

CANADA – A SECURE ENVIRONMENT FOR BUSINESS

FDI

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Senior Trade Commissioner
Embassy of Canada to
Romanian & Bulgaria

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Regional Lead Foreign Direct
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Eastern Europe

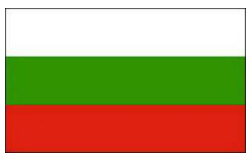


THE CANADIAN TRADE COMMISSIONER SERVICE IN BUCHAREST



FOSTERING TRADE AND INVESTMENT WITH BULGARIA, ROMANIA





Canada's most comprehensive network of international trade professionals.

Located in:

- Offices across Canada,
- and 174 cities worldwide

Our mandate is to promote Canada's trade and economic interests in Romania, and to support the efforts of Canadian companies who have selected Bulgaria as a target market for their products, services or technologies.



In Bucharest:

HEATHER BYSTRYK | Senior Trade Commissioner
Management of the Trade section

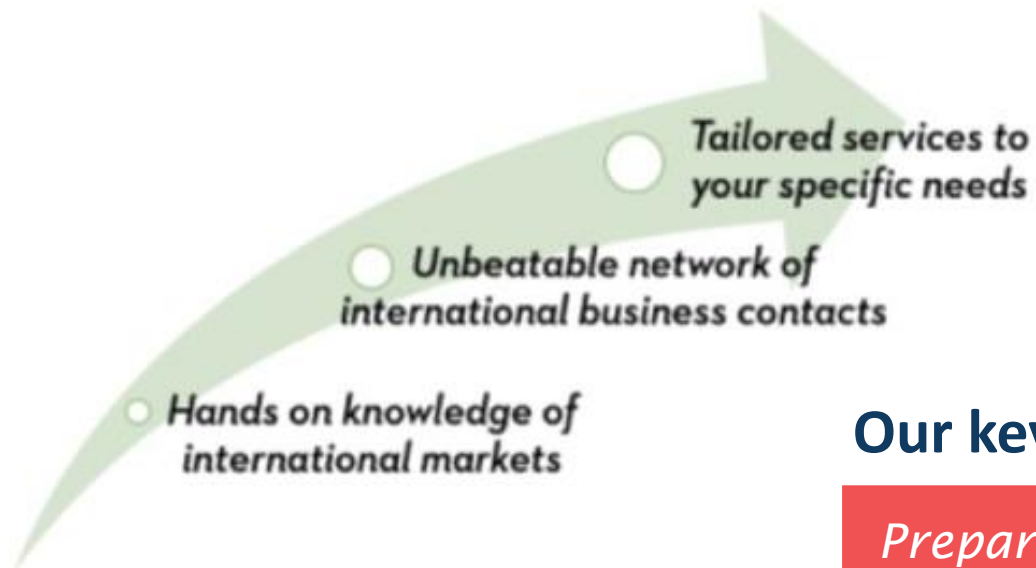
RALUCA TUDOR-PETCU | Trade Commissioner
Clean Technologies (water, nuclear energy), Energy, CETA

CORINA STANESCU | Trade Commissioner
Agriculture and Agrifood (Fish & Seafood), Defense & Security, ICT
Education, Culture

In Berlin:

HENDRIK TAULIN | Regional Lead Foreign Direct Investment
Central and Eastern Europe, Senior Investment Officer

TCS SERVICES TO CANADIAN COMPANIES



TCS provides on-the-ground intelligence and practical advice on foreign markets to help Canadian companies make timely and cost-effective decisions.

Our key services:





INFORMATION ON CANADA

- **We provide you with:**
 - Canadian suppliers equipped to meet your needs
 - Appropriate Canadian sources of information and services

