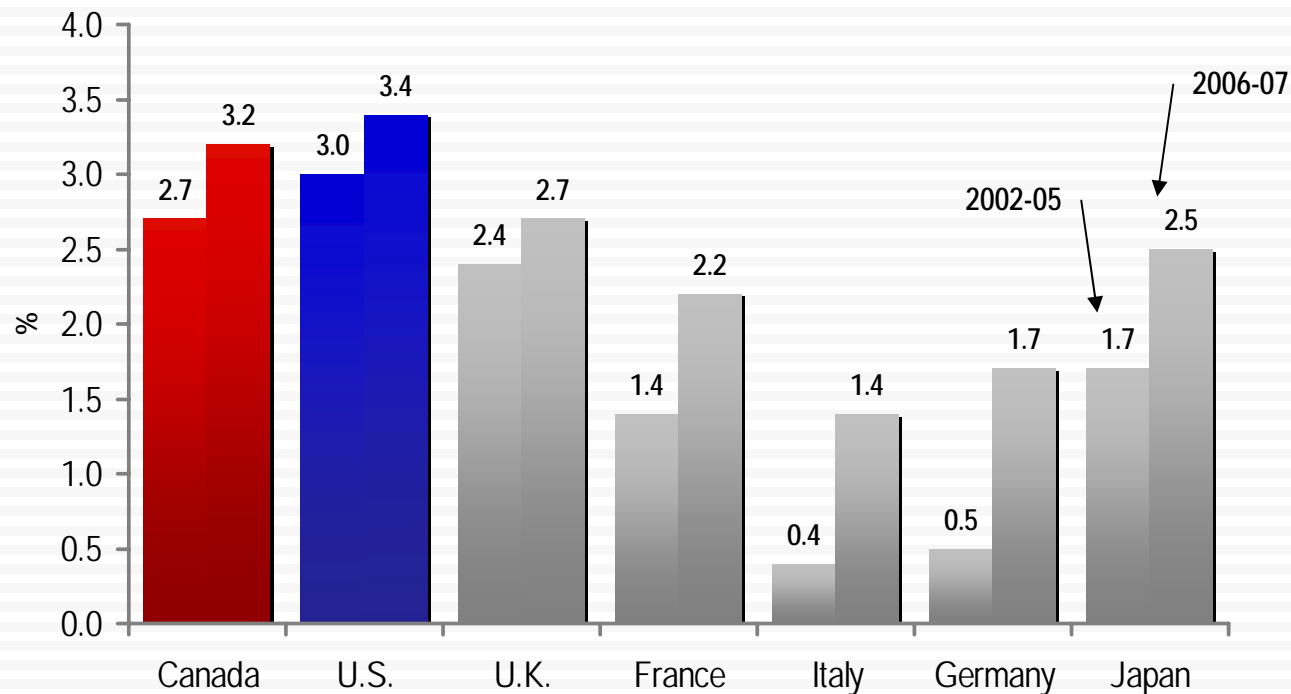


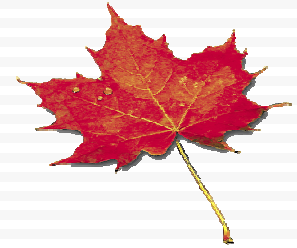
A Growing Domestic Economy

- According to the OECD and the U.K. based Consensus Economics Inc., Canada has been a top performer among the G-7 in GDP growth over the 2002-05 period and is expected to continue its dynamic performance over the 2006-07 period.

Real GDP Growth Projections (%)

OECD Economic Outlook, Number 79, May 2006

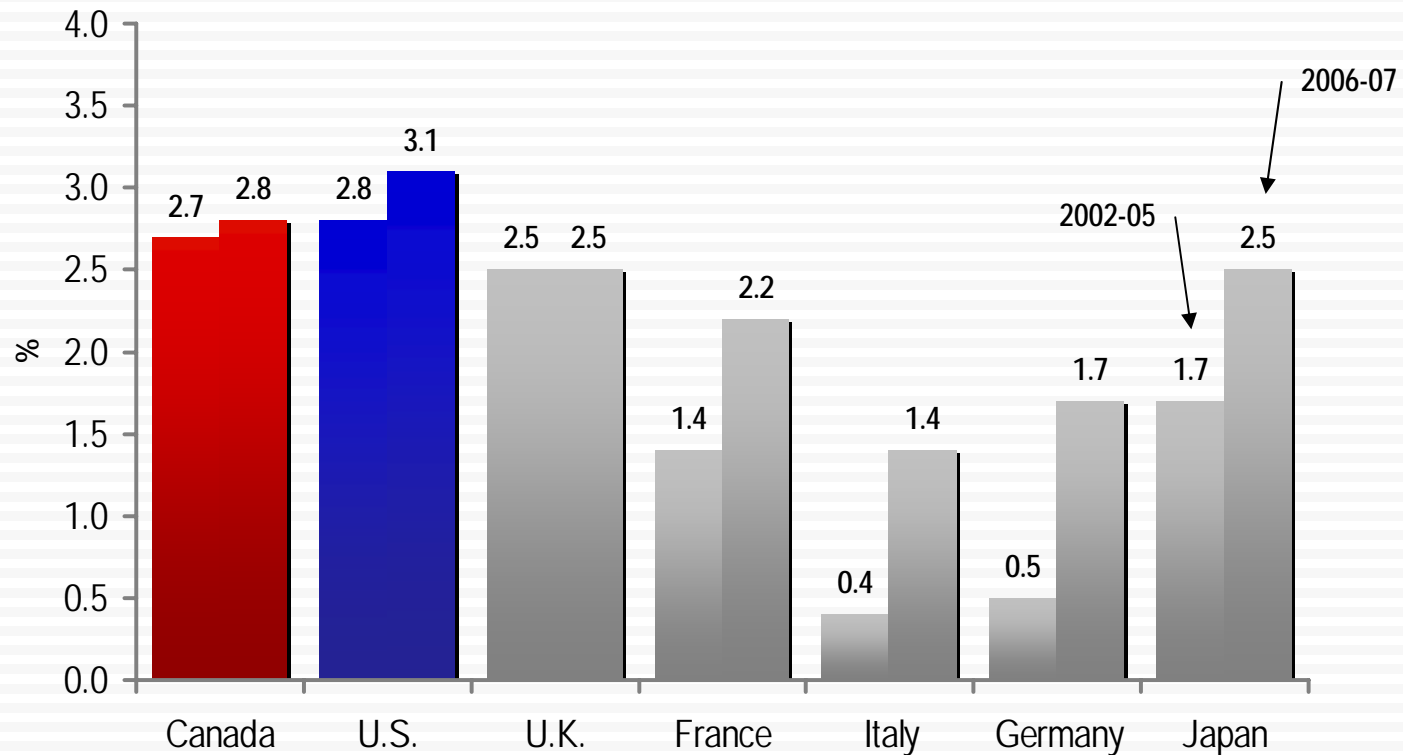




A Growing Domestic Economy

Real GDP Growth Projections (%)

Consensus Forecasts, September 2006, Consensus Economics Inc.





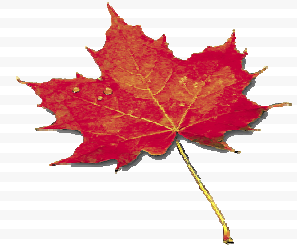
Canada's Winning Secrets

Easy Access
to Markets

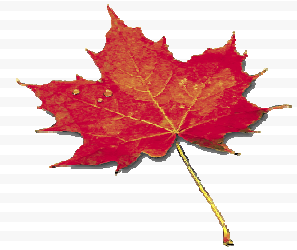




Streamlined Border Flows

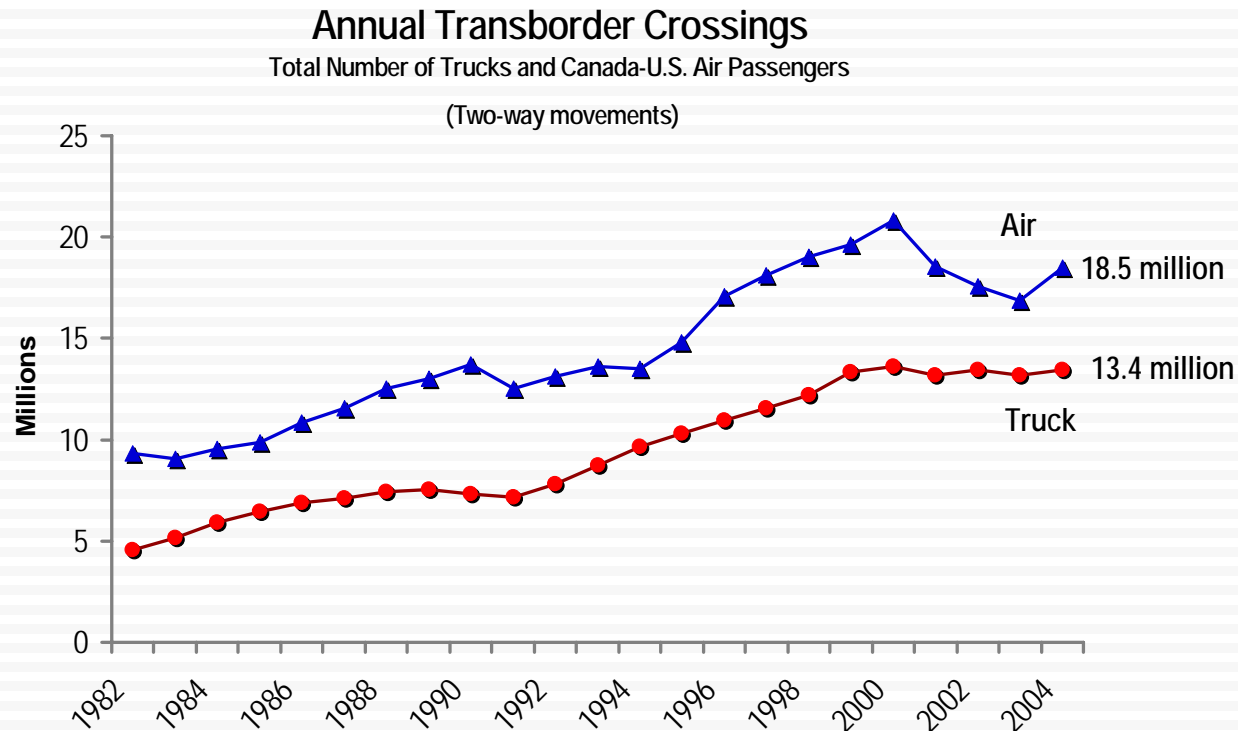


- Since the enactment of the North American Free Trade Agreement (NAFTA) in 1994, Canada provides long-term assured access to the North American market.
- In addition to eliminating tariffs, NAFTA provides procedures for:
 - border facilitation
 - movement of personnel
 - investment and intellectual property protection
 - product certification



Streamlined Border Flows

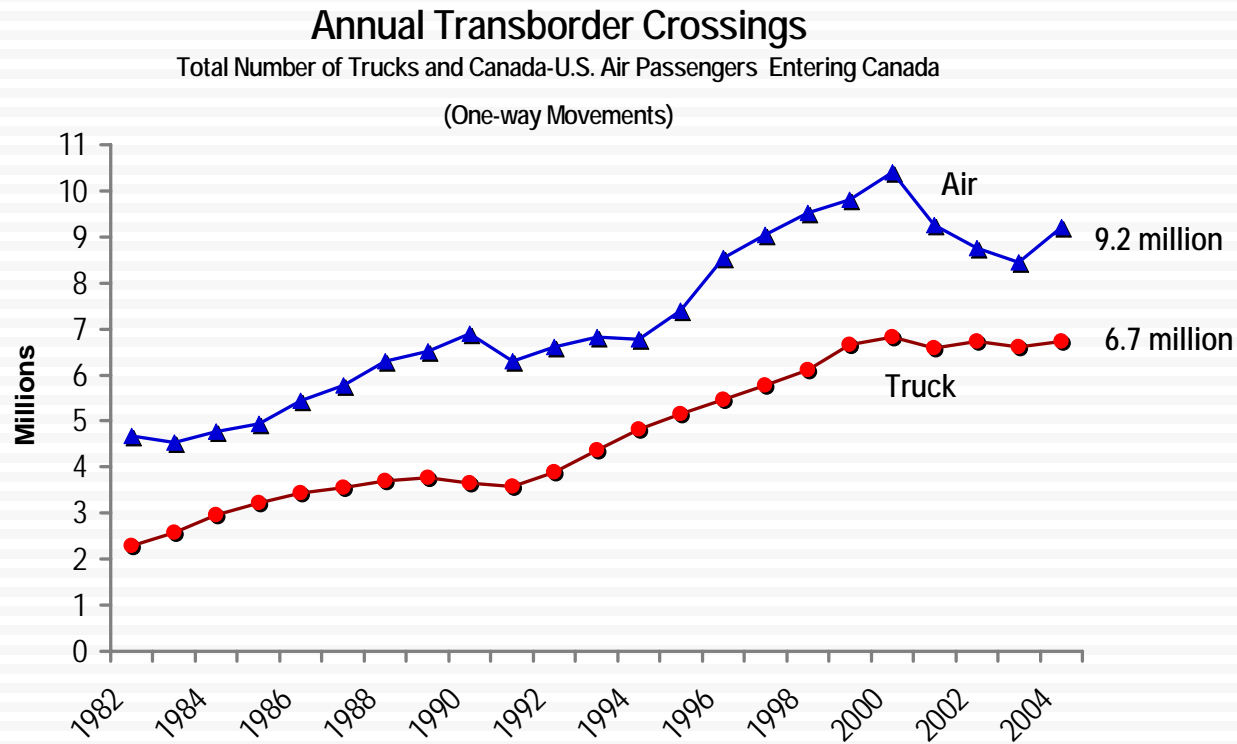
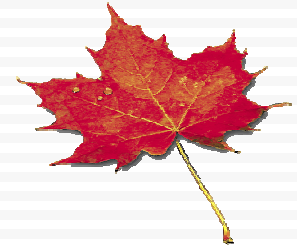
- The North American market is serviced through a well-integrated transportation system, which is among the world's best.
- Automated permit ports, transponder identification systems and joint processing centres are being tested and deployed for easy movement of goods



Source: Transport Canada & Statistics Canada, 2005



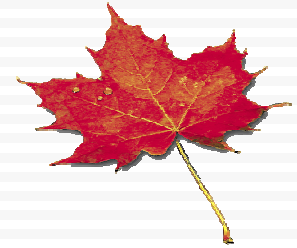
Streamlined Border Flows



Source: Transport Canada & Statistics Canada, 2005



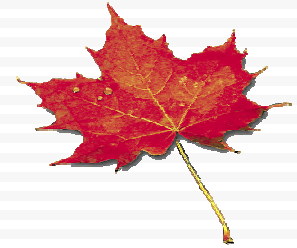
Smart Borders



- Canada and the United States work closely together to ensure the safety, security, and prosperity of both our countries.
- Significant steps forward were accomplished to increase overall effectiveness of border programs, such as:
 - FAST (fast movement of pre-approved eligible goods by truck);
 - NEXUS (special program for frequent travelers);
 - Harmonized commercial processing and equivalent processes for commercial shipments;
 - Harmonized timeframes for advance electronic cargo reporting;
 - Implemented the "24-Hour Rule" for marine shipments destined to North America;
 - Collaborated in the development of automated risk assessment systems, tools and methods;
 - Improved infrastructure and border processing times.
- The border system is one of the most efficient in the world: wait times are usually less than 10 minutes.



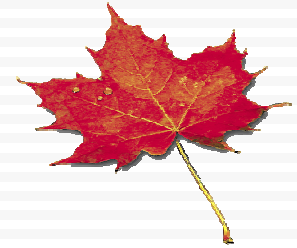
Direct Access to the NAFTA Market



- The signing of the North American Free Trade Agreement (NAFTA) integrated the Canadian, U.S., and Mexican economies for nearly all business purposes.
- As a result, Canadian-based businesses have access to one market of over 425 million consumers with a combined GDP of over US\$11.4 trillion.
- Many Canadian production hubs are actually closer to U.S. markets than American production sites — of Canada's 20 largest cities, 17 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 six years.

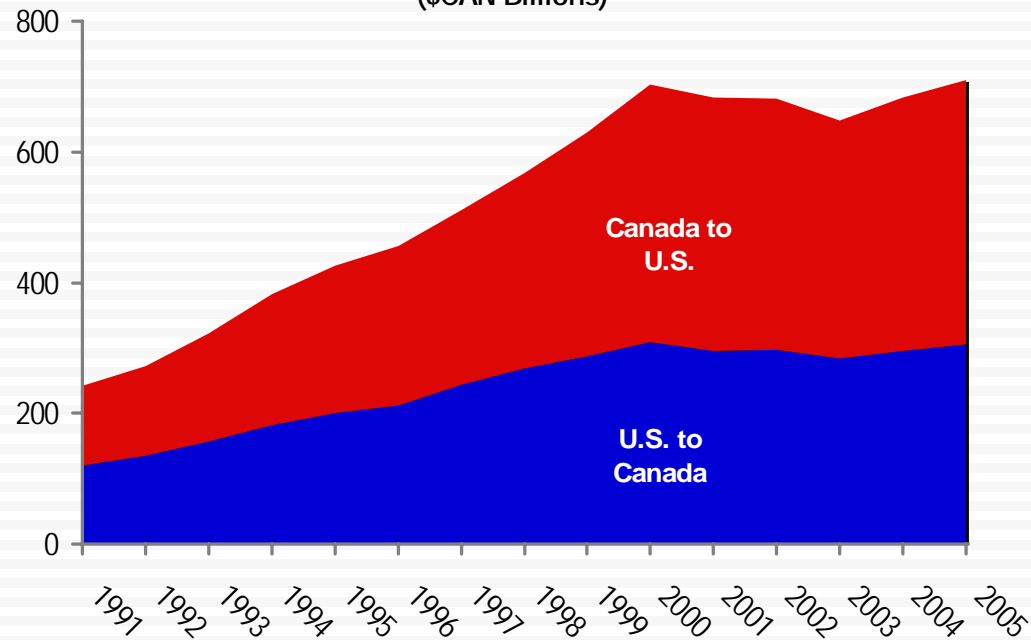


Canada is the United States' Largest Trading Partner – by Far



- Canada and the U.S. have the world's largest trade partnership, with two-way trade in goods and services amounting to CAN\$710 billion in 2005. This averages to more than CAN\$1.3 million dollars a minute in trade.

