



“CANADA: Opportunities for Doing Business

Delon Chan
Consul & Trade Commissioner
Consulate General of Canada - Dallas

Presented to:
Arkansas World
Trade Centre

Rogers, AR
November 8th
2017

Canada 

Topics Covered in This Presentation

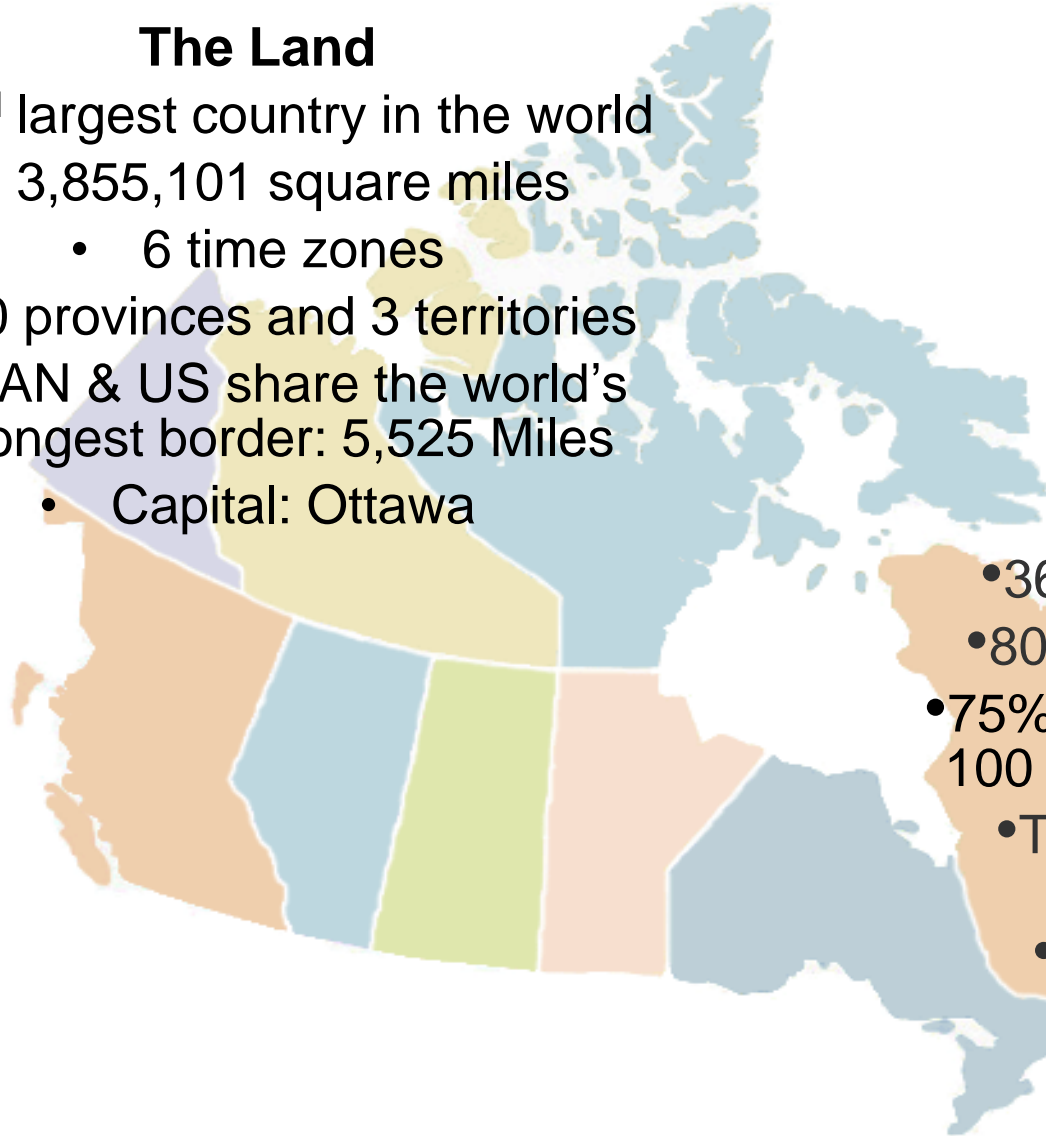
- **Overview of Canada**
 - Healthcare & parliamentary system
 - Economy & Key Sectors
- **Overview of Canada's Energy Sector**
- **What makes Canada a great place to do business?**
- **How can your company benefit from doing business with Canada?**
- **Doing Business with Canada – important topics**
 - Canadian market entry strategies
 - Canadian Corporate Registration procedures
 - Selling to the Canadian Federal Government
 - Guidelines to importing equipment commercially into Canada
 - Labour Mobility – Business Visitors & Work Permits
- **How the Consulate General of Canada can help you in doing business with Canada?**
- **Additional Information – Opportunities for US companies selling to Canadian oil and gas sector**



A Snapshot of Canada

The Land

- 2nd largest country in the world
 - 3,855,101 square miles
 - 6 time zones
- 10 provinces and 3 territories
- CAN & US share the world's longest border: 5,525 Miles
 - Capital: Ottawa



The People

- 36.28 million Canadians
- 80% living in urban areas
- 75% of Canadians live within 100 miles of the U.S. border
- Two official languages: English and French
- Multicultural society



Canada's Major Cities

Population: 36,280,000

1. Greater Toronto - 5.2 million
2. Greater Montreal - 3.7 million
3. Greater Vancouver - 2.2 million
4. Ottawa-Gatineau - 1.13 million
5. Calgary - 1.08 million
6. Edmonton - 1.03 million
7. Quebec City - 715,000
8. Winnipeg - 695,000
9. Hamilton - 693,000
10. London - 458,000



Canadian

The Queen
as represented by
Governor General
David Johnston

Executive Branch

PRIME MINISTER
Minister of Intergovernmental Affairs
& Youth

Justin Trudeau



Legislative Branch

SENATE

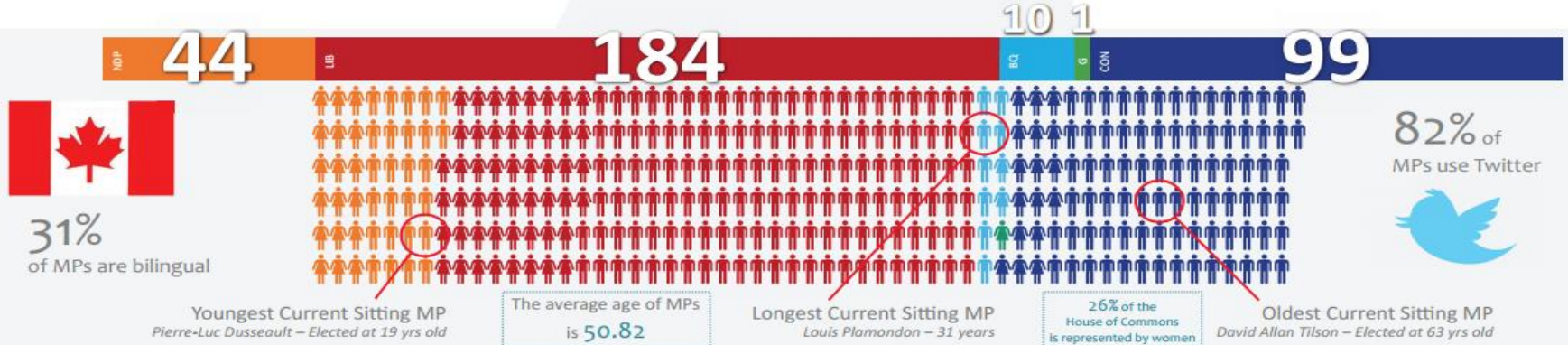


Judicial Branch

Current Chief Justice of the Supreme Court of Canada, Beverley McLachlin, is the first woman to hold this position in Canadian history.



HOUSE OF COMMONS



Source: Greyhouse publishing

Top 5 Occupations in the House of Commons



Lawyer

Businessman /
Businesswoman

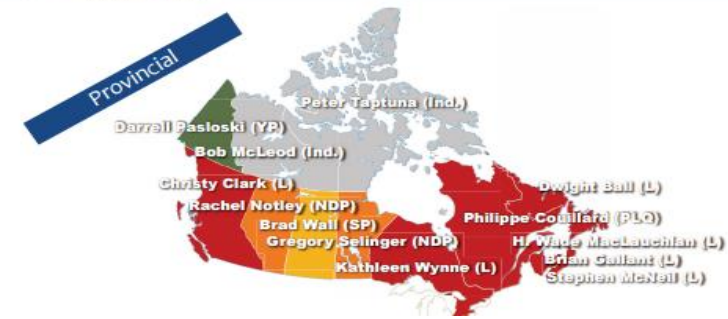
Consultant



Teacher



Manager

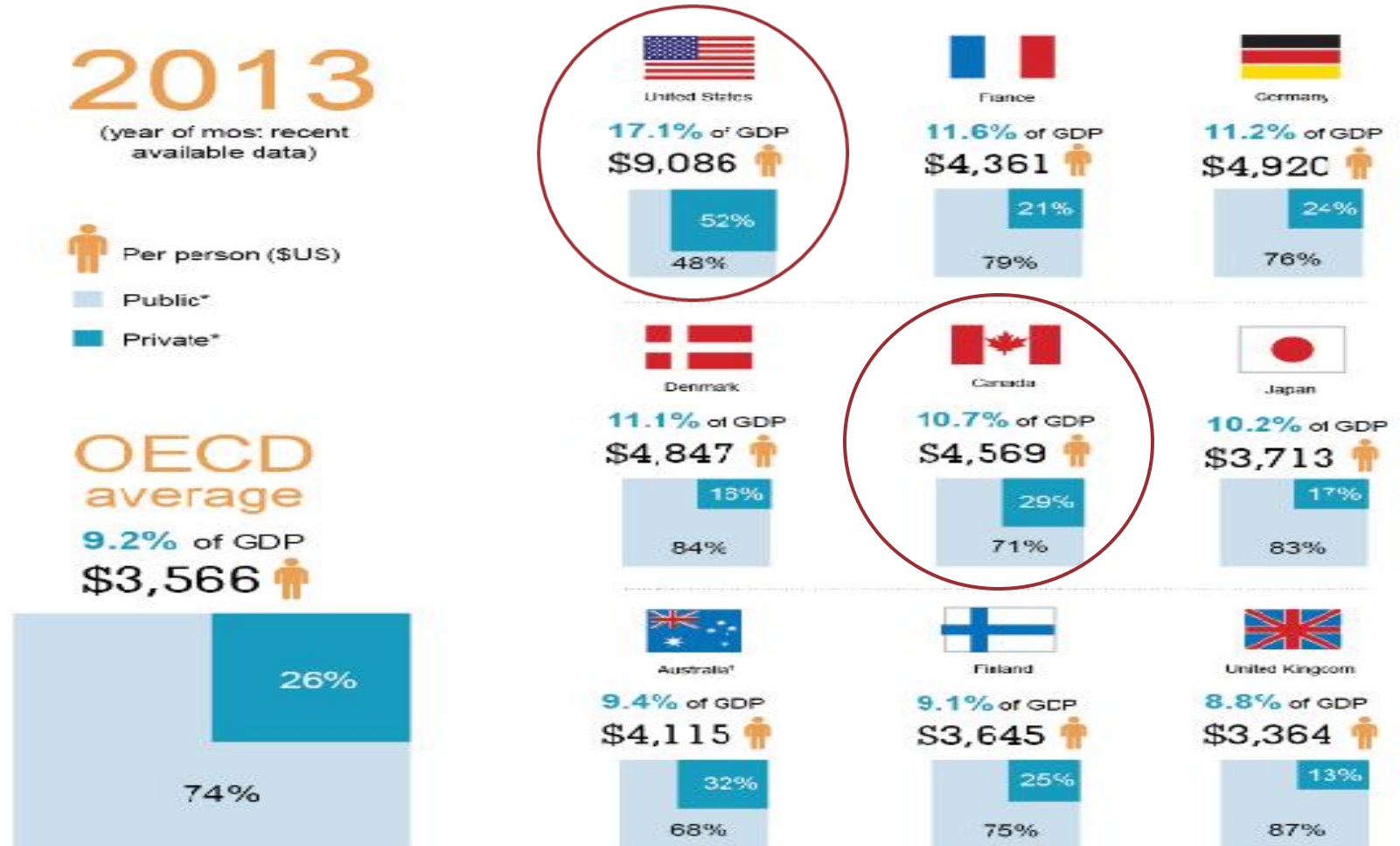


Canadian Healthcare System



How does Canada's health spending compare internationally?

Canada's per-person spending on health care was among the top quartile in the Organisation for Economic Co-operation and Development (OECD) countries in 2013



* Total current expenditure (capital excluded).
† 2012 is the latest year available.

Source
OECD Health Statistics 2015 (June edition).

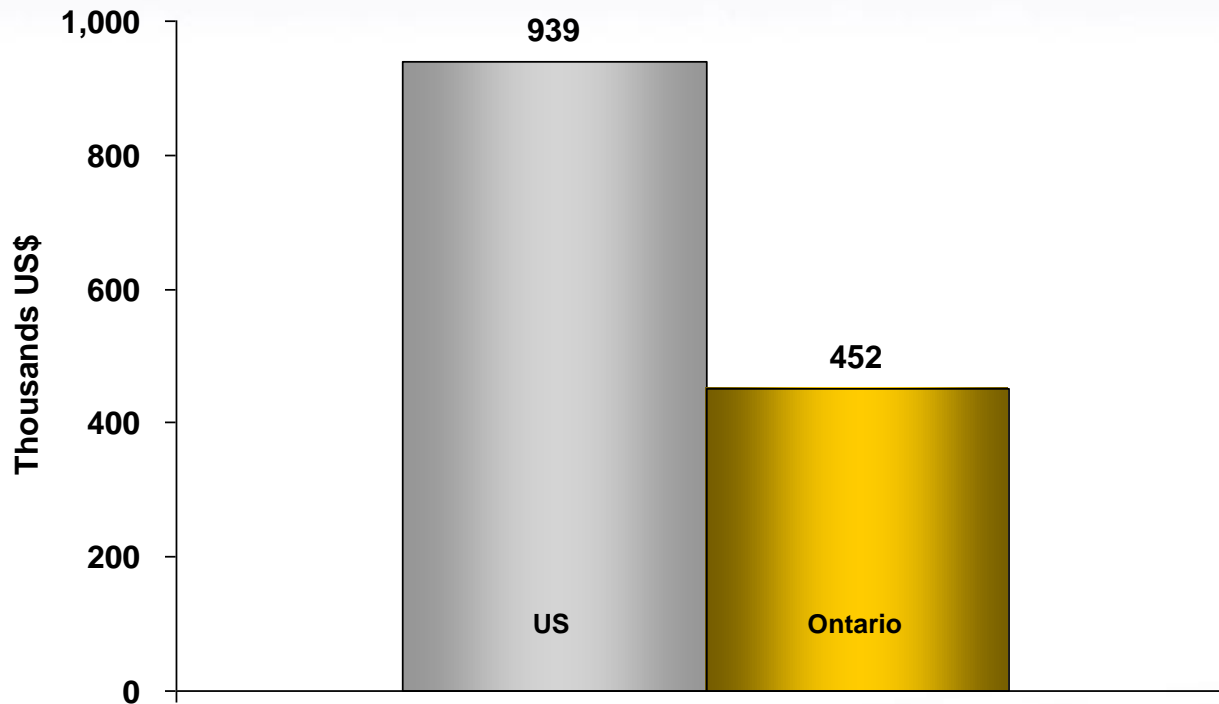
Source: Canadian Institute for Health
Information



Low Healthcare Costs for Employers

– 50% lower compared to US

Employer Health Costs for a Typical Firm



Average cost to employers in the US is about twice as much as it is in Ontario

Note: Health care cost is one of Ontario's key competitive advantages

- A typical Ontario auto parts operation with 100 employees pays approximately US\$527,000 per year less than a comparable US-based firm.
- Employer-paid health costs in Ontario cities are half of similar cost in US cities.