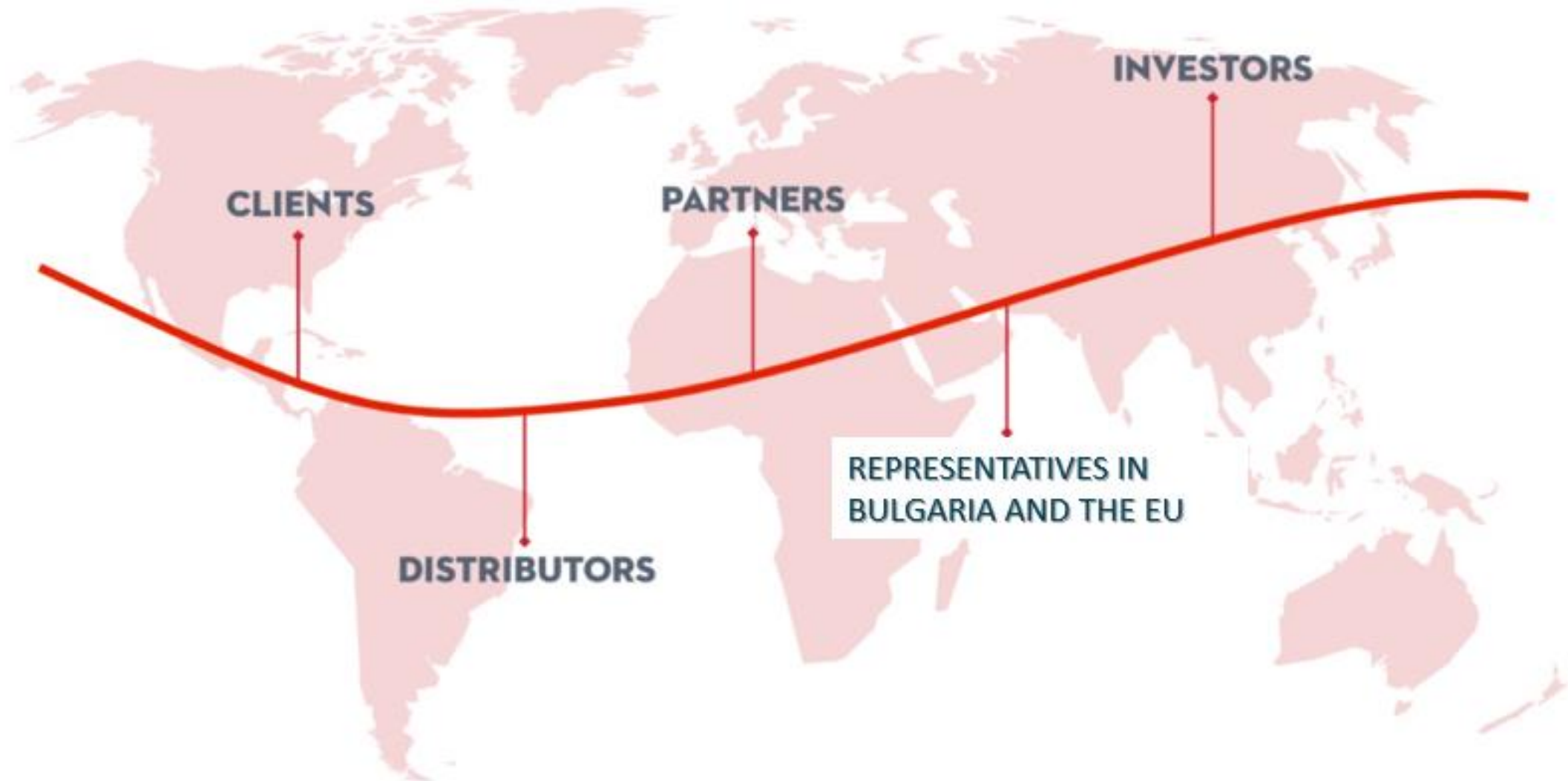
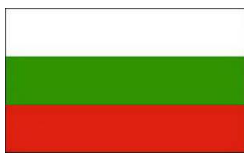
NETWORK OF CONTACTS

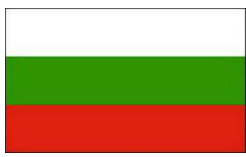
- **We can help you access:**
 - Established Canadian companies
 - Importers of Canadian products
 - Strategic alliances
 - Licensing agreements

BUSINESS DEVELOPMENT

- **We can assist you by:**
 - Introducing you to potential partners
 - Answering questions on investment projects in Canada

WHAT ARE CANADIAN COMPANIES LOOKING FOR IN BULGARIAN COMPANIES?





