

Canada - A Strategic Choice

Think Dynamic.
Think Competitive.
Think Bottom Line.

Think **Canada.**

September-October 2007





Canada - A Strategic Choice

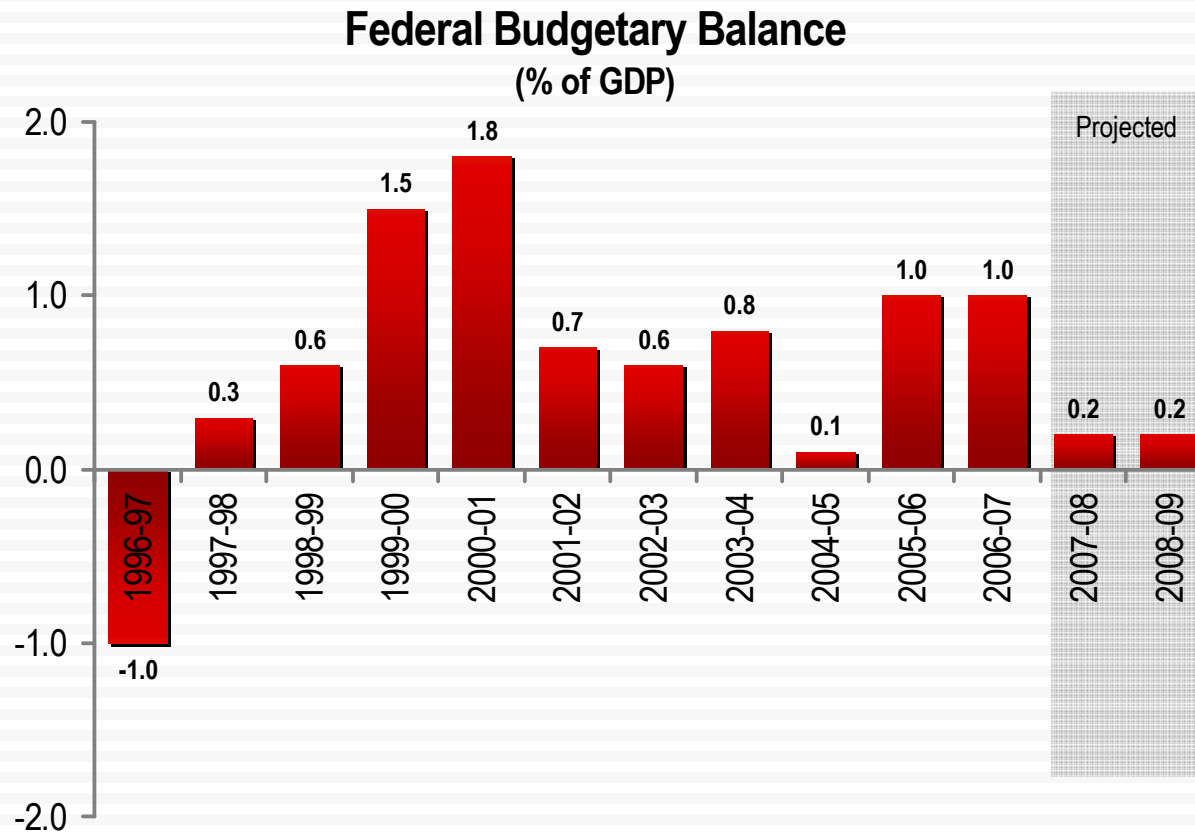
Excellent Economic
Fundamentals





A Strong Fiscal Framework

- Canada became the first G-7 country to post a surplus in the 1990s and reported its tenth consecutive annual surplus in fiscal year 2006-07.
- Balanced budgets or better are expected for at least the next two fiscal years.



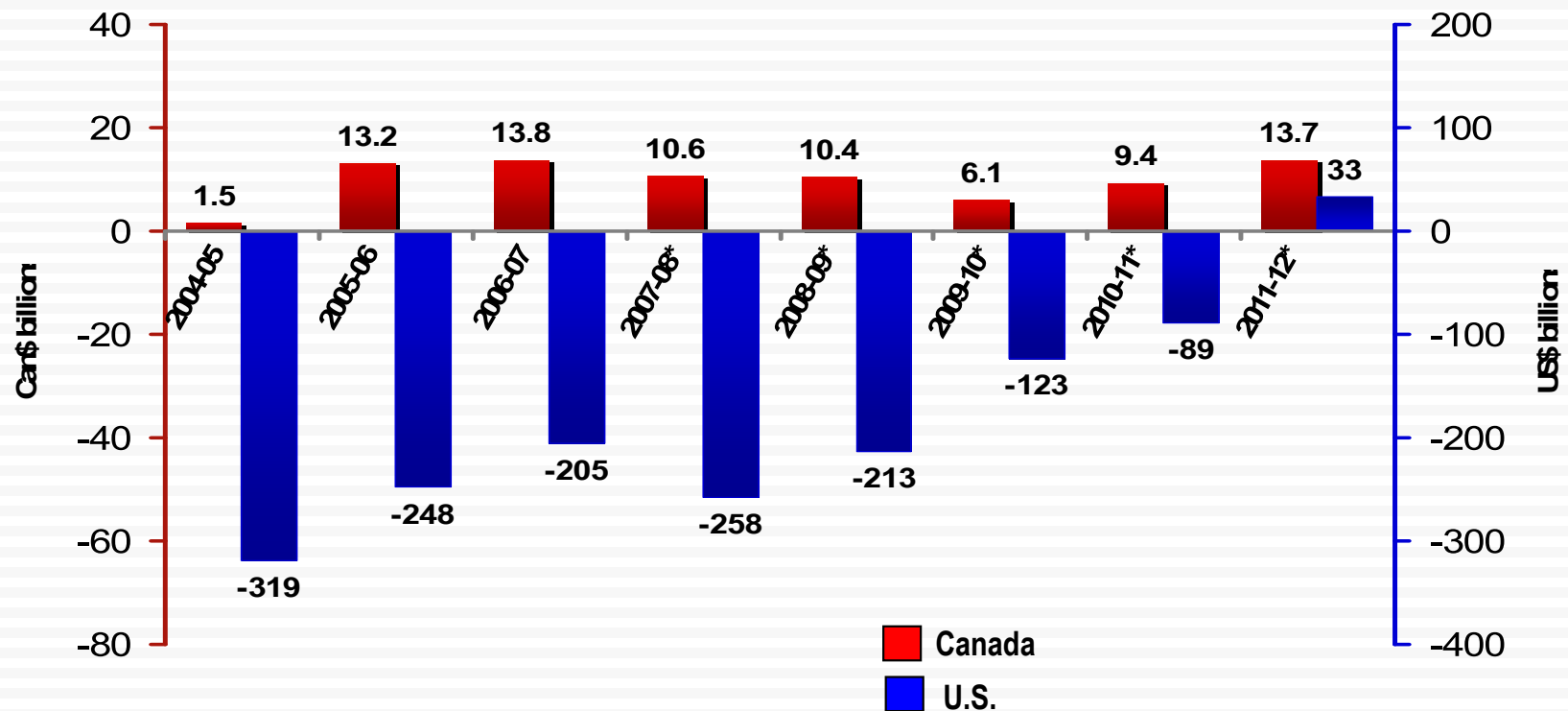
Source: Annual Financial Report of the Government of Canada 2006-07, Finance Canada September 27, 2007



An Appealing Forecast for Canada

- Canada's federal government reported its tenth consecutive annual surplus in fiscal 2006-07.
- The U.S. will continue to experience deficits at least until fiscal 2010-11.

Federal Government Budgetary Balance



* Forecasts for both countries

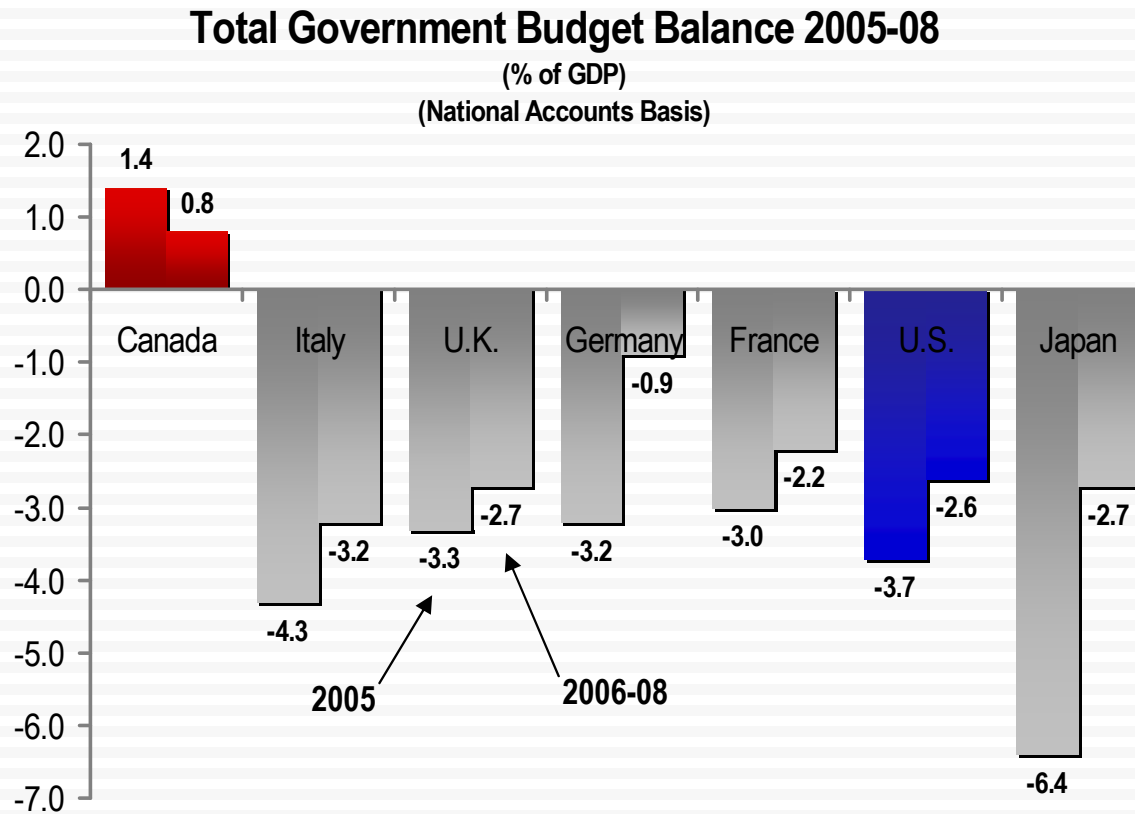
Source Canada: Annual Financial Report of the Government of Canada 2006-07, Finance Canada September 27, 2007

Source United States: Mid-Session Review, Budget of the United States Government Fiscal Year 2008, July 11, 2007.



Leading All Other G-7 Countries

- Canada was the only G-7 country in surplus in 2005 and this is expected to continue in the 2006-08 period.



Source: OECD Economic Outlook, Number 81, June 2007



Backed by a Robust Canadian Dollar

- Unlike the US dollar, the Canadian dollar has maintained stability with the euro in the past 7 years
- The appreciation of the Canadian dollar signifies a robust economy
- A rising dollar benefits:
 - **Exporters**, who benefit from lower input costs, given the 40% import content of exports.
 - **Investors**, who will spend less money on investment in imported machinery and equipment, thus paving the way to increased productivity.
 - **Consumers**, who can import foreign products for consumption at cheaper prices, consistent with their tastes and preferences.
- Despite a stronger Canadian dollar, the operating profit margin (operating profit as a proportion of total revenue) of Canadian corporations increased for a fifth straight year in 2006 to an all time high of 8.5%, according to Statistics Canada,. At the end of the first half of 2007, the operating profit margin stood at 8.4%.

Exchange Rate (\$CD/\$US) - 2007

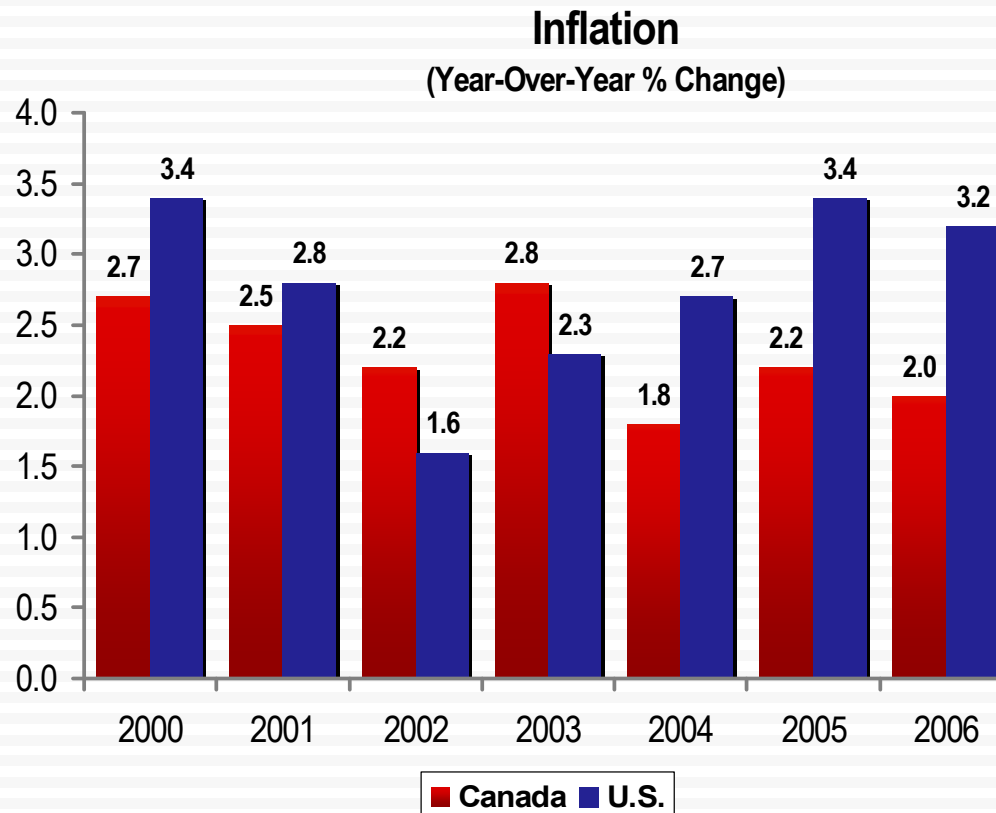


Source: Bank of Canada



Low Inflation Rates

- Canada's targeted inflation rate is locked between 1% and 3% and has been extended until 2011.
- With low inflation over the past decade, Canada is considered among low inflation countries.
 - Over the past five years, Canada's inflation rate averaged 2.2%, compared to 2.6% for the U.S.



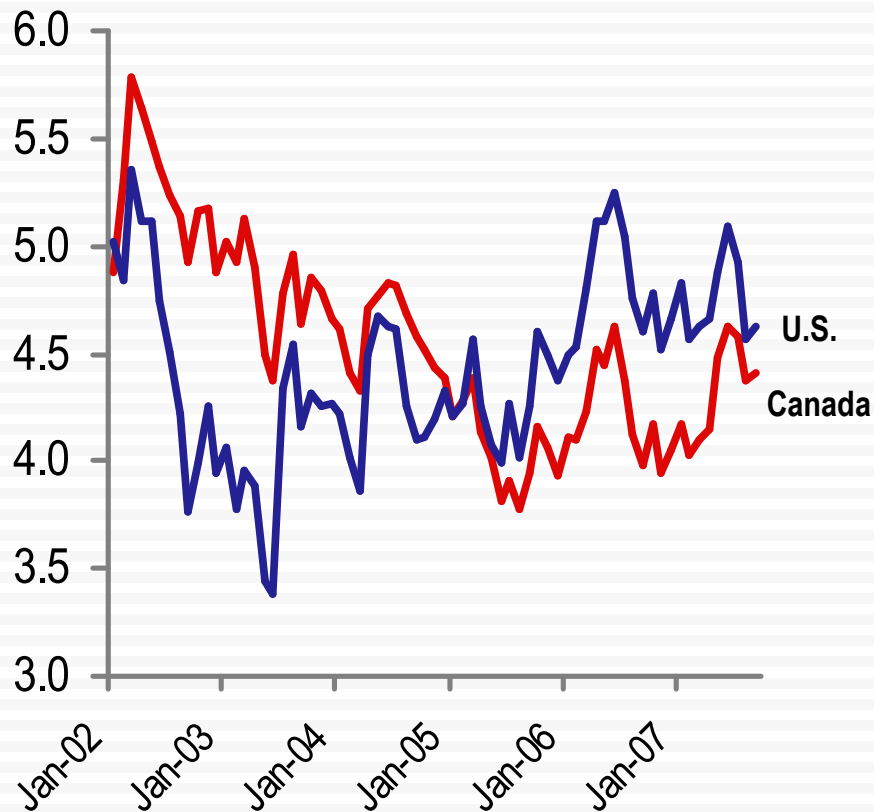
Sources: Statistics Canada and the Federal Reserve Bank of St. Louis (FRED II Database), January 2007



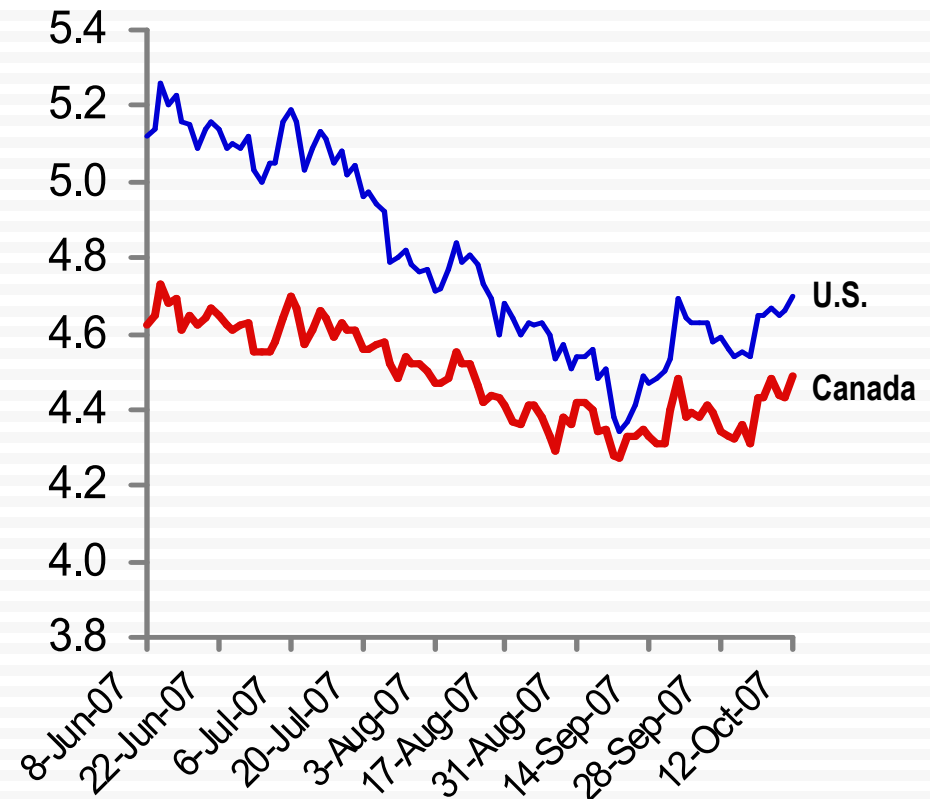
Low Interest Rates

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

Long-Term Bond Yields (%)



Daily Yields (%)