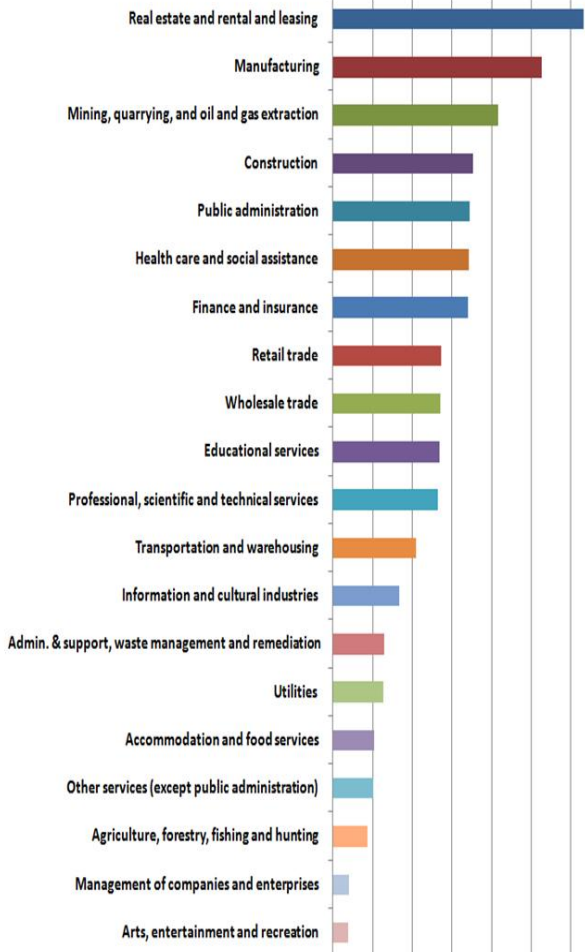
Source: MMK Consulting, 2012 (Special run for MEDI)



Overview of Canadian Economy

Canadian GDP Segments %

0% 2% 4% 6% 8% 10% 12%



- Diversified Economy
- Manufacturing 10% of GDP
- Mining, quarrying, and oil and gas extraction is third at 8% of GDP.
- Goods producing sectors 30% of GDP while services account for 70%.



Canadian Economy in Maps



Business Services

- Canada is a global leader in a variety of business service verticals. Foreign investors have established operations in HR management, customer relations management, knowledge process outsourcing, data mining, application development, project management, business continuity and disaster planning support.
- \$83.5 billion to Canadian GDP & employed 820,307 Canadians in 2013.
- Corporate-services firms operating in Canada typically save 12.5% on total costs relative to their U.S.-based counterparts.



“...There’s high confidence right now; the ***economy is doing well and lots of investment is being made***; this consistency shows that businesses really can rely on Canada...”

.”— Natan Aronshtam, Global Managing Director, Research and Development and Government Incentives, Deloitte & Touche



Life Sciences

- Canada is home to the 8th largest pharmaceutical market in the world, employing 27,000 people in 490 establishments. It is home to the world's ten largest pharmaceutical companies
- Canada's medical devices sector is estimated at \$6.8 billion, ranking it 9th globally - 1,500 firms employing 35,000 people. Key business segments of sales in Canada were diagnostic apparatus (25.8%), consumables (15.3%), patient aids (12.3%), orthopaedics and prosthetics (11.9%) and dental products (6.9%).
- Canada ranks 1st in the G7 in terms of cost-effectiveness for the establishment and operation of medical devices manufacturing facilities. Cutting-edge research: nearly 10% of Canadian medical device firms are spin-offs of universities or laboratories
- Leading medical device and pharmaceutical companies have invested in Canada



*“Bringing a global pharmaceutical development site to Roche Canada is a testament to our skilled and talented workforce, and offers **tremendous opportunities** to solidify **[Canada’s] reputation as a global research hub.**”*

— Ronnie Miller, President and CEO, Hoffman-La Roche Ltd.



Renewable Energy – Wind & Solar

- Opportunities across the entire value chain, from technology development and supply to energy generation, distribution and storage.
- 65% of electricity generated in Canada comes from renewable sources.
- Canada's long coastlines and vast land mass give it some of the best wind and solar resources. This is supported by a large domestic and regional market; Canada is the 6th largest consumer of electricity in the world.
- Canada's renewable energy industry is growing Annual solar capacity has been forecasted to increase three-fold by 2025. Wind energy moved from just 300 MW installed capacity in 2003 to close to 8,000 by end of 2013.
- Canada is a world leader in collaborative R & D in renewable energy



“ENERCON's experience in Canada over the past 12 years has been overwhelmingly positive. **Strong support from local industry** including depth, maneuverability and integrity of the supply chain, superb wind resources, strong policy initiatives, **a highly trained and motivated labour force** and a rock-solid financial system have reinforced the 2001 decision to build our presence in this market.”

.”— Adrienne Downey, B. Eng., Executive Director Business Development Manager, ENERCON Canada, Inc.



Clean Technology

CANADA: THE BEST PLACE TO INVEST IN A CLEAN FUTURE



CANADA HAS MORE THAN

750
CLEAN TECH
COMPANIES



THAT EMPLOY MORE THAN

55,000
PEOPLE



AND GENERATE MORE THAN

\$11
BILLION
IN REVENUE



CANADA'S **TOP FIVE** **CLEAN TECH MARKETS**



1. UNITED STATES



2. CHINA



3. UNITED KINGDOM



4. GERMANY



5. MEXICO

CANADA'S STRENGTHS
WATER & WASTEWATER
INDUSTRIAL PROCESSES
RENEWABLE ENERGY



87%
OF CLEAN
TECH FIRMS
EXPORT

CANADIAN CLEAN TECH
FIRMS EXPORTED

\$6.6
BILLION
IN 2014



\$1.2
BILLION
WAS SPENT ON
R&D IN 2014



Industrial Bioproducts



- Canada is a global leader in the development of a bio-based economy. Leading bioproducts produced in Canada include: biofuels, biopolymers and chemicals.
- 208 firms employing 3,020 people generating \$1.3 billion in revenues
- World's largest bioproducts companies make Canada their home, including Archer Daniel Midland and BioAmber Inc. and LANXESS
- Canada offers unique advantages to investors- it has more biomass resource per capita than any other country and access to a wealth of feedstock
- Canada has a highly skilled and educated workforce in the bioproducts industry. Colleges and universities are actively working with industry

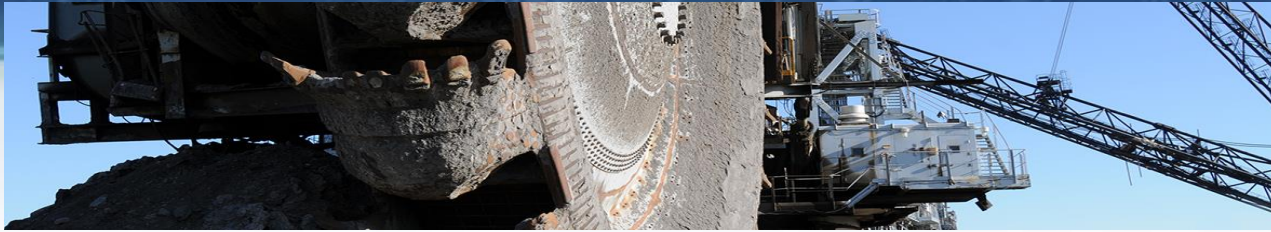


*“At EcoSynthetix, a globally expanding company, we made a strategic decision to **establish our headquarters and our Centre for Innovation in Canada** because of the ability for our scientists to work with university researchers for developing new technologies and benefiting from Canada’s “Open for Business” policies and tax benefits.”*

— John van Leeuwen, Chairman & CEO, EcoSynthetix Inc



Machinery & Equipment



- Expertise in automotive and aerospace metalworking, extractive field machinery, construction machinery, agribusiness machinery and equipment, and environmental systems
- With over 9,000 companies and a direct production labour force of more than 170,000, Canada's machinery and equipment industry recorded sales of nearly \$45 billion, and exports accounted for more than 60 % of all sales
- Metal machining and precision component operations based in Canada enjoy an 11% & 13.1% saving on total labour cost – including benefits – relative to U.S.

*“With the recently launched Japanese-designed trucks, our goal is to increase the production volume for these new models as well as increase our current line of construction, quarry and mining-size trucks. We believe this complete product offering **will allow Hitachi continued growth and solidify our footprint here in Canada.** On behalf of Hitachi, I would like to express our appreciation and thanks to the **federal government for the funding granted** for the plant expansion.”*

— Hideo Kitawaki, Former President, Hitachi Construction Truck Manufacturing



Automotive



- Global automotive manufacturing centre
- more than 1,300 automotive companies, annual revenues of \$71 billion and annual exports of more than \$53 billion, Canada is a global automotive centre.
- From 2002-2011 - annual capital spending \$3 billion and annual R&D spending \$460 million
- R&D expertise: Metal Processing, Alternative propulsion, mechanical engineering, and Advanced Technologies



“While it is not the lowest cost country in terms of wages and benefits, the **Canadian workforce is loyal** and so **we benefit from the training we invest in our people** and do not suffer from people taking their knowledge to competitors.” — Ray Tanguay, Senior Managing Officer for Toyota Motor Corporation & Chairman Toyota Motor Manufacturing Canada



Aerospace



“This expansion into the commercial engine maintenance, repair and overhaul industry is a natural progression of our strategy to grow our business...” “By leveraging the commercial strengths of our existing Aeronautics team at Kelly Aviation Center in San Antonio, we can **build on natural synergies** that exist to provide innovative MRO offerings that will benefit our customers.”

— Lockheed Martin Aeronautics Executive Vice President Larry Lawson



Wireless Communications



- Foreign investors in Canada and Canadian companies are undertaking cutting-edge R&D work in several verticals including mesh networks, WiMAX, RFID, Ultra Wide Band (UWB), Software Defined Radio (SDR), as well as broadband, satellite, and fibre-optic applications.
- Specialized telecom equipment operations based in Canada enjoy 12.5% savings on total labour costs (including benefits) relative to their U.S.-based counterparts
- Global telecommunications and wireless companies have established operations and R&D facilities in Canada. These include: Alcatel-Lucent, AT&T, Avaya Inc., BlinQ, Ciena, Cisco Systems, Deutsche Telekom, Ericsson, JDSU, Nokia Solutions & Networks, Samsung, and Sony.

*“ 2013 marks Ericsson's 60th anniversary in Canada. As one of the top R&D investors in the country, we see the Ottawa R&D Centre playing a key role in the development of our Heterogeneous Network Strategy... **Having invested nearly \$4 Billion in Canadian R&D** we are committed to the continual strengthening of Canada's ICT ecosystem. ”— Mark Henderson, President, Ericsson Canada Inc.*

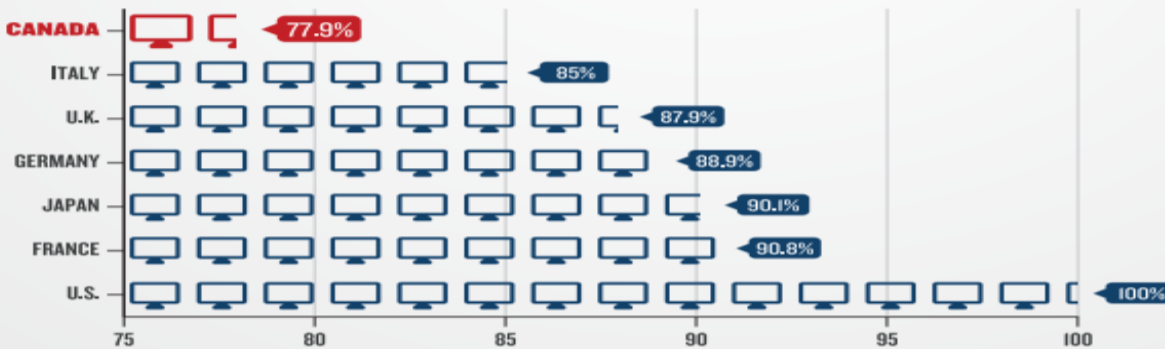


Software & Computer Services

TOP SOFTWARE AND COMPUTER SERVICES COMPANIES

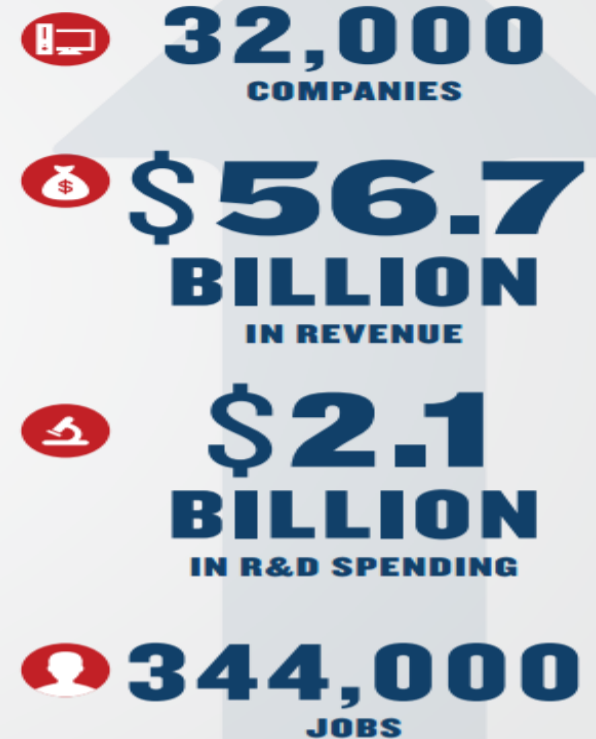


CANADA OFFERS SOFTWARE COMPANIES THE LOWEST BUSINESS COST IN THE G7



Source: KPMG, Competitive Alternatives 2016

THE INDUSTRY KEEPS GROWING WITH:



Source: Industry Canada

Canada



“ Canada is one of the world’s leaders in mobile-software development. Venture capitalists have started taking note. Google is certainly taking note. ” - Chris O’Neill, Managing Director, Google Canada



Health IT

CANADA: A STRONG LEADER IN HEALTH INFORMATION TECHNOLOGY (IT)

THE TOTAL NORTH AMERICAN HEALTHCARE IT MARKET
IS ESTIMATED TO GROW AT A

CAGR OF 7.4% TO REACH

\$31.3 BILLION

BY 2017



Source: marketsandmarkets.com, June 2013

HEALTH IT A TOP PRIORITY
\$10-12 BILLION
IN PUBLIC INVESTMENT
OVER NEXT
10
YEARS



HEALTHCARE IS THE LARGEST
INDUSTRY VERTICAL: SPENDING
IN CANADA REACHED

\$211 BILLION
IN 2013



Source: Branham Group Inc.