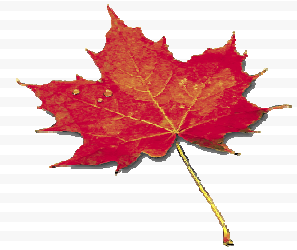
Canada - U.S. Trade in Goods & Services
(\$CAN Billions)



Source: Statistics Canada, May 30, 2006

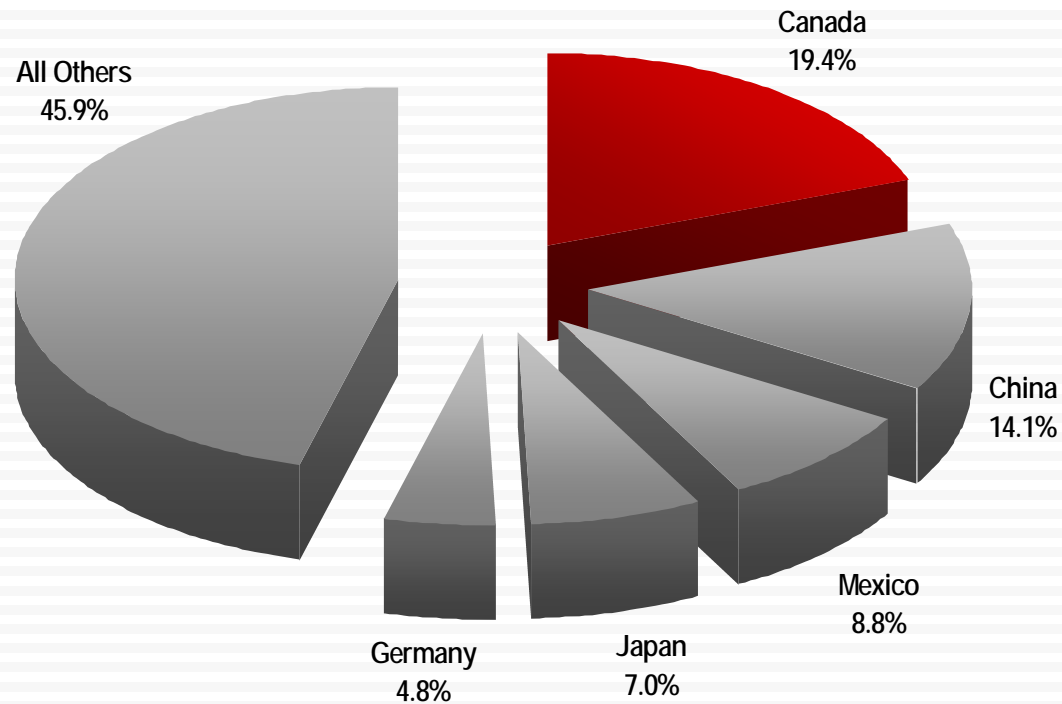


Canada is the United States' Largest Trading Partner – by Far

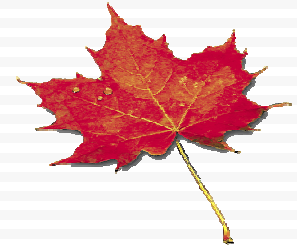


- The U.S. trades more with Canada than with any other country—more with Canada than with all of the E.U. countries combined!

Distribution of U.S. Trade* - 2005

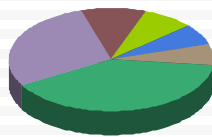


Source: World Trade Atlas * Merchandise trade



Vital Trade Links with the Americas

- The Free Trade Area of the Americas (FTAA), poised to become the world's largest free trade area, will provide Canada with greater access to markets, fair and efficient dispute settlement, and stability for Canadian businesses.

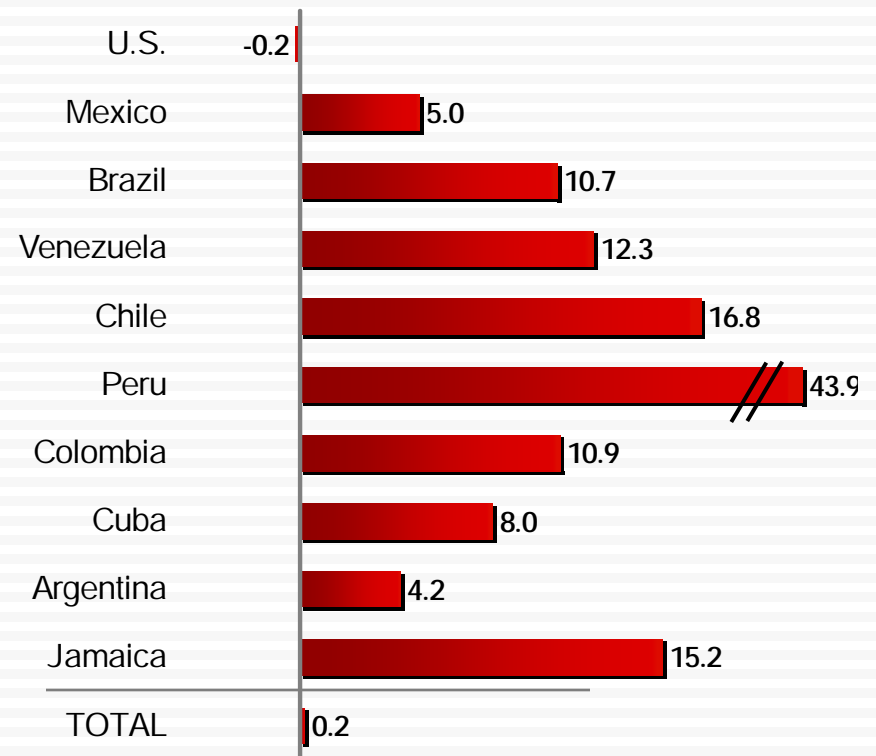


Total Trade in Top Sectors 2005
CAN\$ Billions

Transportation Equipment	159.2
Oil & Gas Extraction	71.8
Chemicals	47.3
Machinery	41.3
Computer & Electronic Products	36.3
Other Sectors	234.1
Total Trade	590.0

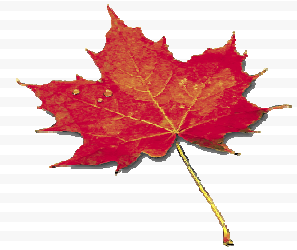
Canada's Trade with the Americas, 2000-2005

Average Annual Growth (%) of the Top* Trading Countries





Strong Historical Trade Ties with Europe



- European markets continue to provide tremendous trade opportunities for Canada.

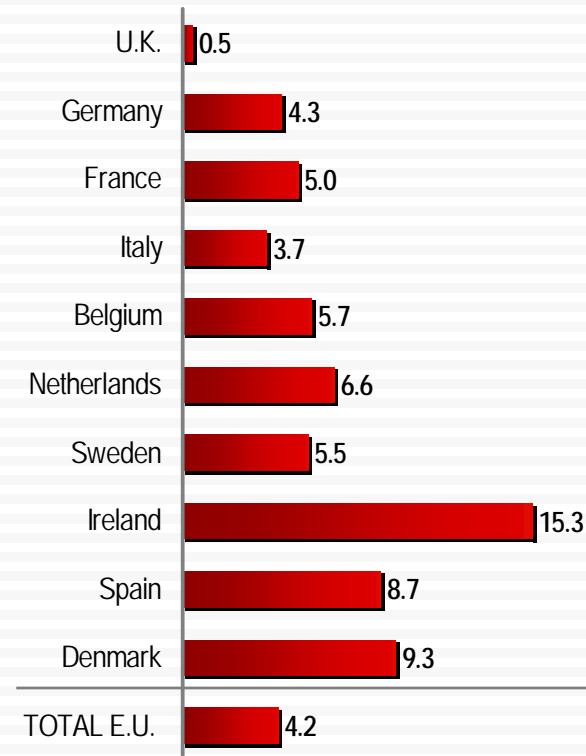
Canada's Trade with the E.U., 2000-2005

Average Annual Growth (%) of the Top* E.U. Trading Countries



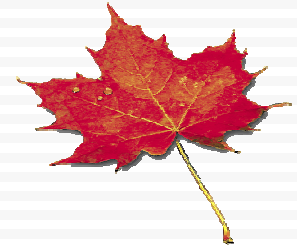
Total Trade in Top Sectors 2005
CAN\$ Billions

Chemicals	10.3
Machinery	9.4
Transportation Equipment	8.5
Computer & Electronic Products	5.6
Mining (except oil & gas)	5.6
Other Sectors	28.9
Total Trade	68.3

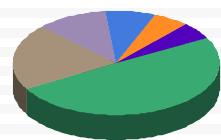




Unique Access to Asia-Pacific Markets



- With its geographical location, its immigration links and active involvement in APEC to reduce trade barriers, Canada is uniquely positioned to gain from the long-term potential of Asian economies.

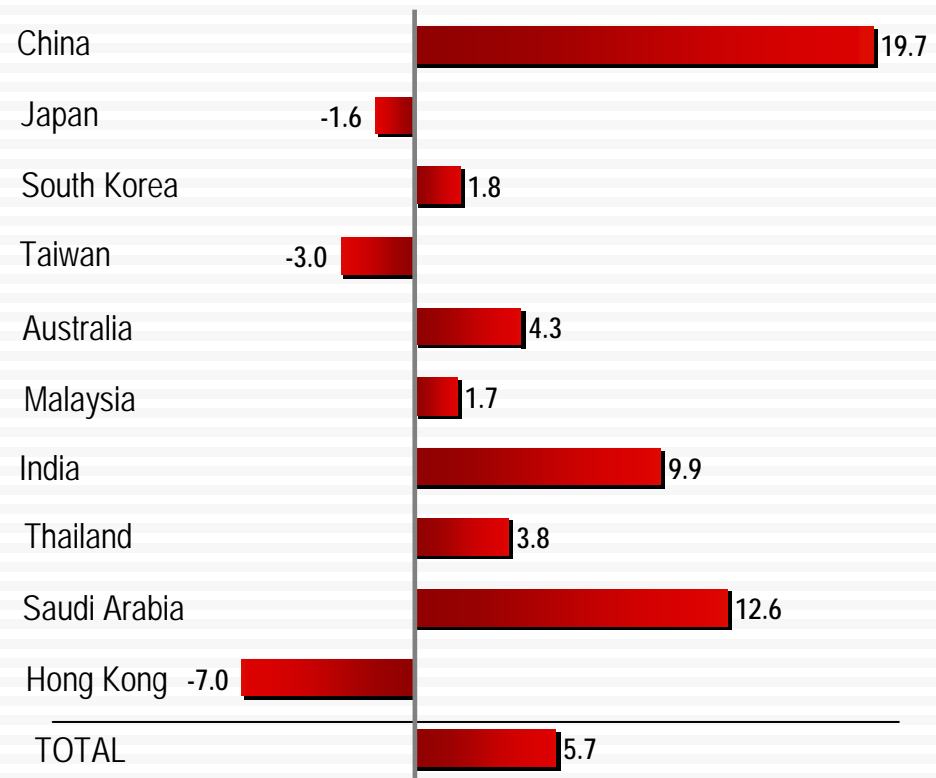


**Total Trade in Top Sectors 2005
CAN\$ Billions**

Computer & Electronic Products	21.1
Transportation Equipment	11.4
Machinery	7.9
Food	5.7
Mining (except oil & gas)	5.5
Other Sectors	50.8
Total Trade	102.5

Canada's Trade with Asia-Pacific**, 2000-2005

Average Annual Growth (%) of the Top* Trading Countries





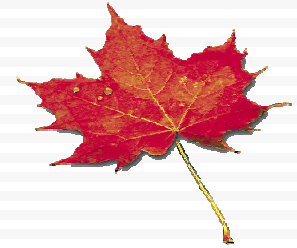
Canada's Winning Secrets

Growing
Foreign
Direct
Investment
Linkages



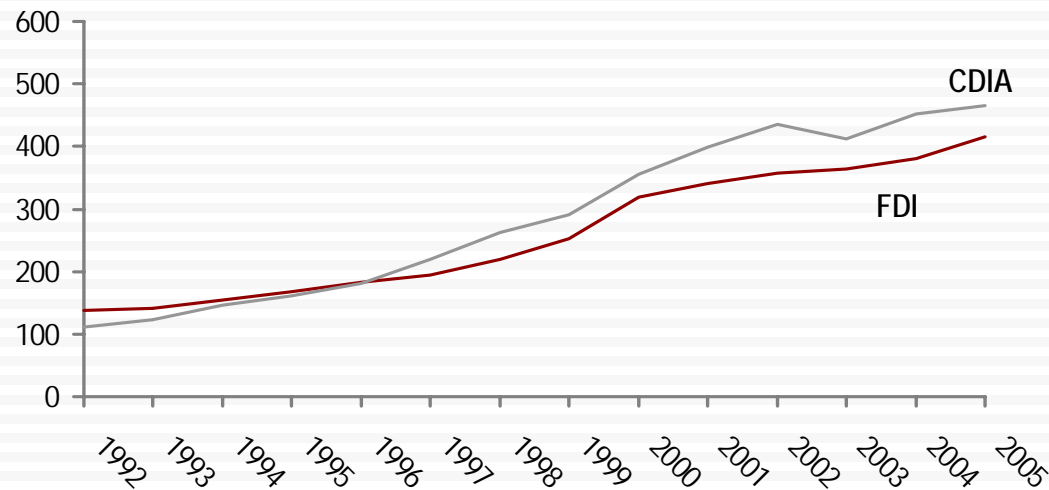


Canadian Two-Way Investment: A Key Driver of Globalization



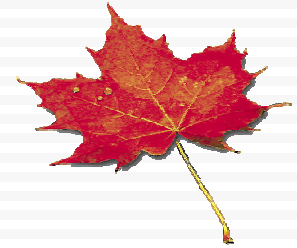
- Over the past two decades, Canada has witnessed a substantial growth in both inward and outward FDI.
- Canada's inward FDI stock reached C\$416 billion in 2005, a 6.4-fold increase from C\$65 billion in 1980.
- As for Canada's outbound FDI, the expansion of Canadian direct investment abroad (CDIA) has been even more spectacular, rising from C\$28 billion in 1980 to \$465 billion in 2005, a 16.6-fold increase.
- Since 1997, Canada has been a net exporter of FDI, with outward FDI stock outstripping inward FDI stock each consecutive year.

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



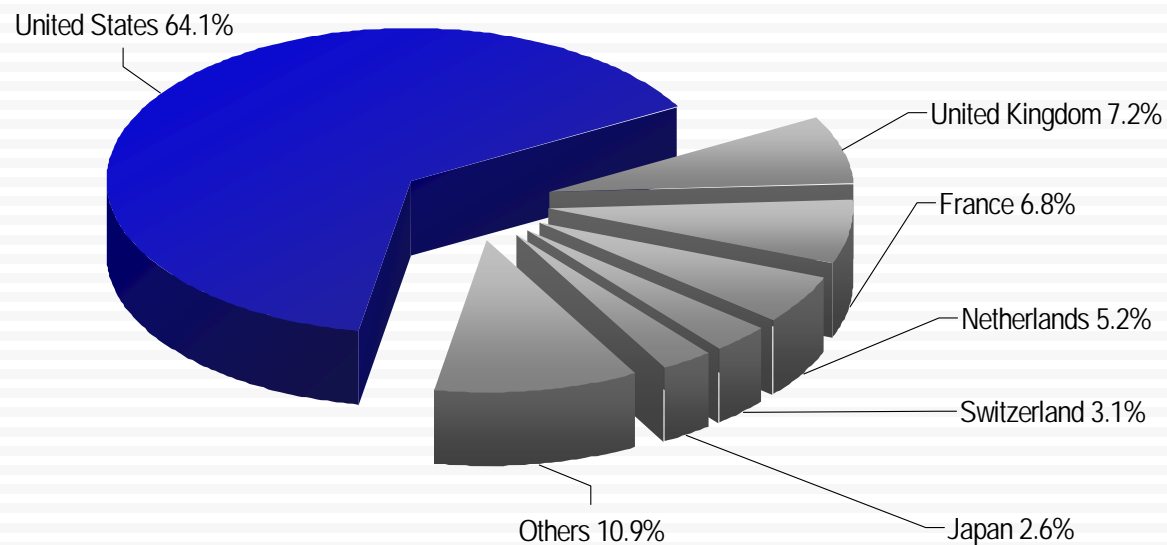


The United States is Canada's Largest Source of FDI



- The U.S. share of foreign direct investment (FDI) in Canada was 64.1%, close to its historical level of 64.2% in 1990.

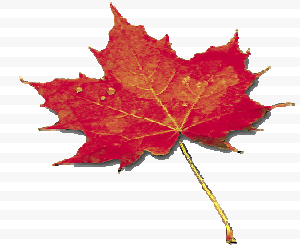
Geographic Distribution of Inward FDI Stock in Canada
2005



Source: Statistics Canada, May 2006

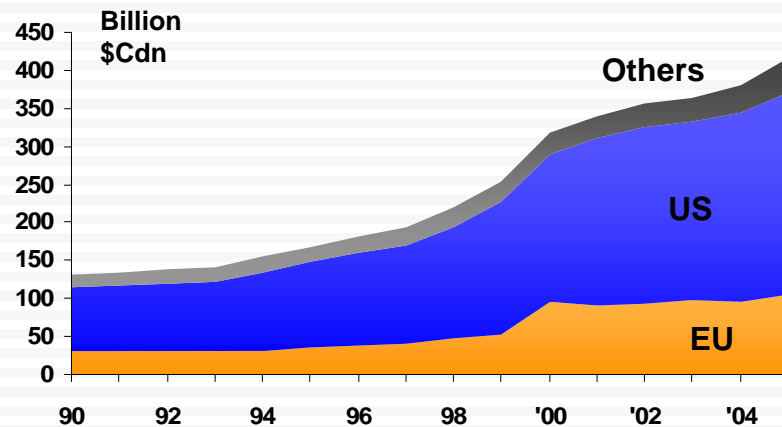


Outnumbering the EU by More than Two to One

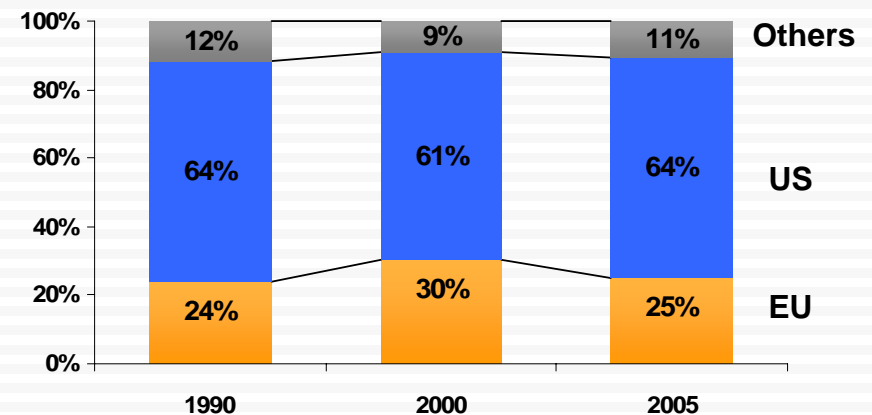


- From 2000-2005, the US share of FDI stock in Canada rose from 61% to 64%, while that of the EU declined from 30% to 25%.