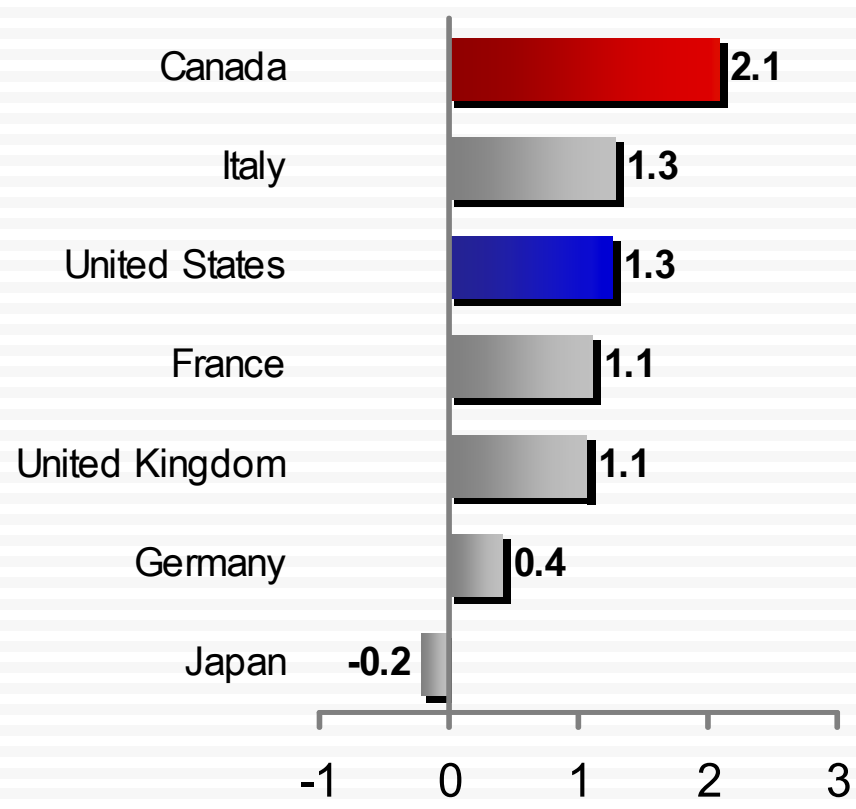




Superior Growth in Employment

- 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**



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

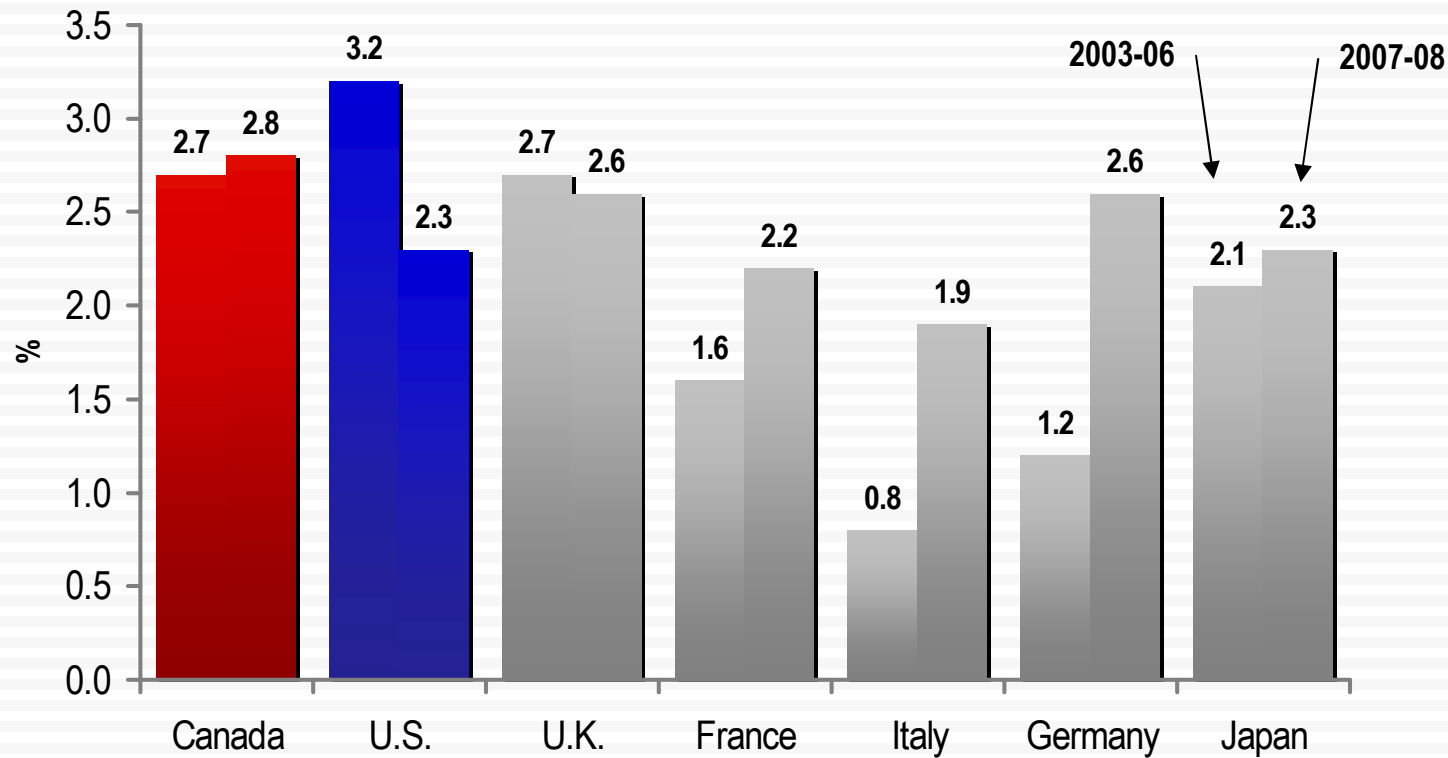


A Growing Domestic Economy

- Canada has been a top performer among the G-7 in GDP growth over the 2003-06 period and is expected to continue its dynamic performance over the 2007-08 period.

Real GDP Growth Projections (%) - OECD

OECD Economic Outlook, Number 81, June 2007

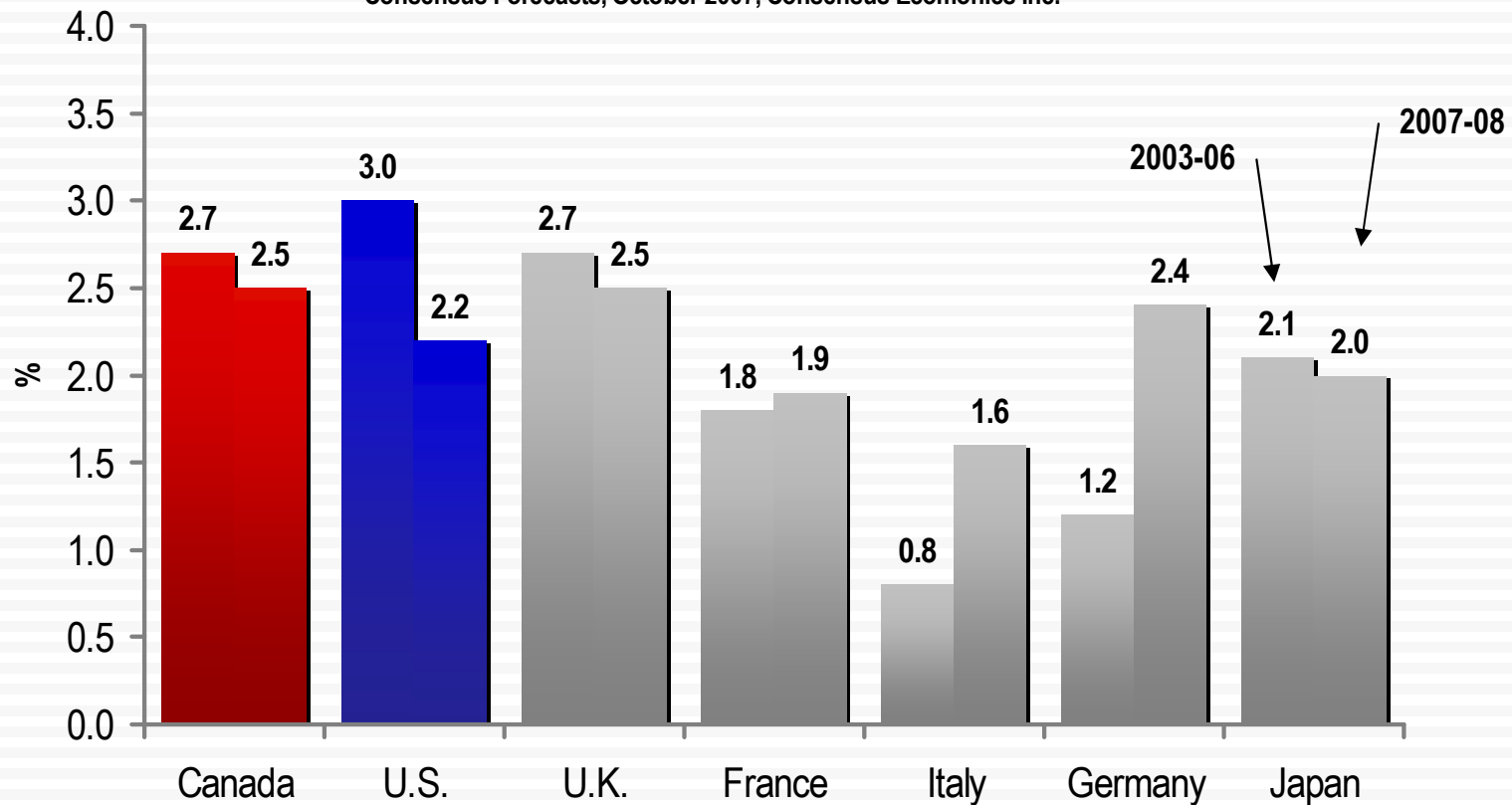




A Growing Domestic Economy

Real GDP Growth Projections (%) - Consensus Economics Inc.

Consensus Forecasts, October 2007, Consensus Economics Inc.





Canada - A Strategic Choice

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



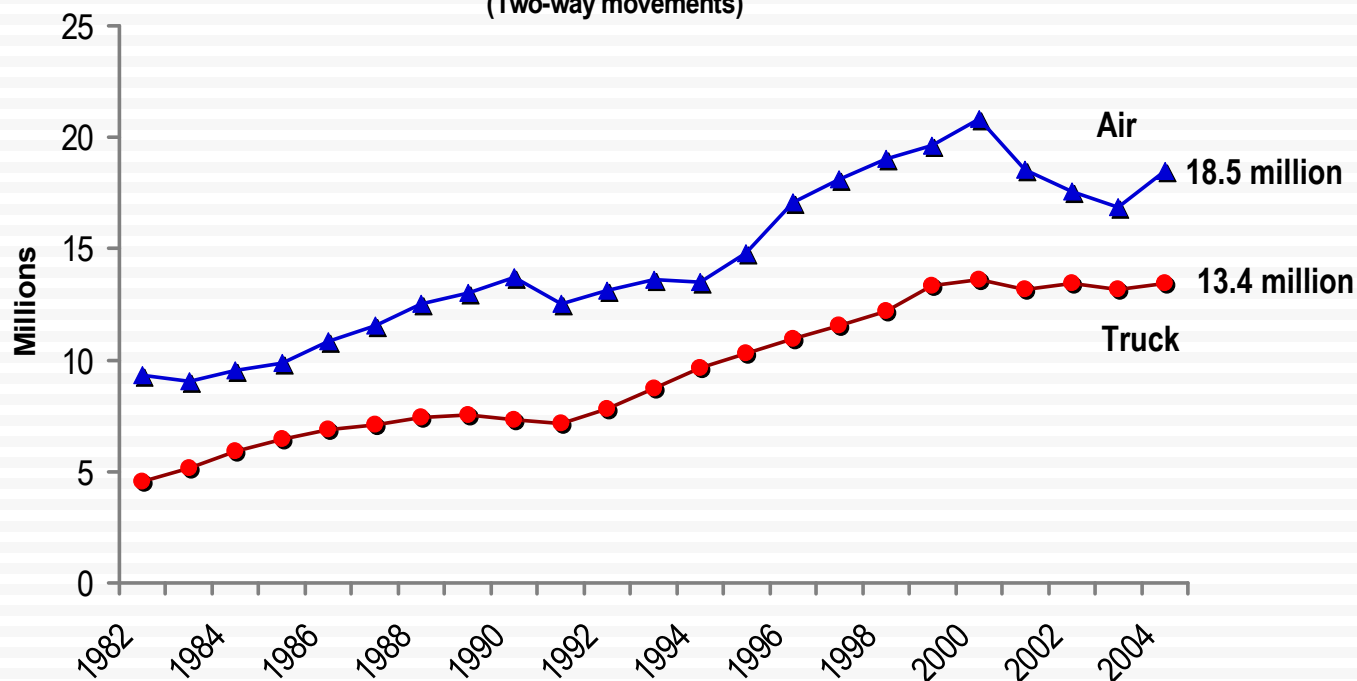
Streamlined Border Flows

- 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

Annual Transborder Crossings

Total Number of Trucks and Canada-U.S. Air Passengers

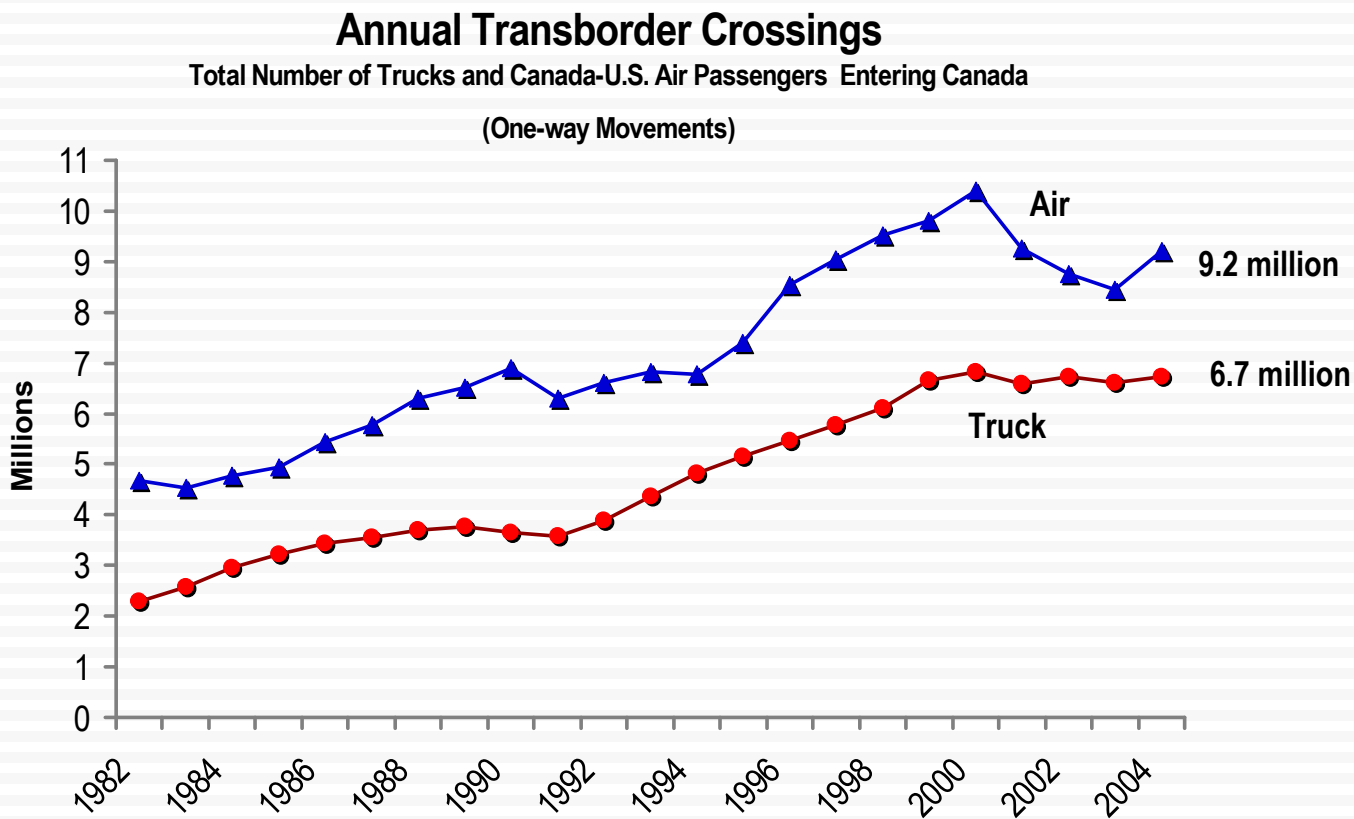
(Two-way movements)



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);
 - Harmonization of procedures 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 440 million consumers with a combined GDP (PPP*) of almost US\$16.0 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.

* PPP = Purchasing Power Parity (equalization of purchasing power of different countries in their home countries for a given basket of goods)



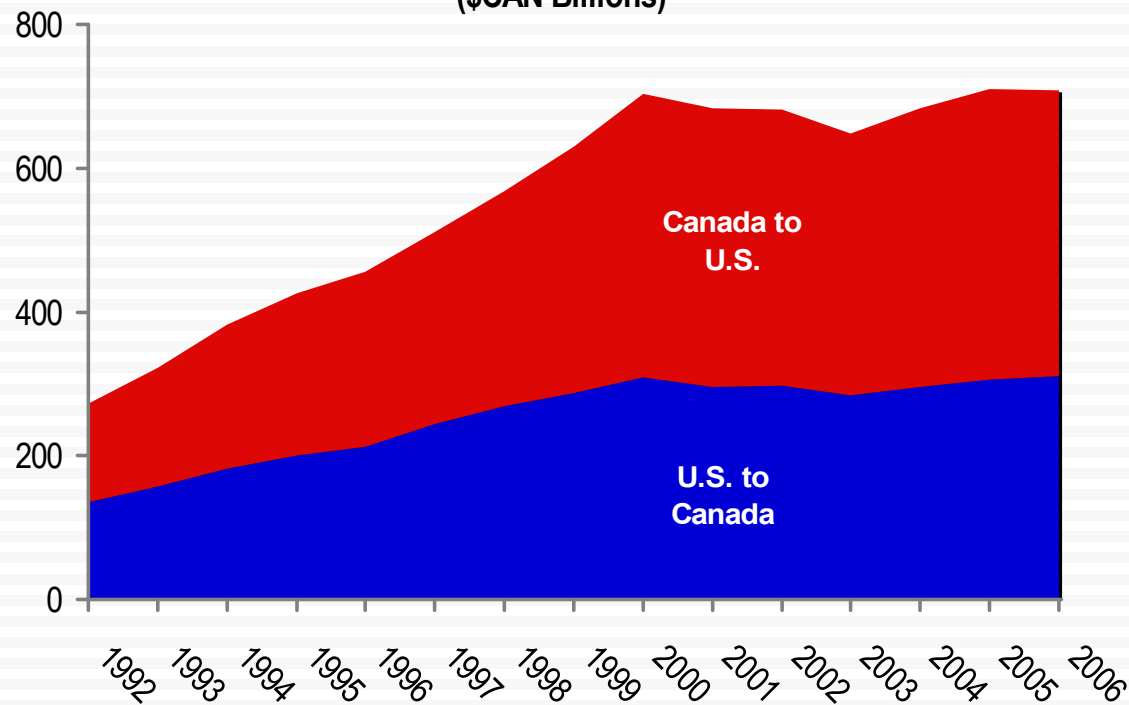


Canada is the United States' Largest Trading Partner – by Far



- Canada and the U.S. have the world's largest trade partnership, with two-way trade in goods and services amounting to CAN\$709 billion in 2006. 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, March 1, 2007

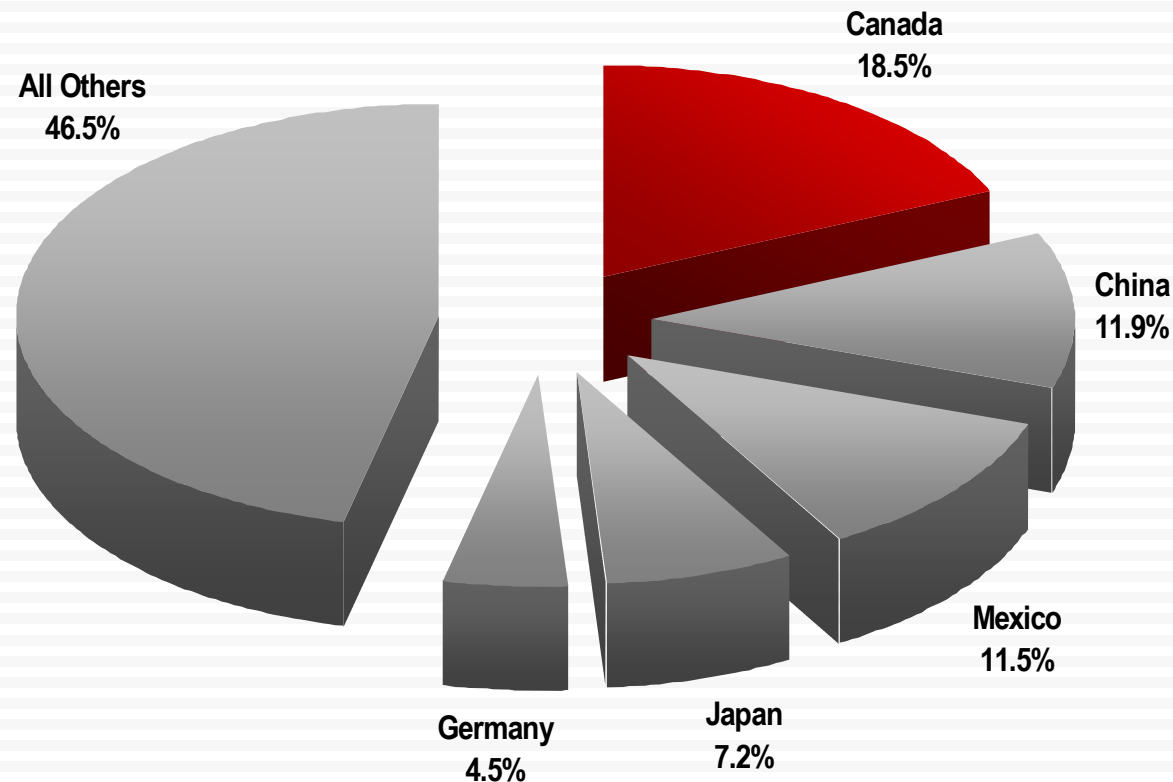


Canada is the United States' Largest Trading Partner – by Far



- 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* - 2006

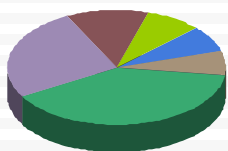


Source: World Trade Atlas * Merchandise trade, February 2007



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.