- **Strong Bilateral Partnership**
 - CETA, NATO, OSCE, Francophonie, WTO (coming soon...OECD)
 - No visa requirement for transit or visit to Canada
 - Social Security Agreement, Double Taxation Agreement, Audio-visual co-production agreement
 - Bulgaria has endorsed the Declaration Against Arbitrary Detention in State-to-State relations
- **Growing Trade and Investment Relationship**
 - In 2022, two way trade reached \$402 million (276 million euro) – nearly doubled since the application of CETA.
 - CDIA stock in Bulgaria was 47 million – over a dozen Canadian companies
- **New Canadian-Bulgarian Chamber of Commerce**

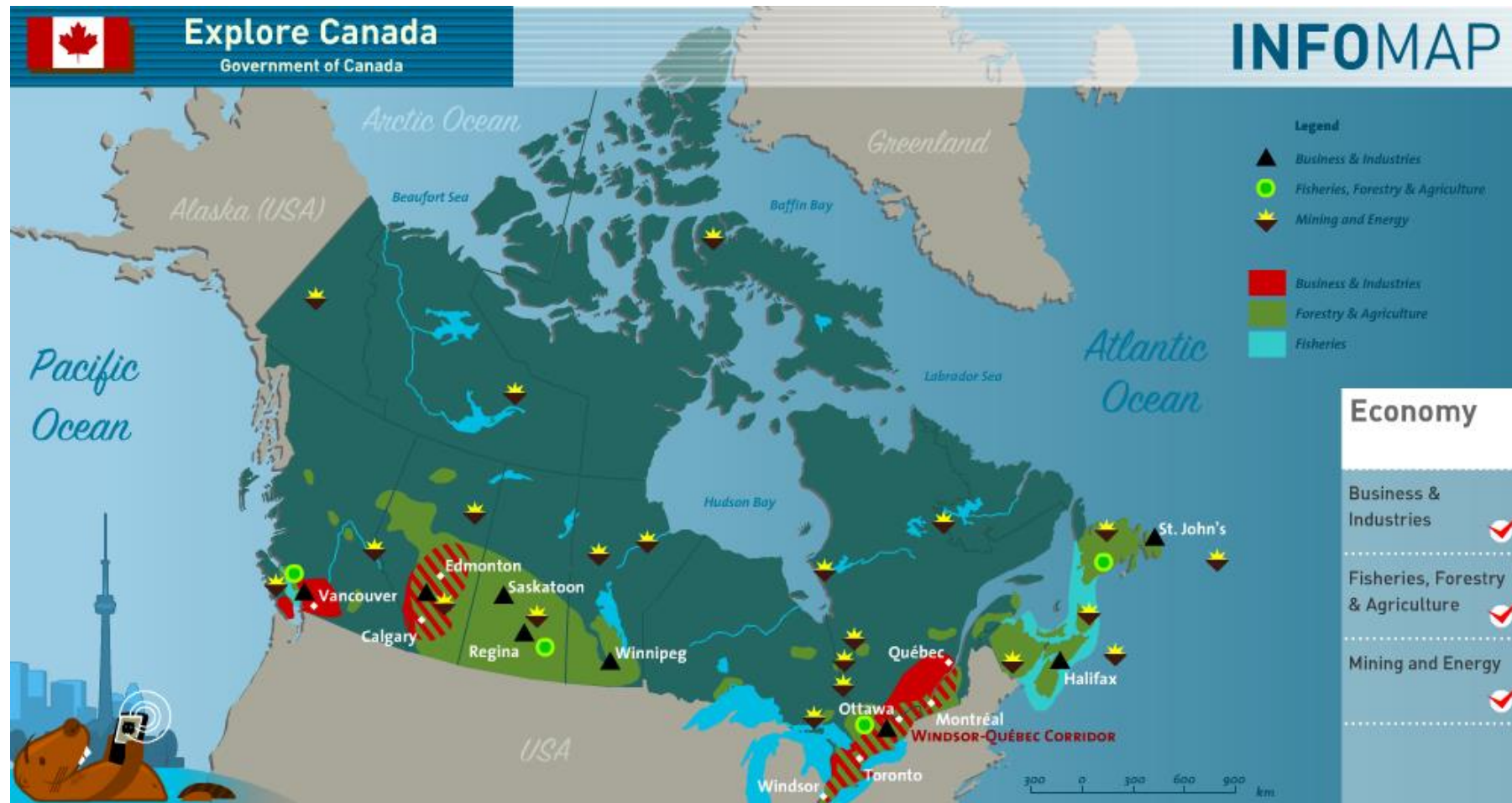
BILATERAL TRADE: BULGARIA-CANADA, 2012-2022