Foreign direct investment in Canada by geographic area of origin 1990-2005

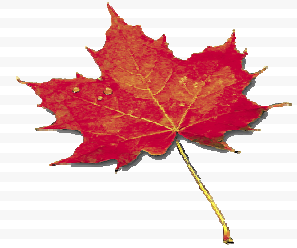


FDI stock: distribution by geographic region of origin (%)



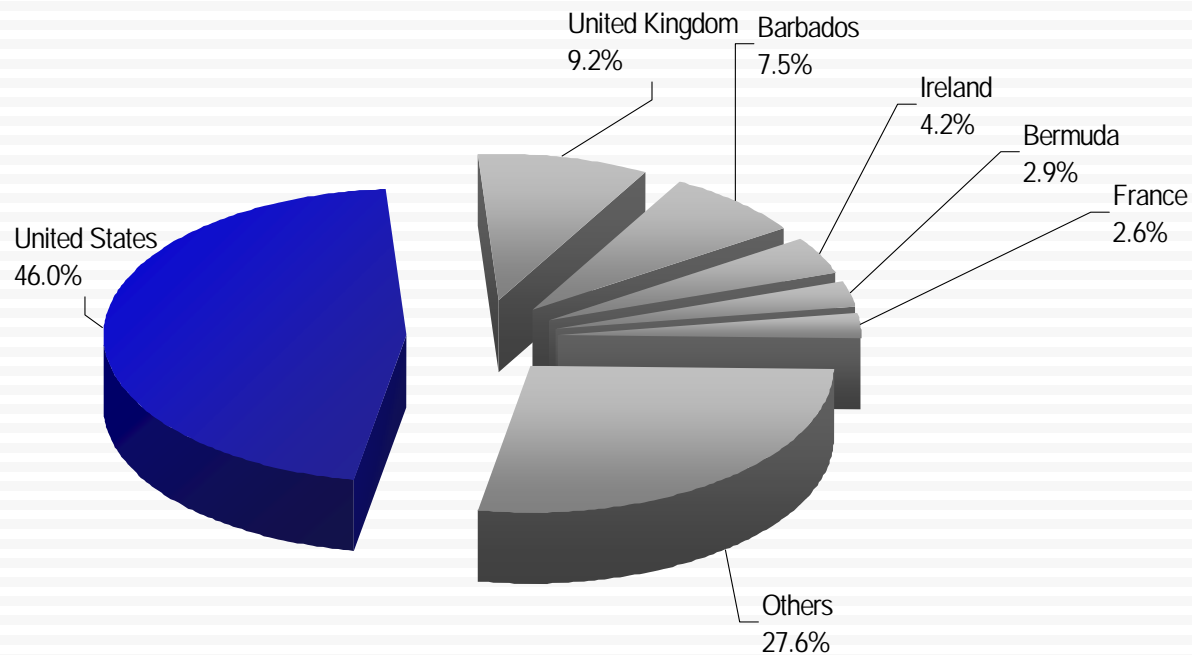


The United States is the Largest Recipient of CDIA



- The U.S. share of outward FDI or Canadian direct investment abroad (CDIA) was 46.0%, down from 61.0% in 1990.

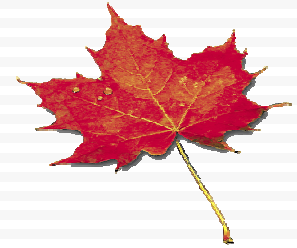
Geographic Distribution of Outward FDI Stock from Canada
2005



Source: Statistics Canada, May 2006

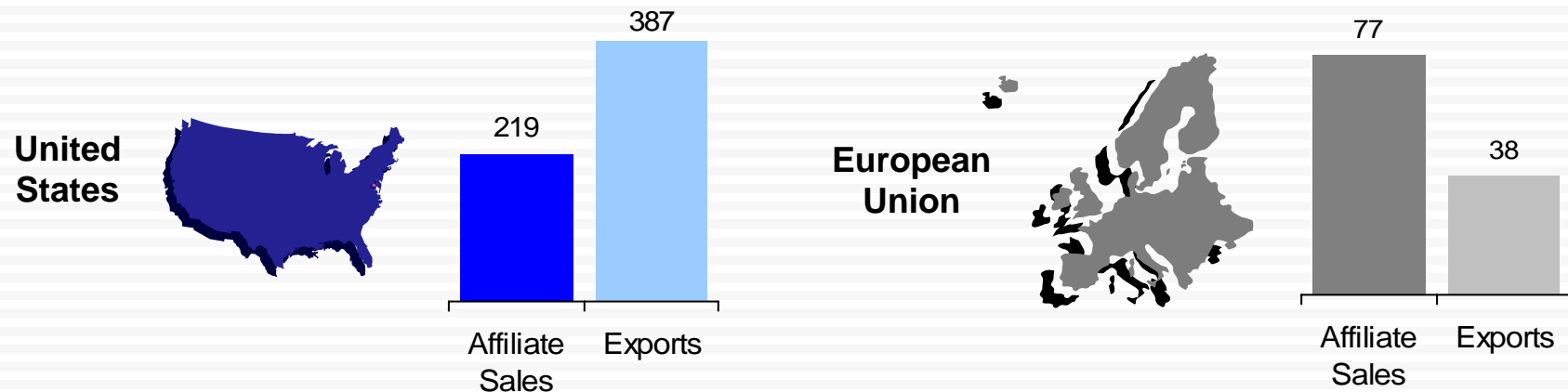


Investment is the Main Mode for Delivering Goods and Services



- Exports from Canada to the U.S. far outweigh sales by American affiliates of Canadian multinationals in the U.S.
- Conversely, sales in Europe by European affiliates of Canadian multinationals are more than twice the level of Canadian exports to the European Union.

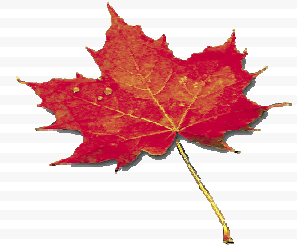
Affiliate Sales and Exports of Goods and Services (\$Billion), 2004



Source: IPS compilations based on data from Statistics Canada, June 2006

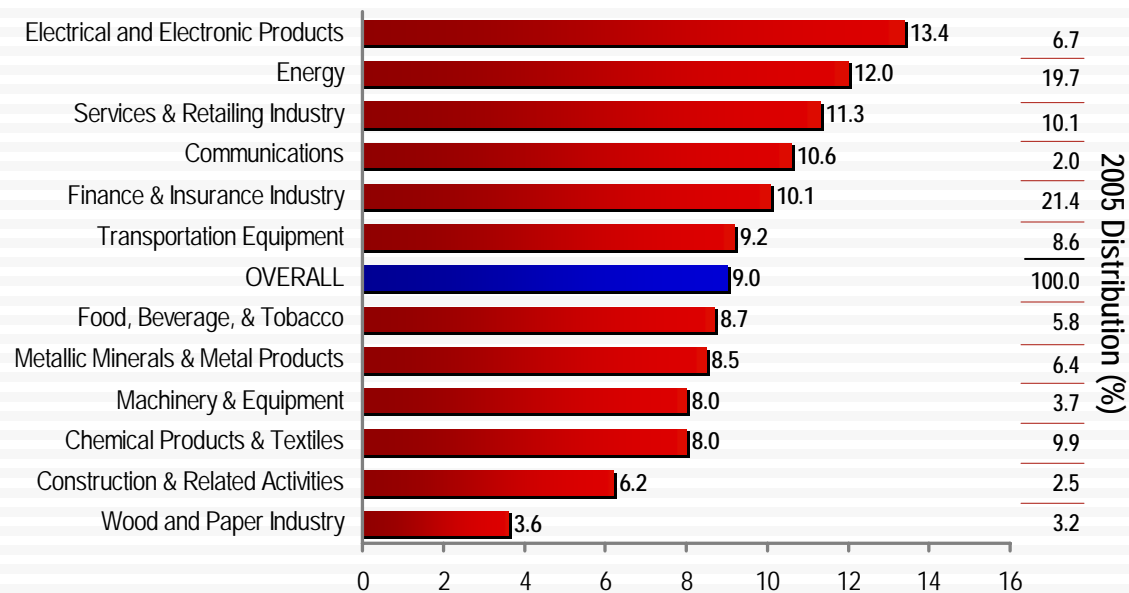


Canada Welcomes Foreign Investment



- Increasingly more investment goes to knowledge-based industries and high-tech manufacturing such as electronics, communications and energy.

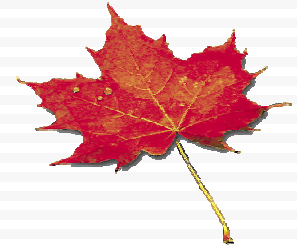
Average Annual Growth Rates of Foreign Direct Investment by Industry (%) 1990-2005



Source: Statistics Canada, May 2006

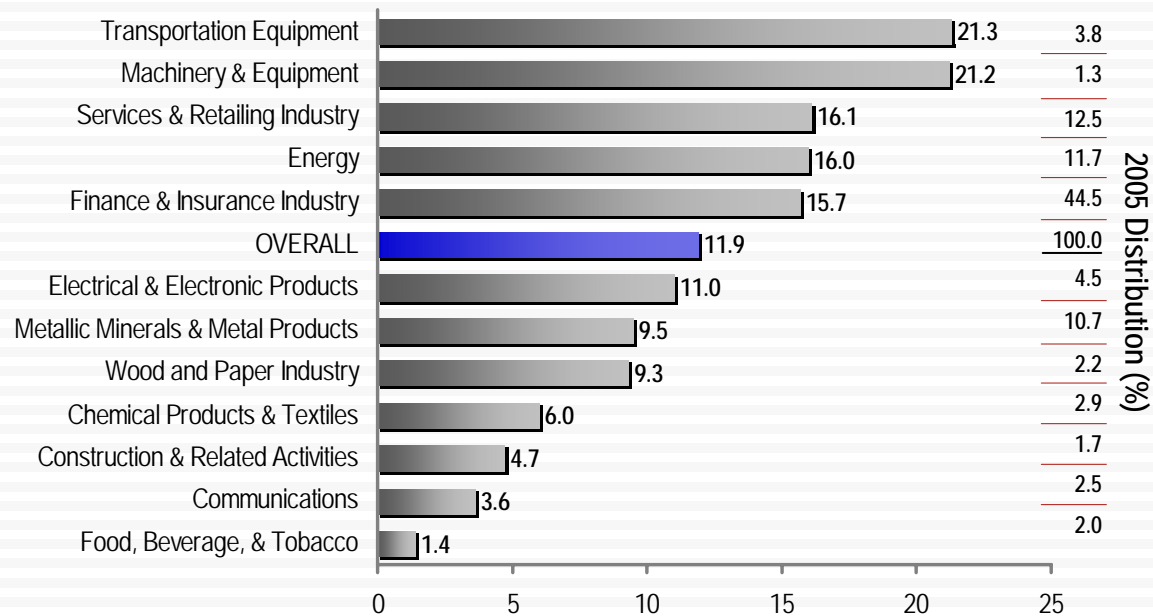


Canada Actively Invests Abroad



- While Canada's outward FDI is focused largely, in the Services & Retail and Finance & Insurance industries, there has been significant growth in Canada's outward investment in transportation equipment.

Average Annual Growth Rates of Canadian Direct Investment Abroad by Industry (%) 1990-2005



Source: Statistics Canada, May 2006



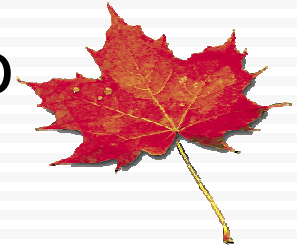
Canada's Winning Secrets

A Cost-Competitive
Business Environment



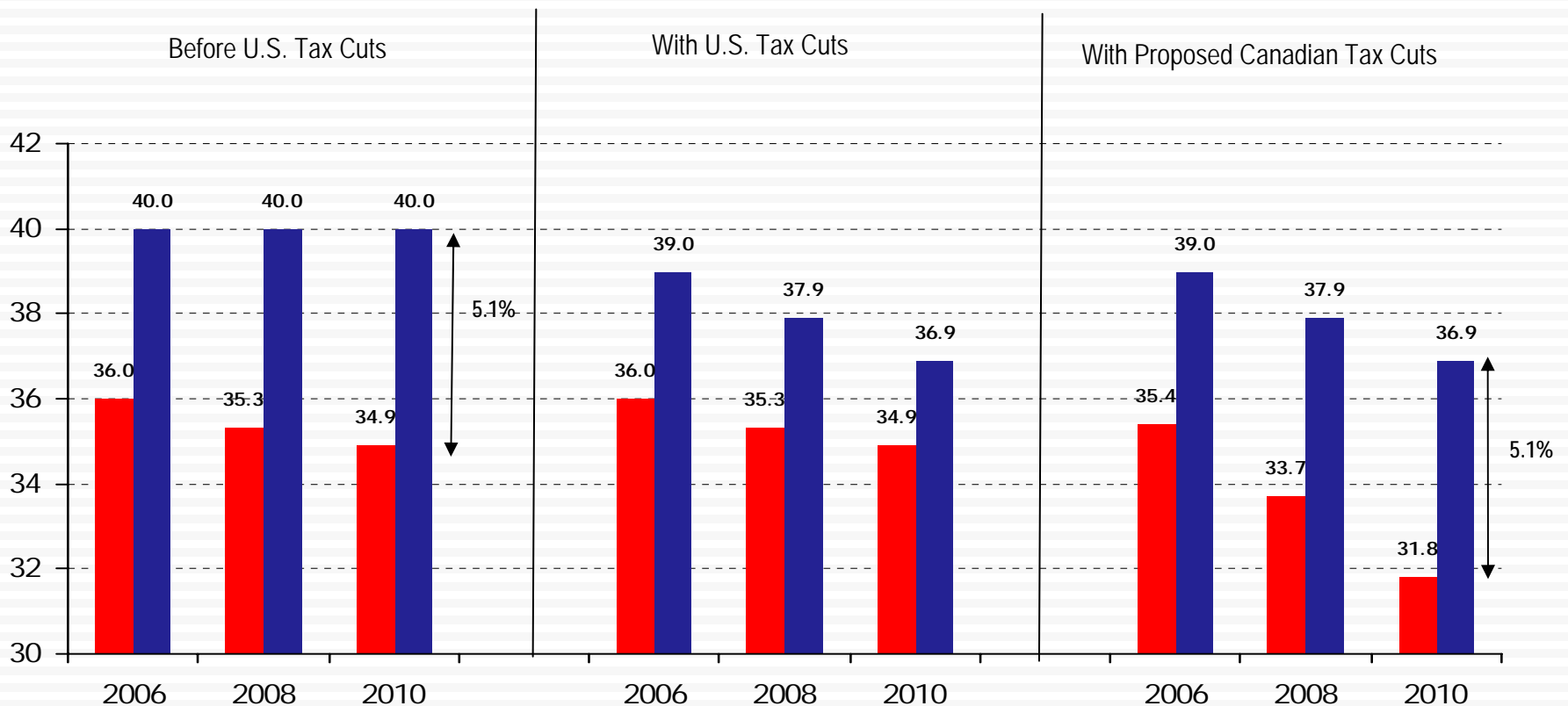


A Corporate Tax Advantage for Firms to Expand in Canada



- Fiscal measures introduced in recent federal budgets will provide Canada with a statutory tax rate advantage over the U.S. of 5.1 percentage points for manufacturing by 2010.

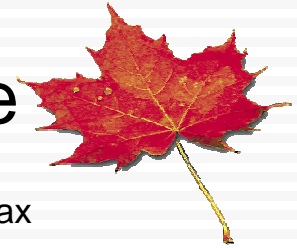
Corporate Tax Rates in Canada and the U.S. – Manufacturing Income (%)



Source: The Federal Budget, Finance Canada, May 2, 2006
Combined average federal-provincial and federal-state corporate tax rates including capital tax equivalents.

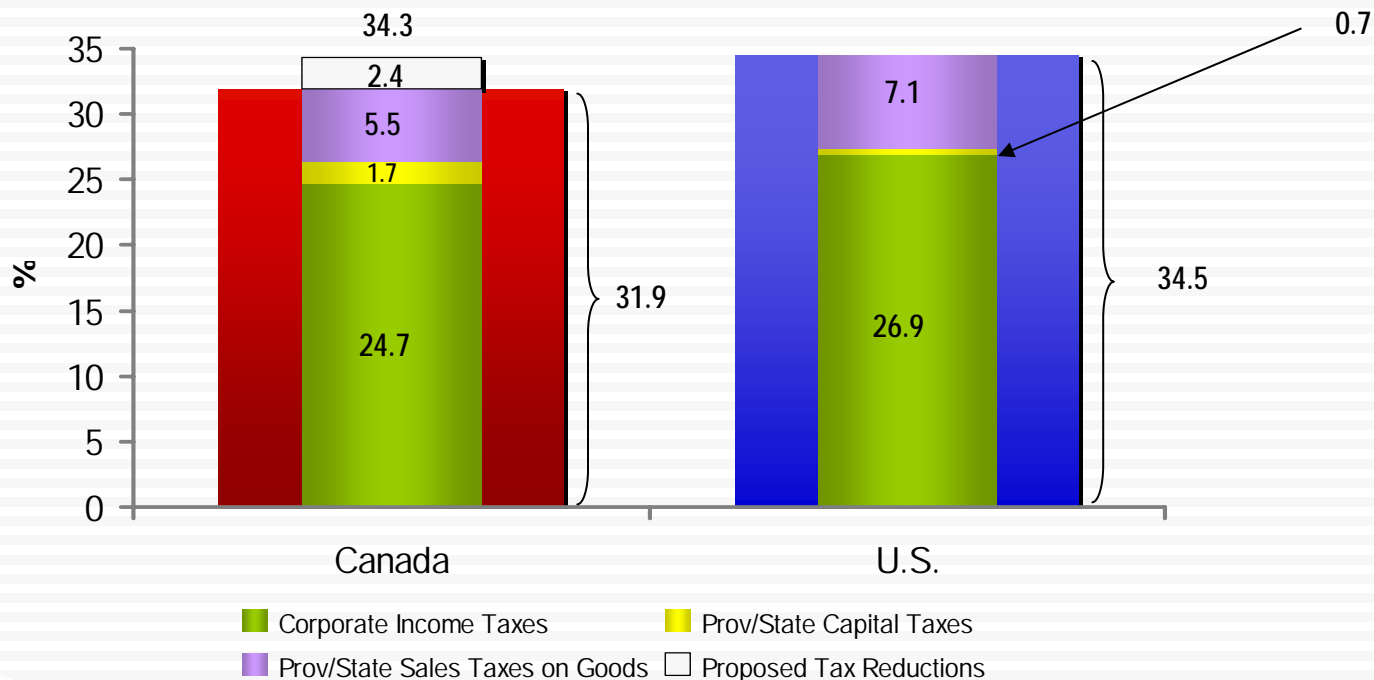


In Addition to an Overall Tax Advantage



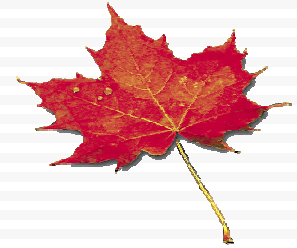
- Since a statutory tax advantage is not enough, the overall impact of the business tax system can also be measured by the marginal effective tax rate (METR).
- By 2010, when the measures proposed in the May 2006 Federal Budget are in place, Canada's METR, will be, overall, slightly lower than that of the United States.

Overall Tax Burden on New Investment in 2010 with Proposed Corporate Income Tax Reduction (METRs)





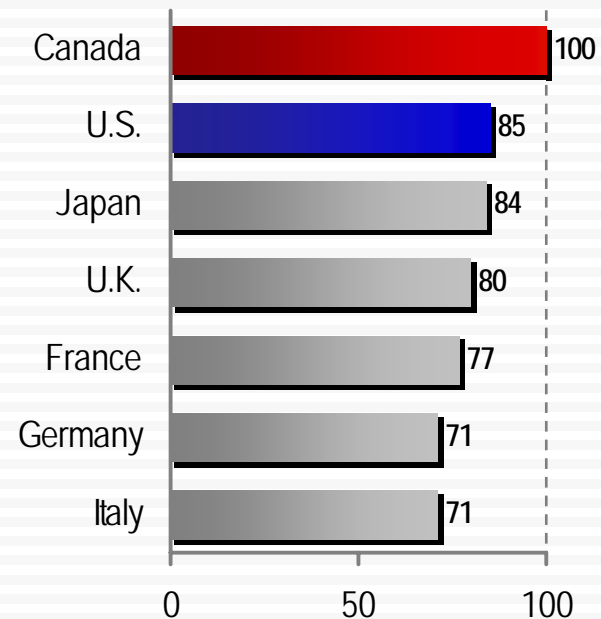
Quality R&D — Canada's Big Bargain



- Canada offers the most favorable tax treatment 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 federal and provincial tax-based incentives permit firms to significantly reduce R&D costs through direct investment or sub-contracting in Canada.