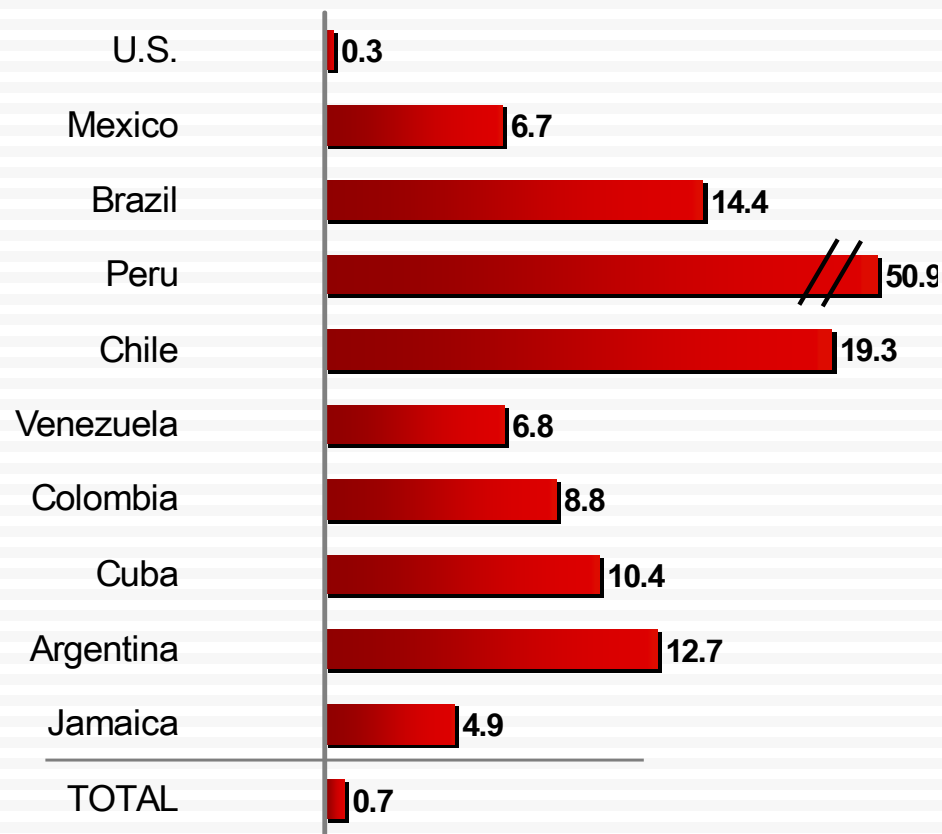


**Total Trade in Top Sectors 2006
CAN\$ Billions**

Transportation Equipment	151.8
Oil & Gas Extraction	70.2
Chemicals	48.7
Machinery	42.6
Primary Metal Products	40.4
Other Sectors	231.4
Total Trade	585.1

Canada's Trade with the Americas, 2001-2006

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





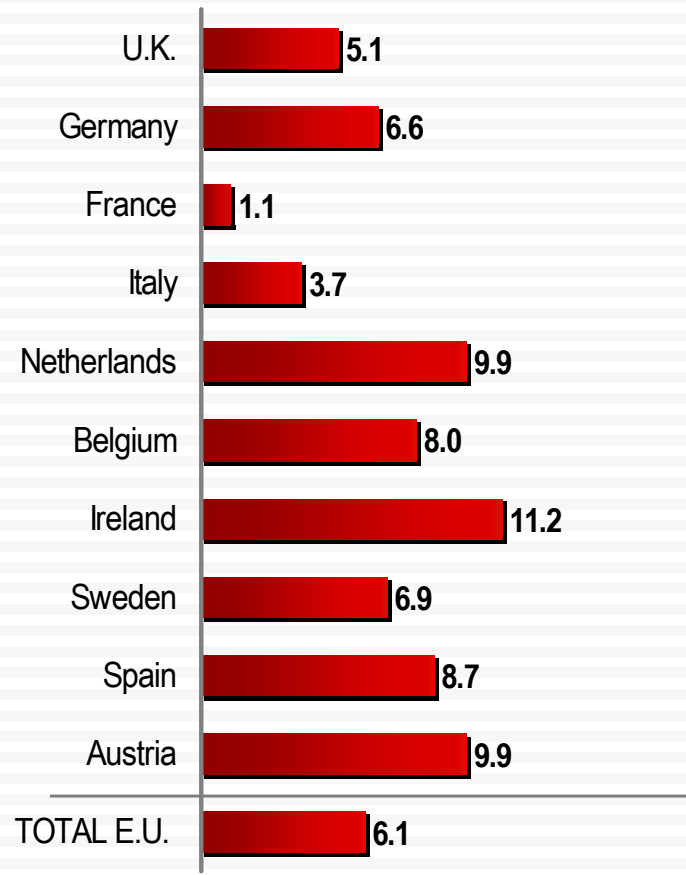
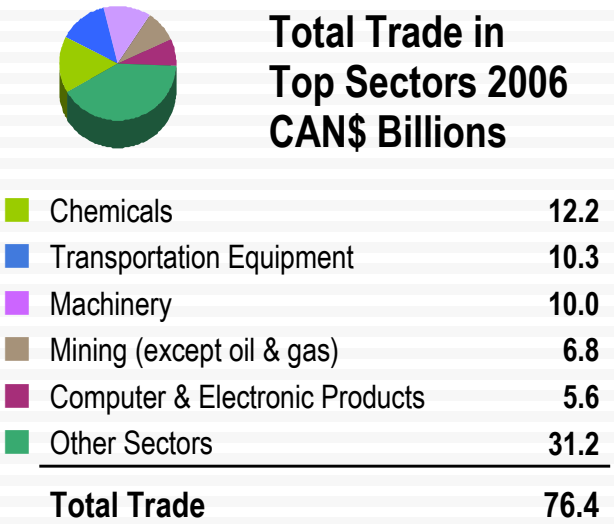
Strong Historical Trade Ties with Europe



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

Canada's Trade with the E.U., 2001-2006

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

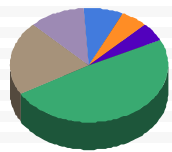




Unique Access to Asia-Pacific Markets



- 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.

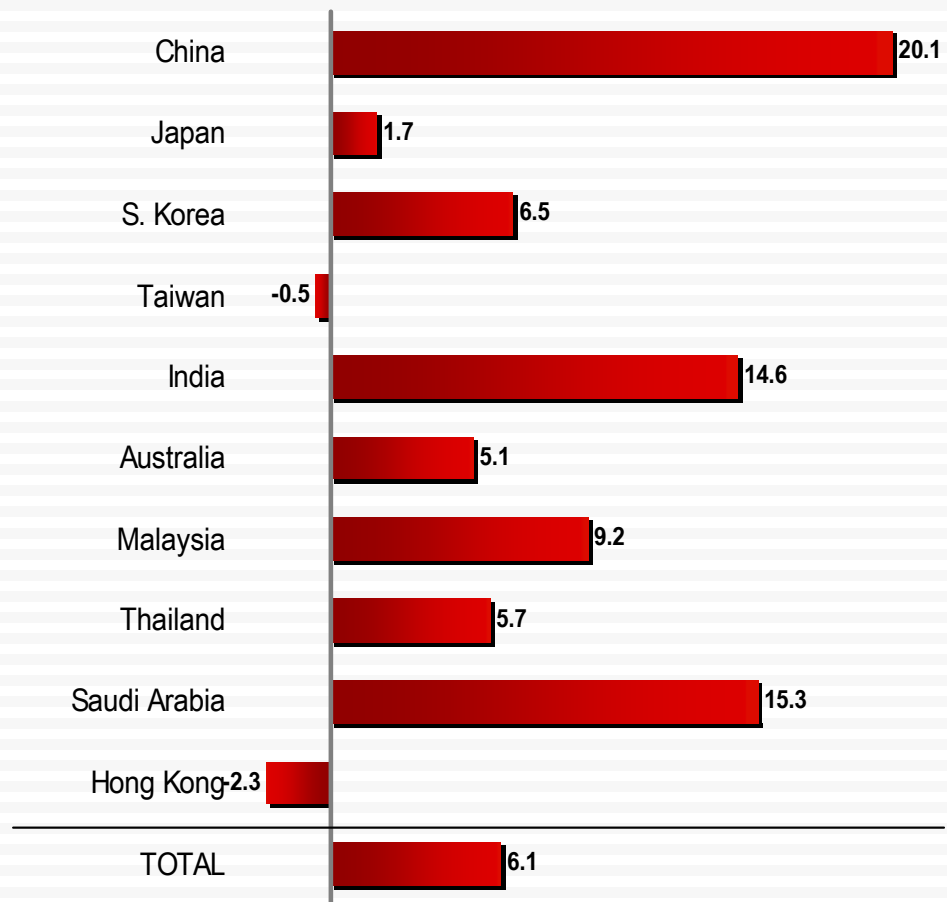


Total Trade in Top Sectors 2006
CAN\$ Billions

Computer & Electronic Products	23.1
Transportation Equipment	12.8
Machinery	8.9
Primary Metal Products	6.4
Clothing	5.8
Other Sectors	54.6
Total Trade	111.6

Canada's Trade with Asia-Pacific** 2001-2006

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





Efficient Transport Linkages between North America and Asia



- A reliable and efficient transportation system is key to facilitating 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 will improve the flow of people, goods and services across Canadian rail, roads, bridges and through our ports and airports.



Canada - A Strategic Choice

Growing
Foreign
Direct
Investment
Linkages

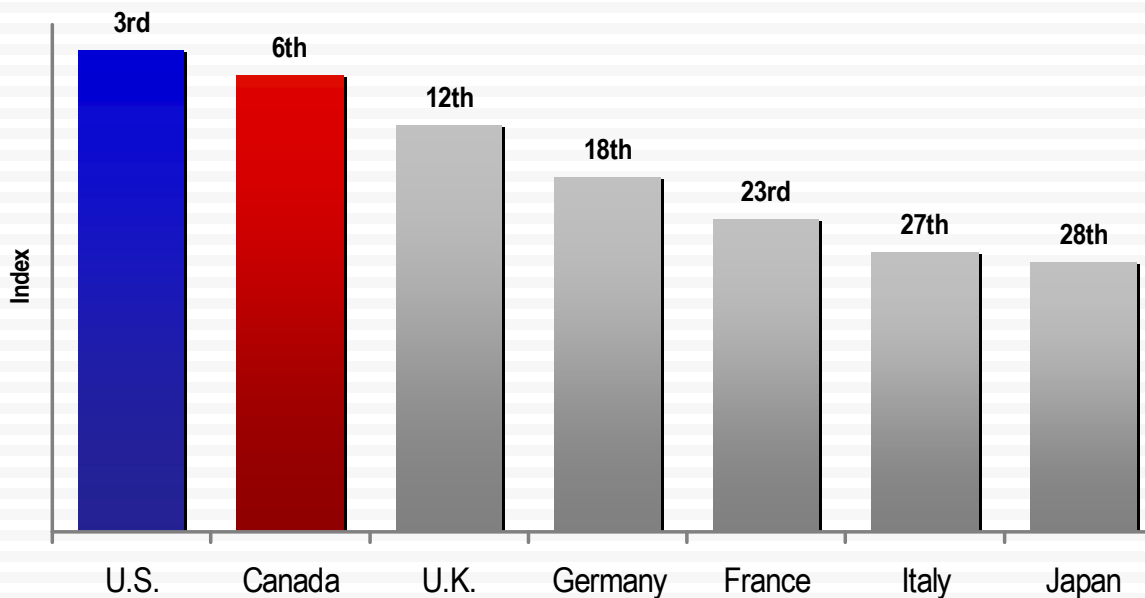




A Highly Globalized Infrastructure

- Due to its rapidly growing prominence as an outsourcing market of choice, Canada ranked second in the G-7 and sixth among 62 countries profiled in the recent A.T. Kearney/"Foreign Policy" Magazine Globalization Index*.
- In technological connectivity, one of the four components of the index, Canada's ranking rose from sixth place in 1999 to second in 2006.

Globalization Index Rankings, 2006*



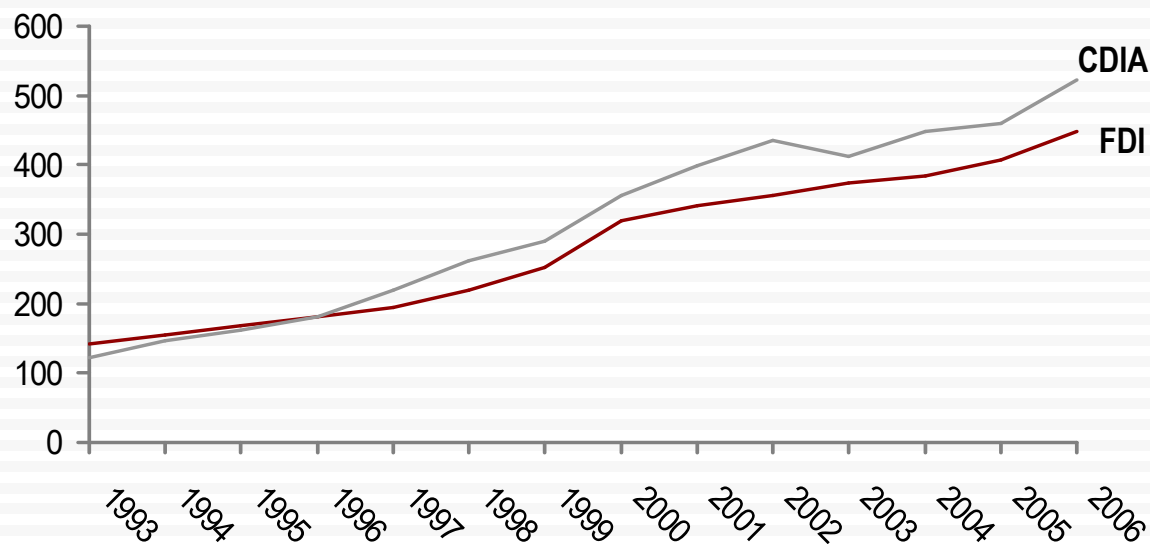
Source: A.T. Kearney/"Foreign Policy" Magazine, 2006 * Standing based on 12 characteristics under the headings of economic integration (trade and FDI), personal contact (telephone, travel, remittances & personal transfers), technological connectivity (internet users, internet hosts, secure servers) and political engagement (international organizations, UN peacekeeping, treaties, government transfers).

Driven by a Dynamic Two-Way Investment Process



- Over the past two decades, Canada has witnessed a substantial growth in both inward and outward FDI.
- Canada's inward FDI stock reached C\$449 billion in 2006, an almost 7-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 \$523 billion in 2006, an almost 19-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)



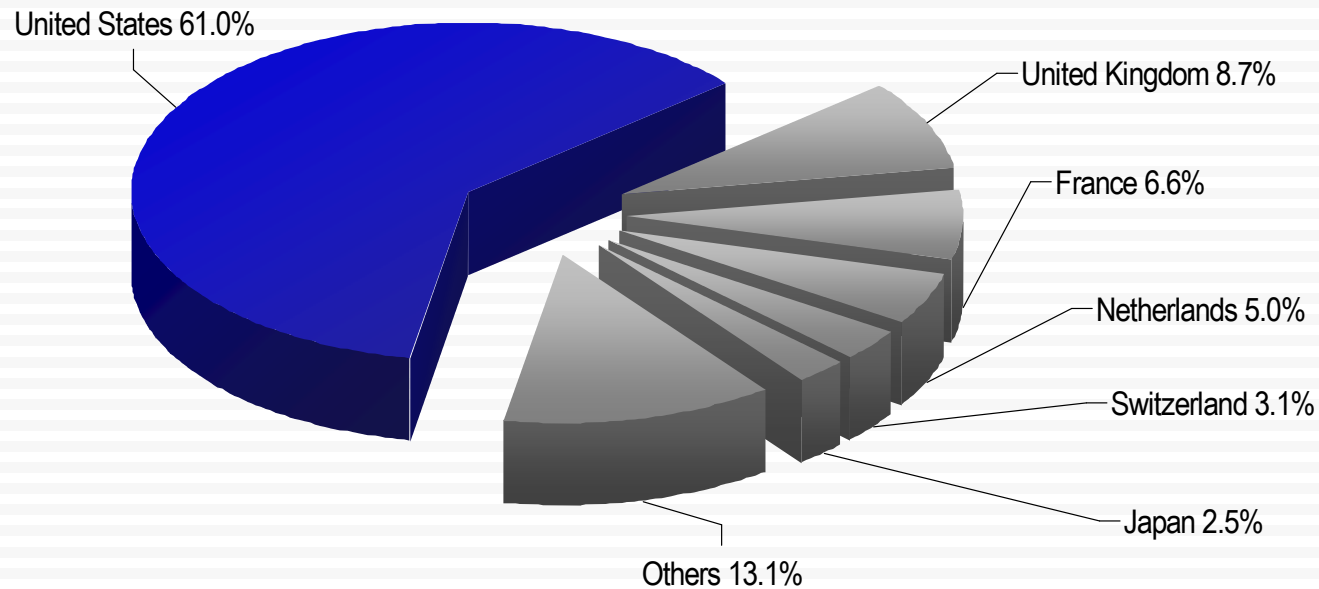
Source: Statistics Canada, May 9, 2007



The United States is Canada's Largest Source of FDI

- In 2006, the U.S. share of foreign direct investment (FDI) in Canada was 61.0%, close to its historical level of 64.2% in 1990.