35,000

WORKERS
TRAINED IN
HEALTH INFORMATICS AND
HEALTH INFORMATION SYSTEMS



Source: Canada's Health Informatics Association.
Low growth forecast for 2014

CANADA IS A
GLOBAL LEADER
IN **TELEMEDICINE** WITH

5,700
TELEHEALTH SYSTEMS
IN OVER

1,175
COMMUNITIES
ACROSS THE COUNTRY

Source: Canada Health Infoway



Video Game Development

CANADA: TAKING YOUR GAME TO THE NEXT LEVEL



A TALENTED
WORKFORCE OF
20,400
PEOPLE



OVER **470**
STUDIOS

CANADA HAS BEEN
ATTRACTING LEADING
INTERNATIONAL
STUDIOS FOR OVER
THREE DECADES

**ONE
OF THE
LARGEST**

VIDEO
GAME DEVELOPMENT
INDUSTRIES IN
THE WORLD



CANADA OFFERS TAX CREDITS THAT
CAN CUT YOUR LABOUR COSTS BY

17.5% TO 50%

CANADA OFFERS GAME DEVELOPMENT
FIRMS THE LOWEST BUSINESS COST
IN THE G7

18.1%

AVERAGE
COST ADVANTAGE
OVER OTHER G7 COUNTRIES

30.6%

COST ADVANTAGE
WHEN COMPARED TO THE U.S.

Canada



“...Canada has demonstrated a deep understanding of the digital media and game industries... This makes it a perfect choice for our first step forward in establishing our global network. ...thanks to its **great talent pool, leading-edge academic and research institutions and pro-business federal and provincial governments.**”

- Hajime Nakatani, President, NAMCO BANDAI Studios Inc.

Mining & Mineral Processing

CANADA: A WORLD-LEADER IN MINING AND MINERAL PROCESSING

THE MINING AND MINERAL
PROCESSING INDUSTRY
IN CANADA IS:

\$60
BILLION
OF CANADA'S GDP

18.2%
OF CANADIAN
DOMESTIC EXPORTS

350,000
JOB

Source: Natural Resources Canada, Statistics Canada

WITH ABUNDANT
NATURAL RESOURCES

CANADA
IS A LEADING
PRODUCER

OF MANY MINERALS
AND METALS

- #1 PRODUCER OF POTASH**
- #2 URANIUM, NIOBIUM, NICKEL**
- #3 ALUMINIUM, COBALT, PLATINUM, GEMSTONES**
- #4 TUNGSTEN, SALT, SULPHUR, DIAMONDS, CADMIUM, INDIUM**
- #5 GOLD**

**CANADA RANKED AS THE WORLD'S TOP DESTINATION FOR
PLANNED NON-FERROUS EXPLORATION, AT 13.5%
OF THE 2015 EXPLORATION BUDGETS**



Source: U.S. Geological Survey (USGS); U.S. Energy Information Administration (EIA); World Nuclear Association; Kinross Process

Source: S&P Metals & Mining

Source: Toronto Stock Exchange



CLOSE TO 60%
OF THE WORLD'S PUBLICLY LISTED
MINING COMPANIES LIST IN CANADA.

Canada

Chemicals & Plastics



- Chemicals and plastics sector is supported by secure access, low priced raw material and infrastructure.
- Valued at more than \$73 billion poised for continued growth – Canada's chemical sector alone is forecast to increase by 27% by 2020.



“Canada’s access to competitively priced raw materials makes it a very attractive place to invest. NOVA Chemicals’ Canadian operations will be converting natural gas liquids from shale gas and oil development and oil sands upgrading off-gases into high-value petrochemicals, and we are evaluating even larger Canadian investments for the future ”

*–Grant Thomson, Senior Vice President and President Olefins and Feedstock
NOVA Chemicals*



What Makes Canada a great place to do business?



“If you are looking for a country that has the diversity, the resilience, the positivity and the confidence that will not just manage this change [the next industrial revolution] but take advantage of it, there has never been a better time to look to Canada”

- Prime Minister Justin Trudeau, Davos, January 2016



Canada is the best place to do business



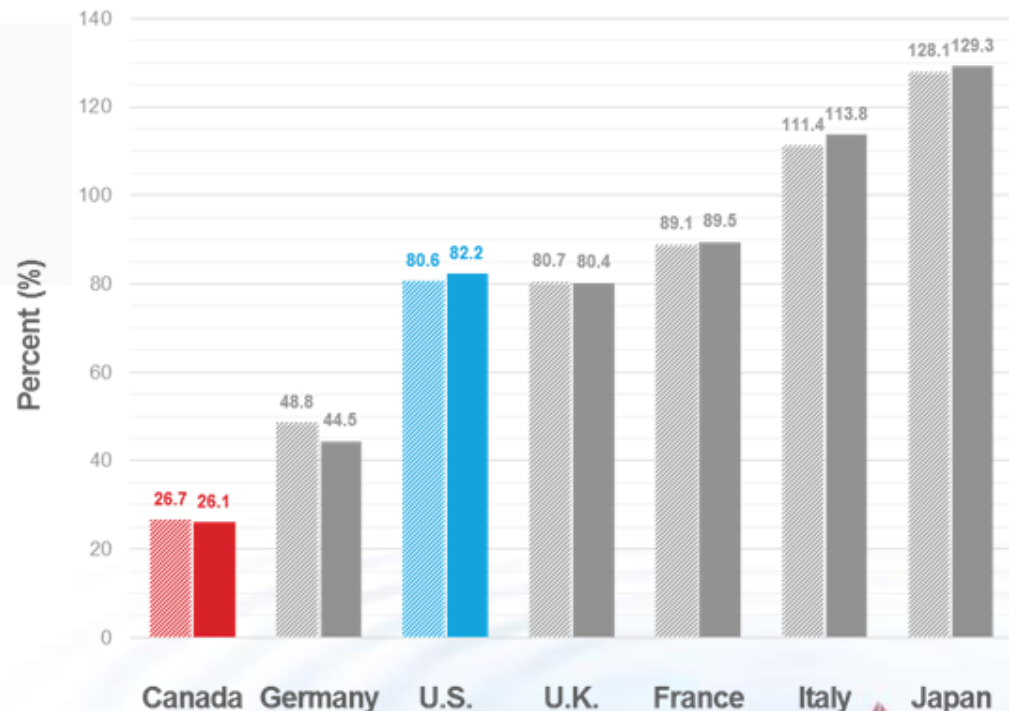
The EIU ranks **Canada #2 in the G20** to conduct business over the next five years (2017 – 2021)¹

General Government Net Debt 2015-17
% of GDP

Forbes & Bloomberg Magazine, ranked **Canada as Best Country for business in G20**

2

According to the IMF, **Canada** has the **lowest net debt-to-GDP ratio in the G7**³



¹ The Economist Intelligence Unit. October 2016 .

² Forbes & Bloomberg Magazine¹

³ IMF Fiscal monitor, October 2016

What Makes Canada a great partner for business?

Ease of doing business

- A similar language and culture
- We do business in the same time zones
- Similar and effective legal systems
- Easy market access
- Invoice directly, no need for documentary credits



... Integrated into North American markets

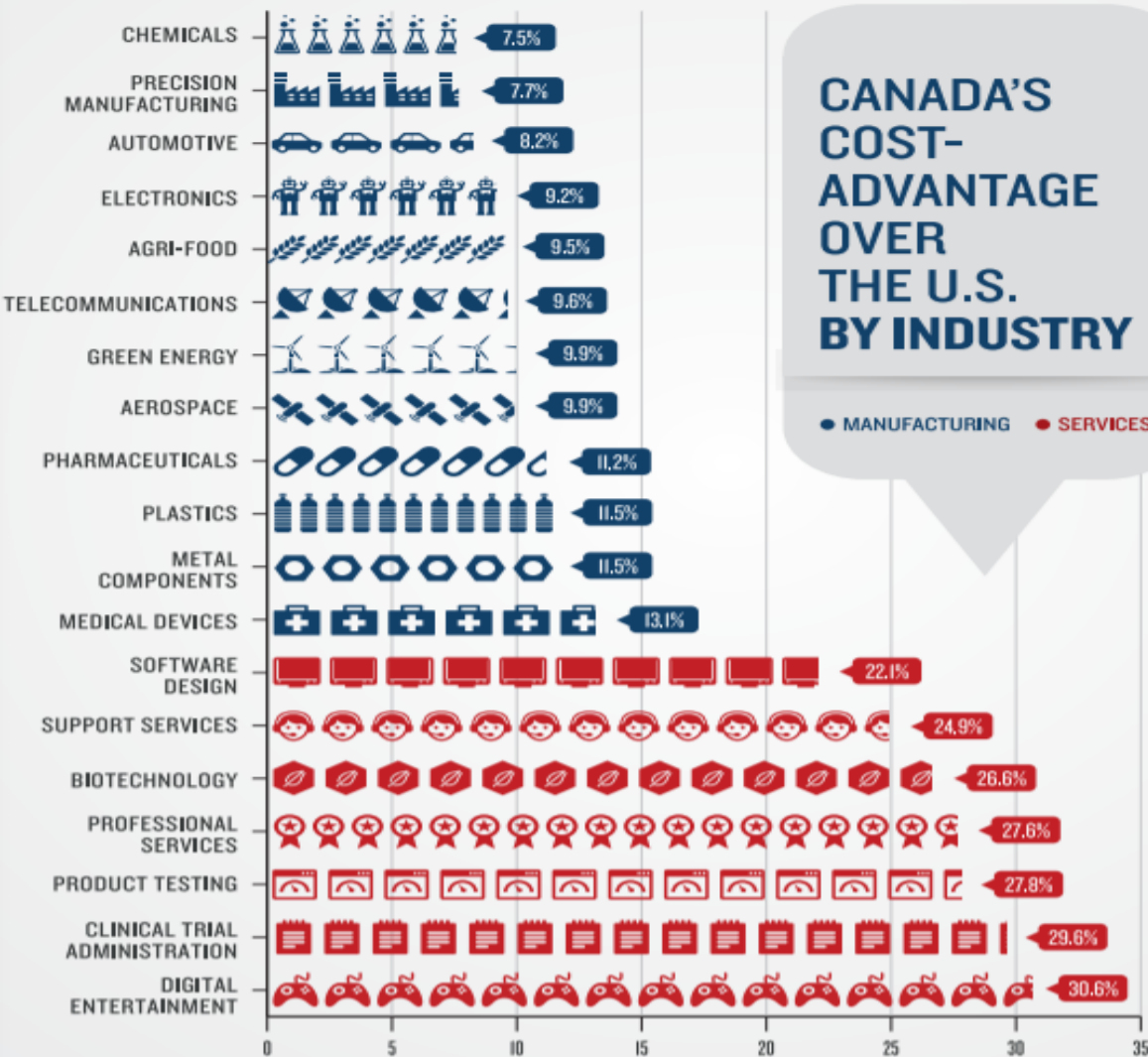


**How can your company
benefit from doing
business with Canada?**



Benefit #1 :Lowest Business Costs - 14% lower than US

CANADA IS MORE COST-COMPETITIVE THAN THE U.S. ACROSS ALL INDUSTRIES, ACCORDING TO KPMG



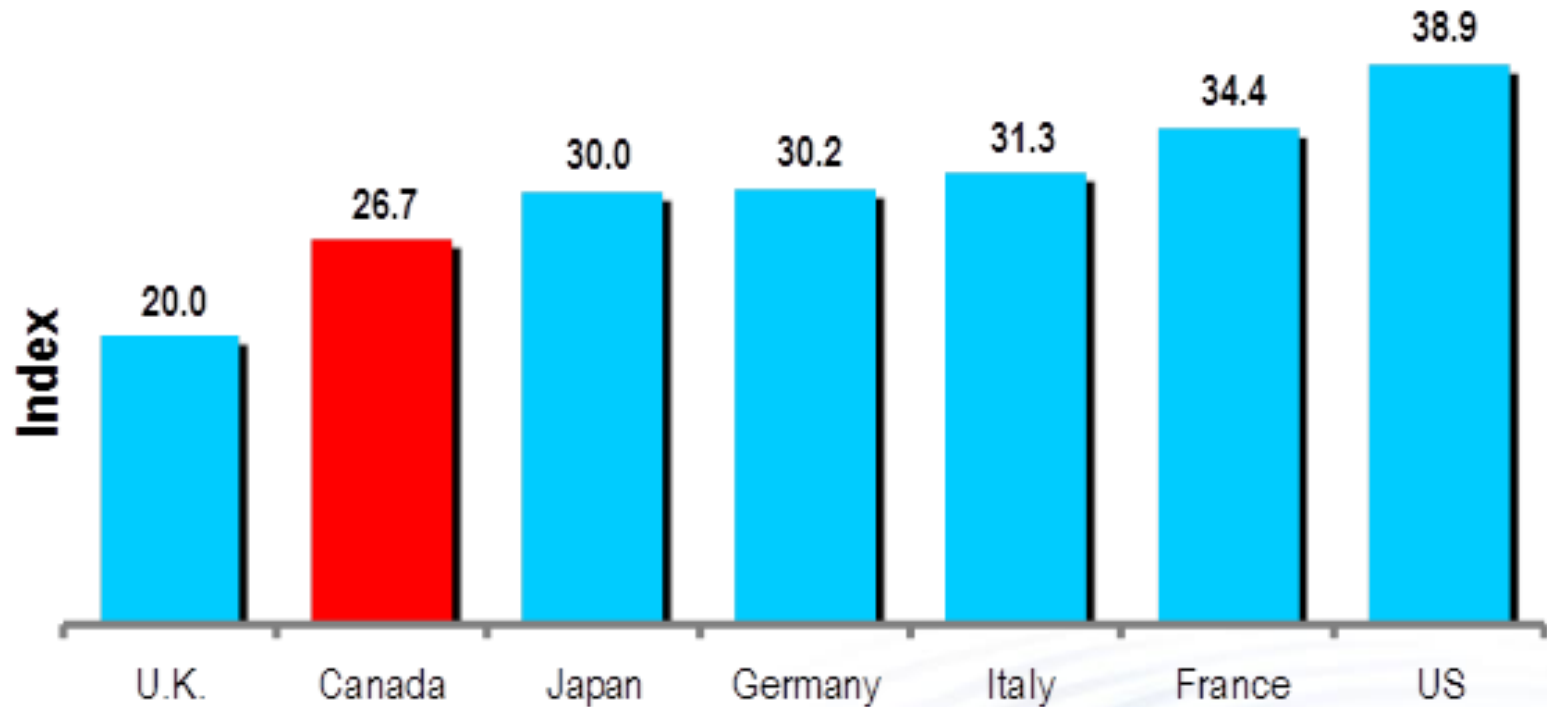
CANADA OFFERS A
14.6%
COST ADVANTAGE
OVER THE U.S. ON AVERAGE

CANADA HAS THE LOWEST
COST STRUCTURE
AMONG THE G7 COUNTRIES IN
ALL 7
SERVICE INDUSTRIES AND
ALL 12
MANUFACTURING INDUSTRIES
STUDIED BY KPMG

CANADA'S LABOUR COSTS
ARE LOWEST IN THE G7 AND
31.2%
LOWER THAN IN THE U.S.