Relative Generosity of R&D Tax Incentives*

(Index: Canada = 100.0)

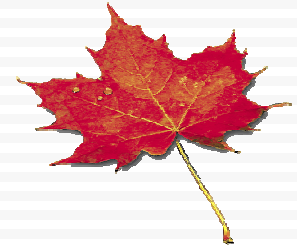


Source: Warda, Jacek, Rating Canada's R&D Tax Treatment: A 2003 Update, October 2003, forthcoming for Industry Canada

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.

* Does not include Ontario's new Corporate Income Tax Rates

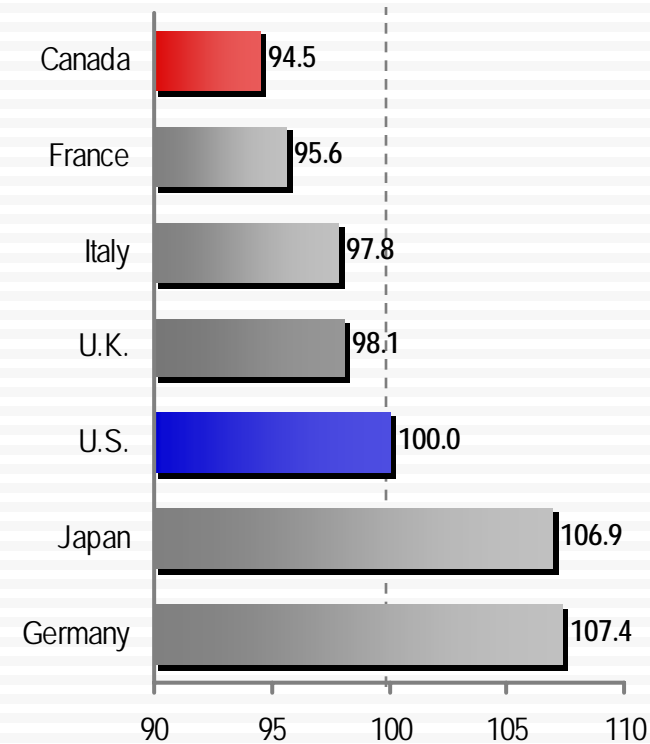


Lowest Overall Business Costs

- Despite the ongoing strength of the Canadian dollar in major currency markets, Canada still tops the G-7 as the least costly country to conduct business, according to a recent KPMG report on cost competitiveness.
- Canada ranks first among the G-7 in several manufacturing industries, particularly showing large cost advantages in R&D intensive sectors such as aerospace, electronics, and biotechnology.

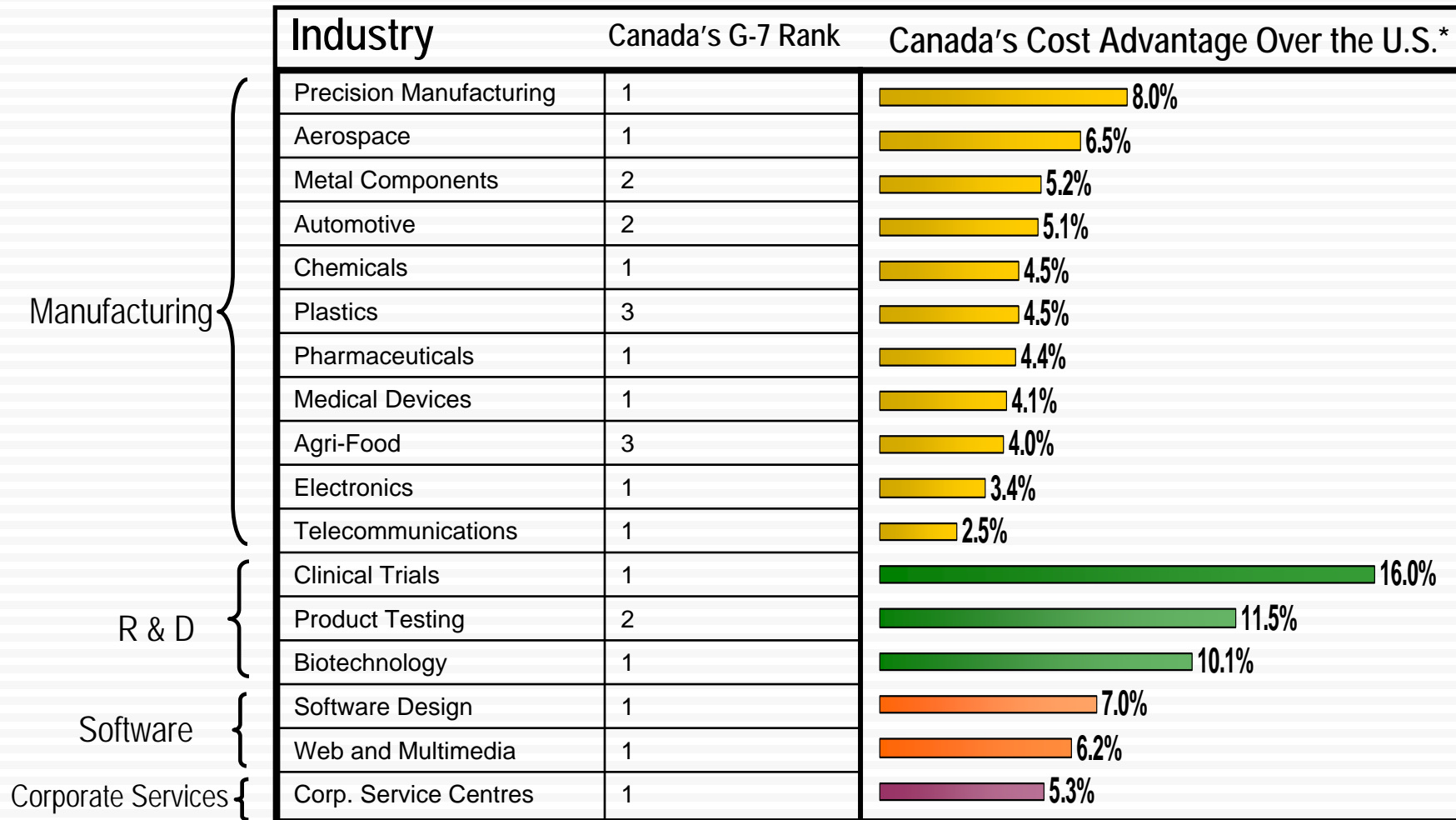
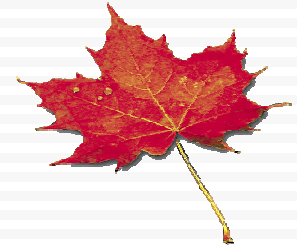
Overall Business Costs

(Index: U.S. = 100.0)





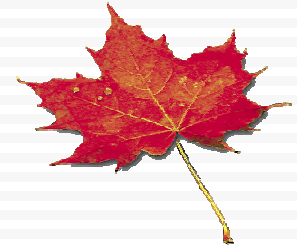
A G-7 Cost Leader in Key Industries and Services



* Percentage Cost Advantage Over the U.S.; U.S. Cost Index = 100.0; Source: KPMG Competitive Alternatives 2006 Edition



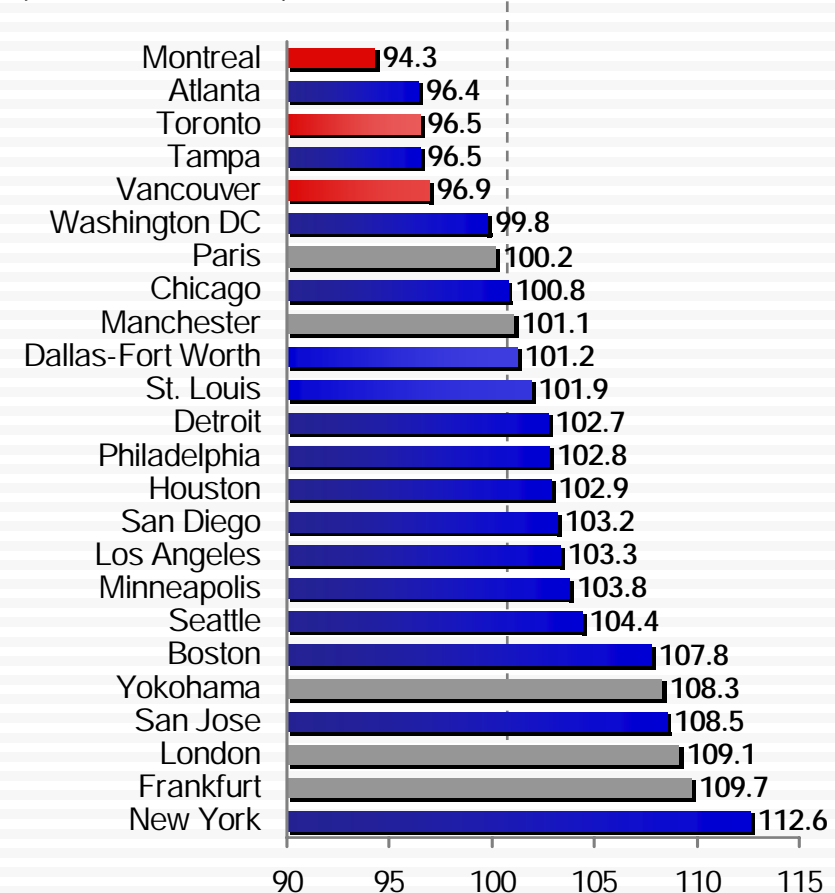
Lowest Business Costs Among Major Cities

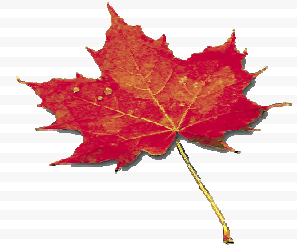


- Major Canadian cities—Montreal, Toronto and Vancouver—have lower business costs than most major cities of comparable size in North America and abroad.
- In comparison to U.S. cities, the Canadian cost advantage is highest vis-à-vis San Jose and New York, and lowest in Atlanta and Tampa

Overall Cost Advantage (Disadvantage) by Large Cities*

(Index: U.S. = 100.0)



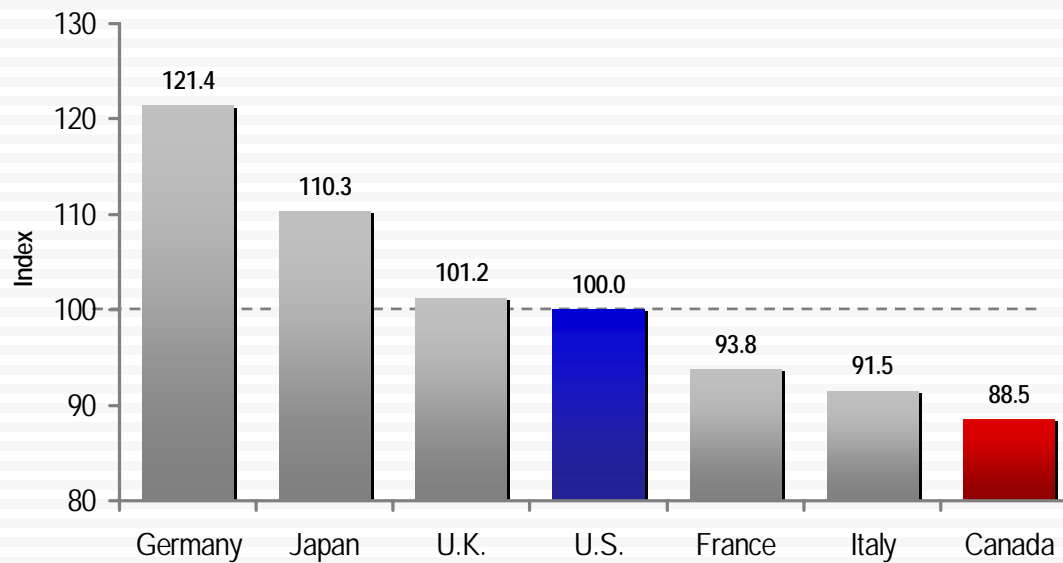


Low Labour Costs

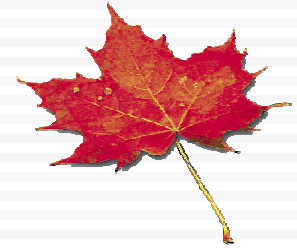
- Labour cost—the single most important location-sensitive cost factor examined in the KPMG study—is the lowest in Canada among the G-7 countries.

Total Labour Costs

(Index: U.S. = 100.0)



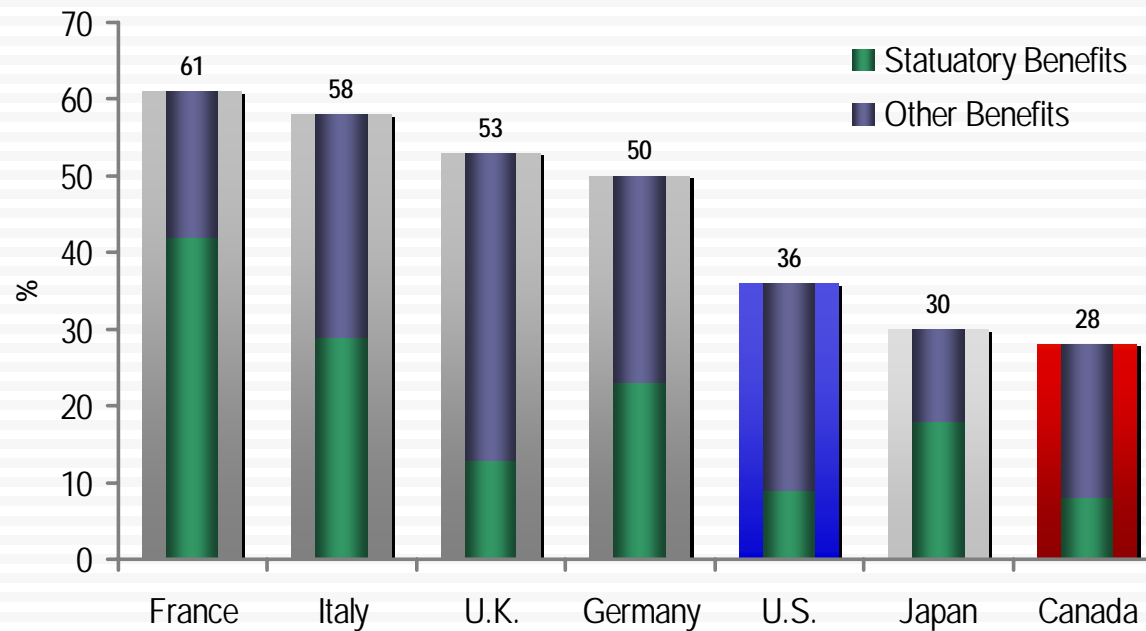
Source: KPMG Competitive Alternatives 2006 Edition



Low Labour Costs

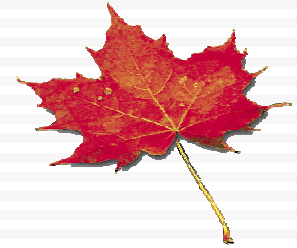
- Total payments for Canadian statutory and other benefits are 28% of salary and wages, compared to 36% in the U.S.
- These are largely the result of lower medical insurance premiums.

Employee Benefits as a % of Wages



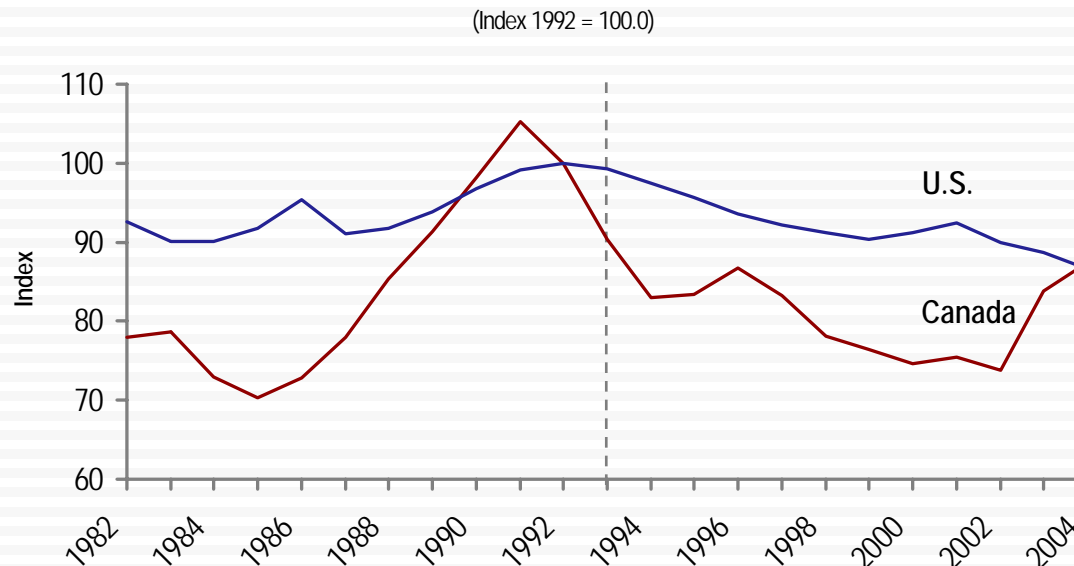


Low Production Costs

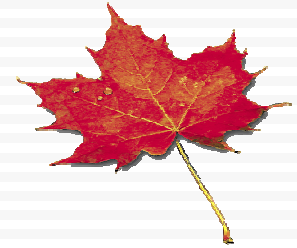


- Growing productivity, skilled workers, and low labour costs make businesses competitive.
 - Canada's competitive position vis-à-vis the U.S. has improved substantially since 1991
 - Despite a sharp rise in the manufacturing unit labour cost index during the 2002-03 period due to an appreciating Canadian dollar, Canada's position still remained competitive relative to the U.S.