**Geographic Distribution of Inward FDI Stock in Canada
2006**



Source: Statistics Canada, May 9, 2007

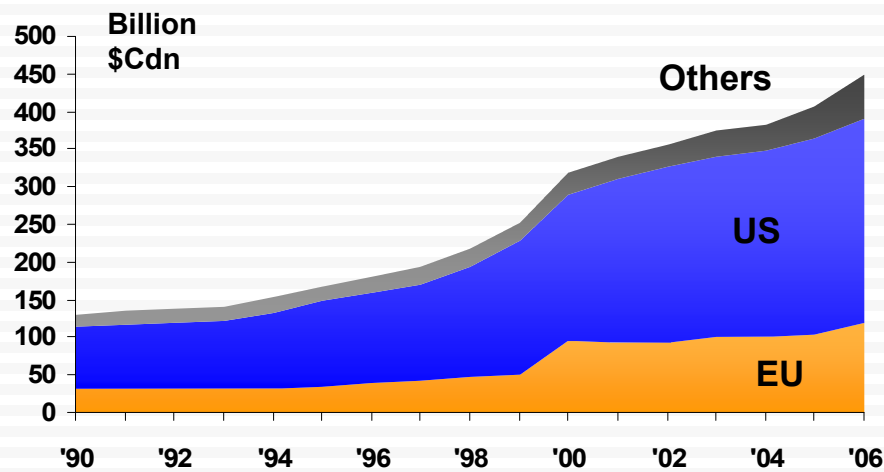


Outnumbering the EU by More than Two to One

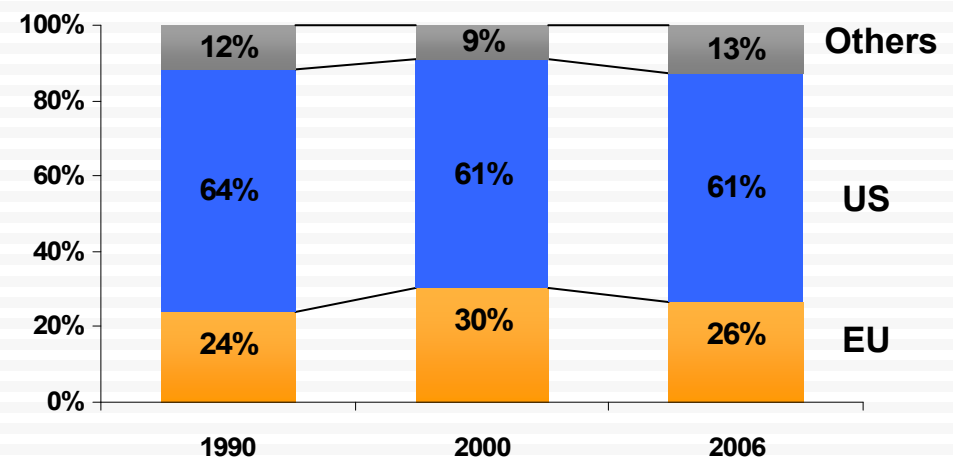


- From 2000-2006, the US share of FDI stock in Canada was unchanged at 61%, while that of the EU, the second largest contributor to FDI in Canada, declined from 30% to 26%.

Foreign direct investment in Canada by geographic area of origin 1990-2006



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



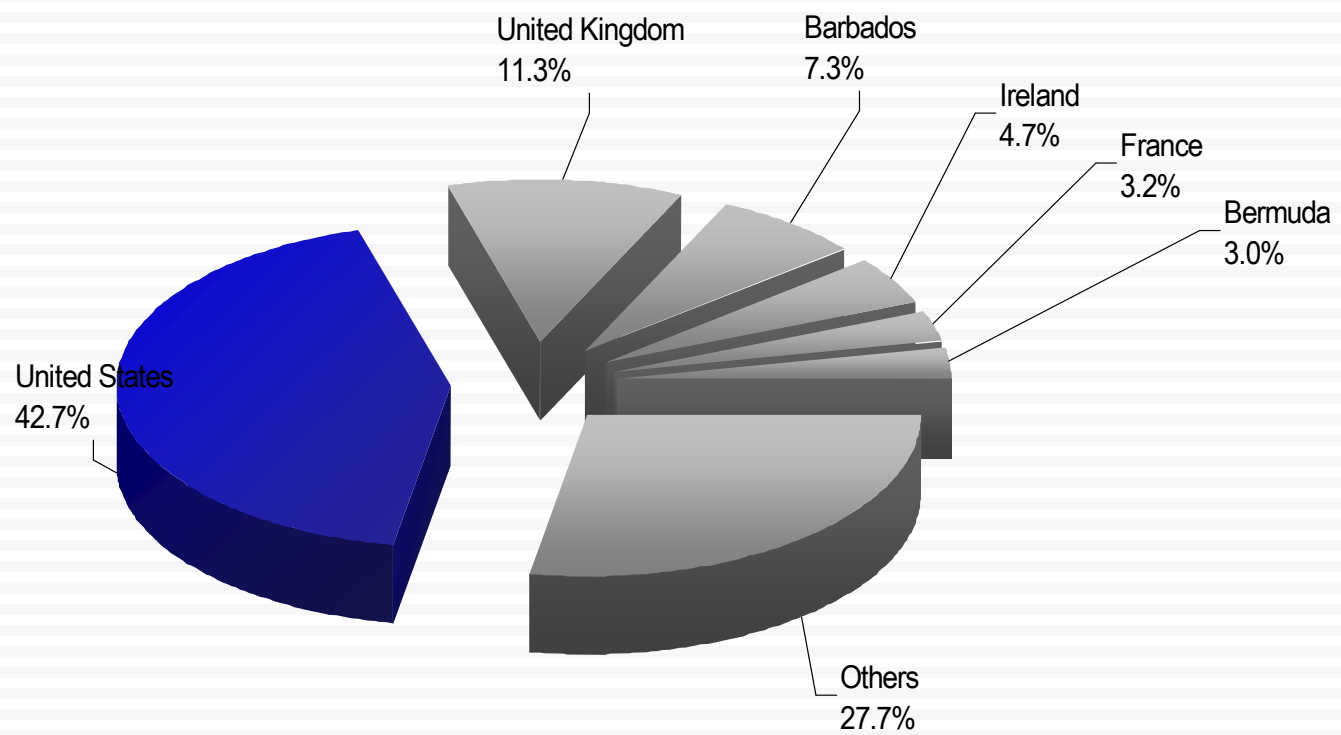
Source: Statistics Canada, May 9, 2007



The United States is the Largest Recipient of CDIA

- The U.S. share of outward FDI or Canadian direct investment abroad (CDIA) was 42.7%, down from 61.0% in 1990.

**Geographic Distribution of Outward FDI Stock from Canada
2006**



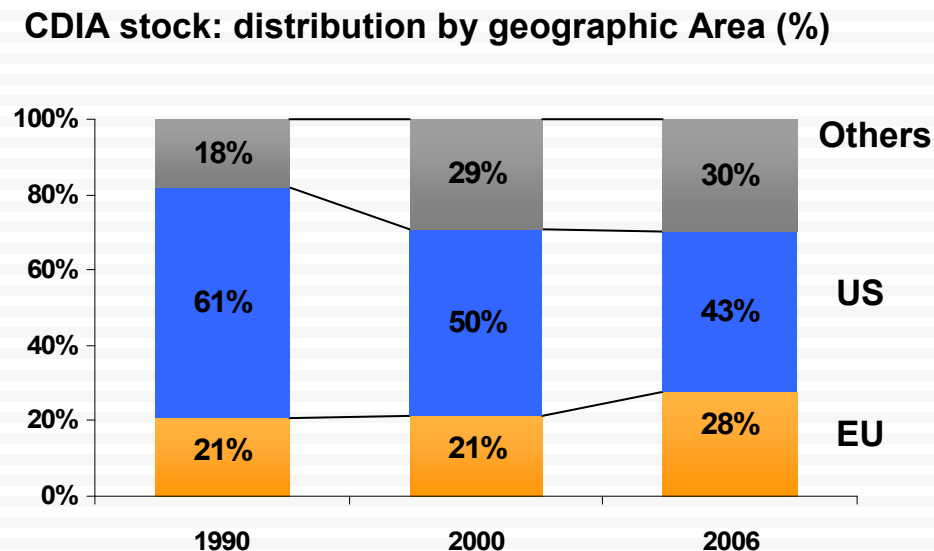
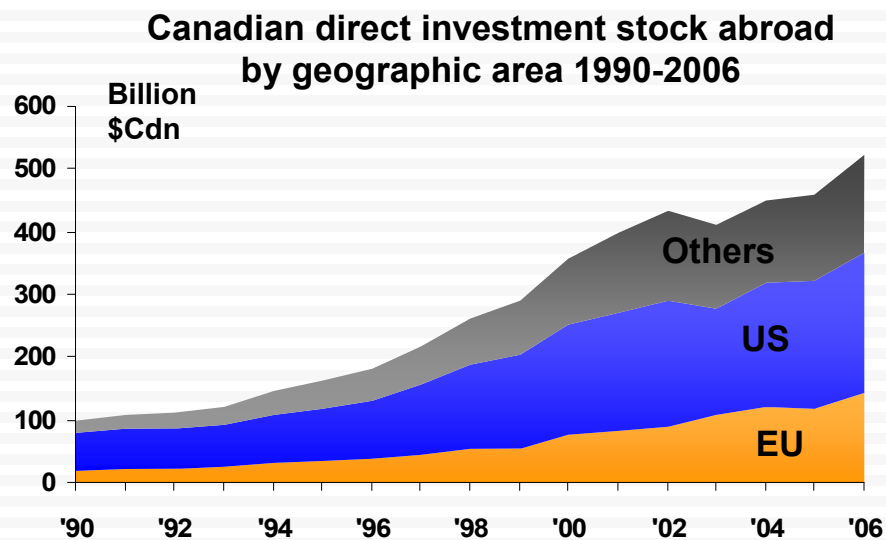
Source: Statistics Canada, May 9, 2007



The EU is Also An Important Destination for CDIA



- While the United States remains the largest single recipient of Canadian direct investment abroad, the EU has gradually been gaining ground in recent years.
- From 2000-2006, CDIA stock in the US declined from 50% to 43%, while that of the EU rose from 21% to 28%.



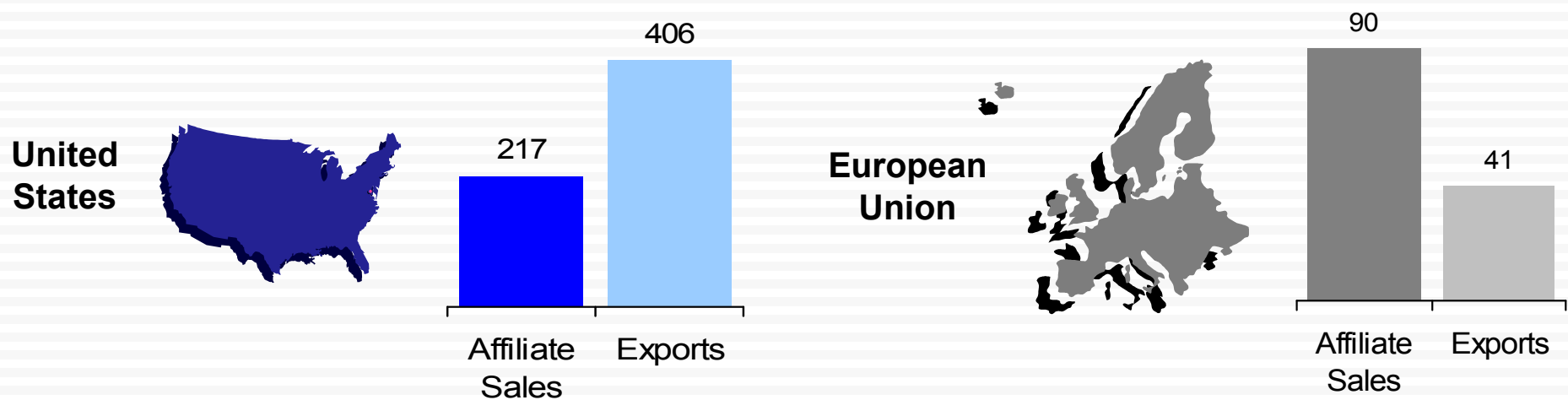
Source: Statistics Canada, May 9, 2007

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), 2005



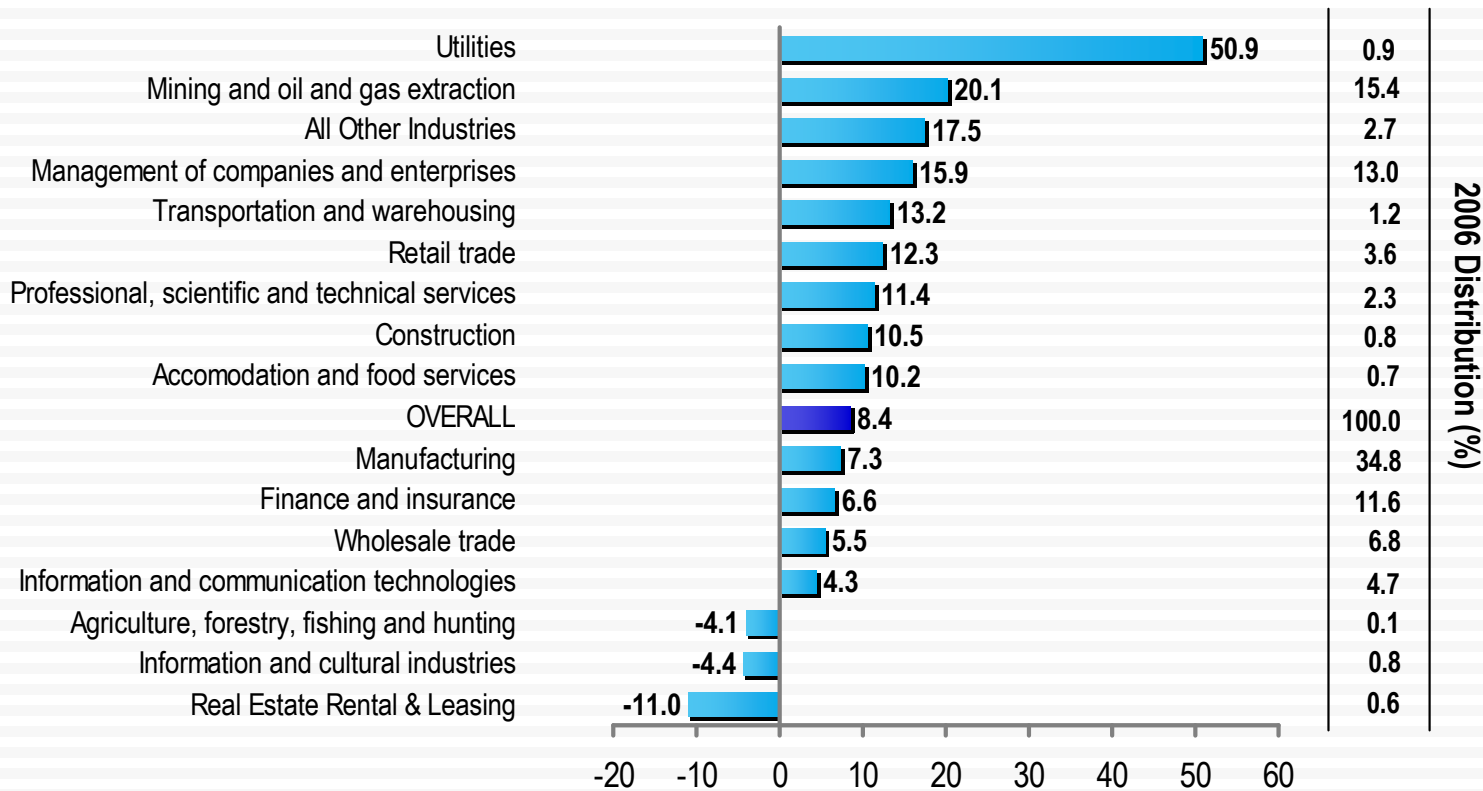
Source: IPS compilations based on data from Statistics Canada, September 2007

Canada Welcomes Foreign Investment



- Increasingly more investment goes toward industries such as manufacturing, mining and oil and gas extraction and the management of companies and enterprises. Since 1999, significant growth in terms of FDI has occurred in the utilities industry.

Average Annual Growth Rates of Foreign Direct Investment by Industry (%) 1999-2006*



Source: Statistics Canada, May 9, 2007

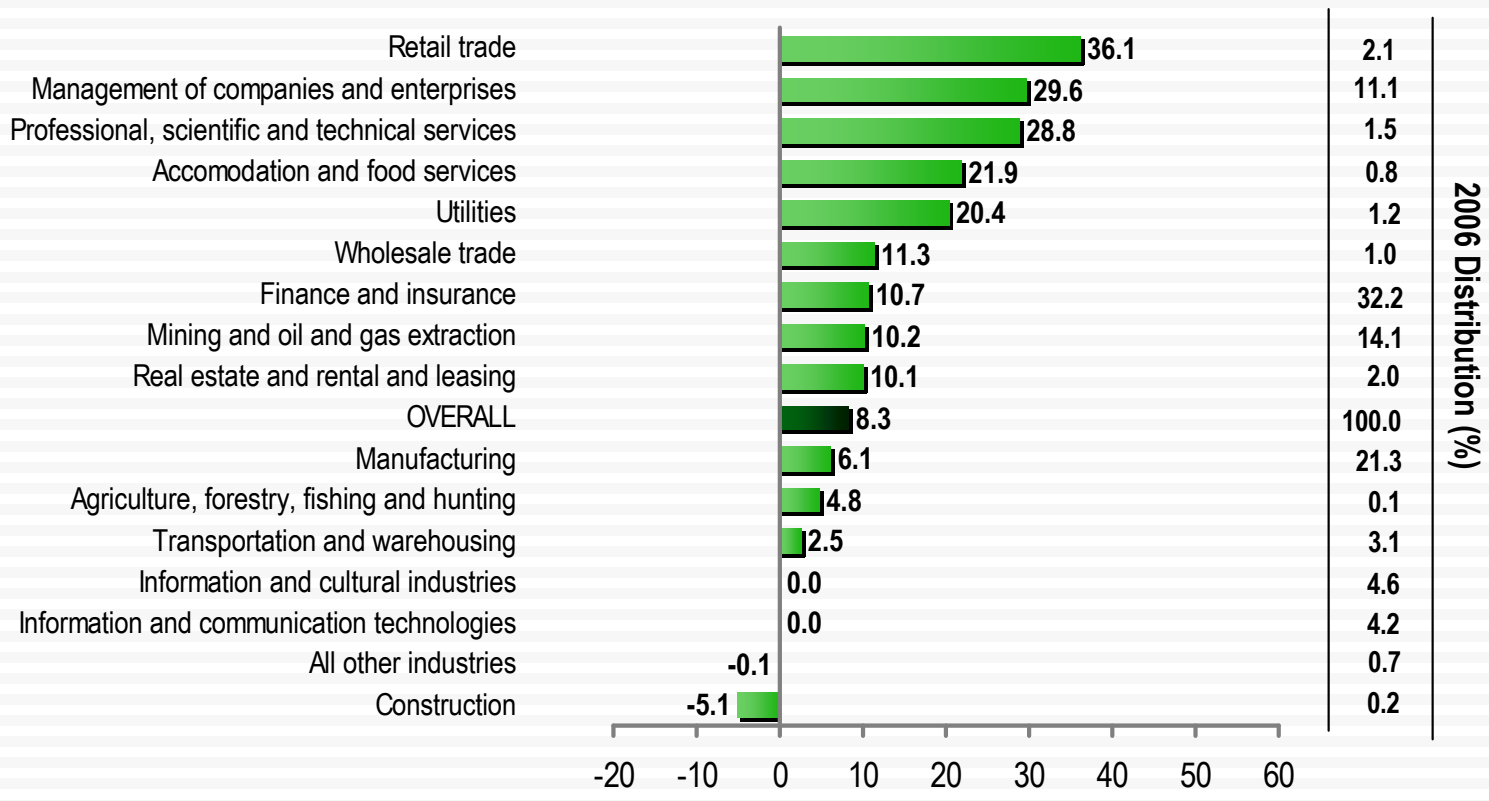
* North American Industry Classification System (NAICS)



Canada Actively Invests Abroad

- Canada's outward FDI is focused largely in the Finance & insurance, Manufacturing and Mining and oil and gas extraction industries. Management of companies and enterprises has seen significant growth since 1999 in terms of both FDI and CDIA.