Benefit #2: Low Corporate Taxes – 12.2% LOWER than US



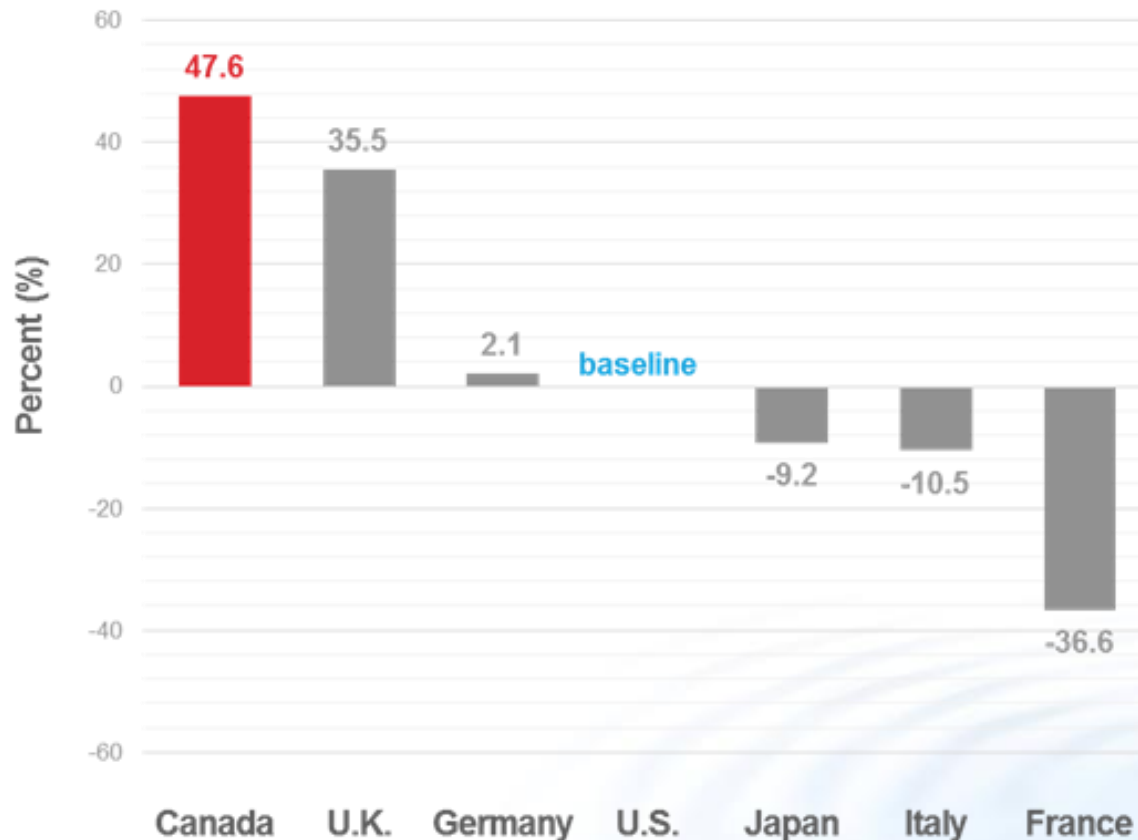
Source: BEI compilations using data from
OECD Tax Database



Benefit #3 : Low TOTAL BUSINESS TAX – 48% LOWER than US

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

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

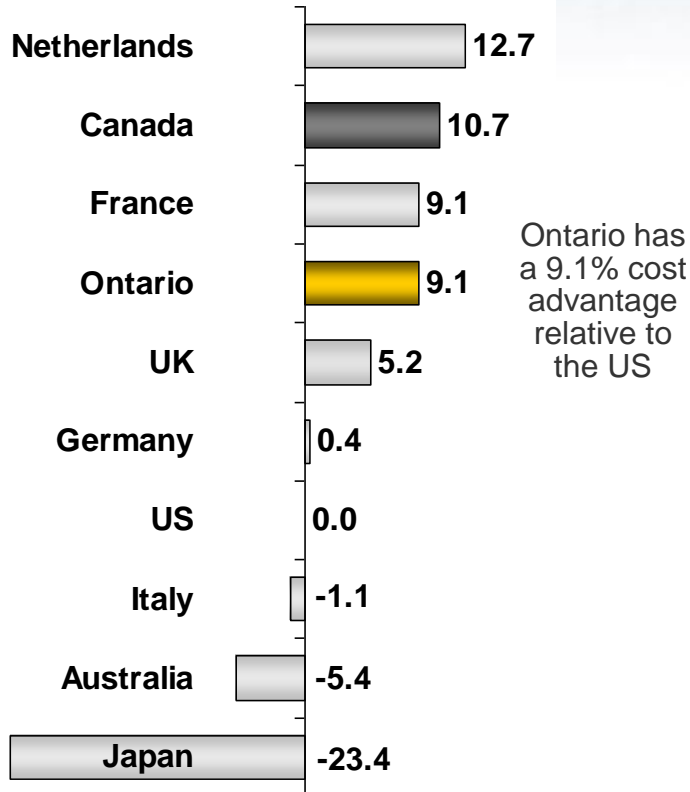


* A measure of the total taxes paid by corporations in a particular location expressed as a percentage of total taxes paid by corporations in the US. Source: KPMG *Competitive Alternatives* 2016: Focus on Tax



Benefit #4: GENEROUS R&D TAX INCENTIVES – every \$100 in Canadian R&D expense costs only \$51 (after taxes)

R&D Cost Advantage (%)



After-Tax Cost of \$100 R&D Expenditure, Small and Medium Sized Manufacturers, 2012

	R&D expenditure (general)	R&D expenditure (at eligible Ontario research institutes)
Gross expenditure	\$100.00	\$100.00
Actual after-tax expenditure	\$51.57	\$40.11

Note: data as of April 13, 2012.

Sources: Ontario Ministry of Finance and Canada Revenue Agency

Source: MEDI analysis, prepared using CompetitiveAlternatives.com
Cost Model, 2012 version, accessed on March 30, 2012.

Consider Canada as a location to conduct your R & D



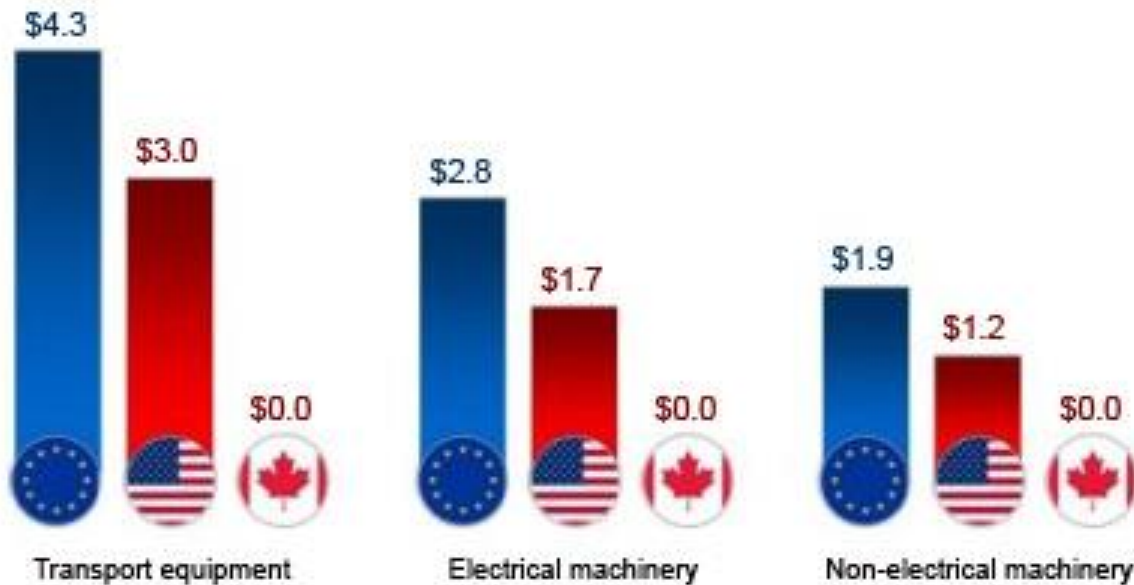
Benefit #5:

Canada offers your company Duty Free Manufacturing

0%

In Budget 2010, the Government of Canada announced that Canada will eliminate all remaining tariffs on manufacturing inputs and machinery and equipment by 2015. Canada is **the first country in the G20 to do so.**

Source: Government of Canada. *The Federal Budget 2010.*



After Canada eliminates all tariffs on machinery and equipment and goods imported for further manufacturing, average applied manufacturing tariffs on \$100 million in imports will be:

- > \$4.3 million in the EU, \$3 million in the U.S. and zero in Canada for transportation equipment;
- > \$2.8 million in the EU, \$1.7 million in the U.S. and zero in Canada for electrical machinery;
- > \$1.9 million in the EU, \$1.2 million in the U.S. and zero in Canada for non-electrical machinery.



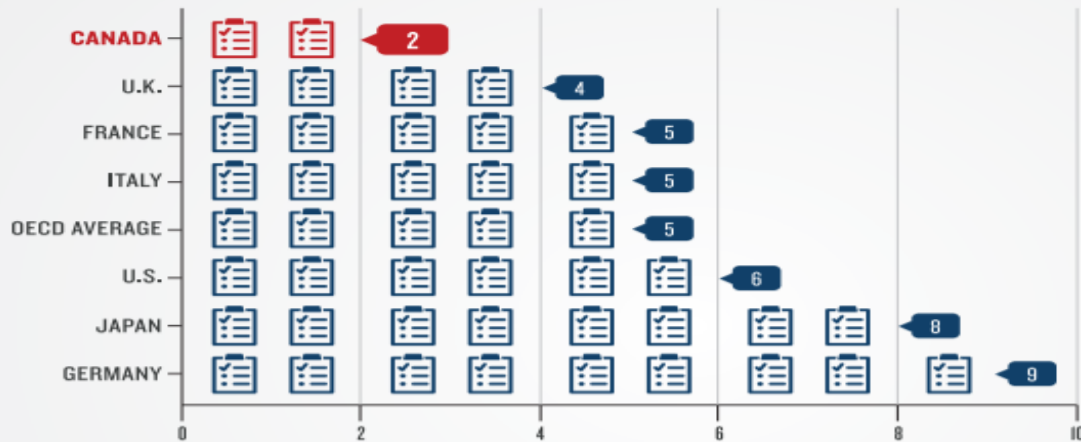
Benefit #6:

Few steps in establishing a new business

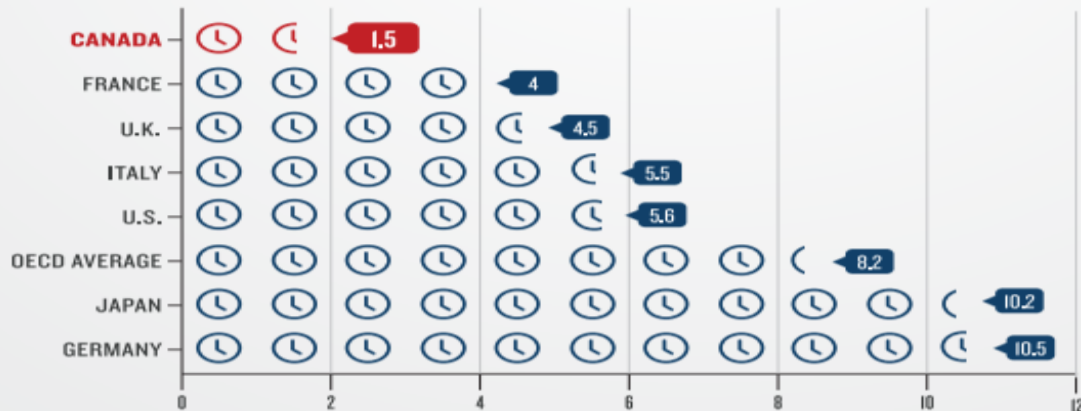
Start a business in 1.5 days

**CANADA IS THE EASIEST PLACE TO START A BUSINESS
IN THE G-7, ACCORDING TO THE WORLD BANK**

NUMBER OF PROCEDURES REQUIRED TO START A BUSINESS



NUMBER OF DAYS REQUIRED TO START A BUSINESS



**CANADA IS THE BEST COUNTRY IN THE G-20
FOR BUSINESS, ACCORDING TO FORBES**

**TOP 10 COUNTRIES IN THE G-20
FOR BUSINESS**

-  **1. CANADA**
-  **2. UNITED KINGDOM**
-  **3. AUSTRALIA**
-  **4. GERMANY**
-  **5. UNITED STATES**
-  **6. JAPAN**
-  **7. FRANCE**
-  **8. SOUTH KOREA**
-  **9. ITALY**
-  **10. SOUTH AFRICA**

Source: Forbes, Best Countries for Business 2015

Benefit #7: Access to global markets – Canada EU FTA

- This is by far, Canada's most ambitious trade initiative, with the potential to be broader and deeper in scope than the historic North American Free Trade Agreement (NAFTA). Since NAFTA came into effect, 4.5 million jobs have been created in Canada and our country's annual income has risen by nearly \$1 trillion.
- Canada anticipates that a Canada-EU CETA will deliver a \$12-billion boost to Canada's annual income.
- The EU market—with 500 million people and annual economic activity of over \$17 trillion—holds significant opportunities for Canadian businesses. The EU is the world's largest importing market for goods, more than 2.7 times larger than the United States.



Benefit #8: Asia Pacific Gateway

List of Projects

- 1 - Prince Rupert Port Container Security Program, \$28 million
- 2 - Road, Rail and Utility Corridor, Prince Rupert, \$15 million
- 3 - Highway Improvements near Vanderhoof, \$1 million
- 4 - Ashcroft Terminal, \$5 million
- 5 - River Road, Prince George, \$2.8 million
- 6 - Twinning of Simon Fraser Bridge, \$16.1 million
- 7 - Highway 97 Upgrade near Prince George, \$6.9 million
- 8 - Grade Separations, British Columbia, \$2.4 million
- 9 - Highway 2 and 41 Avenue Intermodal Access, Edmonton, \$75 million
- 10 - Freeway interchanges and South River Crossing bridge, \$95.8 million
- 11 - TransCanada Highway Upgrade, \$7.2 million
- 12 - TransCanada Highway Upgrade, \$267 million
- 13 - 52nd Street SE, CPR grade separation and Western Headwaters, Calgary, \$34.5 million
- 14 - Global Transportation Hub, \$27 million
- 15 - Highway Interchange and Grade Separation, Portage la Prairie, \$21 million
- 16 - Centreport Way, Winnipeg, \$33.3 million
- 17 - Regional Transportation Management Centre, \$5 million
- 18 - Pitt River Bridge and Mary Hill Interchange, \$90 million
- 19 - City of Richmond, \$5.5 million
- 20 - Corporation of Delta, \$1.8 million
- 21 - Roberts Bank Rail Corridor Road/Rail Grade Separations, \$75 million
- 22 - South Fraser Perimeter Road, \$365 million
- 23 - Four Burrard Inlet's North Shore Projects, \$75 million
- 24 - South Shore Trade Area, \$49.7 million

Infrastructure Investments: > \$1.4 Billion



Selection of Arkansas Companies with Canadian Operations

Walmart 



Doing Business with Canada – important topics



- Canadian market entry strategies
- Corporate Registration Procedures
- Selling to the Canadian Federal Government
- Guidelines to Importing Equipment Commercially into Canada
- Labour Mobility – Business Visitors & Work Permits



Follow your Customer



Attend a Canadian Trade Show or Conference



Canadian market entry strategies

US Commercial Service Export Opportunities:

- Power Generation • Automotive • Aerospace • Oil and Gas • Defense Products and Services • Safety and Security Equipment • Renewable Energy • Information and Communications Technology • Pollution Control –Wastewater Treatment • Mining • Travel and Tourism

Market Entry strategy

- Because of proximity and cultural similarity to the US companies incorporate their selling efforts in Canada into a general North American division or strategy.
- For companies new to the market, a distributor-based approach, Internet marketing, direct sales strategy, or a combination of the above can be an effective market entry or expansion strategy.