Manufacturing Unit Labour Cost Index US\$ Basis



Source: U.S. Department of Labor, Bureau of Labor Statistics, December 2005

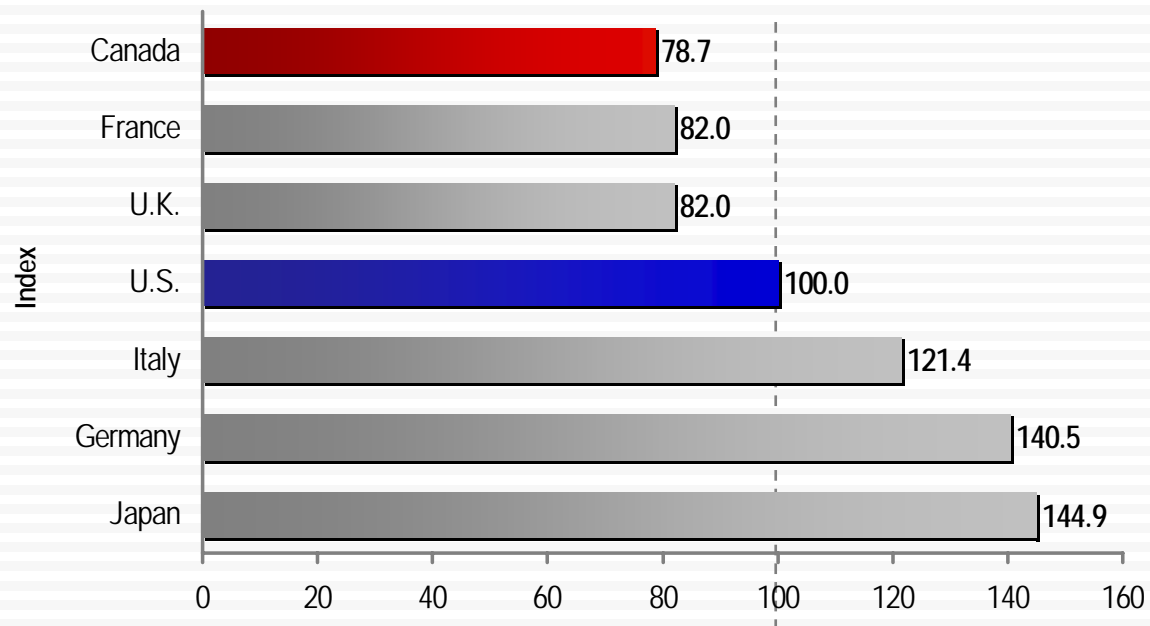


Low Energy Costs

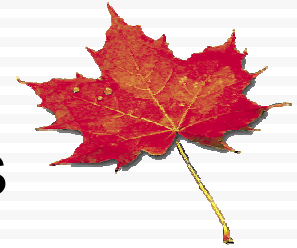
- Canada has abundant oil, gas, coal and hydroelectric resources.
- Electricity costs for industrial users are significantly lower in Canada than in the U.S.
 - the annual electrical costs for an average manufacturer are 21.3% lower in Canada than in the U.S.

Average Electricity Costs

(Index: U.S. = 100.0)



Source: KPMG Competitive Alternatives 2006 Edition

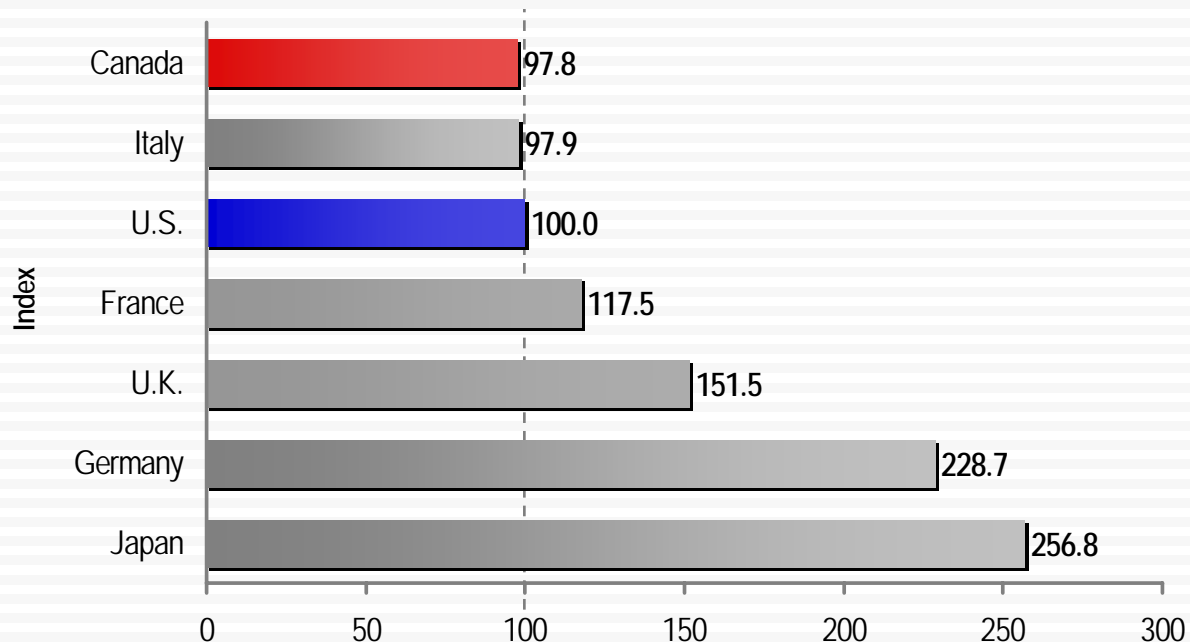


Low Industrial Facility Investment Costs

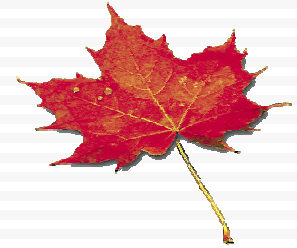
- Industrial land and construction costs combine to represent the total initial investment required to establish a new industrial facility and Canada ranks as the G-7 cost leader.

Total Industrial Facility Investment Costs

(Index: U.S. = 100.0)

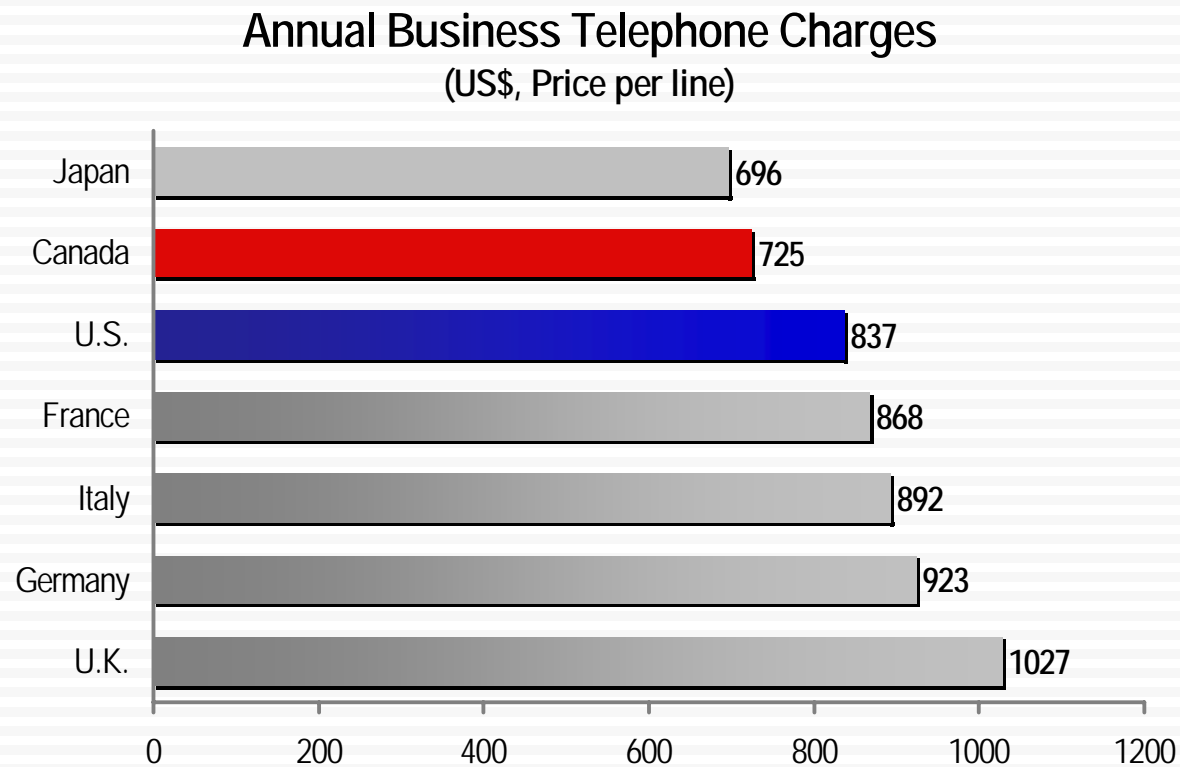


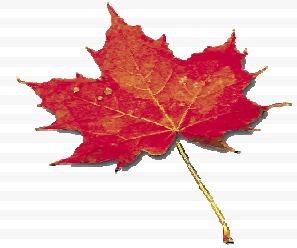
Source: KPMG Competitive Alternatives 2006 Edition



A Leader in Telephone Affordability

- Canada has one of the lowest Business telephone charges among G-7 countries.

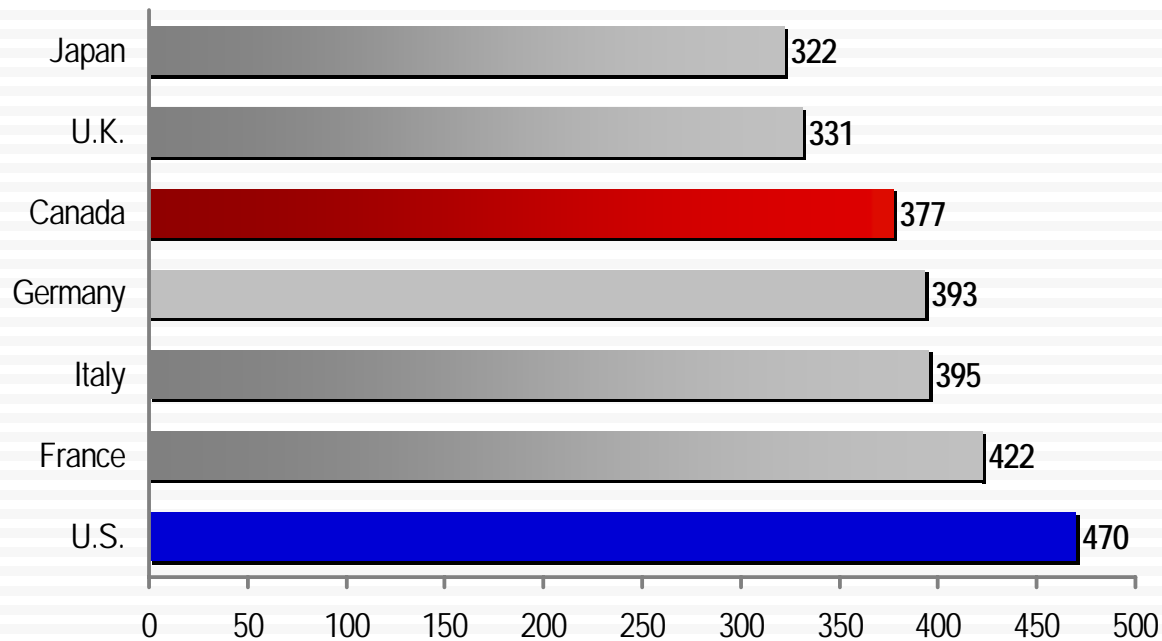




A Leader in Telephone Affordability

- Canada's telephone charges are relatively low.

Annual Residential Telephone Charges*
(US\$, Price per line)



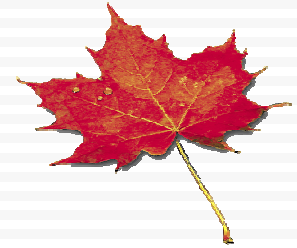
Source: OECD Communications Outlook 2005 *Residential basket excludes international calls and calls to mobile networks



Canada's Winning Secrets

A Dynamic
and Welcoming
Infrastructure

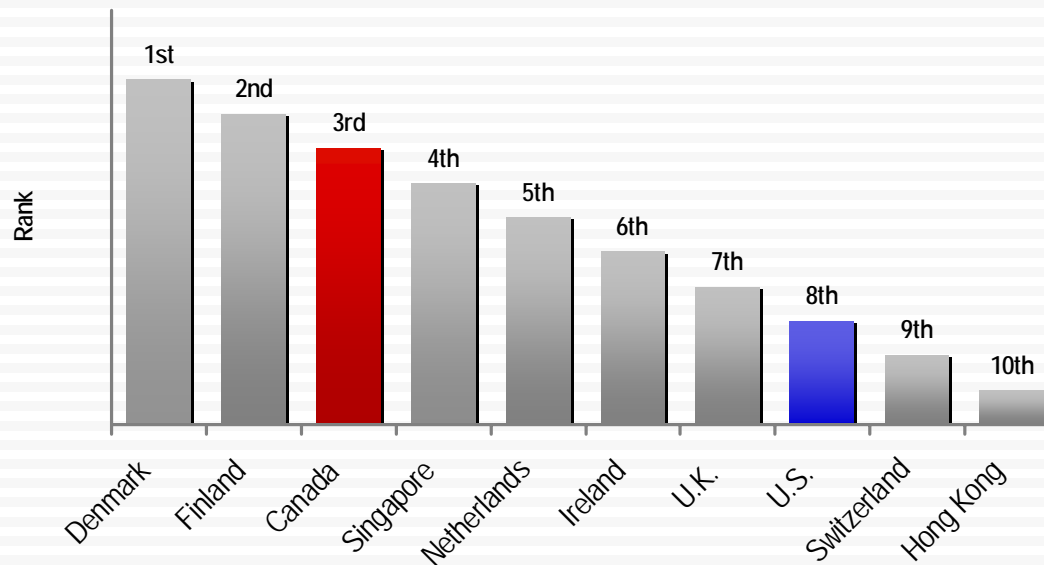




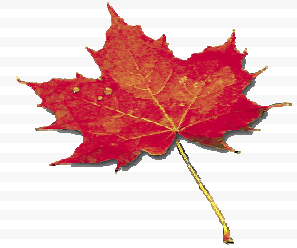
Positive Business Climate

- Canada understands the importance of its business community and has created an environment to encourage its success.
- Canada ranked third in the Economist Intelligence Unit's global business rankings for the forecast period (2006-10), down slightly from first place from the historical period (2000-2004).

Business Environment of Top Ten Countries,
Rank in 2006-2010



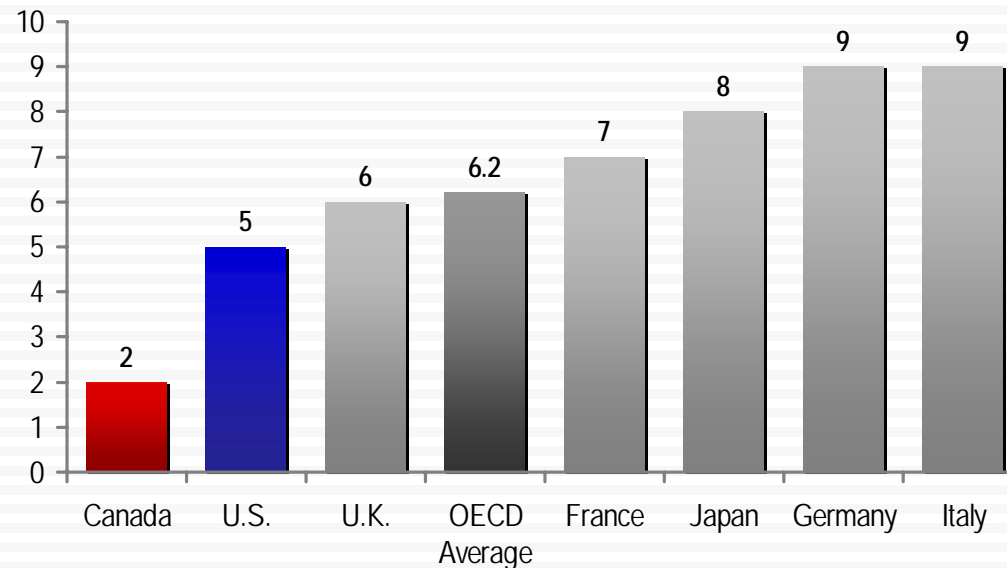
Source: The Economist Intelligence Unit, March 2006



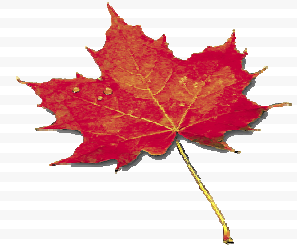
Ease in Establishing a Business

- Regulations pertaining to the creation of new businesses are considerably more flexible in Canada and the U.S. 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*



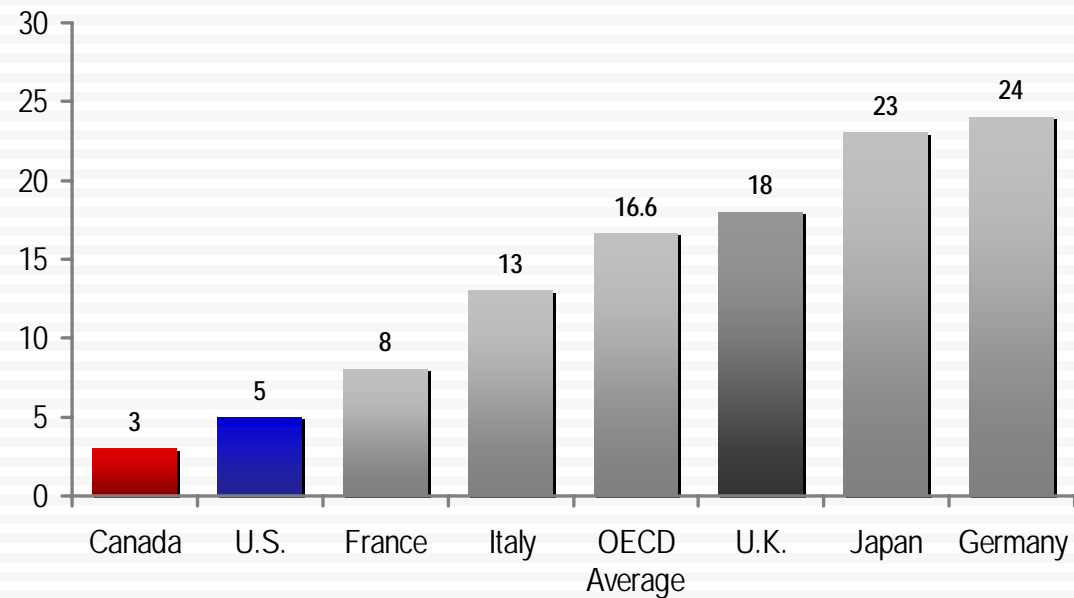
Source: Doing Business in 2007 - The World Bank Group, 2006 * A "procedure" is defined as any interaction of the company founder with external parties (government agencies, lawyers, auditors, notaries, etc). Interactions between company founders or company officers and employees are not considered as 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.