Average Annual Growth Rates of Canadian Direct Investment Abroad by Industry (%) 1999-2006*



Source: Statistics Canada, May 9, 2007

* North American Industry Classification System (NAICS)



Canada - A Strategic Choice

A Cost-Competitive
Business Environment



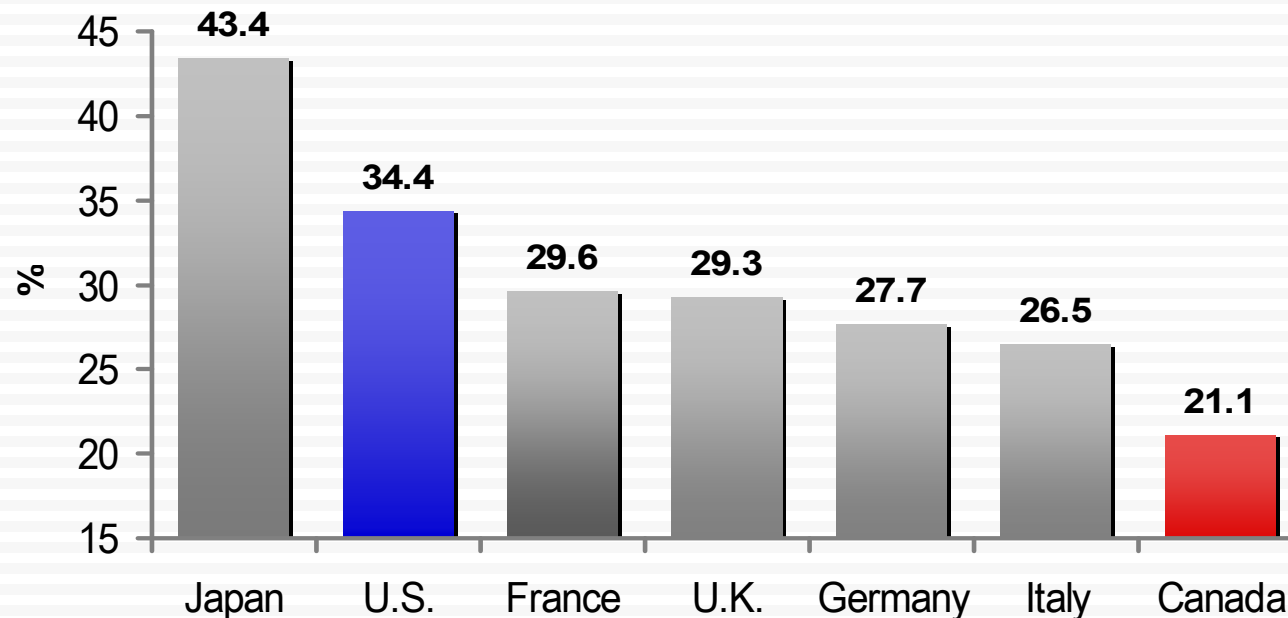


An Overall Tax Advantage for Firms to Expand in Canada



- The overall impact of the business tax system can be measured by the marginal effective tax rate (METR).
- By 2011, when the measures proposed in the March 2007 Federal Budget and provincial measures such as retail sales tax harmonization and elimination of capital taxes are in place, Canada's METR will be the lowest in the G-7.

Overall Tax Burden on New Investment in 2011 with Proposed Corporate Income Tax Reduction (METRs)



Source: The Federal Budget, Finance Canada, March 19, 2007
Average federal and provincial/state corporate income tax rates.



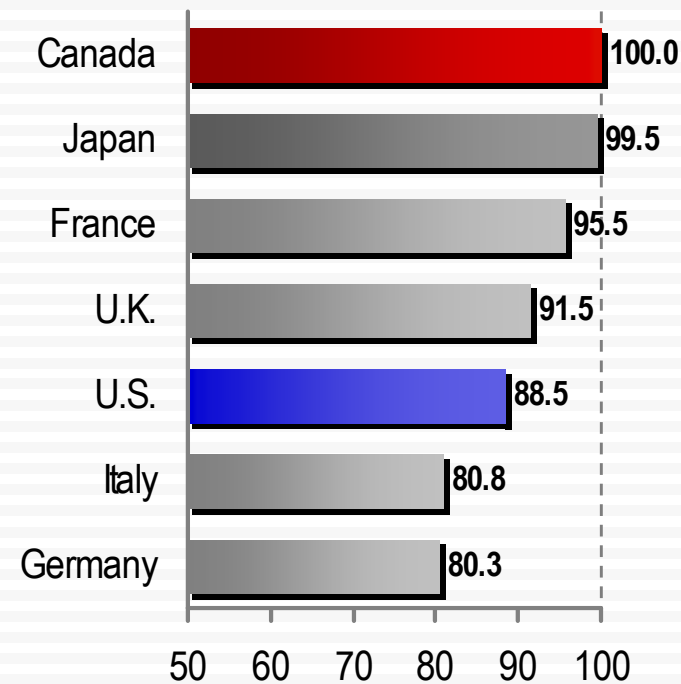
Quality R&D — Canada's Big Bargain



- 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 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 2006 Update, October 2006

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

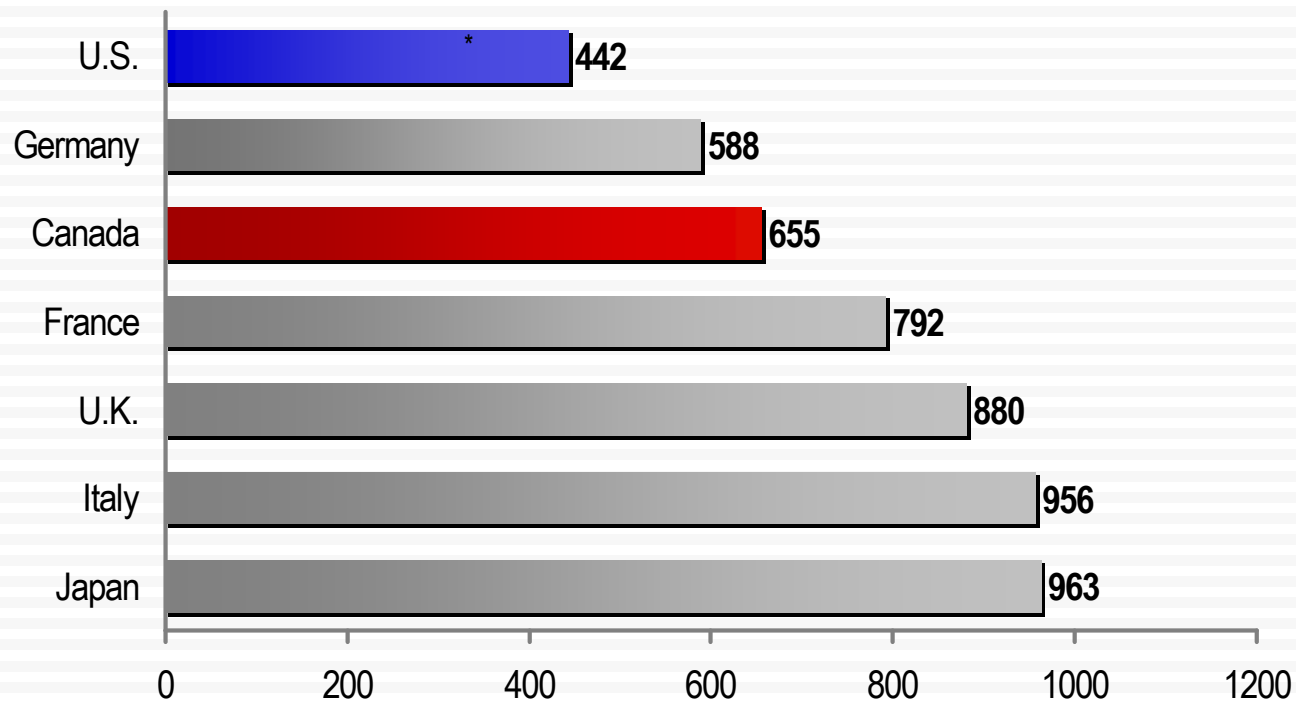


Competitive Business Telephone Charges



- Canada's business telephone charges are relatively low among G-7 countries.

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



* Business (small and medium-sized enterprises) basket of telephone charges include fixed access and 84,000 calls broken down according to distance, destination (fixed, mobile and international), time of day over a one-year period.

**PPP = Purchasing Power Parity (equalization of purchasing power of different countries in their home countries for a given basket of goods)

Source: OECD Communications Outlook 2007

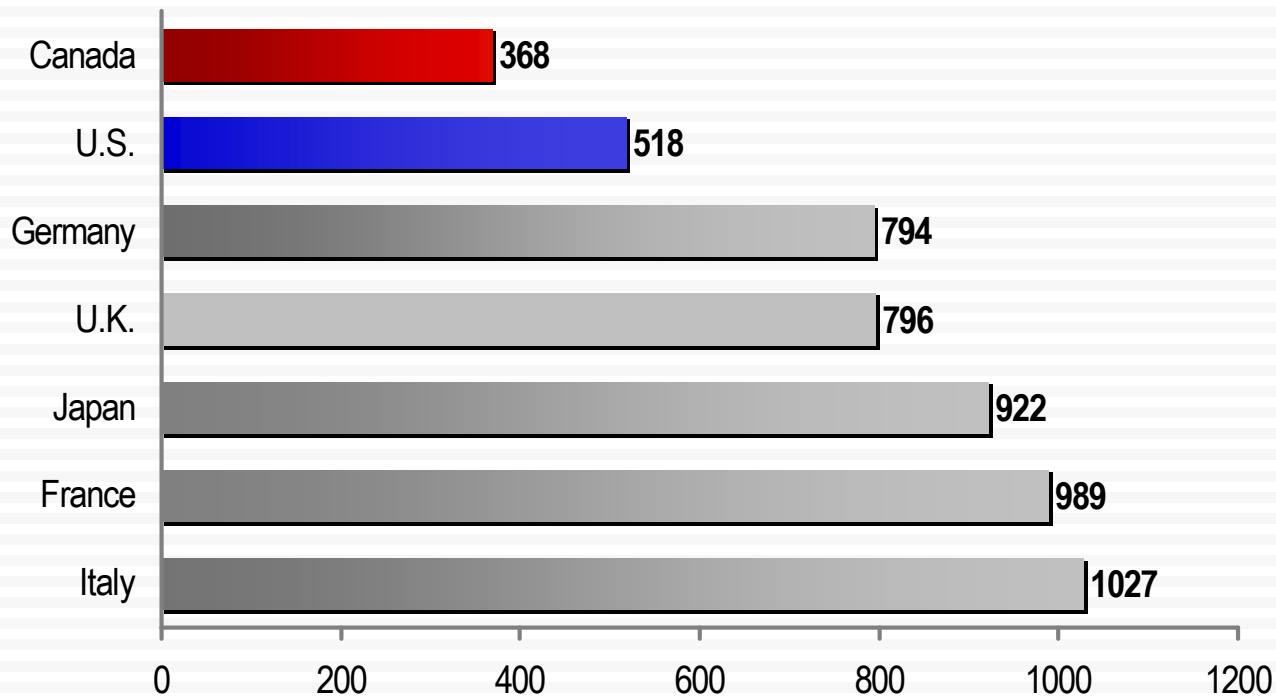


The Most Affordable Residential Telephone Charges



- Canada has the lowest residential telephone charges among the G7 and OECD countries.

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



* High usage basket of residential telephone charges include fixed access and 84,000 calls broken down according to distance, destination (fixed, mobile and international), time of day over a one-year period.

** PPP = Purchasing Power Parity (equalization of purchasing power of different countries in their home countries for a given basket of goods)

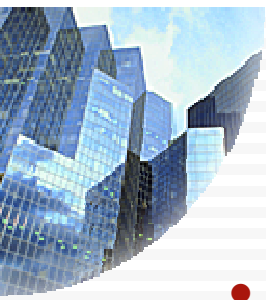
Source: OECD Communications Outlook 2007



Canada - A Strategic Choice

A Dynamic
and Welcoming
Infrastructure

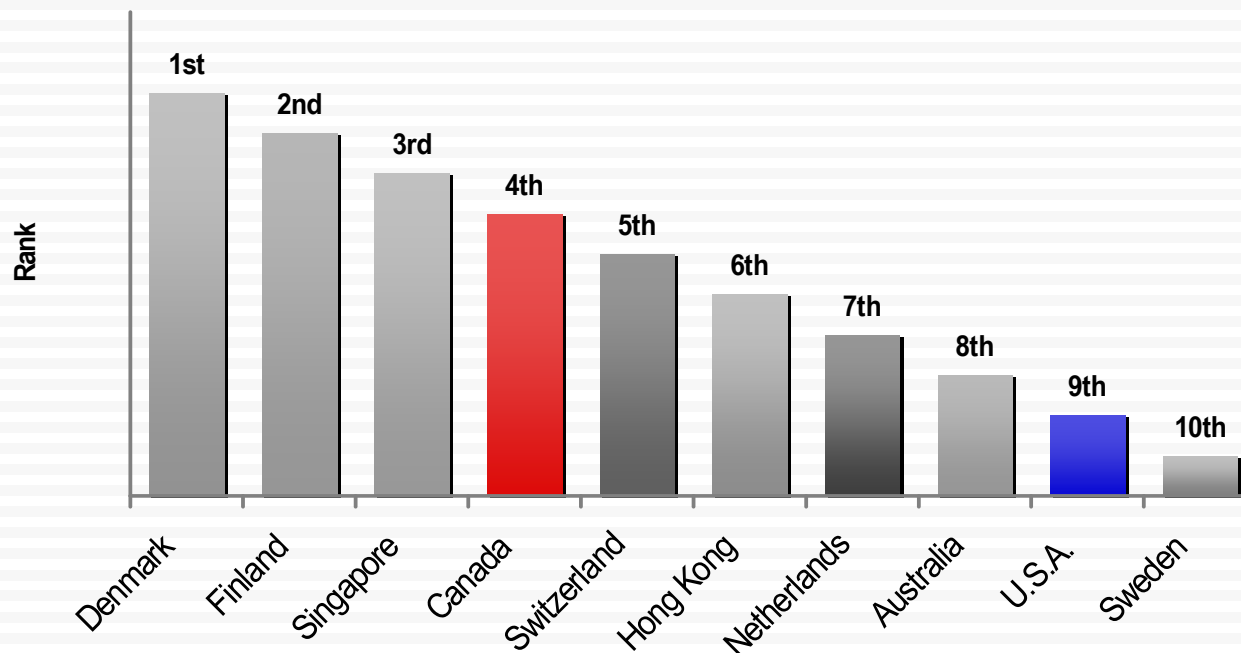




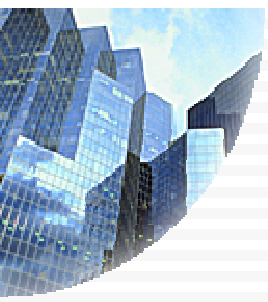
Positive Business Climate

- Canada understands the importance of its business community and has created an environment to encourage its success.
- Canada ranked first in the G-7 and fourth out of 82 countries in the Economist Intelligence Unit's global business rankings for the forecast period (2008-12), up from second in the G-7 behind the U.S. and fifth out of the full 82 countries from the historical period (2003-2007).
- The country ranks well for its infrastructure, market opportunities, taxes, and foreign trade and exchange controls.

**Business Environment of Top Ten Countries,
Rank for Forecast Period 2008-2012**



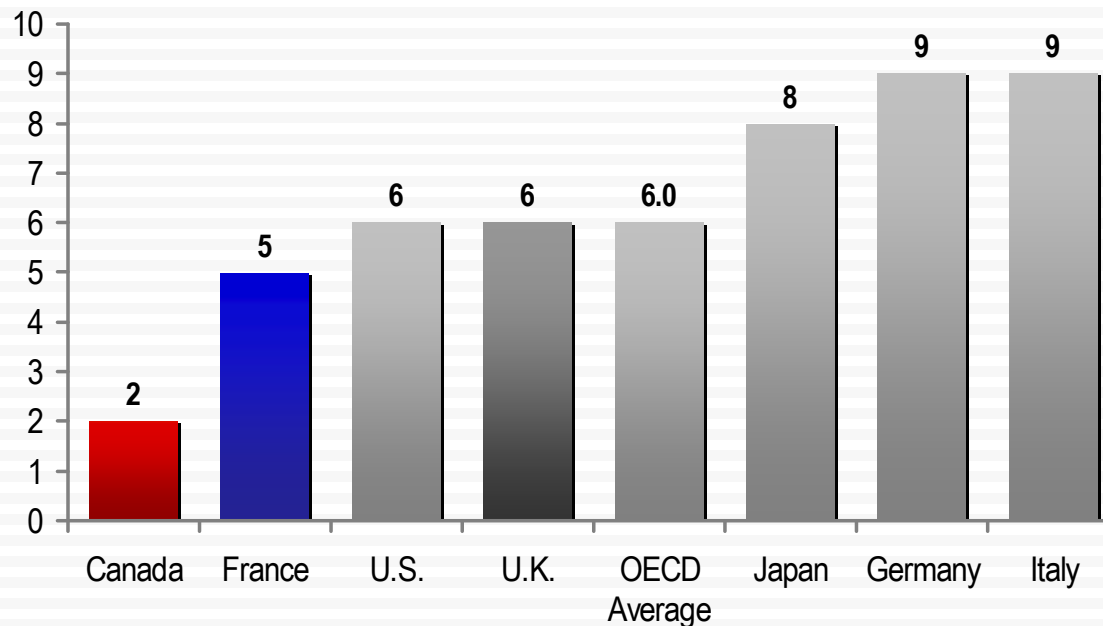
Source: The Economist Intelligence Unit, October 2007



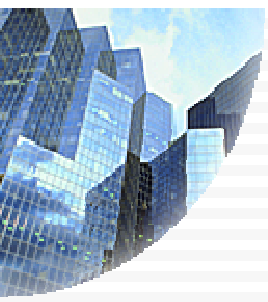
Ease in Establishing a Business

- 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*

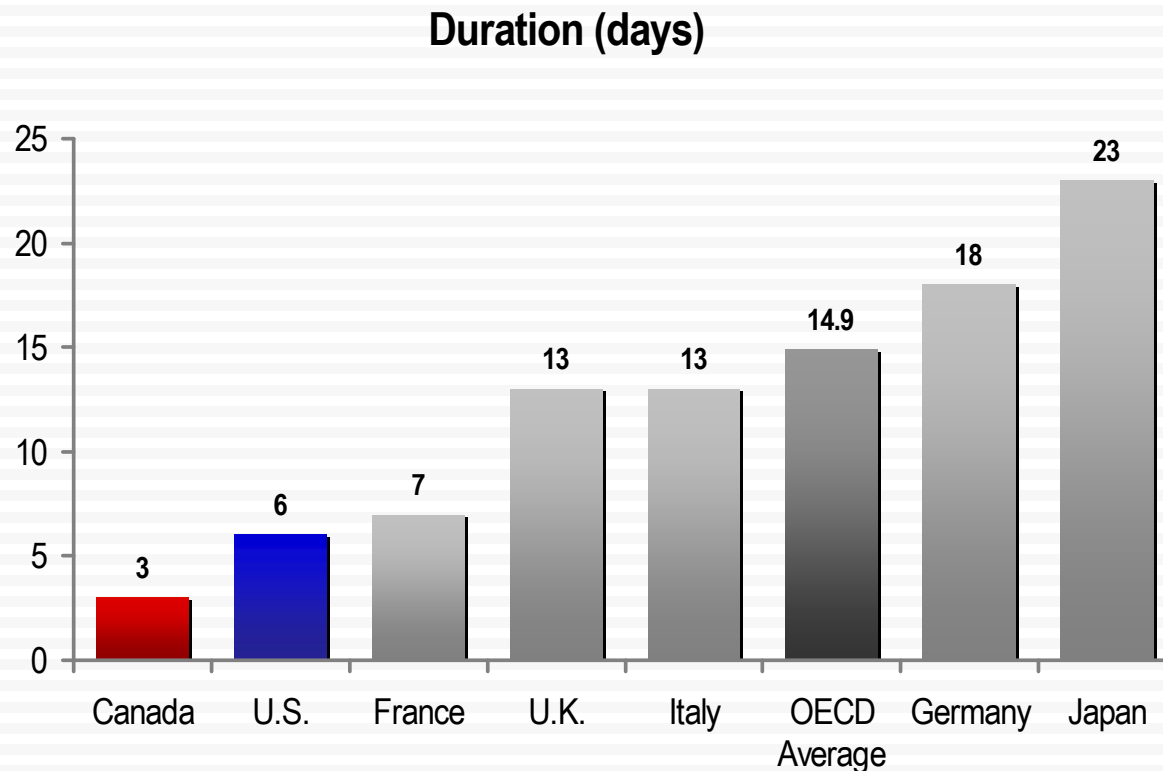


Source: Doing Business in 2008 - The World Bank Group, 2007 * A "procedure" is defined as any interaction of the company founder with external parties (government agencies, lawyers, auditors, notaries, etc). Interactions between company founders or company officers and employees are not considered as 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 for establishing a new business.