Using an Agent or Distributor

- Large industrial equipment - usually purchased directly by end-users.
- Smaller equipment and industrial supplies are frequently imported by wholesalers, exclusive distributors. U.S. firms have historically appointed manufacturers' agents to call on potential customers to develop the market. Canada is a huge country, and it is usually prudent to secure a manufacturer's agent near your potential buyers.
- The aerospace sector - Montreal
- The auto sector - Toronto
- The Canadian government - Ottawa
- Alberta energy sector - Calgary or Edmonton
- Consumer goods - purchased directly by Canadian wholesalers, department stores, mail-order houses, chain stores, purchasing cooperatives, and single-line retailers.

Joint Ventures/Licensing

The Canadian legal system imposes few restrictions on JV's or licensing. The vast majority of new ventures, foreign investors need only notify the Canadian government of their investment. Foreign licensors also do not require registration or public disclosure.



Selling to the Canadian Government

- **Guidelines on Selling to the CDN Government**
 - › <http://www.canadabusiness.ca/eng/page/2780/>
- **Public Works and Government Services Canada (PWGSC)**
 - › Government's largest purchasing organization, averaging 60,000 transactions and purchases over \$14 billion in G&S annually.
- **Buyandsell.gc.ca — the procurement process**
 - › free, internet-based electronic tendering service
 - › Learn the ins and outs of the federal government procurement process — how it works, what the government buys, how you can register for standing offers or become a pre-qualified supplier.
- **listing of provincial government procurement tenders**
 - › contact Lucy.Latka@trade.gov
 - › Webinar – Doing Business with the Ontario Government – January 20 2015
http://www.export.gov/eac/show_detail_trade_events.asp?EventID=35768&InputType=EVENT



SUPPLIER DIVERSITY



Accelerate your business to new heights by attending CAMSC's 12th annual Diversity Procurement Fair that provides networking, learning and business building platforms between global corporations and Aboriginal and minority owned businesses.



Keynote Speaker
Reginald E. Humphrey
Sr. Manager, Supplier Diversity, General Motors

A dedicated advocate for supplier diversity and recipient of the Michigan Minority Supplier Development Council (MMSDC) President's Award in 2015.

Sponsors



PROGRAM AT A GLANCE

DAY ONE (April 12, 2016)

Location: **Sheraton Centre Toronto** (123 Queen St., West)

3:00 - 6:00pm **Supplier Boot Camp (New!)** and Corporate Member Forum
6:00 - 8:00pm Networking Reception

DAY TWO (April 13, 2016)

Location: **Allstream Centre** (105 Princes' Blvd.)

7:30am Attendee Registration
8:00 - 9:30am Panel Breakfast
9:40 - 12:00pm Concurrent Workshops
12:00 - 1:45pm Keynote Luncheon
1:45 - 4:00pm Meeting Marketplace Appointments

Participating Corporations: (as of April 5)

AbbVie	Jones Lang LaSalle
ABC Group	Kellogg Company
Accenture	Kelly Services
Adecco	Lear Corporation
BMO Financial Group	Magna
CBRE	Marriott International
Ciena	Martinrea
Cintas Corporation	McCormick Canada
City of Toronto	Merck
Coca-Cola	Oxford Properties Group
Cotton Candy	Pfizer
Data Communications Management	RBC Financial Group



Non-Resident Importer to Canada

- A Non-Resident Importer (NRI) is a company who, in most cases, does not have a physical presence in Canada, yet for purposes of customs and GST, acts as the importer of record for goods sold/consigned into Canada.
- As an NRI, you will relieve your Canadian customers of the responsibilities of importation, making it easier for them to buy from you.
- For example, a U.S. supplier may be required, by its Canadian customer, to ship its goods "delivery/duty paid" and therefore must become an NRI.

Source: Dickenson Wright



Corporate Registration Procedures

important to consult with a legal professional before Canadian incorporation

- **Registration of Foreign Corporation**

- › If activities can be carried on in Canada without a permanent establishment, no Canadian income tax will be payable.
- › U.S. corporation will need to register as an “extra-provincial corporation”
- › U.S. corporation will be required to designate an attorney in the province who can accept service of legal documents on behalf of the U.S. corporation, and a “head office” of the corporation in the province through which business may or may not be conducted.
- › Extra-provincial registration will not, in and of itself, amount to a permanent establishment for income tax purposes.
- › Alberta Extra provincial Licence: Procedures to obtain an AB extra provincial license
<http://www.servicealberta.ca/713.cfm>
- › Ontario Extra provincial Licence: Cost \$330
<https://www.services.gov.on.ca/locations/serviceDetails.do?id=11417>

- **Canadian branch office**

- **Canadian subsidiary corporation**

- **Unlimited Liability Corporation**



Guidelines to importing Equipment Commercially into Canada

- If the US company is a non-resident company to Canada, they will need to register their business with the Canada Revenue Agency (CRA). Registering will give the company a Business Account Number, which will then grant you the Import Account Number needed for multiple border crossings with heavy machinery.
- Step 1: Obtain a Business Account Number to establish a file for the enterprise. Do this by following the link below and by completing the request form attached to this document. <http://www.cra-arc.gc.ca/E/pbg/tf/rc1/>
- Step 2: Fax the completed request form, **along with the article of your company's incorporation**, to the following CRA fax number: 519-971-2011
- Step 3: Processing and confirmation of your request may take a few weeks. Once it is confirmed, you will receive an import account number. This number has no expiration
- **Webinar - Temporarily Moving Goods & Tools Across the Border January 28, 2015**
 - › http://www.export.gov/eac/show_detail_trade_events.asp?EventID=35494&InputType=EVENT

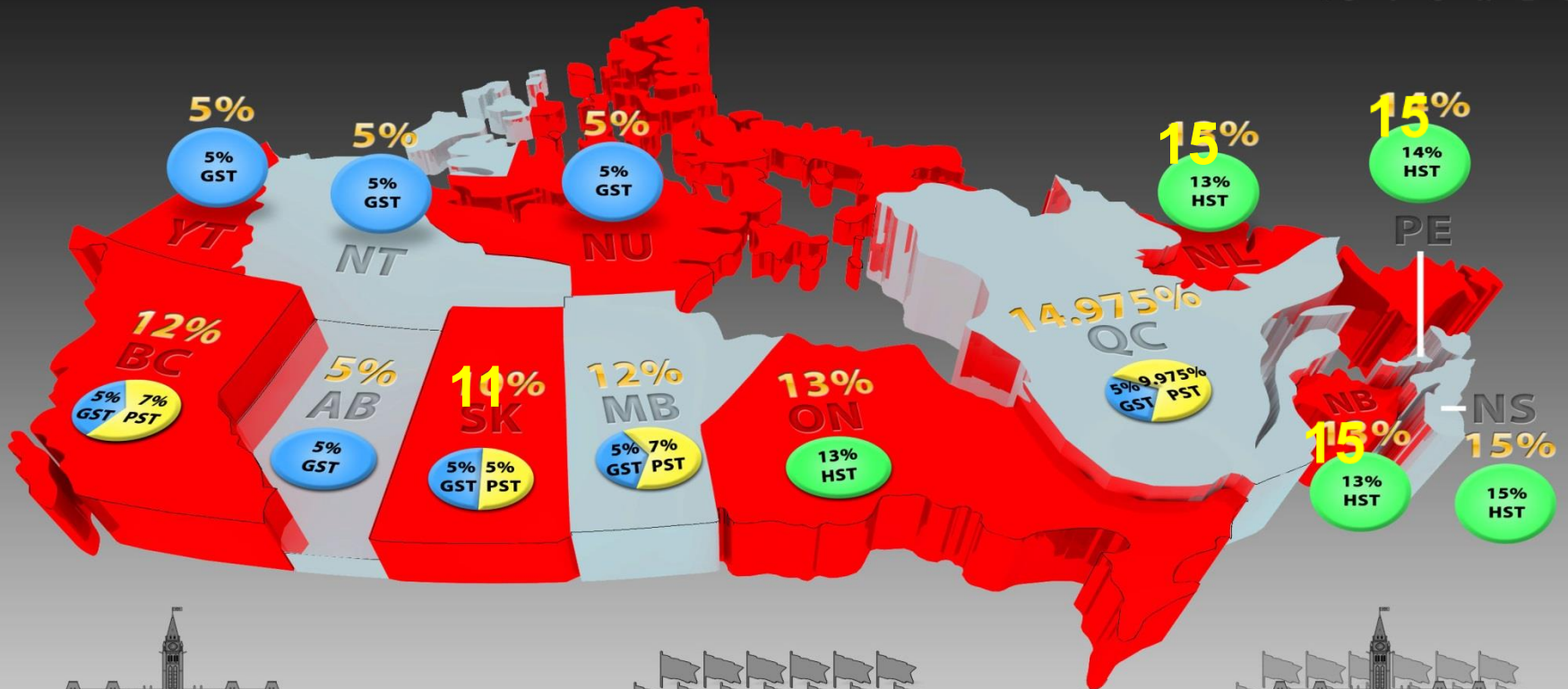


Canadian Value-Added Taxes

Canadian Provincial Taxes

Updated June 2013

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iGlobal
STORES



GST

Goods and Services Tax – A federal tax of 5% on most goods and services sold in Canada for domestic consumption



PST

Provincial Sales Tax – A province specific tax that only applies to that province



HST

Harmonized Sales Tax – A combined tax that includes GST (federal tax) and PST (provincial tax)

Canada - Labeling/Marking Requirements

- **all labels must be bilingual in English and French**
- **Product Identity Declaration:** describes a product's common or generic name, or its function. The declaration must be in both English and French.
- **Net Quantity Declaration:** must be expressed in metric units
- **Dealer's Name and Principal Place of Business:** where the prepackaged product was manufactured or produced for resale. In general, a name and address sufficient for postal delivery will be acceptable. either English or French.
- **Exporters of food products**
- **Canada Border Services Agency** requires country of origin, such as "Made in the USA," on several classes of imported goods.



Labour Mobility – Business Visitors

- **Business Visitors do not need a work permit to entry Canada**
 - › **Cross-border business can include activities such as:**
 - buying Canadian goods or services for a foreign business or government;
 - taking orders for goods or services;
 - attending meetings, conferences, conventions or trade fairs;
 - providing after-sales or after-lease service (mainly supervision, not hands-on labour);
 - being trained by a Canadian parent company they work for outside Canada;
 - training employees of a Canadian subsidiary of a foreign company; or
 - being trained by a Canadian company that has sold them equipment or services.
- **Business visitors usually stay in Canada for a few days or a few weeks. To be considered a business visitor you must show that:**
 - › Your stay is temporary and you do not plan to enter the Canadian labour market
 - › Your main place of business and source of income is located outside of Canada
 - › Profits from your business will accrue outside of Canada
- **You can provide documents that support your application:**
 - › Have a valid travel document, such as a passport
 - › Letters of support from your parent company and a letter of invitation from the Canadian host business
 - › After sales service - A copy of any original contracts, original service/sales agreements, warranty etc. to support your visit
 - › Have enough money for your stay and to return home
 - › Plan to leave Canada at the end of your visit
 - › Do not pose criminal, security or health risks to Canadians.



Labour Mobility – Work Permits – NAFTA Intra Company Transfer

- A work permit is the document that authorizes a foreign national to work in Canada. Apply for a work permit at the port of entry or a Canadian embassy
- NAFTA Intracompany transfer - <http://www.cic.gc.ca/english/work/special-business.asp>
- Under Chapter 16 of NAFTA, citizens of Canada, the United States and Mexico can **gain quicker, easier temporary entry** into the three countries to conduct business or investment activities.
- **Do not need a labour market opinion** (LMO) from Human Resources and Skills Development Canada (HRSDC). This means that Canadian employers do not need to have a job offer approved by HRSDC to hire an American or a Mexican business person, as set out in NAFTA.
- NAFTA applies **to four specific categories of business people**: Professionals & traders and investors, intra-company transferees
- **An intra-company transferee must:**
 - › have worked continuously for at least one year in the preceding three years for the same or affiliated employer in the United States or Mexico;
 - › be transferred to Canada to work temporarily for the same or an affiliated employer; and
 - › work in a capacity that is managerial, executive or that involves specialized knowledge.
 - › have a [work permit](#).
 - › Canadian Visa office in New York - <http://www.cic.gc.ca/english/information/offices/missions/new-york.asp>
- **More info from a CDN law firm on Intra company transfers -**
[http://www.osler.com/uploadedFiles/News and Resources/Publications/Guides/Doing Business in Canada - 2011/DBIC-Chapter10.pdf](http://www.osler.com/uploadedFiles/News_and_Resources/Publications/Guides/Doing_Business_in_Canada_-_2011/DBIC-Chapter10.pdf)
- **APPLYING FOR A WORK PERMIT -** <http://www.cic.gc.ca/english/work/apply-how.asp>



Labour Mobility – Work Permits – NAFTA Traders

- A work permit is the document that authorizes a foreign national to work in Canada. Apply for a work permit at the port of entry or a Canadian embassy
- NAFTA Intracompany transfer -
<http://www.cic.gc.ca/english/resources/tools/temp/work/international/nafta.asp>

The following requirements apply:

- applicant has American or Mexican citizenship;
- the employing enterprise has American or Mexican nationality;
- activities involve substantial trade in goods or services;
- trade is principally between either the U.S. or Mexico, and Canada;
- position is supervisory or executive, or involves essential skills; and
- compliance with existing immigration requirements for temporary entry.
- Over 50 percent of the total volume of international trade conducted by the entity must be between Canada and the U.S. or Mexico.
- The applicant's job duties in Canada will be employed in a capacity that is supervisory, or executive or involves essential skills.