Ease in Establishing a Business

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

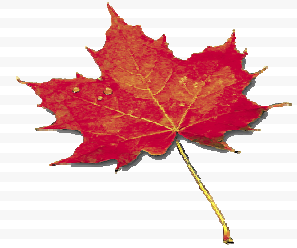
Duration (days)



Source: Doing Business in 2007- The World Bank Group, 2006

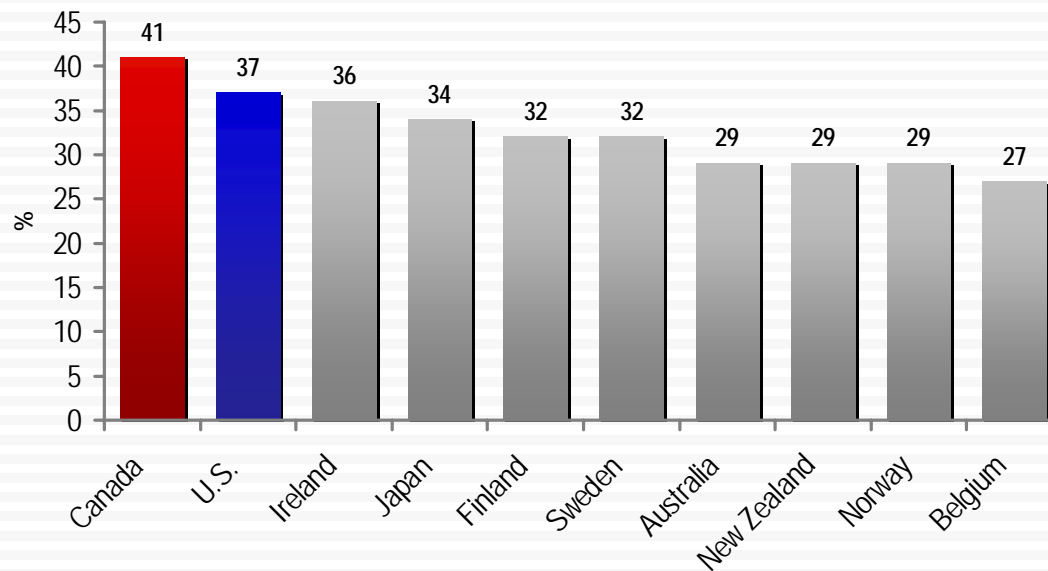


The World's Best-Educated Workforce



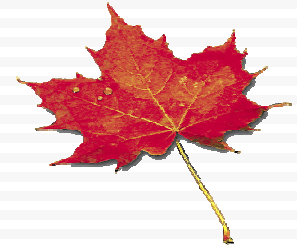
- The overall skill level of Canada's workforce ranks high among competing countries.
- According to 2001 Census figures, Canada has the highest percentage of individuals achieving at least college or university education, among OECD member countries.

Higher Education Achievement



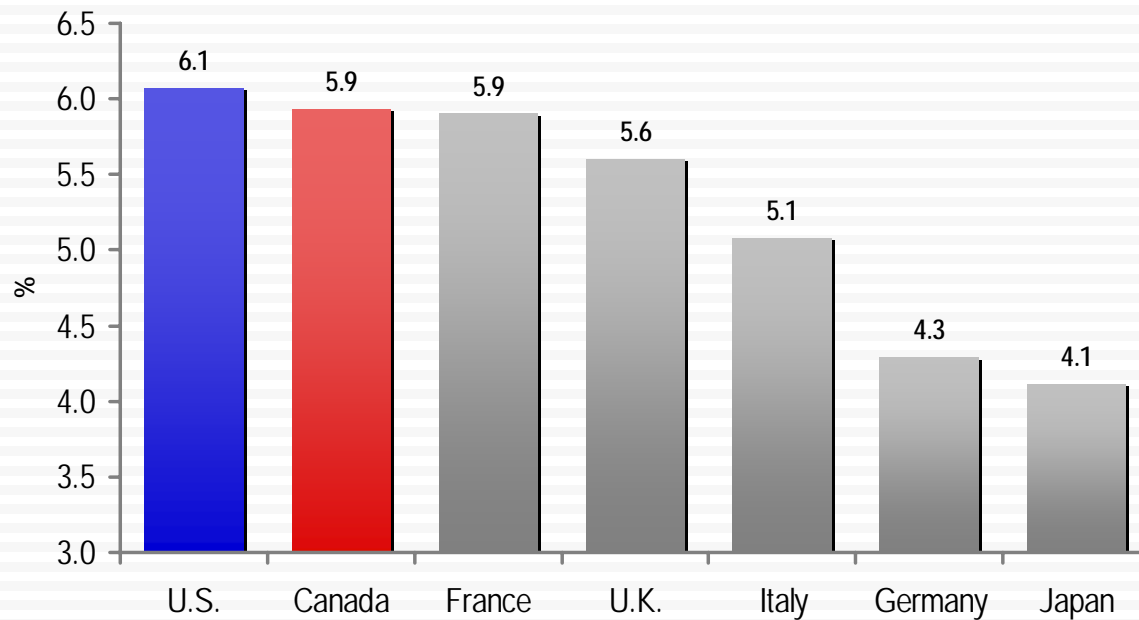


The World's Best-Educated Workforce

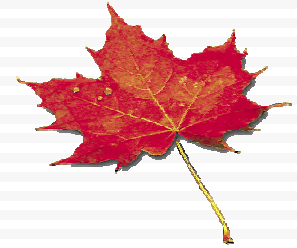
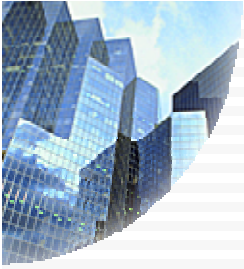


- Canada ranks among G-7 leaders with respect to the share of GDP that is invested in public education.

Public Expenditure on Education



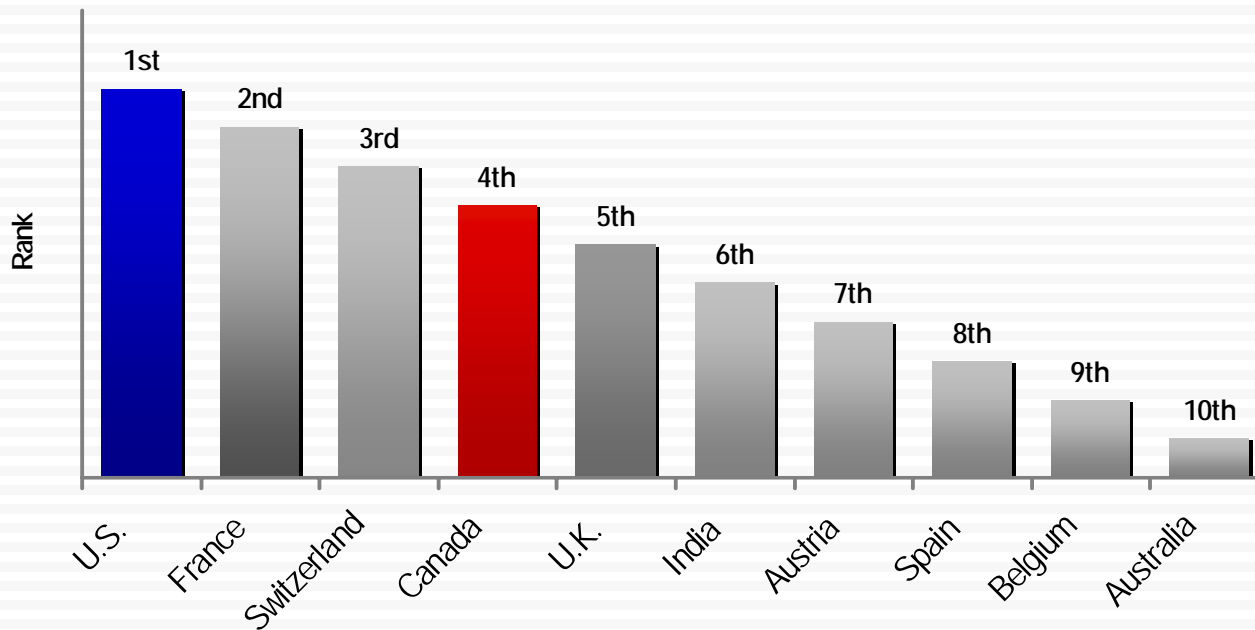
Source: IMD, World Competitiveness Yearbook 2006



Top-notch Management Training

- Canada ranks among the top-ten in a 117-country study of locally available management education in first-class business schools.
- Six Canadian schools of management are ranked among the top 100 in the world according to the *Financial Times* (UK) Global MBA rankings for 2006.

Management Education* World Rank

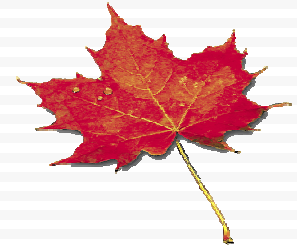


*Standing among 117 countries. Index based on the availability of Management education in first-class business schools.

•Source: Global Competitiveness Report, 2005-2006

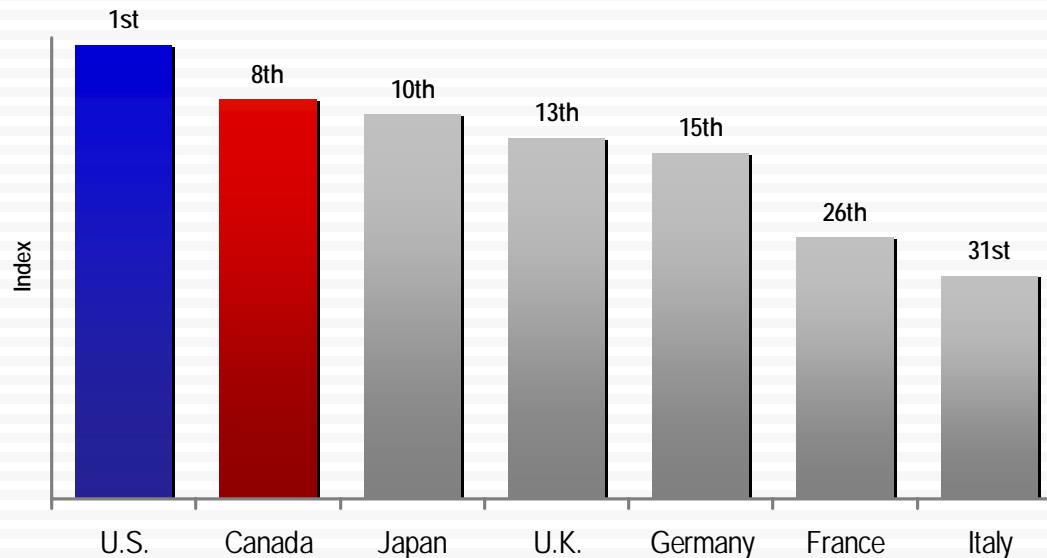


First-Class Technological Infrastructure

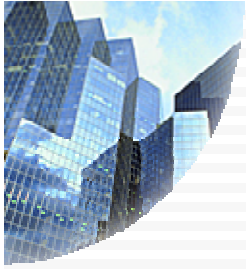


- Canada's technological infrastructure is second only to the U.S. among the G-7 — we rank above or very close to the U.S. in terms of:
 - Internet users and Internet hosts
 - computers per capita
- Building a universal, competitive, leading edge “Information Highway” is a government priority.

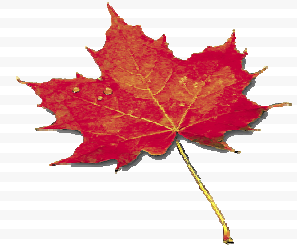
Technological Infrastructure* World Rank



Source: IMD, World Competitiveness Yearbook, 2006 * Standing among 61 economies. Index based on 20 characteristics including investment in telecommunications, computers in use, computer power, internet connections, number of telephone lines, cost of telephone calls and use of robotics.

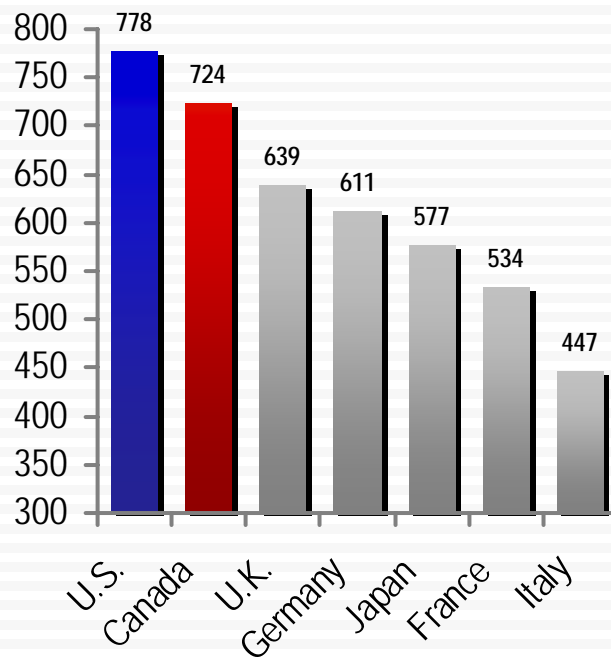


Among Leaders in PCs and Internet Users

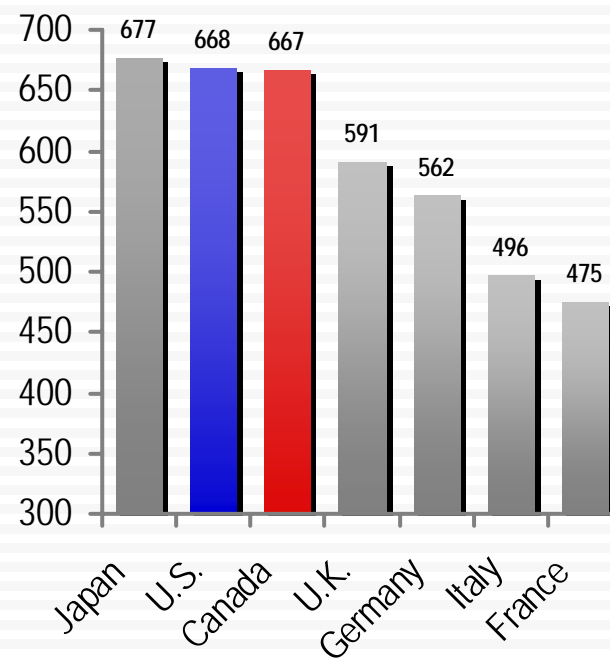


- Canada is second only to the U.S. among the G-7 in terms of personal computers and ranks among G-7 leaders with respect to Internet users per capita.

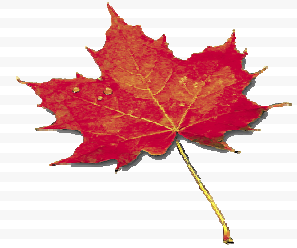
Personal Computers
Per 1,000 Inhabitants



Internet Users
Per 1,000 Inhabitants



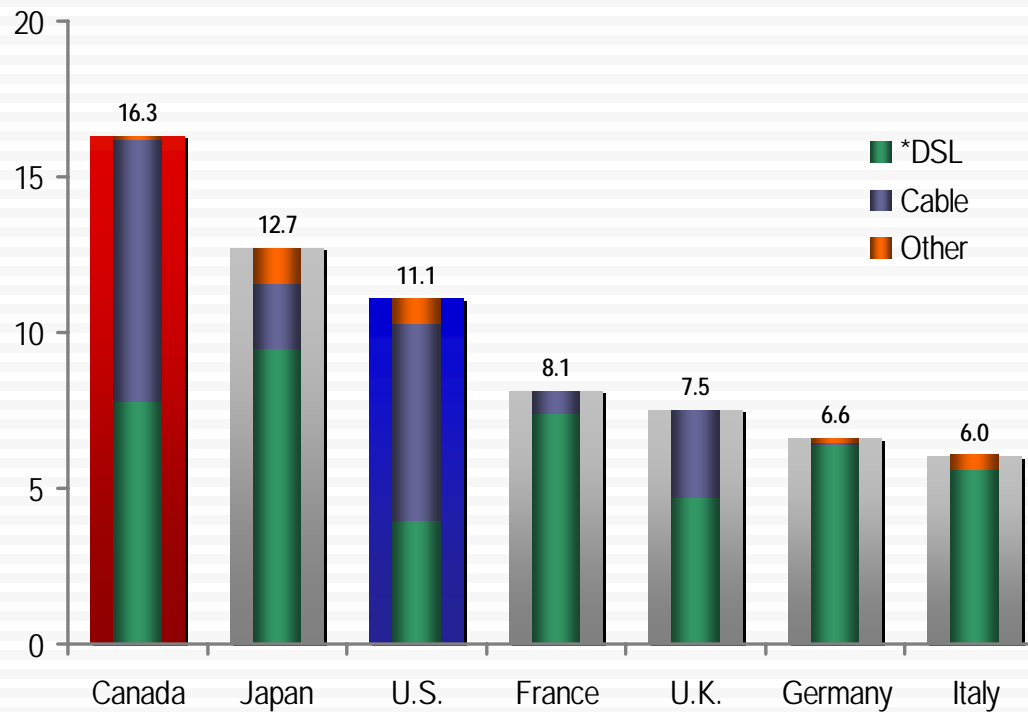
Source: IMD, World Competitiveness Yearbook 2006



First in Broadband Users

- Canada leads the G-7 in broadband or high-speed Internet usage.

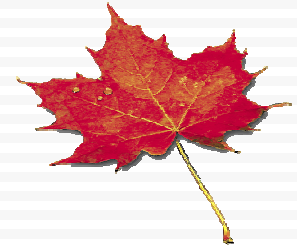
Broadband Subscribers per 100 inhabitants



Source: OECD Communications Outlook, 2005 *DSL = Digital Subscriber Line

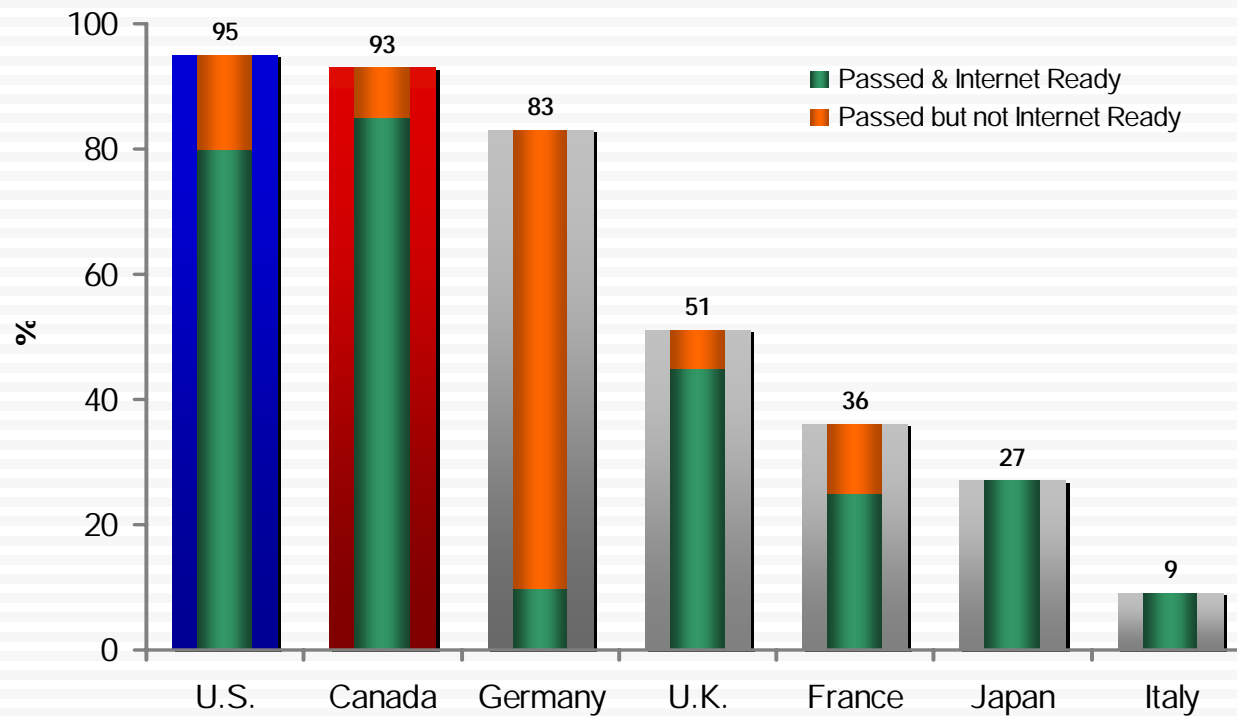


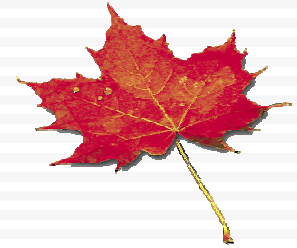
A Leader in Household Cable and Internet Penetration



- Canada ranks among G-7 and OECD leaders in the number of households passed by cable TV networks and internet ready.