Source: Doing Business in 2008- The World Bank Group, 2007

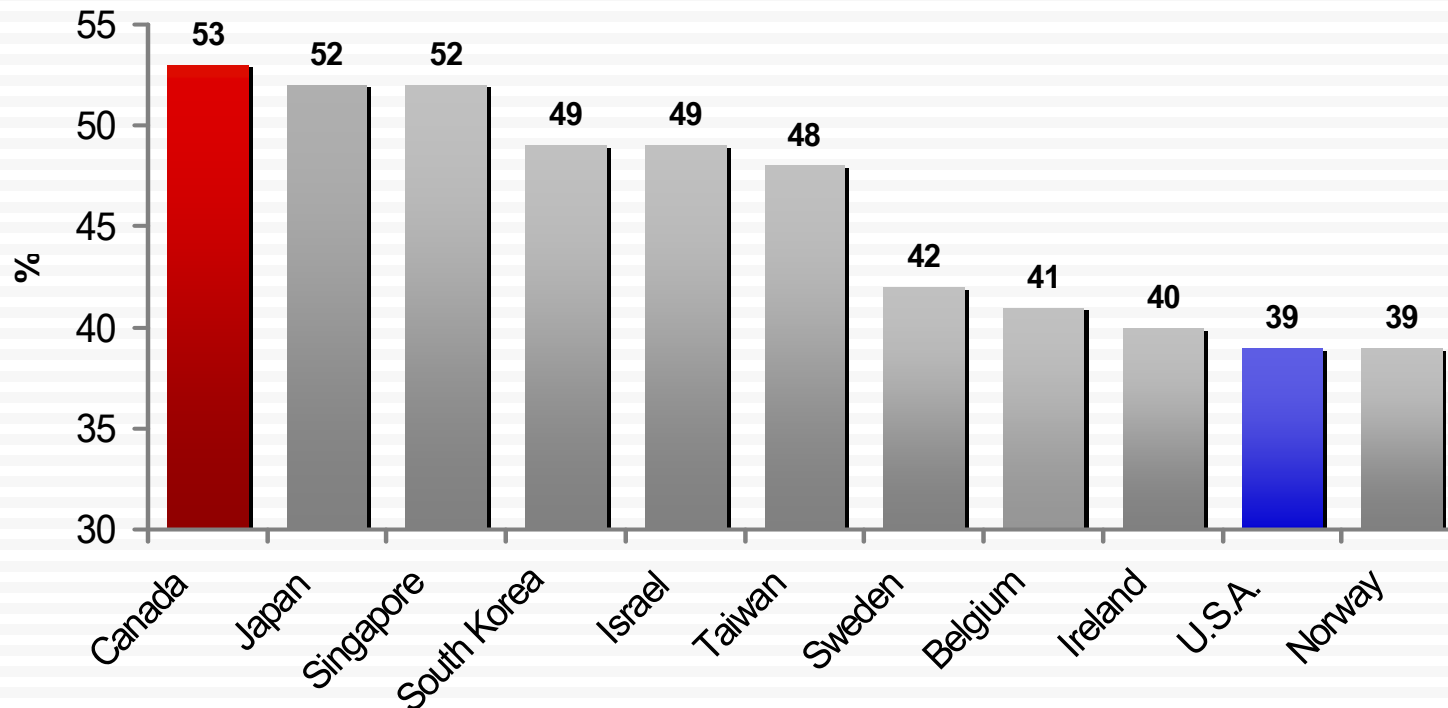


The World's Best-Educated Workforce

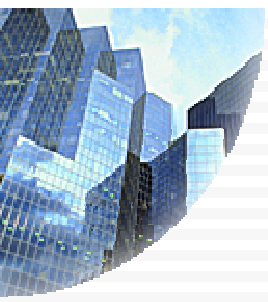


- The overall skill level of Canada's workforce ranks high among competing countries.
- Canada has the highest percentage of individuals achieving at least college or university education, among OECD member countries.

Higher Education Achievement



Source: IMD, World Competitiveness Yearbook 2007

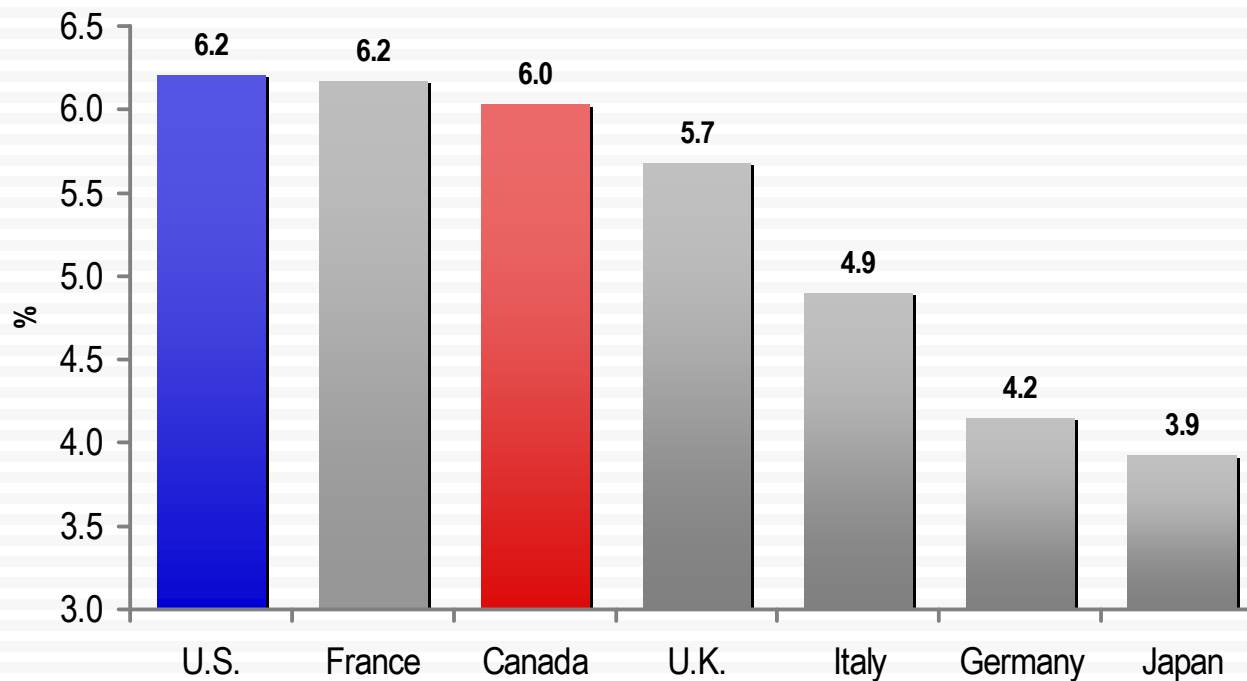


The World's Best-Educated Workforce



- 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 2007

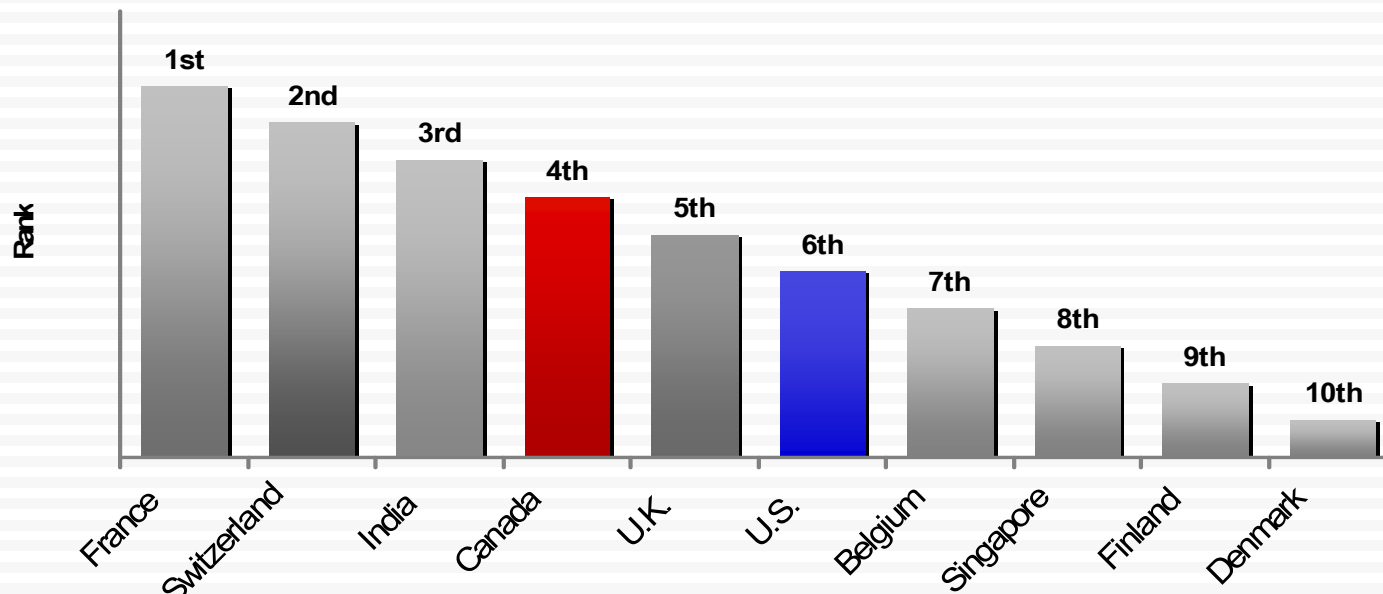


Top-notch Management Training



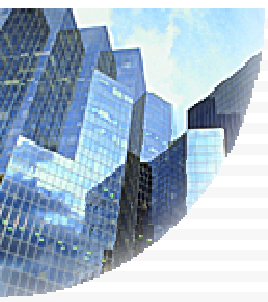
- Canada ranks among the top-ten in a 125-country study of locally available management education in first-class business schools.
 - Five Canadian schools of management are ranked among the top 100 in the world according to the *Financial Times* (UK) Global MBA rankings for 2007. University of Toronto (Rotman) 27th; University of Western Ontario (Ivey) 41st; York University in Toronto (Schulich) 49th; University of British Columbia (Sauder) 77th; and McGill University in Montreal (Desautels) 90th.
 - In the BusinessWeek Magazine 2006 MBA survey, five Canadian Business schools ranked among the top ten outside the U.S. - Queen's University in Kingston, Ontario 1st; The University of Western Ontario (Ivey) 2nd; University of Toronto (Rotman) 3rd; York University in Toronto (Schulich) 9th; and HEC Montreal 10th.

Management Education* World Rank



*Standing among 125 countries. Index based on the quality of Management education in first-class business schools.

•Source: Global Competitiveness Report, 2006-2007

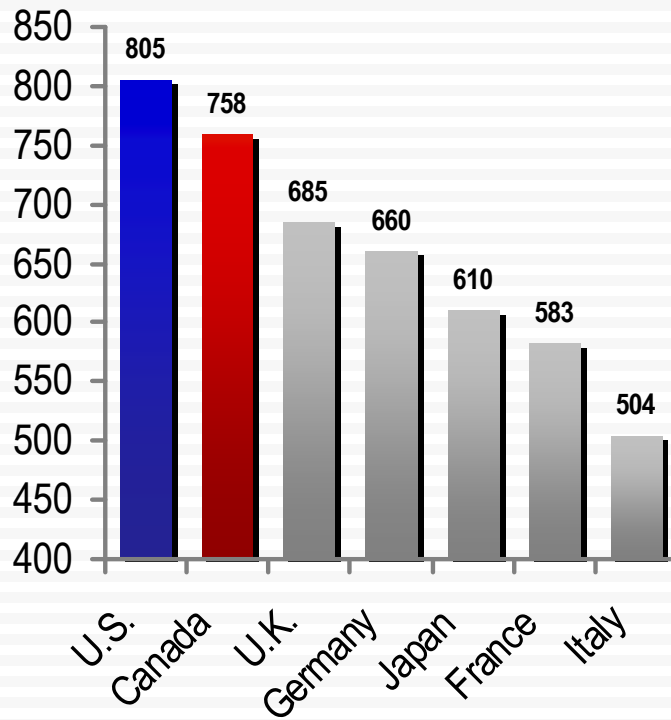


Among Leaders in PCs and Internet Users

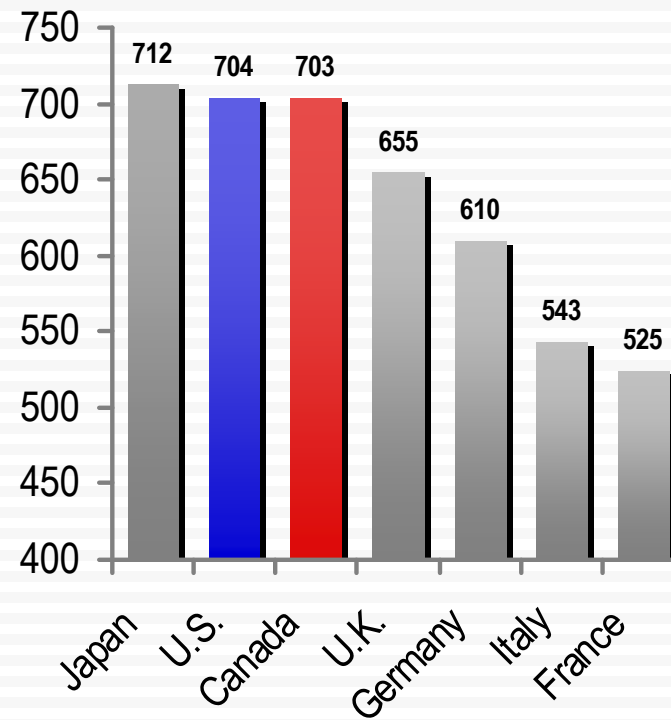


- Canada is second only to the U.S. among the G-7 in terms of personal computers and ranks among G-7 leaders with respect to Internet users per capita.

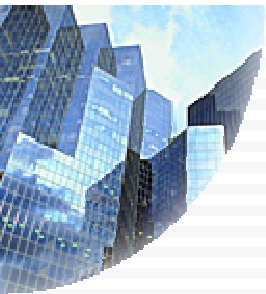
**Personal Computers
Per 1,000 Inhabitants**



**Internet Users
Per 1,000 Inhabitants**



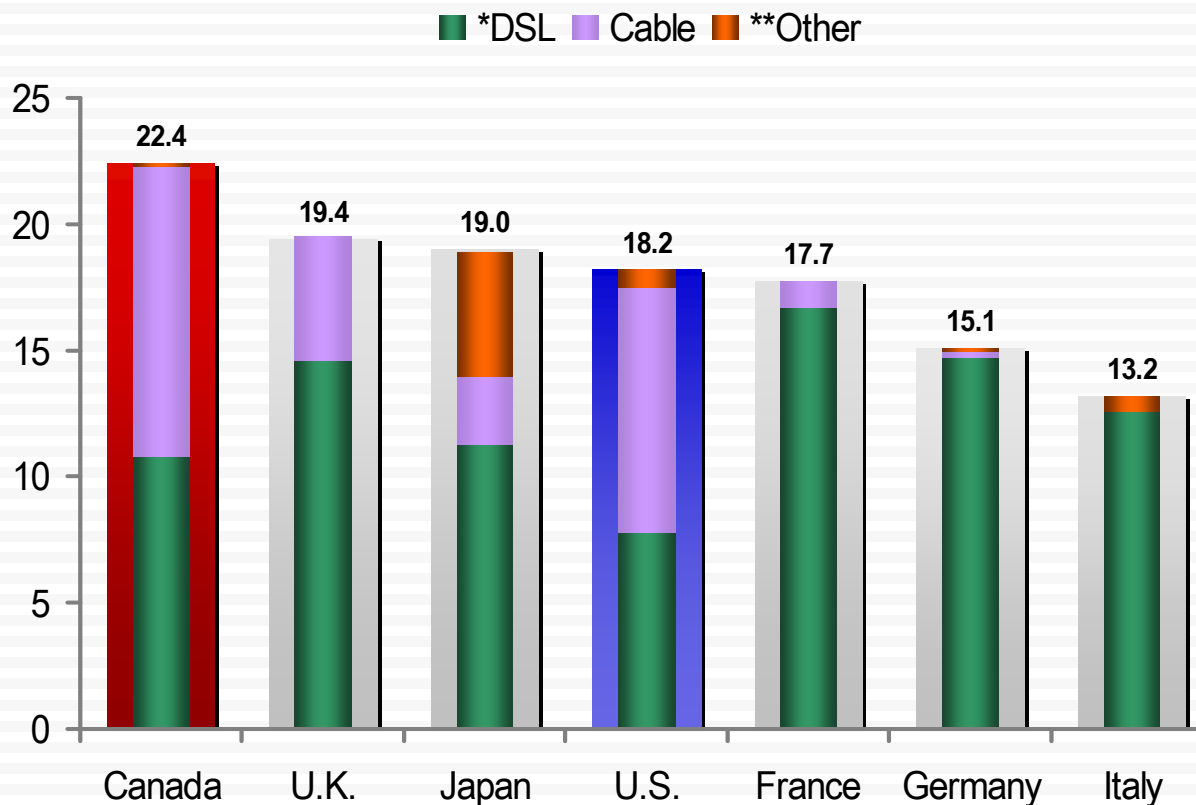
Source: IMD, World Competitiveness Yearbook 2007



First in Broadband Users

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

Broadband Subscribers per 100 inhabitants



*DSL = Digital Subscriber Line

** "Other" broadband technologies include: satellite broadband Internet, fibre-to-the-home Internet access, ethernet LANs, and fixed wireless subscribers (at downstream speeds greater than 256 kbps)

Source: OECD Communications Outlook, 2007

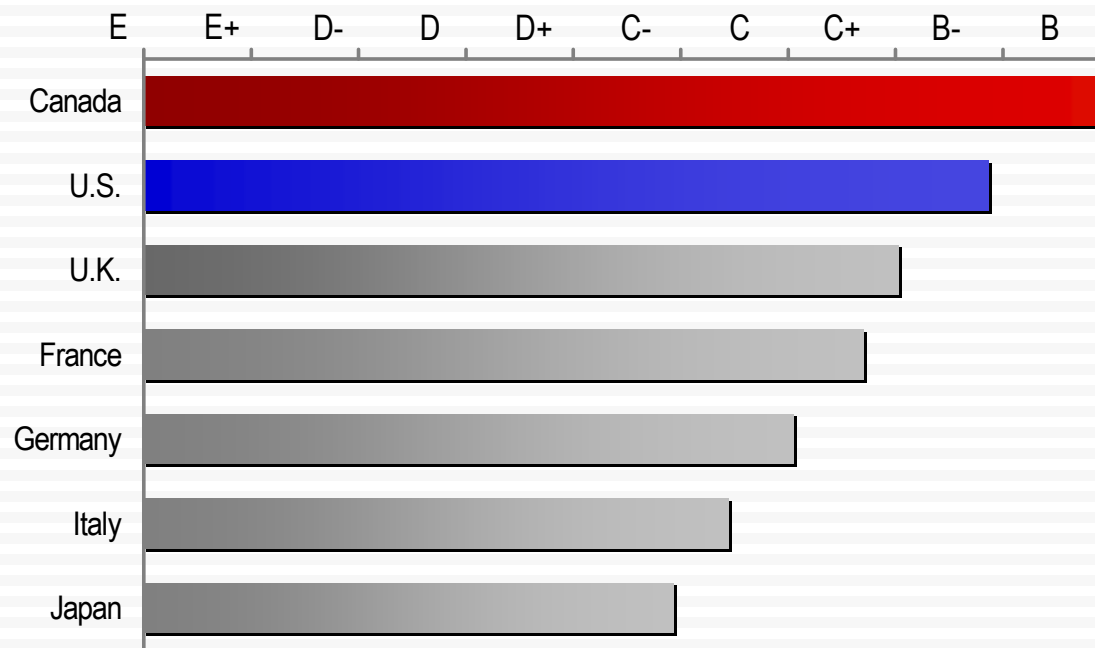


Sound Financial Institutions and Credit Ratings



- 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. These ratings have since been maintained.