Work permit for 1 year with extension of another 2 years



Labour Mobility – Work Permits – NAFTA Investors

- A work permit is the document that authorizes a foreign national to work in Canada. Apply for a work permit at the port of entry or a Canadian embassy
- NAFTA Intracompany transfer -
<http://www.cic.gc.ca/english/resources/tools/temp/work/international/nafta.asp>
- The following requirements apply:
 - applicant has American or Mexican citizenship;
 - enterprise has American or Mexican nationality;
 - substantial investment has been made, or is actively being made;
 - applicant is seeking entry solely to develop and direct the enterprise;
 - if the applicant is an employee, position is executive or supervisory or involves essential skills; and
 - compliance with existing immigration measures applicable to temporary entry.
- There is no minimum dollar figure established for meeting the requirement of “substantial” investment. Substantiality is normally determined by using a “proportionality test”

Work permit for 1 year with extension of another 2 years



Key Contacts/Info for Houston based companies in exporting to Canada

Arkansas World Trade Centre

Little Rock U.S. Export Assistance Center

U.S. COMMERCIAL SERVICE | U.S. DEPARTMENT OF COMMERCE
700 W. Capitol Ave, Room 4413 Little Rock, AR 72201
phone number 501-324-5797 | <http://www.export.gov/arkansas>

The U.S. Commercial Service - American Consulate General

480 University Avenue Toronto, Ontario M5G 1V2 Telephone:
416.595.5412 Email: toronto.office.box@mail.doc.gov

The U.S. Commercial Service - American Consulate General

1000, 615 Macleod Trail, SE Calgary, Alberta T2G 4T8 Telephone: 403-
265-2116 Email: Calgary.office.box@mail.doc.gov

Doing Business in Canada: Country Commercial Guide for U.S.

Companies - http://www.buyusainfo.net/docs/x_5578582.pdf





Canadian Consulate General Objectives in South Central USA

- **3 Main types of services.**

- A. Foreign Policy and Diplomacy**

- **Strengthen Canada-US Relationship**
- **Political, Economic & Cultural Advocacy**
- **Strengthen Media Relations**
- **Strengthen Bilateral Academic Relations**

- B. Provide Consular Assistance to Canadians**

- **Passports and citizenship documents**
- **Canadians in distress**

C. Consulate General of Canada Services to US Companies

- **One 12 Consulate General of Canada's in the U.S**
- **Canadian Consulate services are FREE of charge**

■ **SOURCING FROM CANADA**

- Introductions to Canadian suppliers

■ **INNOVATION and R&D WITH CANADA:**

- Assisting in conducting R&D in Canada or licensing Canadian technology

■ **INVESTING IN CANADA:**

- Pathfinding key government contacts
- Facilitation of site visits
- Information and advice on how to set up a business in Canada, taxation, regulations and government programs
- Assistance in developing an investment business case

Exporting to Canada: AR World Trade Centre and/or US Commercial Service – Main point of contact



Canadian Consulate

– Assist CDN Companies to Invest in the US

- **Mandate to assist Canadian companies investing and creating jobs abroad – global supply chains**
- **How do we assist**
 - Honest Broker – advice and guidance
 - Provide investment leads to US state and local economic development agencies
 - Introductions to service providers
 - Supply Chain Partners
- **Financing available** for Canadian companies
 - Export Development Canada
 - Business Development Bank of Canada
- **Sectors**
 - Automotive, Defence, Agri-food, and financial services



Contact the Canadian Consulate



500 North Akard Street
Suite 2900

Dallas, TX 75201

Phone: (214) 922-9806

Fax: (214) 922-9815

Please contact us:

Delon Chan

Consul and Trade Commissioner

delon.chan@international.gc.ca





CANADA-UNITED STATES

Friends. Neighbors. Allies.

Overview of Canada's Energy Sector

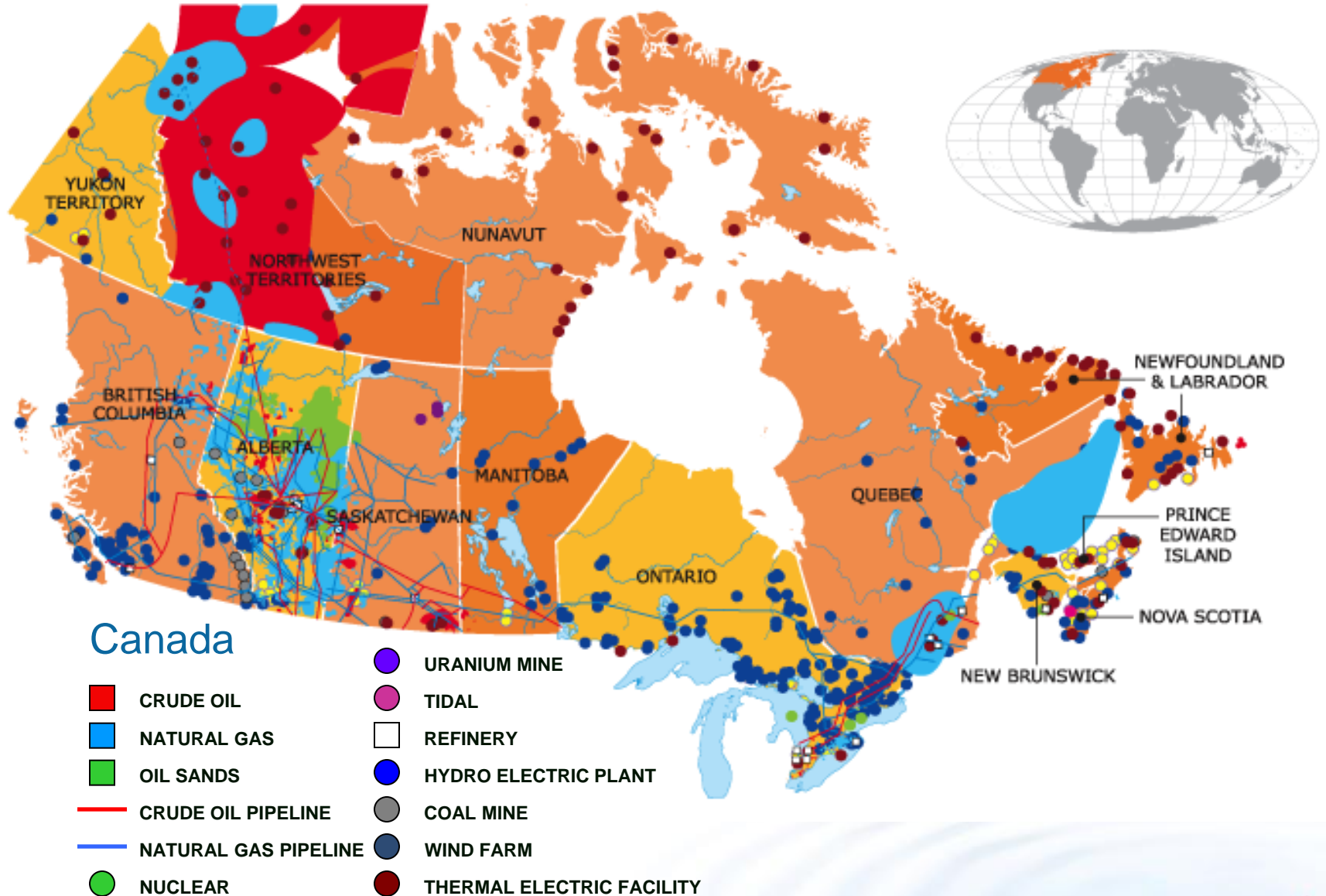


Canada has an abundance & diversity of energy resources

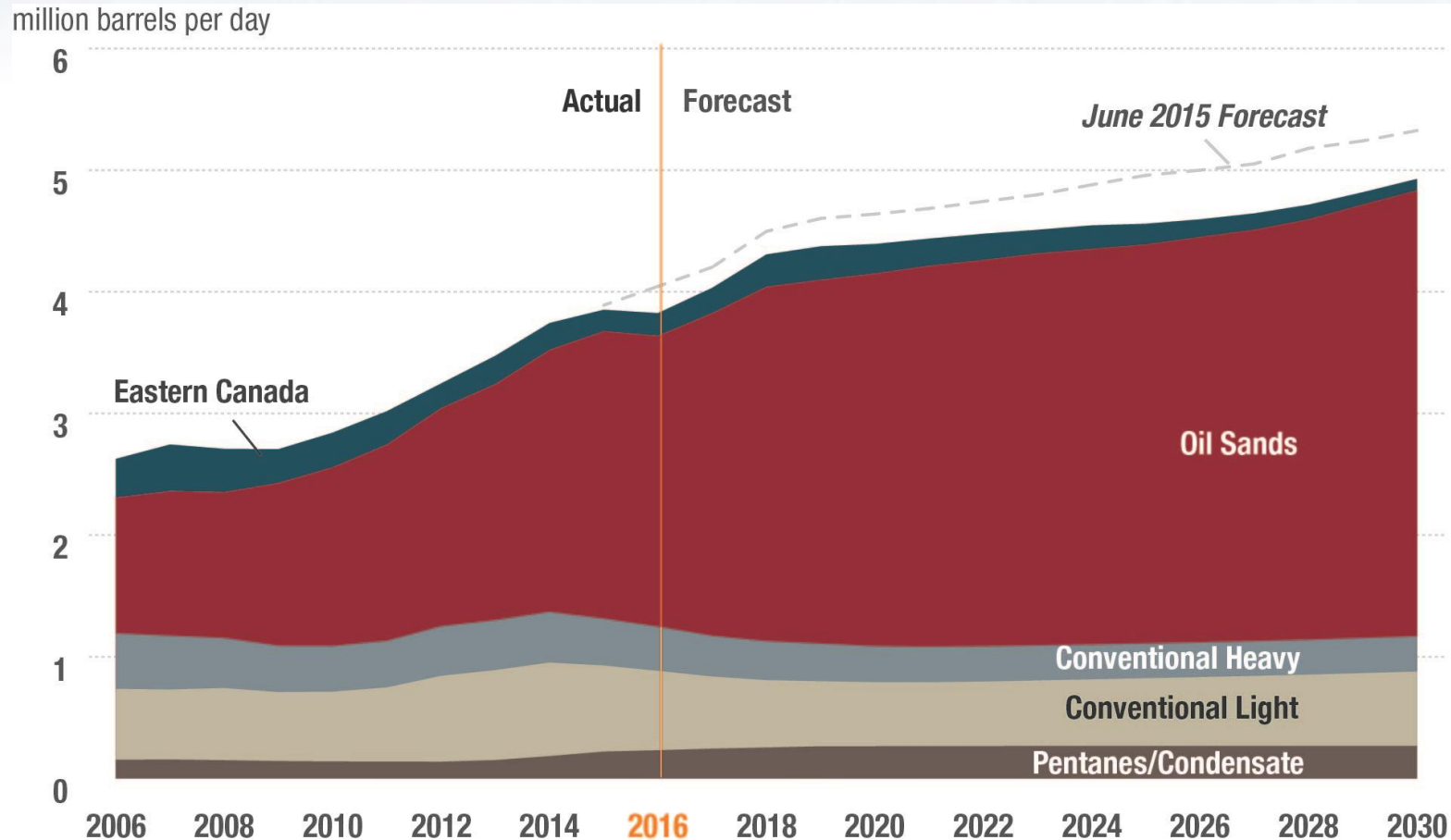
- 5th largest producer of oil and 3rd largest proved reserves
- 4th largest producer of natural gas and 4th largest exporter
- 2nd largest producer of hydro power (60% of Canada's total electricity generation.)
- 2nd largest producer of uranium
- 7th largest installed wind capacity
- Energy sector: 290,000 direct jobs, 10% of GDP, \$109B in cap ex



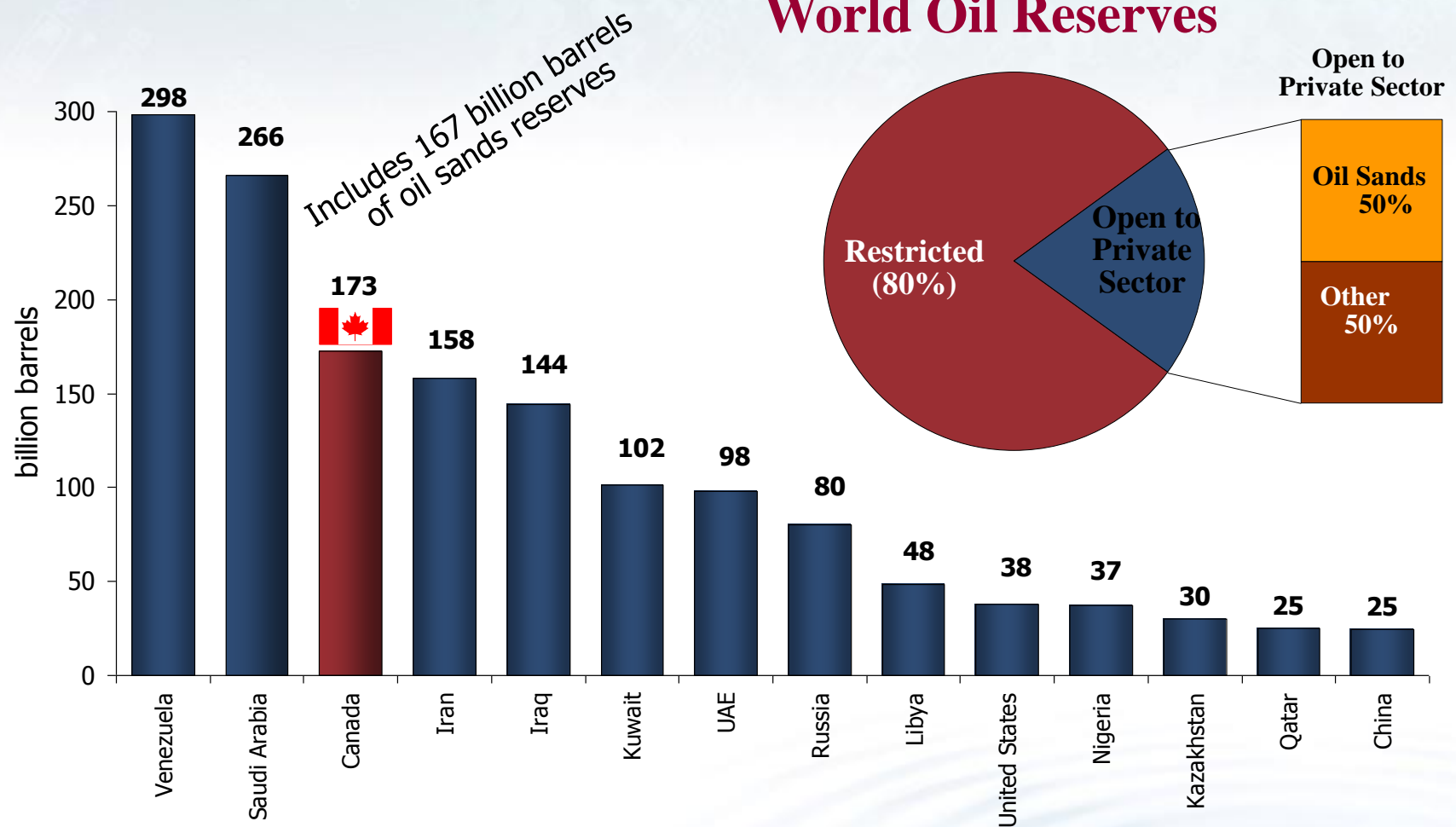
Canada's energy endowment stretches across the country