Total Households Passed by Cable TV Networks





Wired or Wireless, Canada Connects

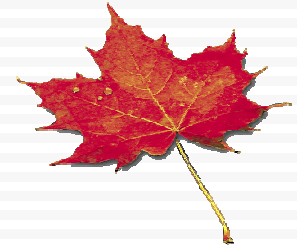
Connectedness Rankings 2003 Conference Board of Canada – 10 Country Comparison

	Overall Connectedness	Availability	Price	Reach	Usage
U.S.	1	1	2	2	1
Canada	2	2	1	2	2
Sweden	3	3	2	1	3
Finland	4	4	5	5	5
U.K.	5	5	7	5	5
Australia	5	7	9	8	4
Germany	7	5	6	4	7
Japan	8	8	8	7	8
France	9	9	4	9	9
Italy	10	10	10	10	10

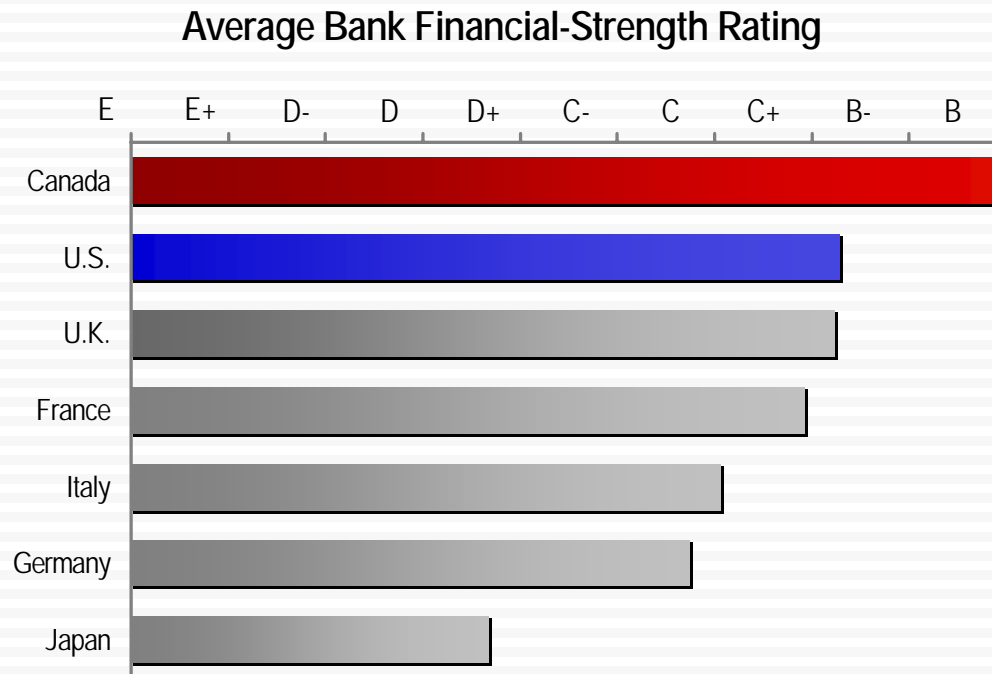
* The four components are defined as follows: (i) Availability is the supply, reflecting the potential to be connected. (ii) Reach is the demand. It refers to those people who already subscribe to the network. (iii) Use measures such factors as actual hours online, number of transactions and dollars of revenue generated on the internet. (iv) Price also comes into play insofar as it influences reach and availability. Source: The Conference Board of Canada, April 2004



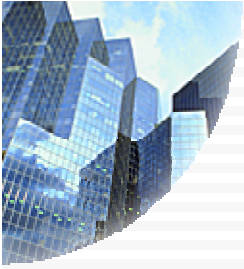
Sound Financial Institutions and Credit Ratings



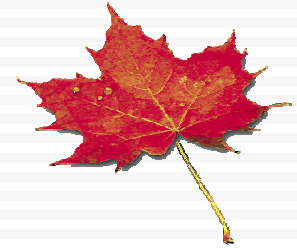
- According to Moody's Financial Strength ratings, Canadian Banks rank first among the G-7 in terms of their intrinsic credit worthiness.
- In May 2002, Moody's Investors Services raised Canada's credit rating to AAA (the highest rating) in response to Canada's improved fiscal balance sheet and excellent long-term growth prospects. Similarly in July 2002, Standard & Poor's raised Canada's long-term foreign sovereign credit rating to AAA.



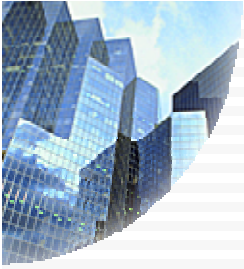
Source: Moody's Financial Services, September 2006 B= Strong, intrinsic financial strength C = Good D = Adequate E = Very weak



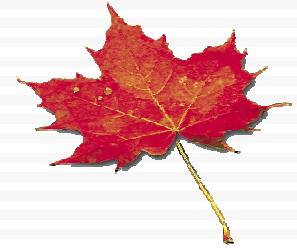
Forward-Looking Framework Policies



- The economic policies of the government of Canada are focused on making Canada a world leader in the global knowledge-based economy of the 21st century. Commitments include:
 - making Canada the most connected Government to its citizens by 2006
 - making broadband Internet access available in all communities by 2006
 - becoming one of the top five countries for research and development by 2010
 - shaping a “National System of Innovation”
 - providing marketplace frameworks/services benchmarked against the best in the world



Forward-Looking Support for Innovation Programs



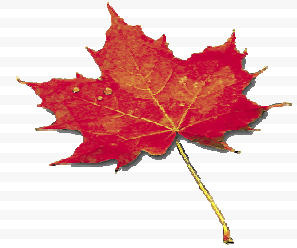
- Government policies/programs aimed at building the knowledge infrastructure
 - Networks of Centres of Excellence Program
 - Canada Chairs for Research Excellence in the 21st Century
 - Canada Foundation for Innovation
 - Canadian Institutes for Health Research
 - Telecommunications Policy
 - Technology Partnerships Canada
 - Granting councils (NSERC, SSHRC)
 - Communications Research Centre
 - Industrial Research Assistance Programme (NRC)
 - Co-operative sectoral research programs (PAPRICAN)
 - Canadian Network for the Advancement of Research, Industry and Education (CANARIE)
 - SR&ED (Scientific Research & Experimental Development) tax credit for private sector research and development
 - National Research Council Network of Research Institutes
 - Research teams working jointly on complex technical problems requiring “intelligent solutions” (PRECARN)



Canada's Winning Secrets

An Excellent
Place to Live

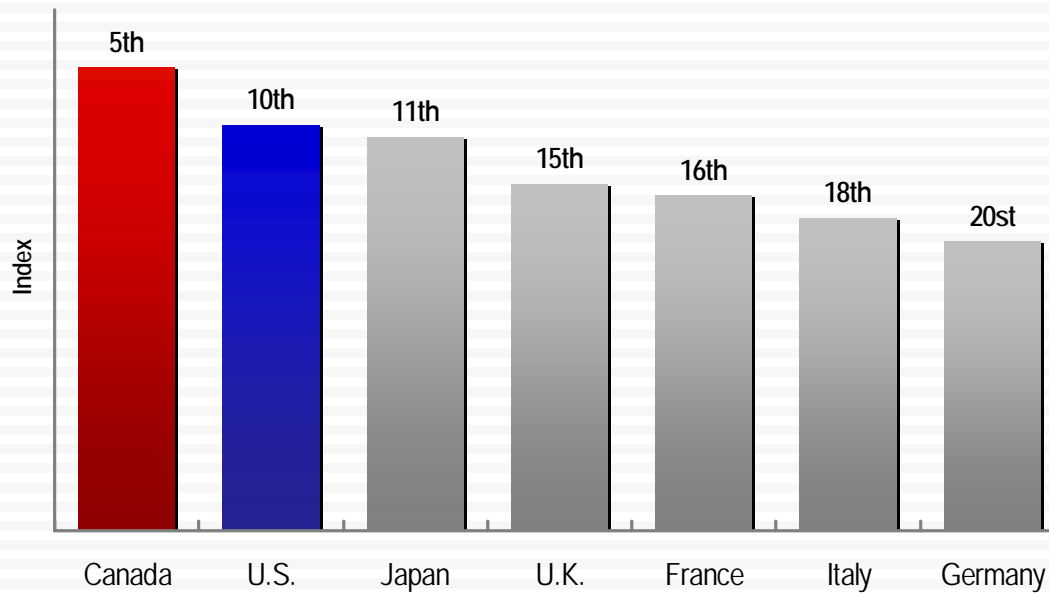




Leadership in Human Development

- In the latest United Nations Human Development Report, Canada ranked first among the G-7 countries and fifth among 177 countries surveyed.

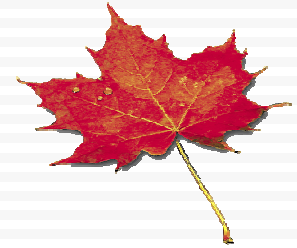
Human Development Index* World Rank



*Standing among 177 countries. Index based on achievements in terms of life expectancy, educational attainment, and adjusted real income.
Source: United Nations Human Development Report 2005

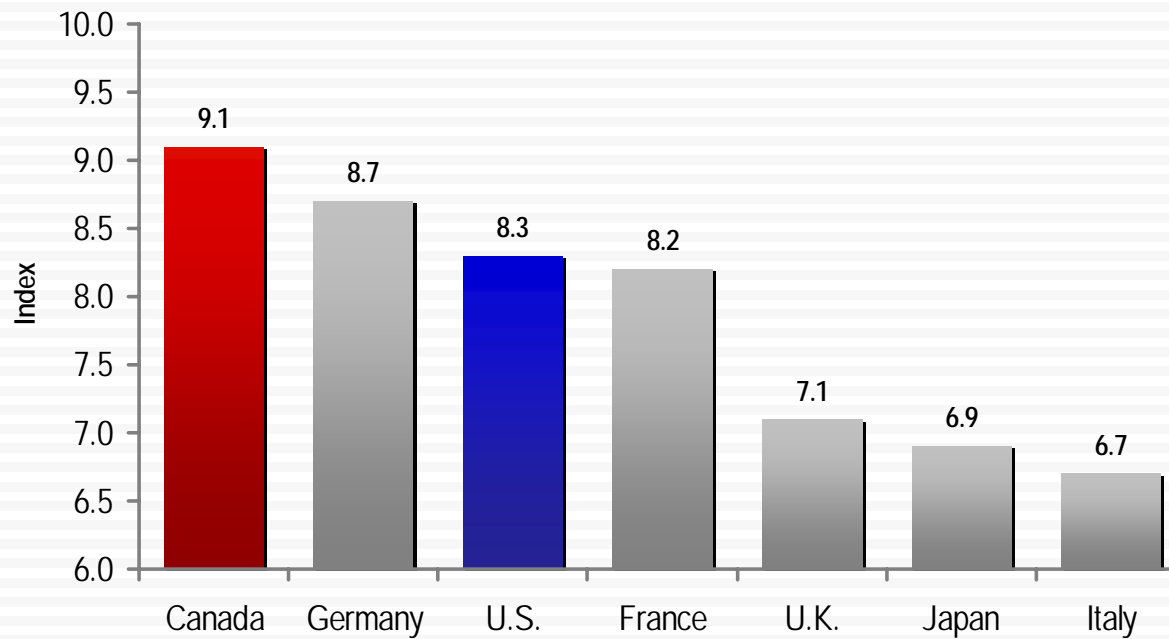


Best Overall Quality of Life

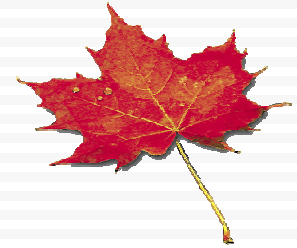


- Canada has the best overall quality of life among the G-7.

Quality of Life Index*



Source: IMD, * Rank among 61 economies considered in the World Competitiveness Yearbook 2006.

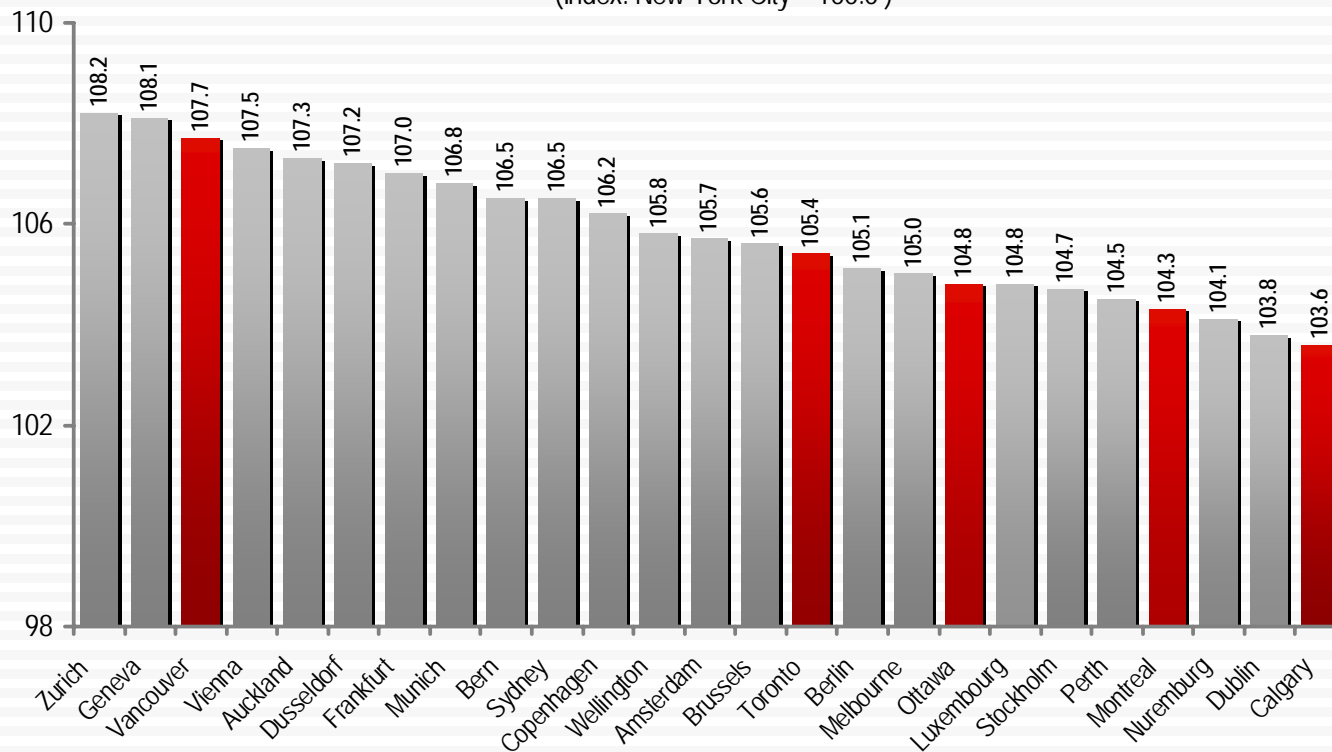


Exceptional Quality of Life in Cities

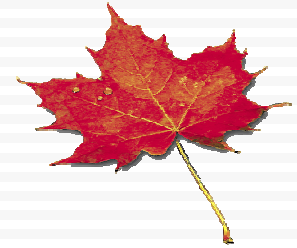
- According to a recent annual quality-of-life ranking of 215 world cities by Mercer Human Resources Consulting, five Canadian cities ranked among the top 25.

Overall Quality of Life Ranking (Top 25 Cities)

(Index: New York City = 100.0)



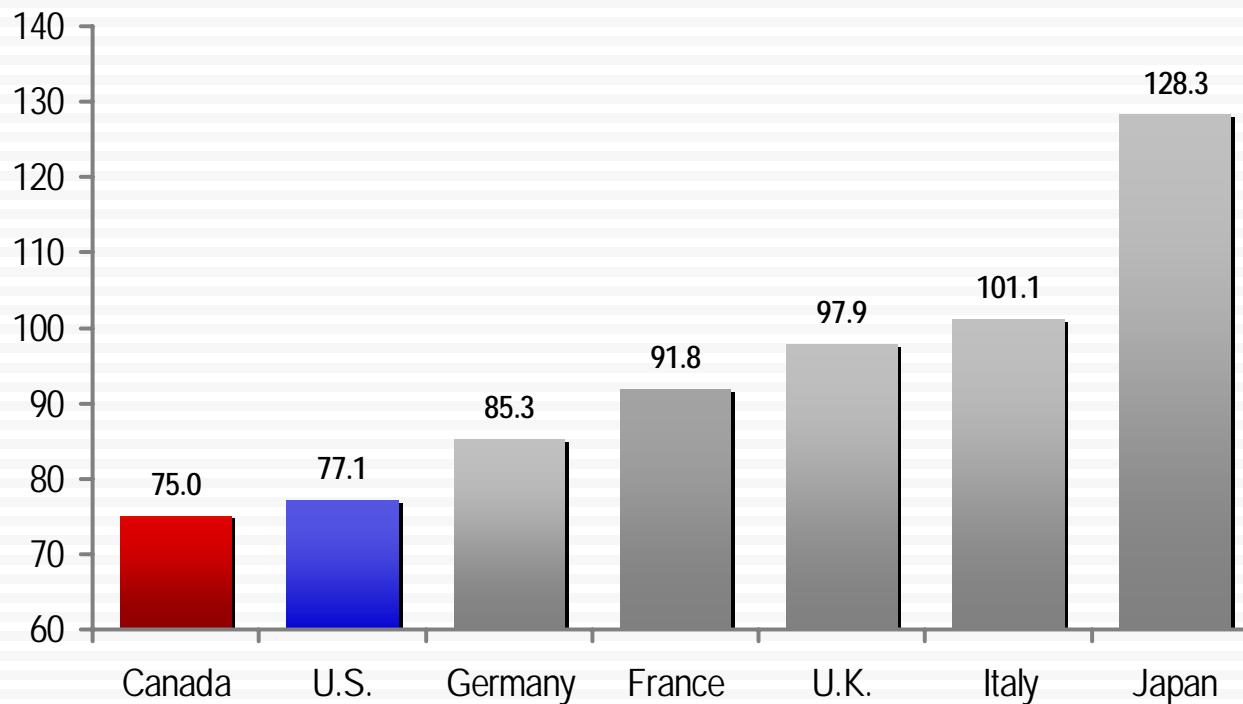
Source: Mercer Human Resources Consulting: April 2006

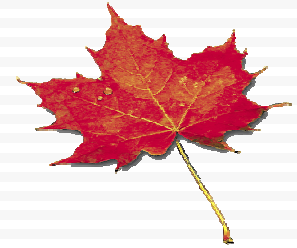


Lowest Cost of Living in the G-7

- Canada has the lowest cost of living among the G-7.