Moody's Average Bank Financial-Strength Rating



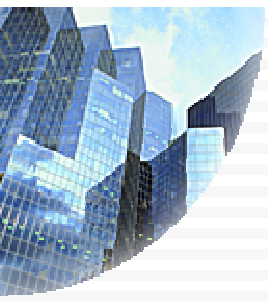
Source: Moody's Financial Services, October 2007 B= Strong, intrinsic financial strength C = Good D = Adequate E = Very weak



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 2007
 - making broadband Internet access available in all communities by 2007
 - 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



- The Government of Canada has numerous policies/programs aimed at building the knowledge infrastructure. Examples include: Technology Partnerships Canada, Canadian Network for the Advancement of Research, Industry and Education (CANARIE), and Co-operative sectoral research programs (PAPRICAN).
- Canada leads the G7 in public sector R&D investment as a share of GDP. The public sector currently finances 85% of primary research in Canada.
- The Government of Canada will spend \$3 billion in 2006-2007 in support of research conducted in post-secondary institutions. The Government spends more than \$2 billion each year on its own research activities.
- The SR&ED Program provides more than \$2.5 billion in support of Canadian private sector innovation and is accompanied by more than \$15 billion in investments by claimants each year.
- Since its creation in 1997, the Canada Foundation for Innovation has invested \$3.5 billion in more than 5,000 research projects in Canadian universities, colleges, research hospitals, and research institutions. **Source:** Canada Foundation for Innovation, January 2007.



Canada - A Strategic Choice

An Excellent
Place to Live

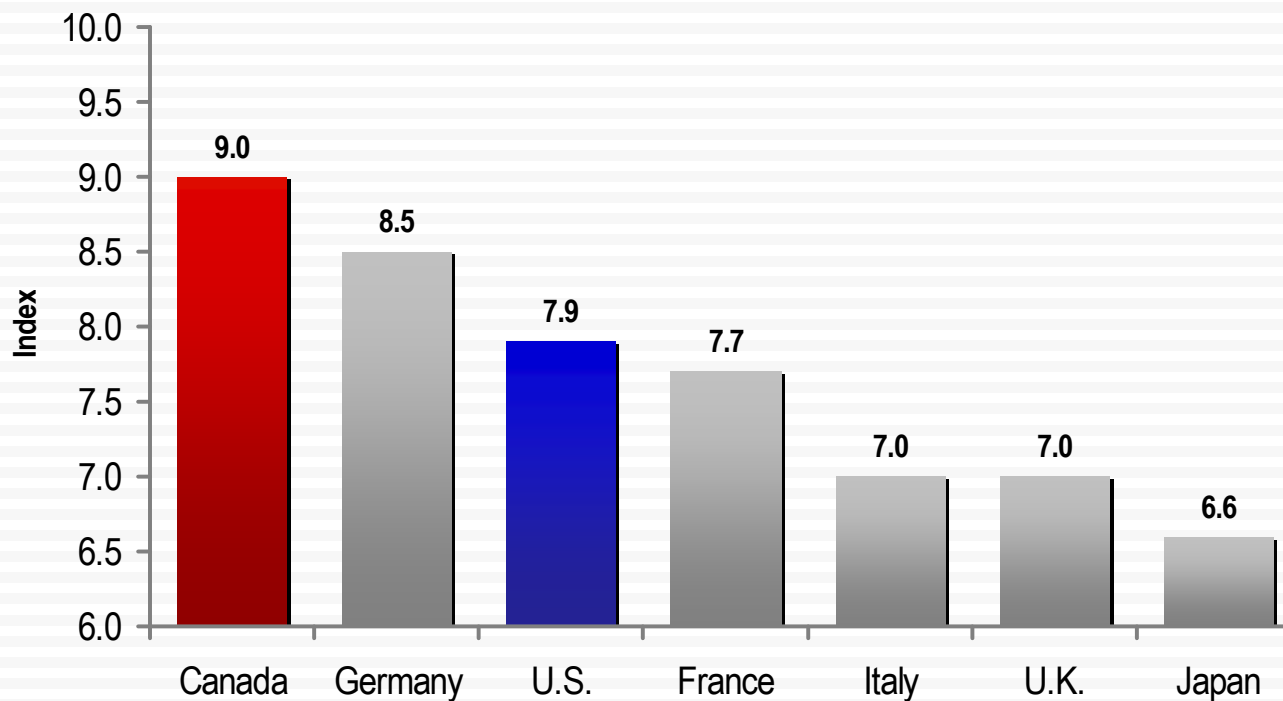




Best Overall Quality of Life

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

Quality of Life Index*



Source: IMD, * Rank among 55 economies considered in the World Competitiveness Yearbook 2007.

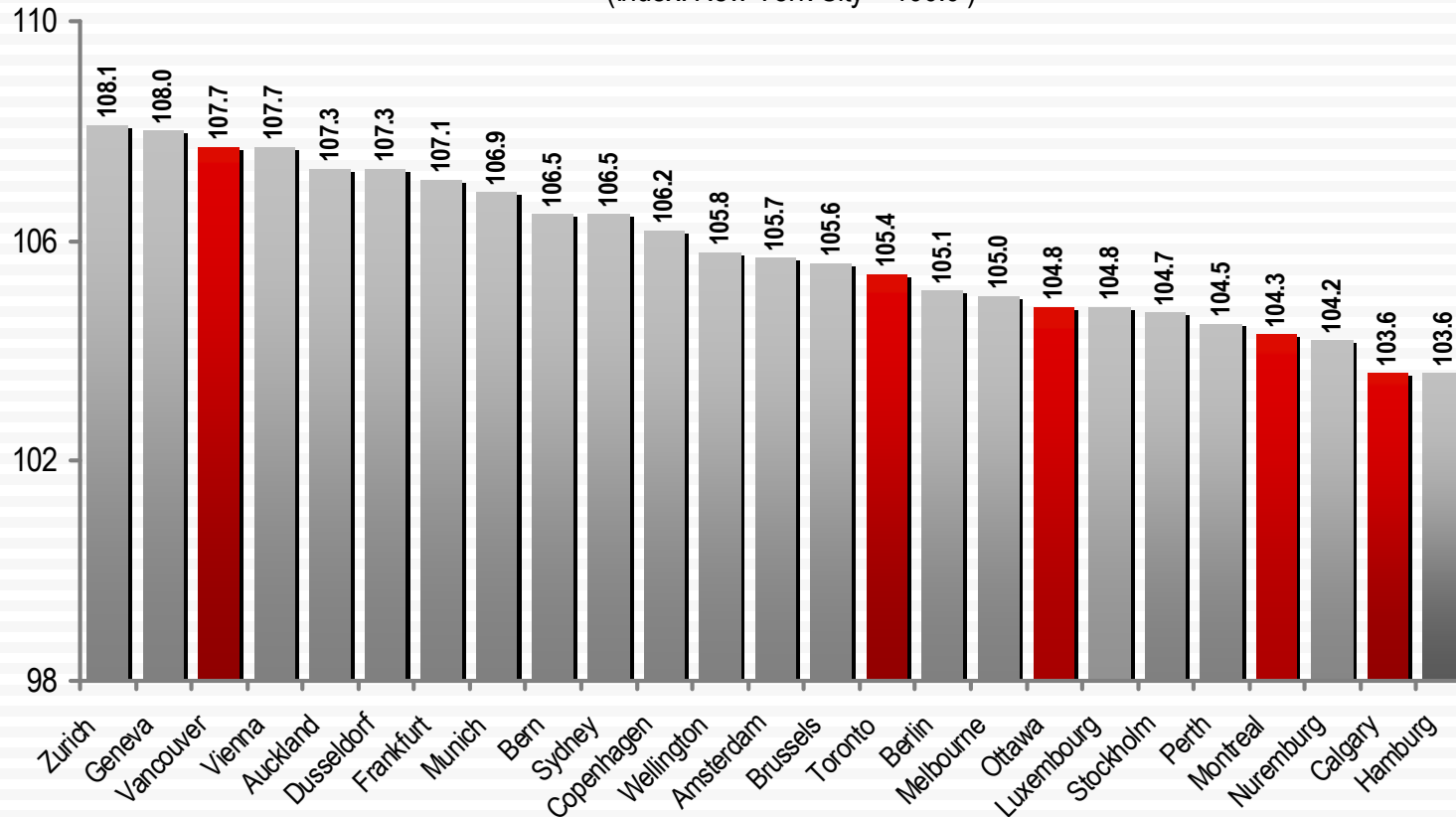


Exceptional Quality of Life in Cities

- According to a recent annual quality-of-life ranking of 215 world cities, 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 2007



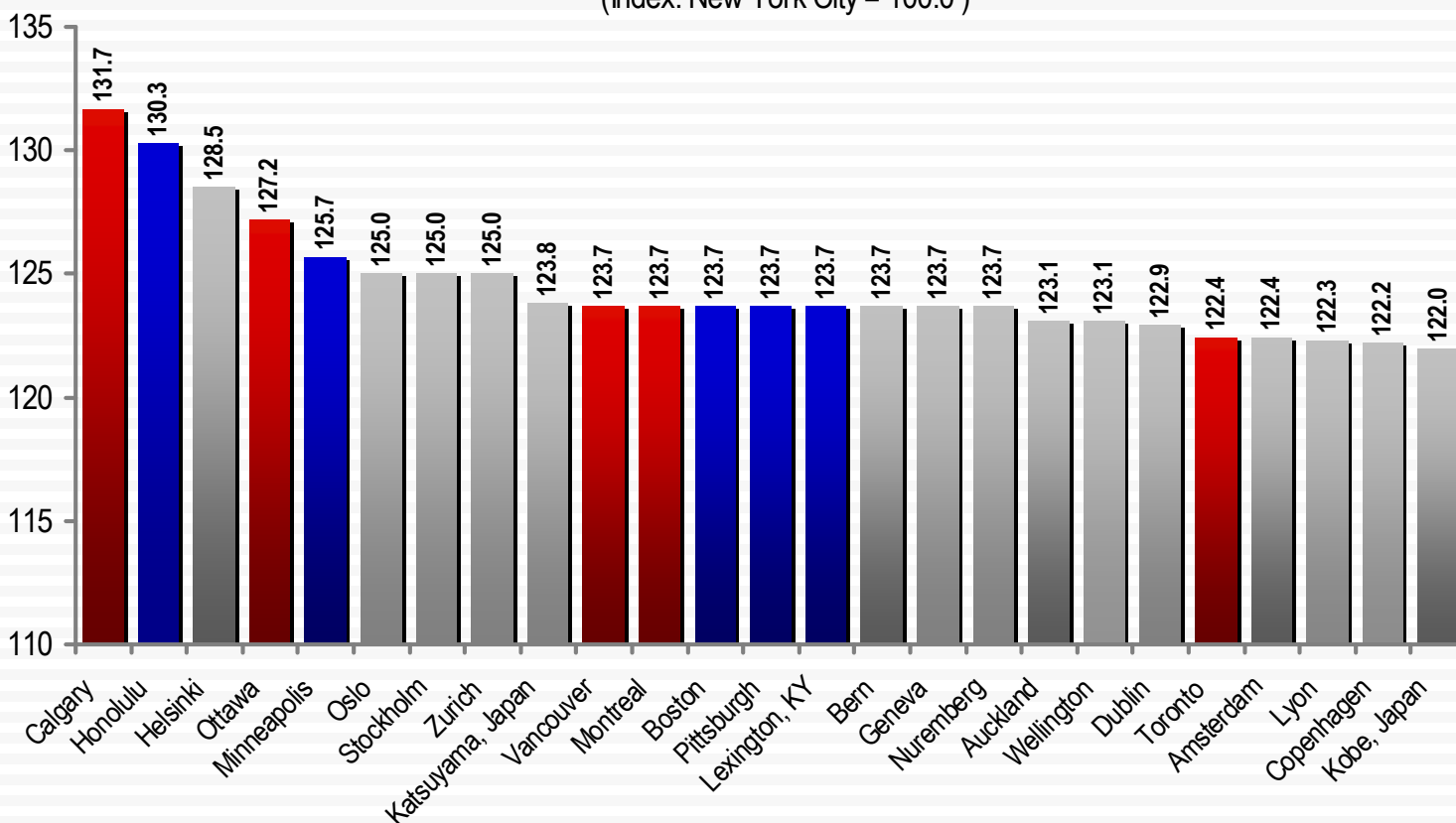
With Exceptional Health & Sanitation* Standards



- According to a recent annual health and sanitation ranking of 215 world cities, five Canadian cities ranked among the top 25 with Calgary topping the list and Ottawa ranking 4th.

Health and Sanitation Ranking (Top 25 Cities)

(Index: New York City = 100.0)



Source: Mercer Human Resources Consulting: April 2007

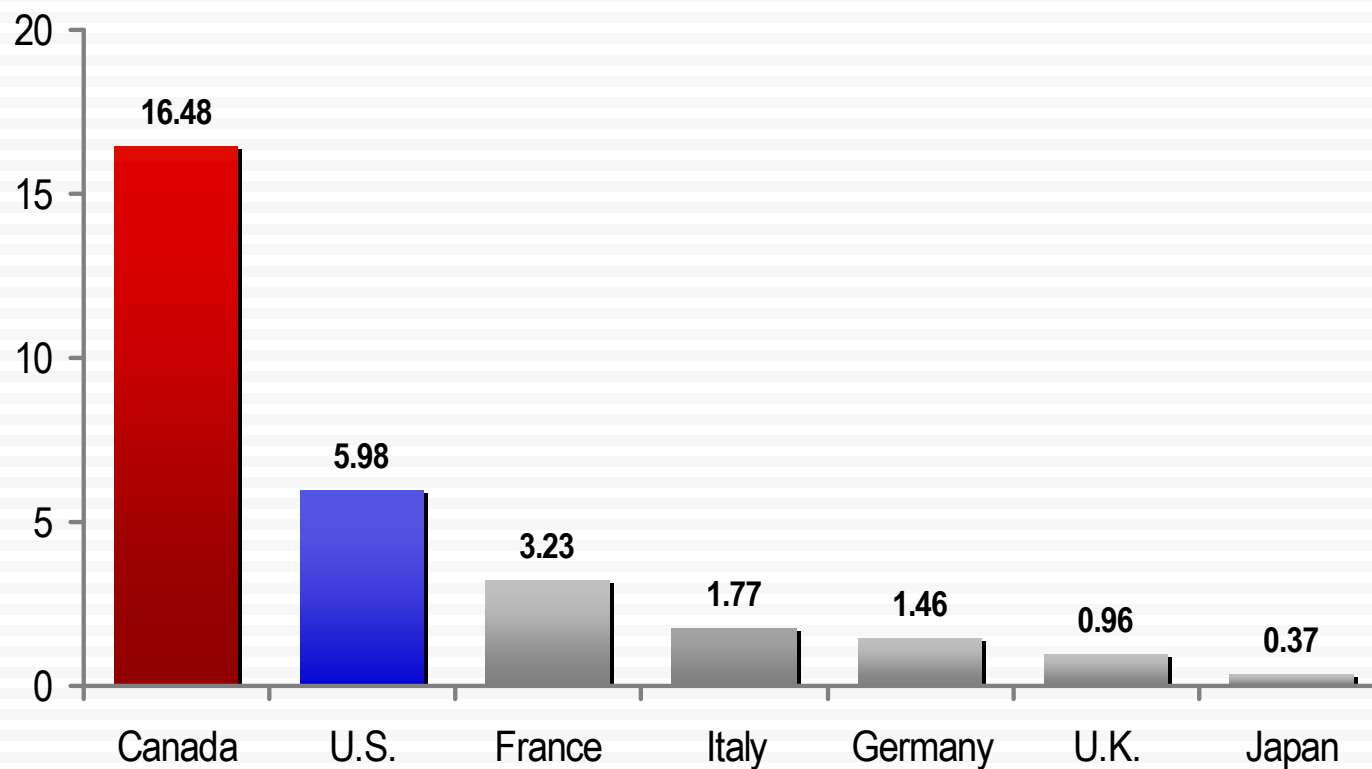
* Hospital Services; Medical Supplies; Infectious Diseases; Water Portability; Troublesome and destructive animals/insects; Waste Removal; Sewage and Air Pollution



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)



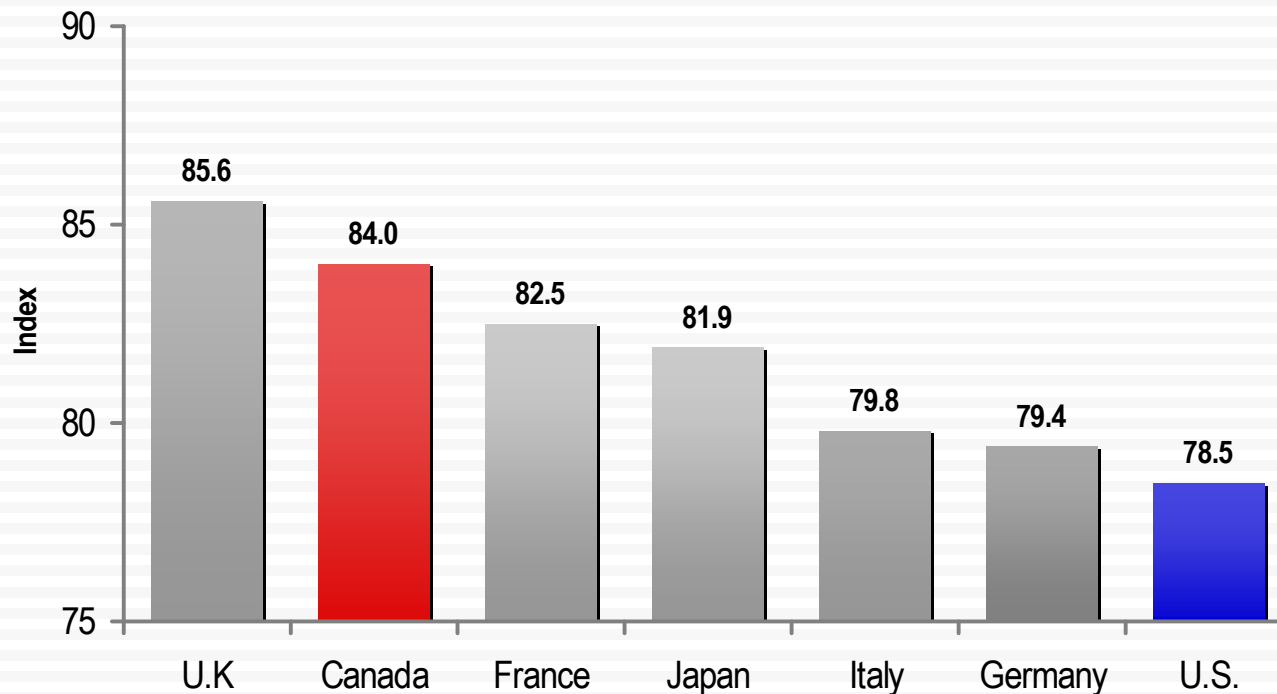


Backed by a Strong Environmental Record



- 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



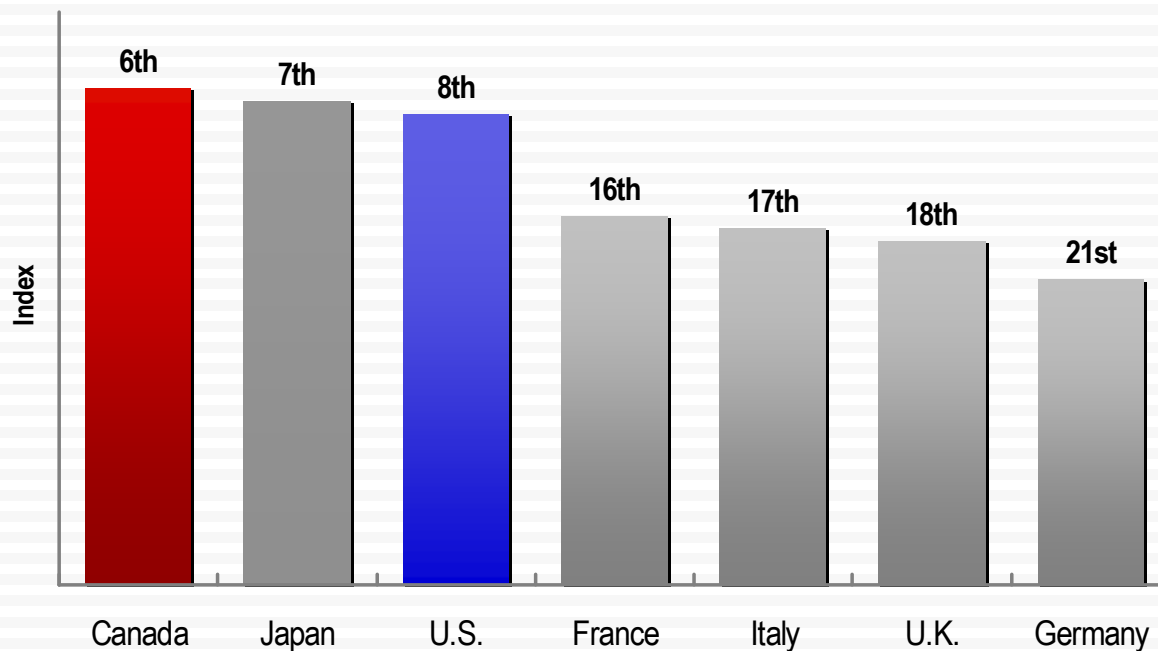
* Perfect EPI Score = 100. Country rank based on sixteen indicators tracked in six policy categories – Environmental Health, Air Quality, Water Resources, Productive Natural Resources, Biodiversity & Habitat, and Sustainable Energy.
Source: Yale Center for Environmental Law and Policy, 2006