Canadian Production – Eastern + Western Canada



Canada – an open supplier Crude Oil to the world

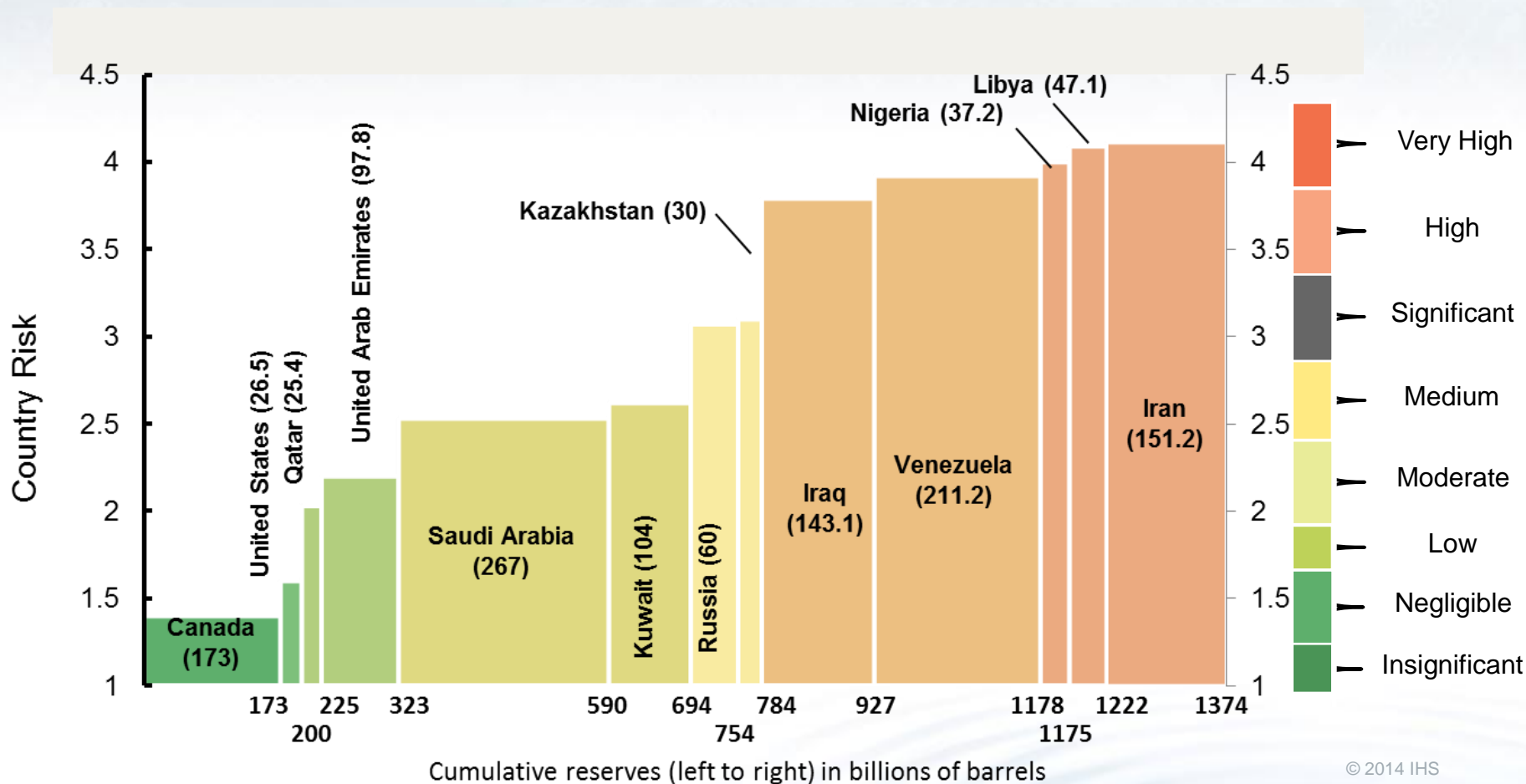


Source: Oil & Gas Journal Dec. 2014 & AER 2014



Canada has one of the most stable investment climates among major global reserve holders

Country risk of nations that contain 90% global reserves (billions of barrels)



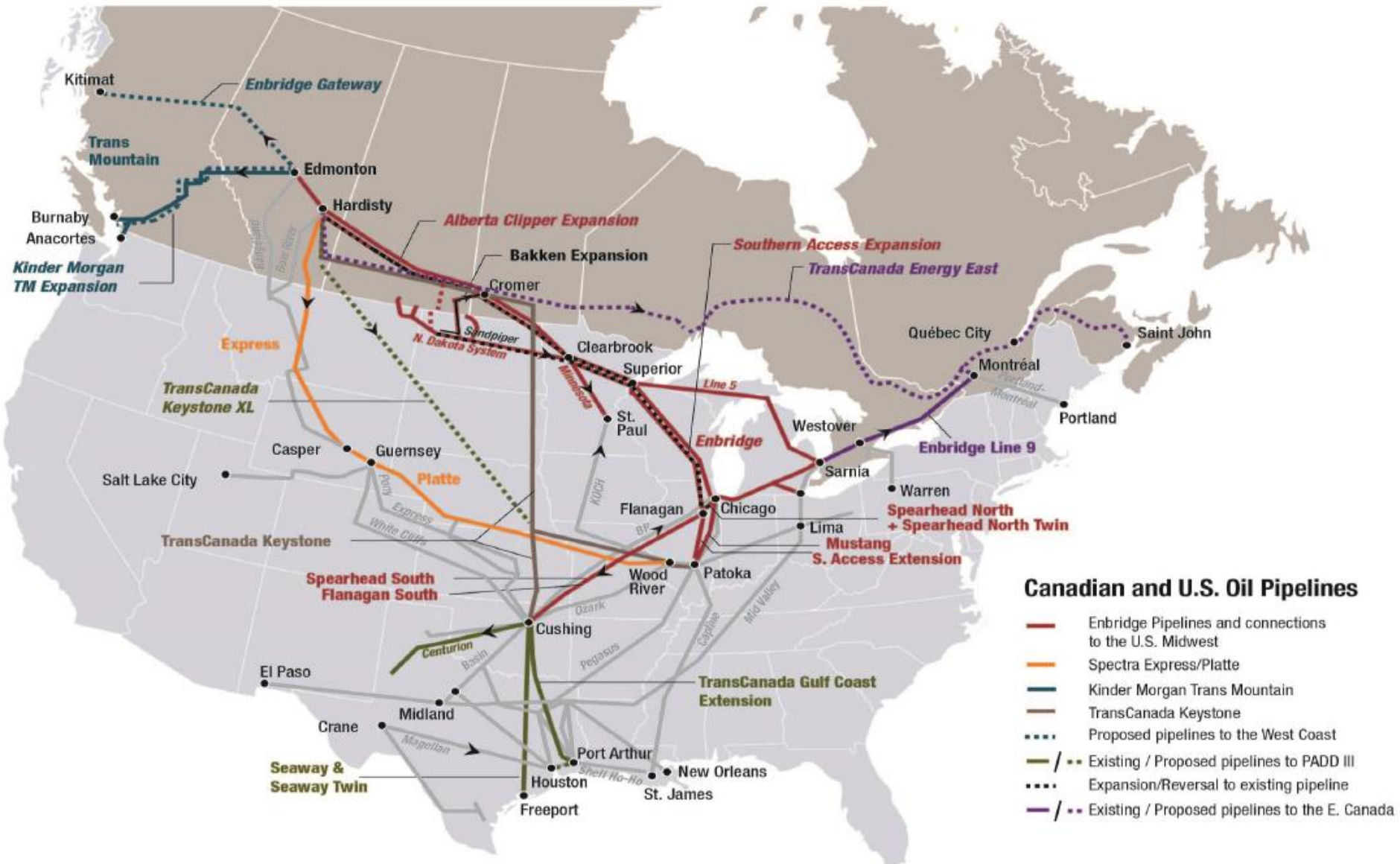
© 2014 IHS

Source: IHS Country Risk, Q2 2014, and US EIA

IHS Country Risk Analysis provides a comprehensive picture of the quality of conditions and level of stability in over 205 countries around the world. The overall Country Risk Ratings aggregate six component ratings—Political (25%), Economic (25%), Legal (15%), Tax (15%), Operational (10%), and Security (10%). The principal quality these ratings are measuring is stability.



Canadian & U.S. Crude Oil Pipelines: Existing and Proposed



Pipeline & LNG Announcements

Prime Minister Trudeau announced Nov 29/16 approval of the 714 mile Kinder Morgan Trans Mountain pipeline - \$6.8 Billion




Sections  The Washington Post 


    

START PLAYING!

The Americas

Canadian government approves Kinder Morgan's Trans Mountain pipeline but

Global NEWS  **Winnipeg**  Change Location **TV News Programs**  Newscasts & Videos

World Canada Local  Politics Smart Living Money Entertainment Health Tech Science

CANADA


November 29, 2016 6:05 pm

Updated: November 29, 2016 7:06 pm

Calgary, Alberta oilpatch applaud Trudeau pipeline approvals

By Ian Bickis The Canadian Press

THE GLOBE AND MAIL 

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Trudeau Approves Kinder Morgan's Trans Mountain Pipeline

by **Josh Wingrove** and **Natalie Obiko Pearson**
November 29, 2016 — 5:02 PM EST Updated on November 29, 2016 — 6:42 PM EST

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CAMPBELL CLARK

Trudeau didn't just approve Trans Mountain, he put his weight behind it

CAMPBELL CLARK

The Globe and Mail

Published Tuesday, Nov. 29, 2016 7:13PM EST

Last updated Tuesday, Nov. 29, 2016 7:16PM EST

Access to capital & Events



- **Financial incentives such as Flow-Through Shares (FTS)** enable companies to transfer eligible exploration and development expenses to investors, which can then apply for tax credits for these expenditures. This feature enables a company involved in exploration, drilling, production, refining or pipeline operation to fund its activities more easily.
- **Toronto Stock Exchange (TSX)** ranks 1st among all exchanges globally, with 35% of the world's public oil and gas companies listed in Canada. Further, 21% of oil and gas services companies are also listed on the TSX, making Canada one of the largest capital markets for oil and gas plays.
- We have **technical expertise**. Foreign companies can assess Canada's deep talent pool in exploration (seismic, geophysical), drilling/casing, primary production, hydraulic fracturing and enhanced oil recovery. Also, Canadian pipeline companies are leaders in the transportation of their products.
- **Global Petroleum Show** <http://globalpetroleumshow.com/>
 - › June 13 to 17, 2017 (65,000 plus attendees, 2000 + exhibitors)

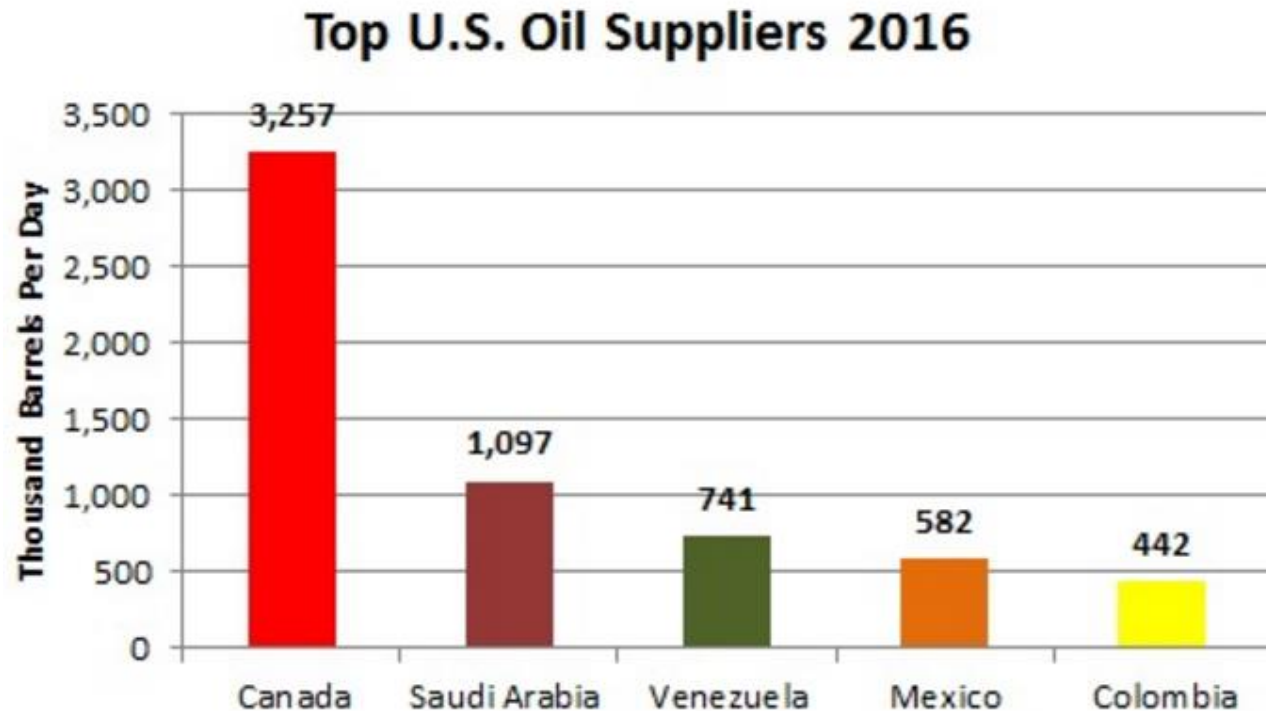


Canada – leading, most secure, reliable, and competitive energy supplier to the U.S

“U.S.-Canada energy and environmental cooperation are inextricably linked, and we commit to further improving our ties in those areas. We have built the world’s largest energy trading relationship.”

President Trump & Prime Minister Trudeau – February 13th , 2017

Canada Exported 3.26 million bpd of crude oil to the U.S., 41.3% of total U.S. petroleum imports (more than Saudi Arabia, Venezuela, Mexico, and Columbia combined)



EIA: <http://bit.ly/2llovyv>



CANADA-UNITED STATES

Friends. Neighbors. Allies.