Cost of Living - World Rank*
(Index: New York City = 100)

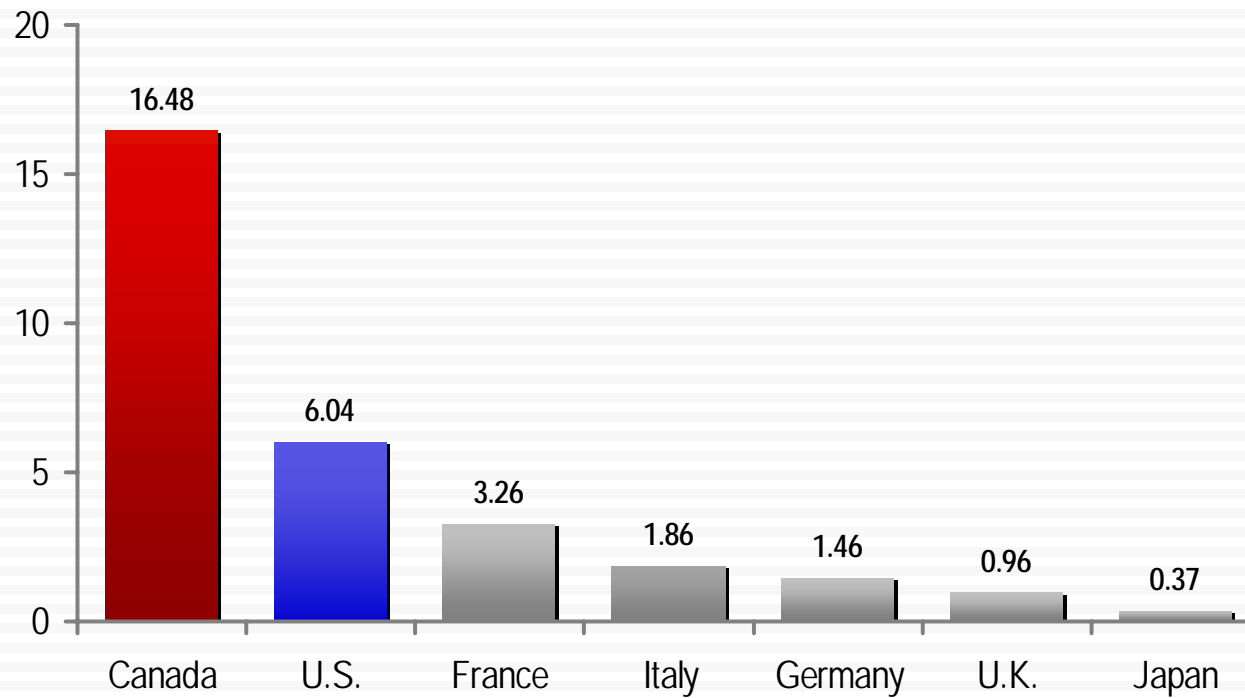




A Vast Arable Landscape

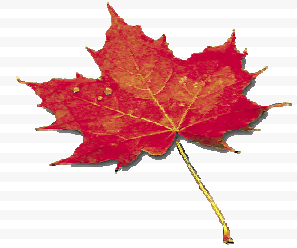
- Canada ranks highest in the G-7 and second with respect to the area of available land for agricultural usage on a per capita basis

Arable Land
(Thousands of Square metres per capita)



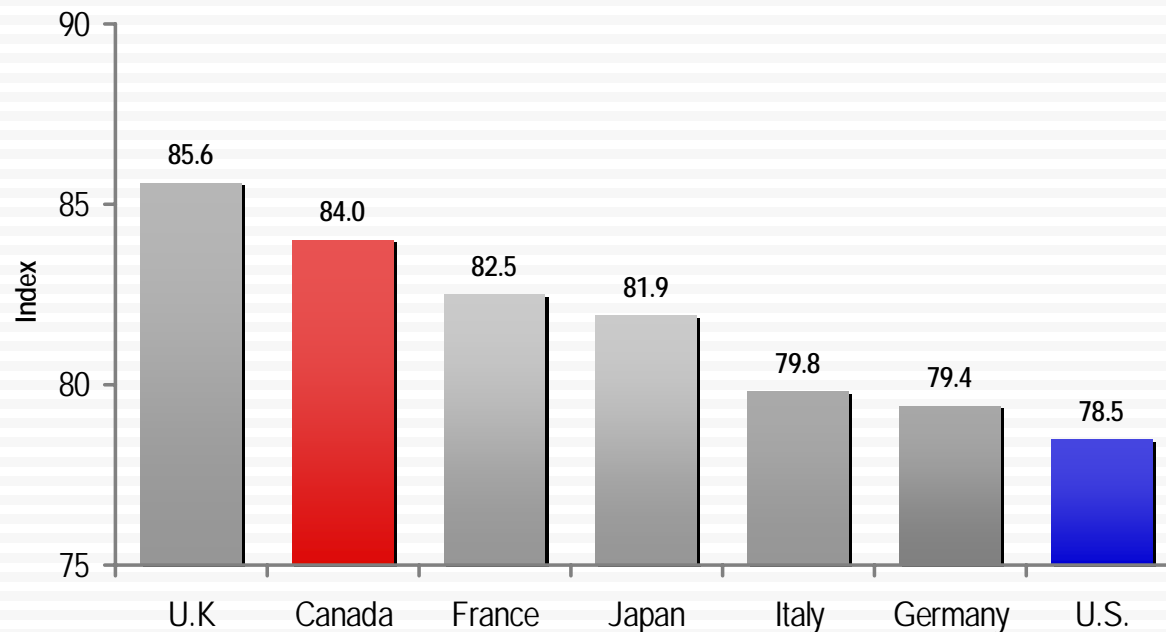


Backed by a Strong Environmental Record



- As measured by the Environmental Performance Index (EPI), Canada's ranks 2nd in the G-7 and 8th in a 133-country study in terms of effectively reducing environmental stresses on human health and promoting ecosystem vitality and sound natural resource management.

Environmental Performance Index* 2006

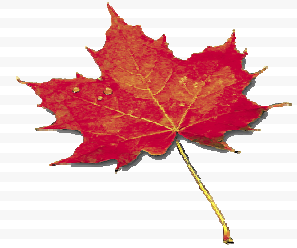


* Perfect EPI Score = 100. Country rank based on sixteen indicators tracked in six policy categories – Environmental Health, Air Quality, Water Resources, Productive Natural Resources, Biodiversity & Habitat, and Sustainable Energy.

Source: Yale Center for Environmental Law and Policy, 2006

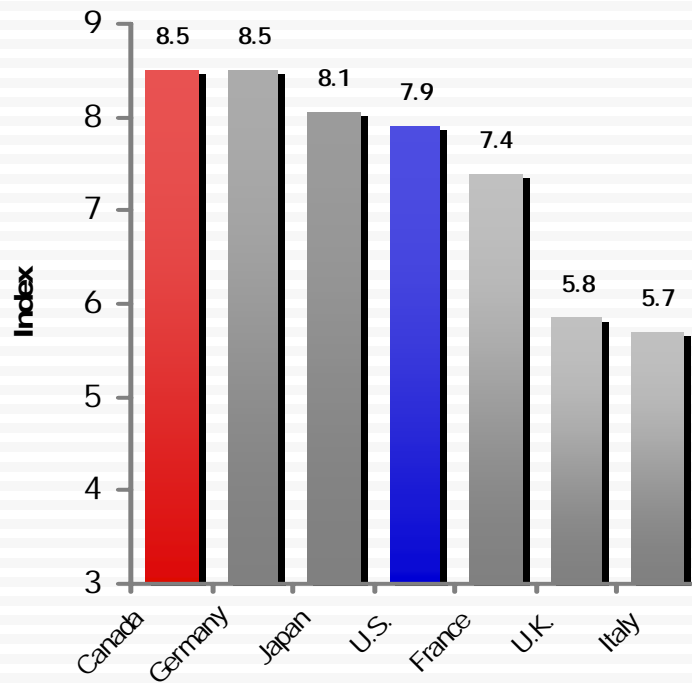


A Safe and Just Society

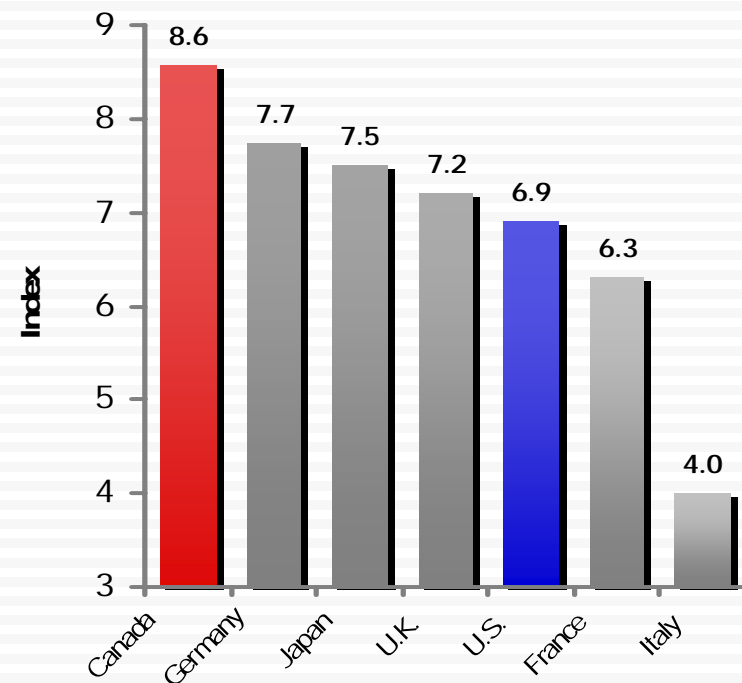


- Canada leads the G-7 in terms of the safest place to live and conduct business with the most fairly administered judicial system.

Security* — World Rank



Justice** — World Rank

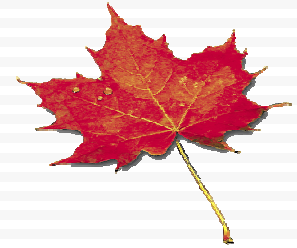


Source: IMD * Confidence that person and property is protected. Rank among 61 economies considered in the 2006 World Competitiveness Yearbook.

**Degree of fairness of the judicial system in Society. Rank among 61 economies considered in the 2006 World Competitiveness Yearbook.

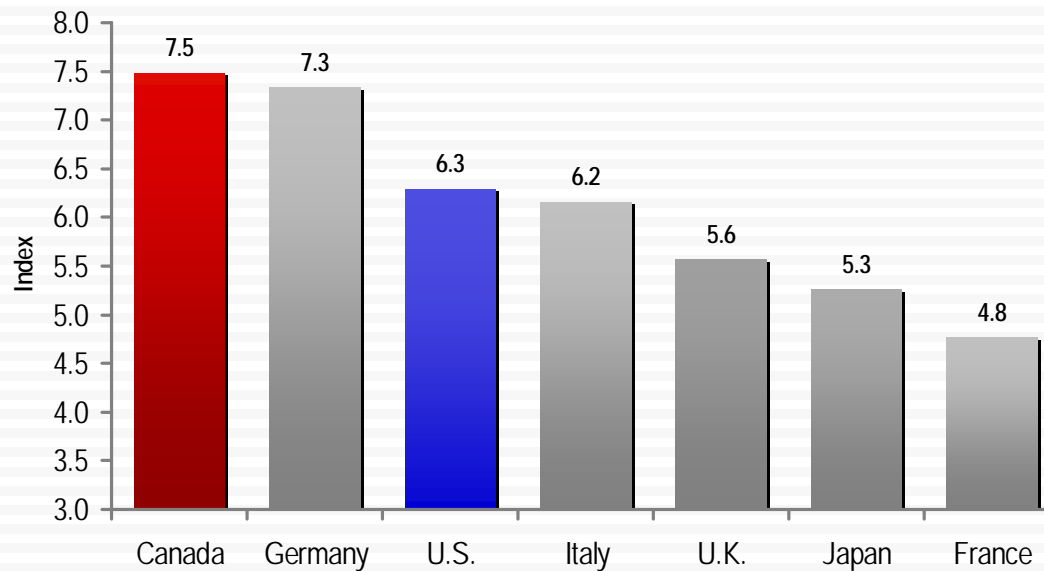


A Land of Equal Opportunity



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

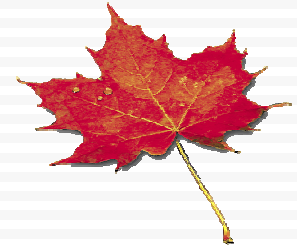
Equal Opportunity* — World Rank



Source: IMD * Race, gender, family background does not pose a handicap for competitiveness.
Rank among 61 economies considered in the 2006 World Competitiveness Yearbook

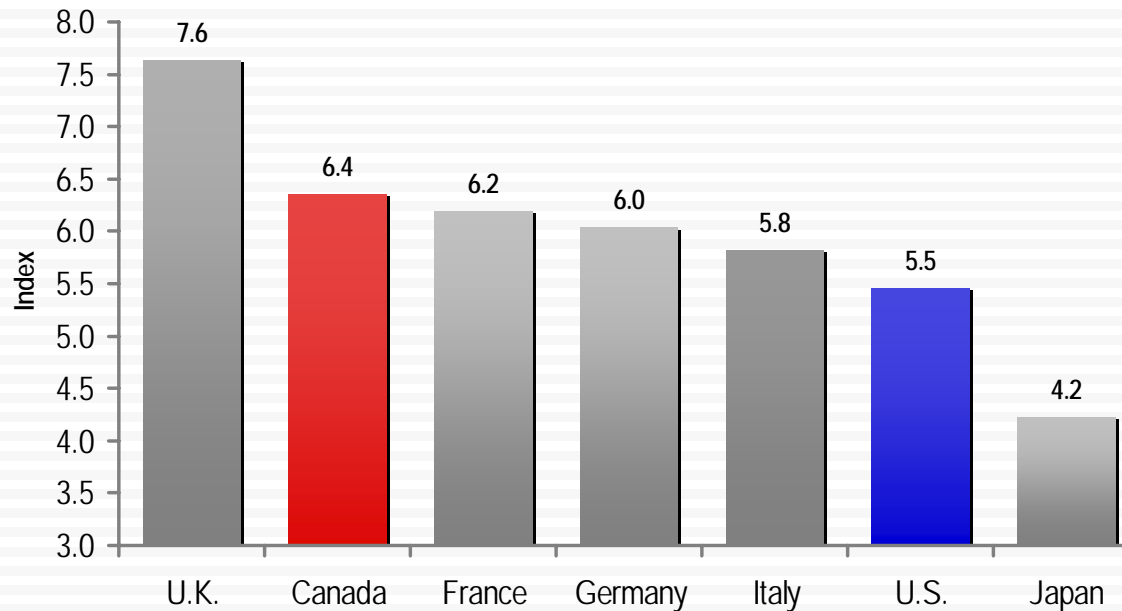


A Land of Equal Opportunity

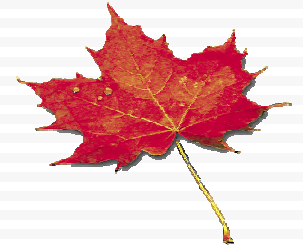


- Canada ranks among world leaders with immigration laws highly conducive to hiring foreign labour.

Immigration Laws Survey Score



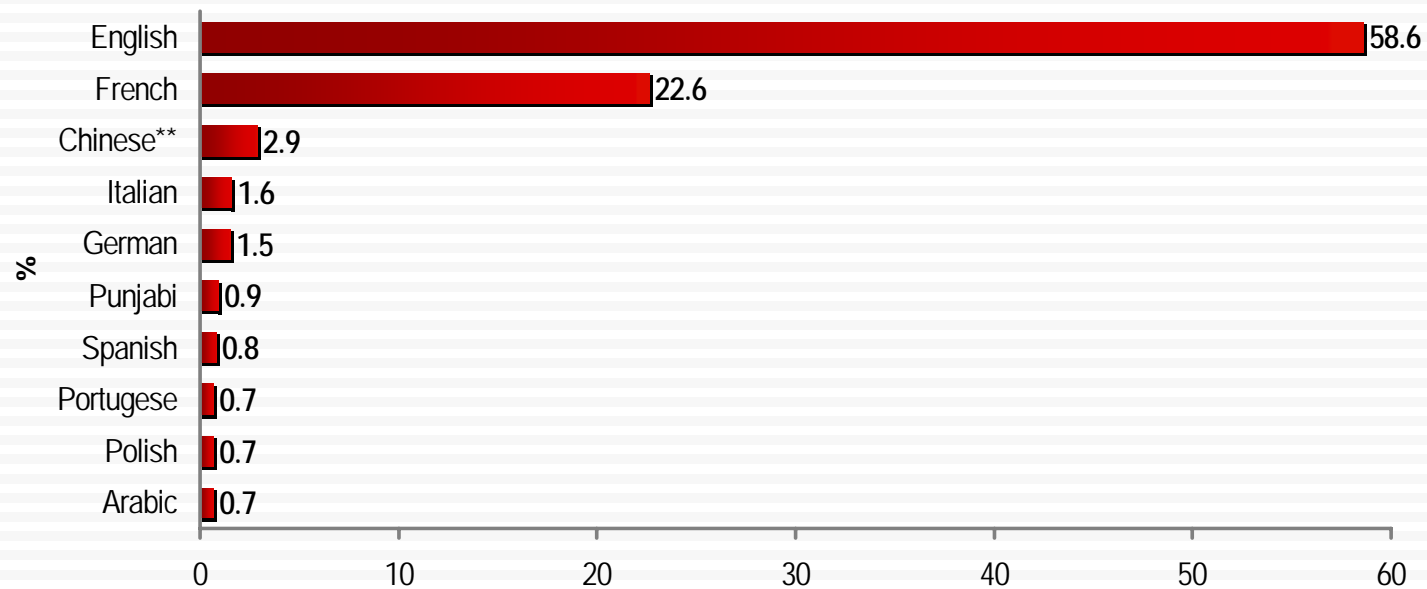
Source: IMD- World Competitiveness Yearbook 2006
(0 = prevents companies from hiring foreign labour / 10 = does not prevent companies from hiring foreign labour)



A Society Rich in Multiculturalism

- Canada has one of the world's most multilingual societies with over 100 languages identified as the mother tongue.

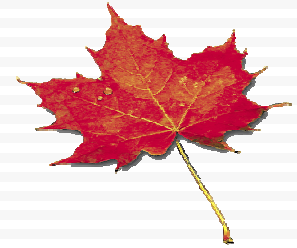
Top Ten Spoken Languages in Canada*
(% of Population)



Source: Statistics Canada, 2001 Census * based on mother tongue. ** includes Cantonese and Mandarin



Canada's Winning Secrets



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

Excellent Economic Fundamentals

- Overall government budget in surplus
- Low inflation and low interest rates

Easy Access to Markets

- Geography and NAFTA provide easy access to the world's most prosperous market

A Cost-Competitive Business Environment

- Competitive tax system (particularly for R&D)
- Low start-up and overall business costs

An Energetic and Welcoming Infrastructure

- Ease in establishing a new business
- The world's best-educated workforce
- Strong technological environment
- Forward-looking framework policies

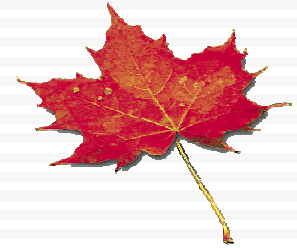
An Excellent Place to Live

- Superb overall quality of life
- A strong environmental record
- A society rich in multiculturalism

Think Dynamic. Think Competitive. Think Bottom Line.
Think **Canada.**



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 Investment Promotion Bureau of the Department of Foreign Affairs and International Trade Canada is well positioned to assist in attracting and expanding your investment. We invite you to explore all that Canada has to offer.

Please contact your local Canadian Embassy,
High Commission or Consulate, or write to us at:

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