A Leader in Human Development

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

Human Development Index* World Rank



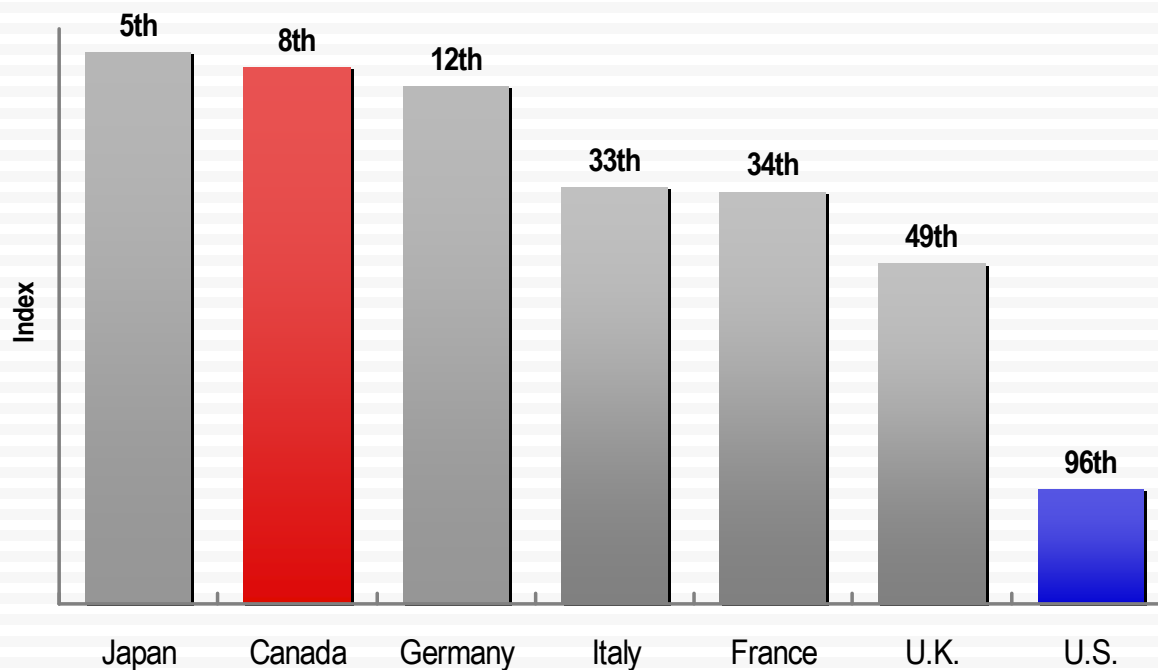
*Standing among 177 countries. Index based on achievements in terms of life expectancy, educational attainment, and adjusted real income.
Source: United Nations Human Development Report 2006



Among Model Nations of Peace

- According to the Global Peace Index, a recently released measure by the Economist Intelligence Unit, Canada ranked second in the G-7 and eighth among 121 countries surveyed.

Global Peace Index* World Rank



*Standing among 121 countries. Index ranking countries based on peacefulness, both domestically and abroad using 24 indicators, including the number of soldiers killed overseas, the level of violent domestic crimes and relations with neighbouring countries.
Source: Economist Intelligence Unit, May 2007



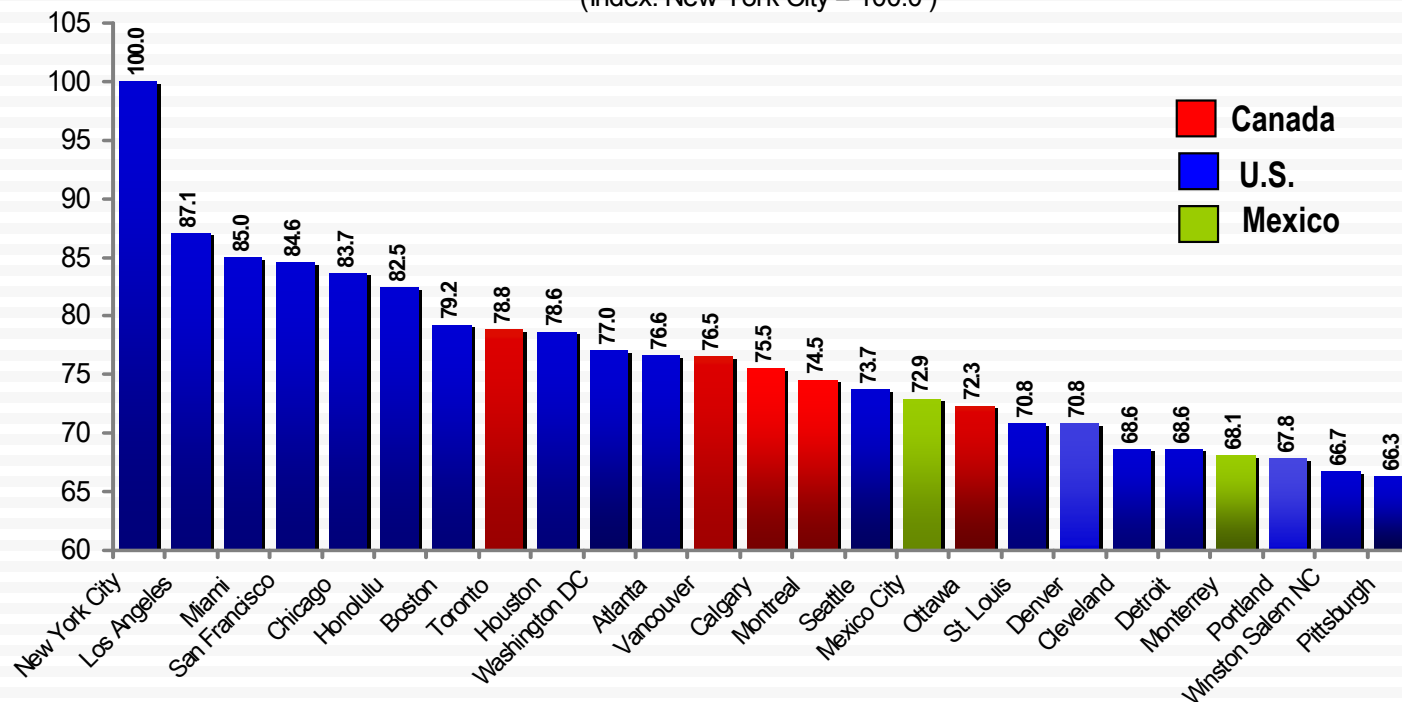
Low Cost of Living Among Major World Cities



- The cost of living in most large Canadian cities is lower than or comparable to other similar North American cities.
- On a larger scale, Canadian cities ranked among the top 43% of world cities in a 143-city survey in terms of affordable cost of living. Ottawa, the most affordable Canadian city in the survey was among the top 25%.

Cost of Living Survey - North American Rankings*

(Index: New York City = 100.0)



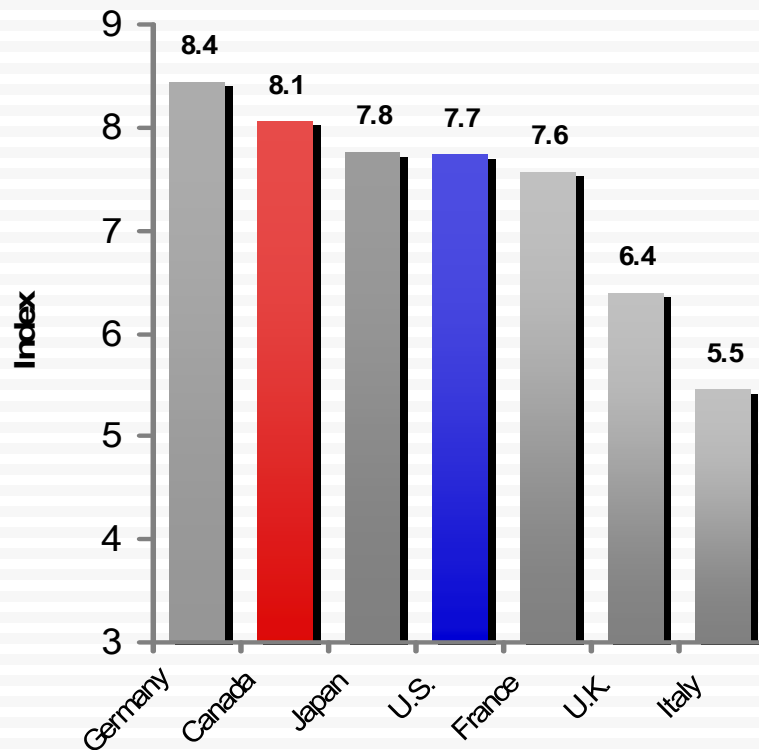
*Rank among 25 North American cities extracted from Mercer's Annual Cost of Living Survey of 143 world cities.
Source: Mercer Human Resource Consulting Cost of Living Survey, June 2007



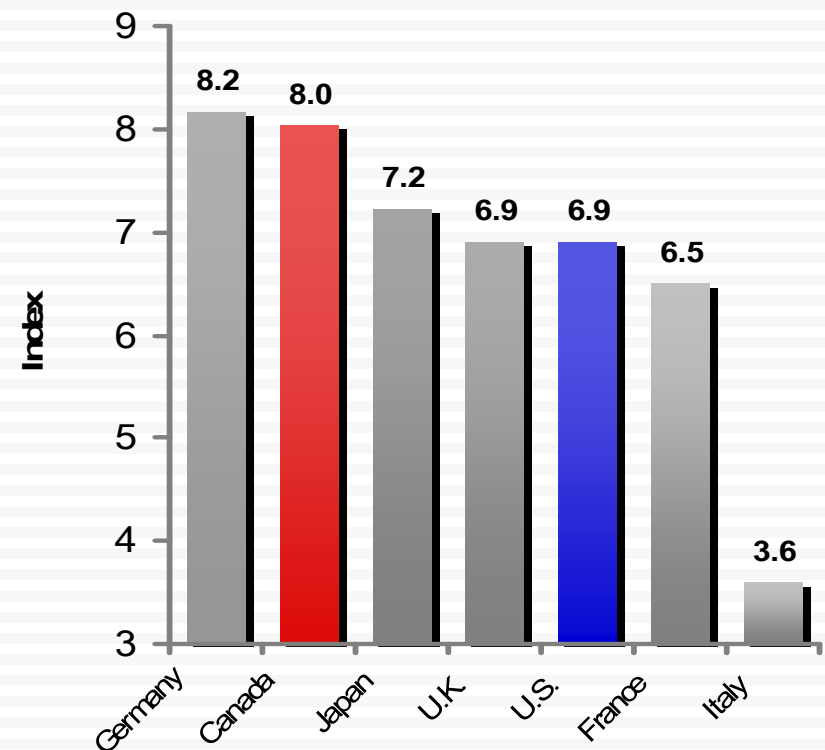
A Safe and Just Society

- Canada is among G-7 leaders 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 55 economies considered in the 2007 World Competitiveness Yearbook.

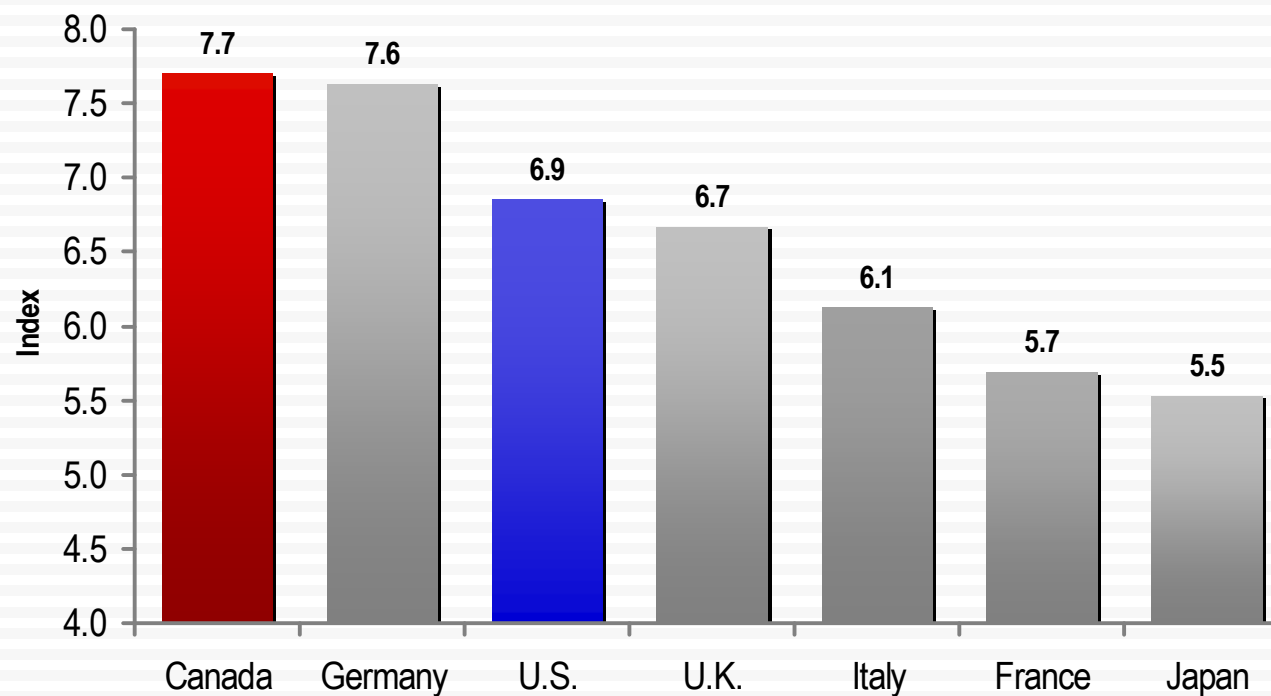
**Degree of fairness of the judicial system in Society. Rank among 55 economies considered in the 2007 World Competitiveness Yearbook.



A Land of Equal Opportunity

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

Equal Opportunity* — World Rank



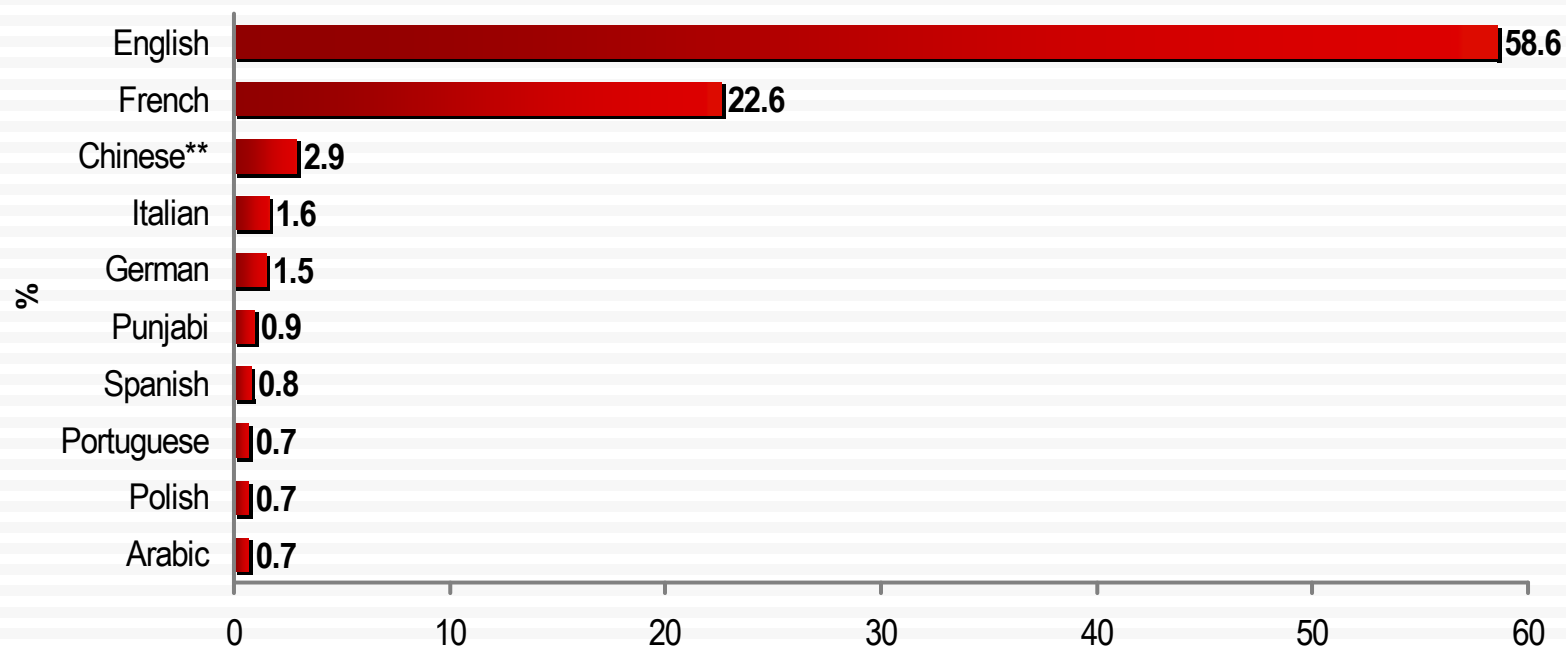
Source: IMD * Race, gender, family background does not pose a handicap for competitiveness.
Rank among 55 economies considered in the 2007 World Competitiveness Yearbook



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 – A Strategic Choice

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 Invest in Canada 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:

Foreign Affairs and International Trade Canada

Invest in Canada Bureau,
111 Sussex Drive, 3rd Floor
Ottawa, Ontario, Canada K1A 0G2
E-mail: investincanada@international.gc.ca

www.investincanada.gc.ca

Think Canada! is prepared by Arif Mahmud,
Invest in Canada Bureau.