Doing Business in Canada's Oil & Gas Sector



Canada's Oil Sands Resource

167 billion barrels recoverable

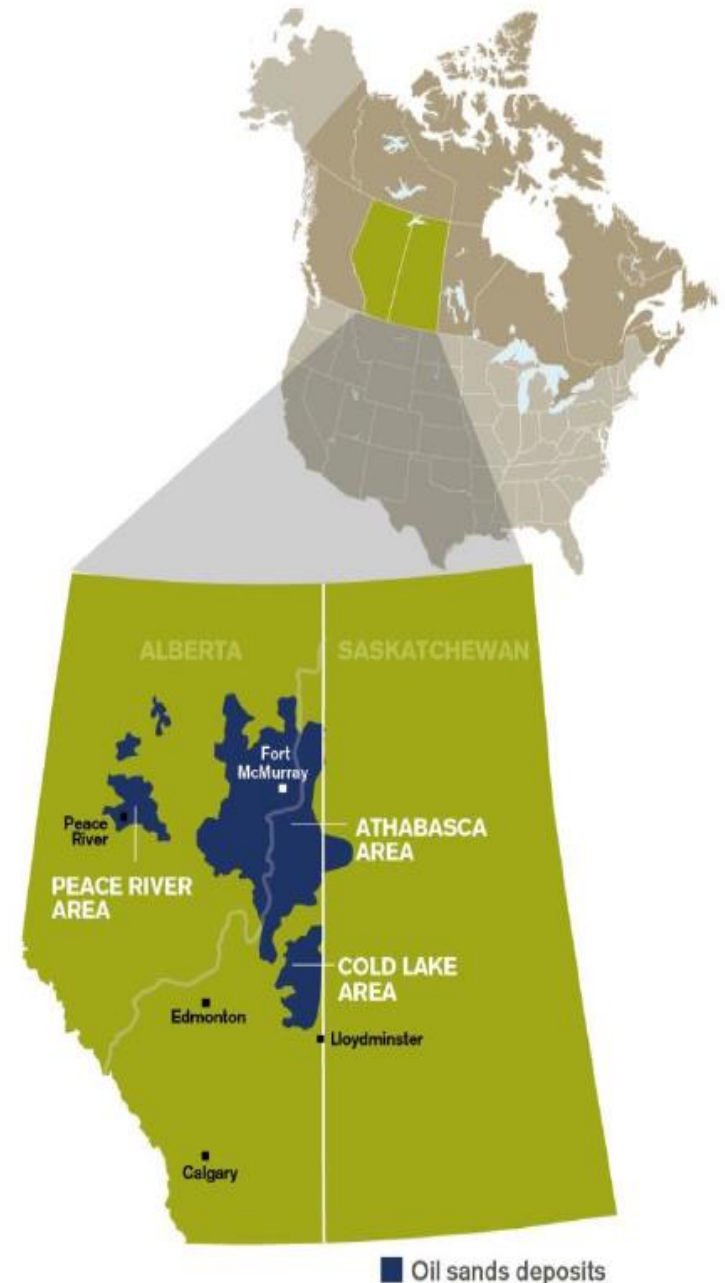
- At current economics and technology
- Well over 100 years of production

20% of resource is mineable

- Just under 3% of oil sands land area

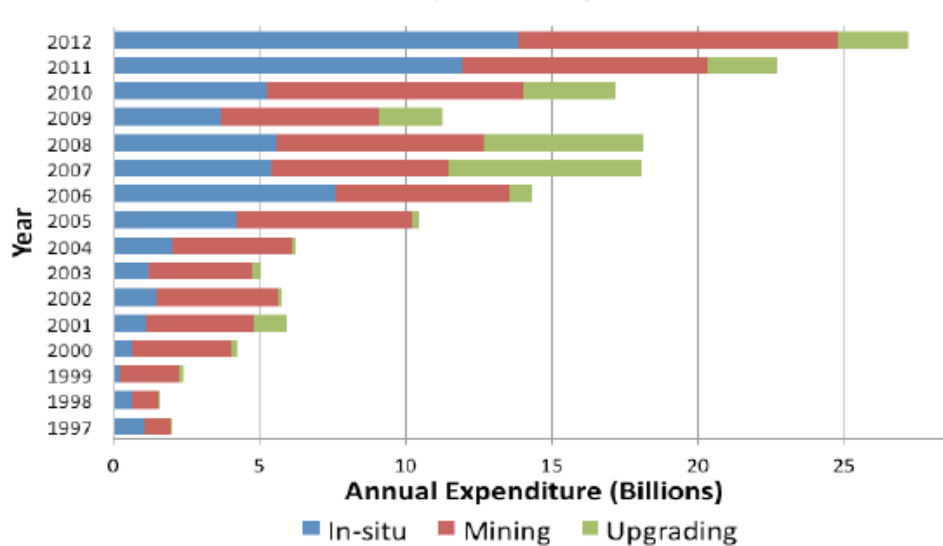
80% of resource is drillable

- 97% of oil sands land area

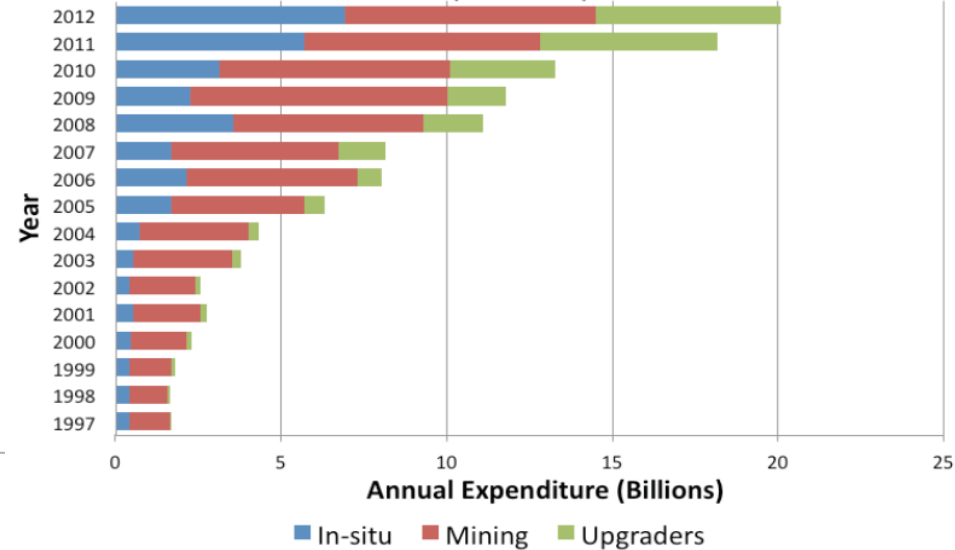


Capital & MRO Investments in CDN Oilsands

Historical New Capital Investment
(1997 to 2012)



Historical MRO Expenditures
(1997 - 2012)



Canadian Manufacturing Sales Projections 2012–2030 for New Capital Investment

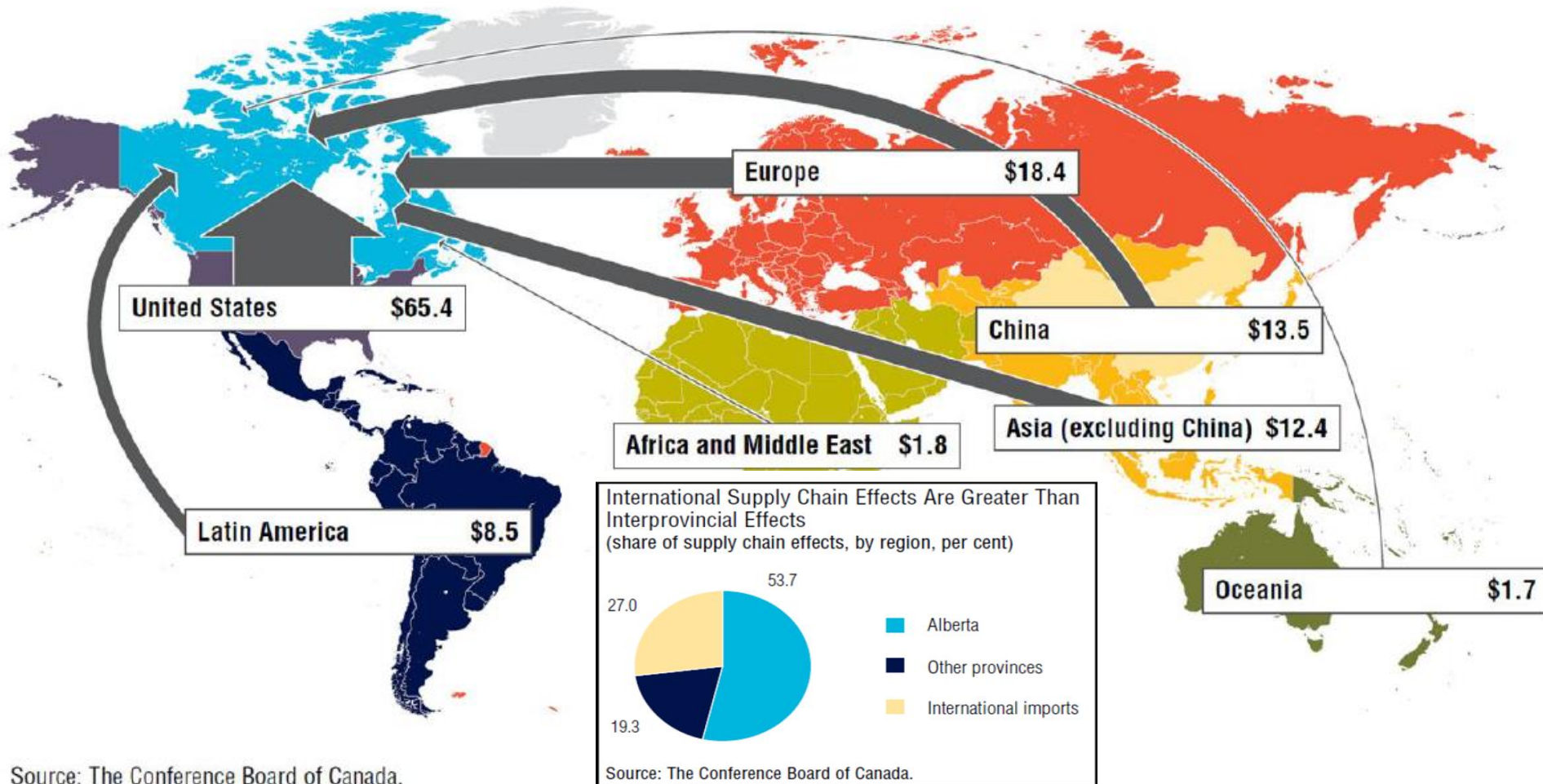
Manufacturing Sub-Sector	2030 Standard
Construction and mining machinery manufacturing	\$5,098,895,759
Other general-purpose machinery manufacturing	\$1,104,866,845
Petroleum and coal product manufacturing	\$953,187,175
Architectural and structural metals manufacturing	\$812,927,751
Steel product manufacturing from purchased steel	\$613,490,436
Machine shops, turned product, and screw, nut and bolt manufacturing	\$598,334,078
Iron and steel mills and ferro-alloy manufacturing	\$551,087,155

Canadian Manufacturing Sales Projections 2012–2030 for MRO Investments

Manufacturing Sub-Sector	2030 Standard
Petroleum and coal product manufacturing	\$1,650,351,065
Construction and mining machinery manufacturing	\$788,542,212
Steel product manufacturing from purchased steel	\$764,431,177
Iron and steel mills and ferro-alloy manufacturing	\$318,133,071
Architectural and structural metals manufacturing	\$279,661,627
Basic chemical manufacturing	\$266,497,664
Machine shops, turned product, and screw, nut and bolt manufacturing	\$265,878,126

Oil Sands-Related Manufactured Imports Predominantly Come From the U.S.

Oil Sands Imported Manufactured Inputs



Canada's 20 largest Energy companies

The 200 List

The biggest oil, gas, midstream and service companies of 2016

June 01, 2016

[The 200 Home](#)

Select Performance Measure ▼ Select Company Type ▼ Go

Company	Ticker	2015 Rank	2014 Rank	Revenue 2015 (\$)	2015 Revenue Growth (%)	Net Income 2015 (\$ millions)	Earnings per Share (\$)	2015 Assets (\$ millions)
Enbridge	ENB	1	2	33,794,000,000	-10.22	356	1.40	10,002
Suncor Energy	SU	2	1	29,680,000,000	-26.70	-1,995	-1.38	77,527
Imperial Oil*	IMO	3	3	26,756,000,000	-26.15	1,122	1.32	43,170
Husky Energy	HSE	4	4	16,369,000,000	-32.06	-3,850	-3.95	33,056
Cenovus Energy	CVE	5	5	13,064,000,000	-33.49	618	0.75	25,791
Canadian Natural Resources	CNQ	6	6	12,363,000,000	-34.46	-637	-0.58	59,275
TransCanada	TRP	7	7	11,300,000,000	10.95	-1,140	-1.75	64,483
Fortis	FTS	8	n/a	6,727,000,000	24.55	1,063	2.61	28,804
Hydro One	H	9	n/a	6,538,000,000	-0.15	1,194	1.39	24,328
Parkland Fuel	PKI	10	11	6,299,571,000	-16.31	55	0.45	1,819
Gibson Energy	GEI	11	10	5,591,982,000	-34.78	-281	-2.23	3,283
Syncrude		12	8	5,583,000,000	-44.43	-	-	-
Ontario Power Generation	OPG	13	n/a	5,476,000,000	10.34	417	1.57	-
Pembina Pipeline	PPL	14	12	4,635,000,000	-23.63	429	1.02	12,936
Encana*	ECA	15	9	4,422,000,000	-44.86	-5,165	-6.28	15,644
Westcoast Energy	W-H	16	n/a	3,531,000,000	-12.12	288	-	15,698
Superior Plus	SPB	17	17	3,314,000,000	-16.63	114	0.20	2,142
Pacific Rubiales*	PRE	18	14	2,824,546,000	-42.94	-5,949	-17.34	3,986
Crescent Point Energy	CPG	19	15	2,800,000,000	-33.49	-540	-1.82	17,616
Tervita		20	13	2,800,000,000	-51.72	-	-	-

Recent Canadian Investments

COMPANY BUSINESS	ACTIVITY
PetroChina Company Limited (China)	Liquefied natural gas
China National Offshore Oil Corporation Limited (China)	Oil sands
Total S.A. (France)	Oil sands
Japan Petroleum Exploration Co., Ltd. (Japan)	Oil sands
Spectra Energy Corp. (U.S.)	Pipeline operations
Mitsubishi Corporation (Japan)	Liquefied natural gas
Petroliaam Nasional Berhad (PETRONAS) (Malaysia)	Liquefied natural gas
Statoil (Norway)	Oil exploration



“For BP, Canada is one of the better places to invest in the world. It is a stable economy. It has a stable political system. It has **pragmatic regulations** that allow us to be both safe and efficient. It has great people [...] just great talent locally. It’s a **center of innovation in technology**, and it has a **great hydrocarbon basin**, which is obviously extremely important for a business such as ours.”

Murray Auchincloss – Deputy CFO (upstream) & Head of Business Development, BP (July 2013)



Procurement Decisions in the Oil Sands: What Matters?

- Supply costs and value added
- Quality of products and services
- Supplier history
 - Delivering on time, to specifications and on budget
- HSE performance
 - Enforced through the supply chain
- Audit and financial stability
- Operational costs
- Service capability and support services
- Innovation
- Location
- Resources and employment programs



Photo: Oil Sands Review

Links in the Energy Supply Chain

- Engineering & Construction
- Industrial Manufacturing
- Oil & Gas Services
- Upgrading & Refining
- Petrochemicals
- Mining



Prequalification

- Preferred vendor lists
- Suppliers must meet or exceed key criteria, e.g.
 - Quality programs
 - HSE performance
 - Ability to meet schedule
- Trend to third-party prequalification firms
- Capacity required to manage successfully





Alberta Innovates Energy and Environment Solutions

Energy and Environmental Solutions' goal is to help Alberta become a global leader in sustainable energy production and exceptional water management by:

- Identifying critical technology gaps
- Applying world-class innovation management strategies
- Research to develop solutions to meet Alberta's energy and environment sector