Canada – Economic Geography

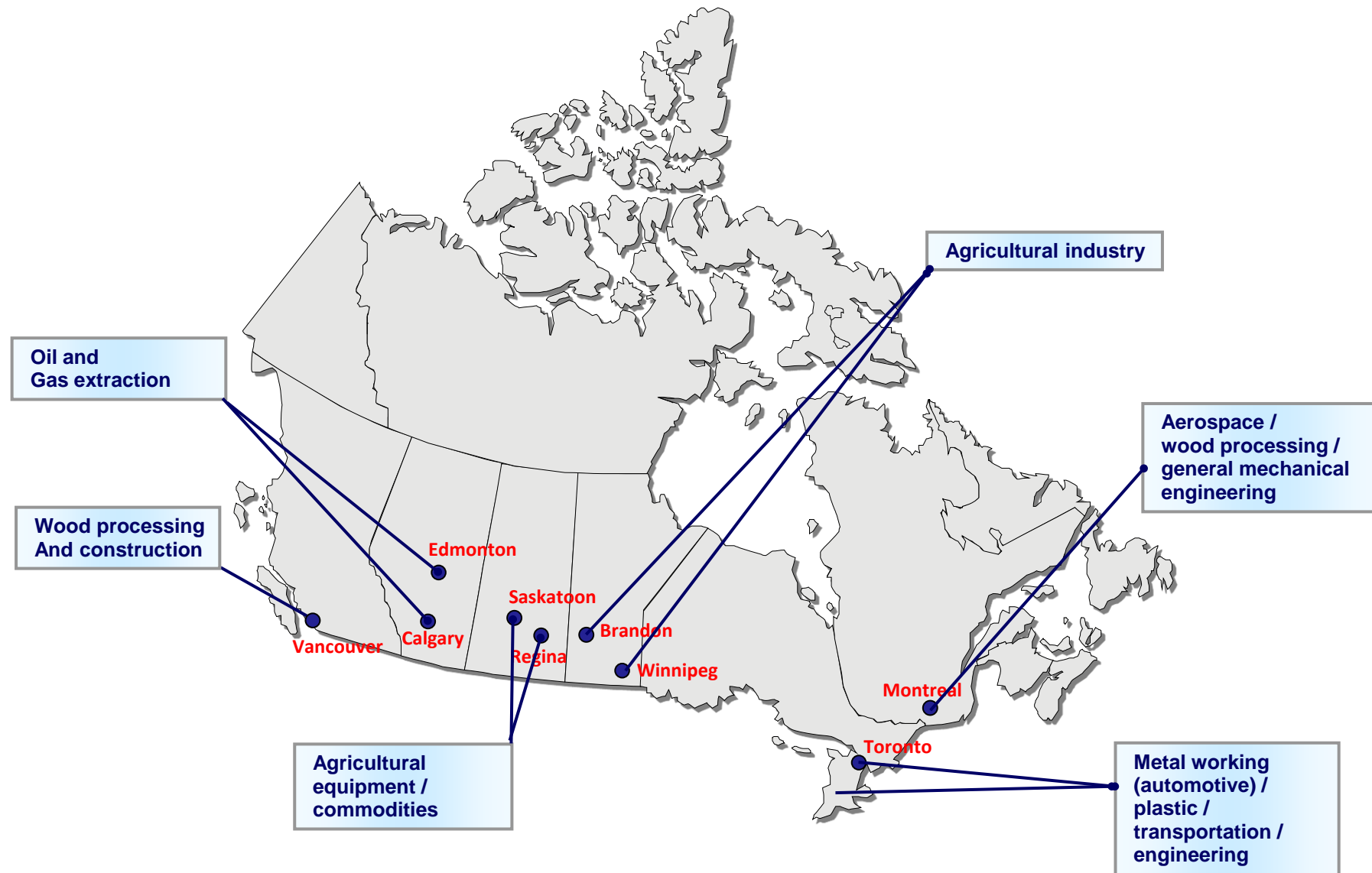


CANADA'S ECONOMIC GEOGRAPHY



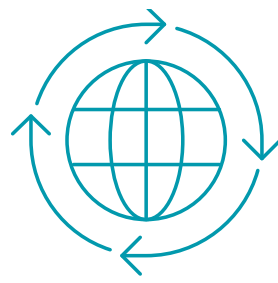
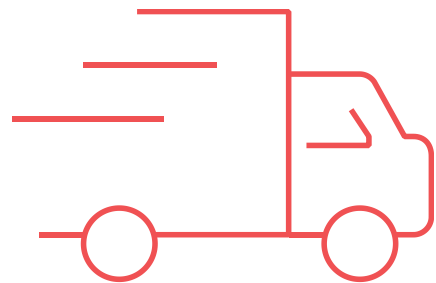
Source: Embassy of Canada

CANADA'S ECONOMIC GEOGRAPHY



Source: Embassy of Canada

CANADA - EXCELLENT ECONOMIC ENVIRONMENT



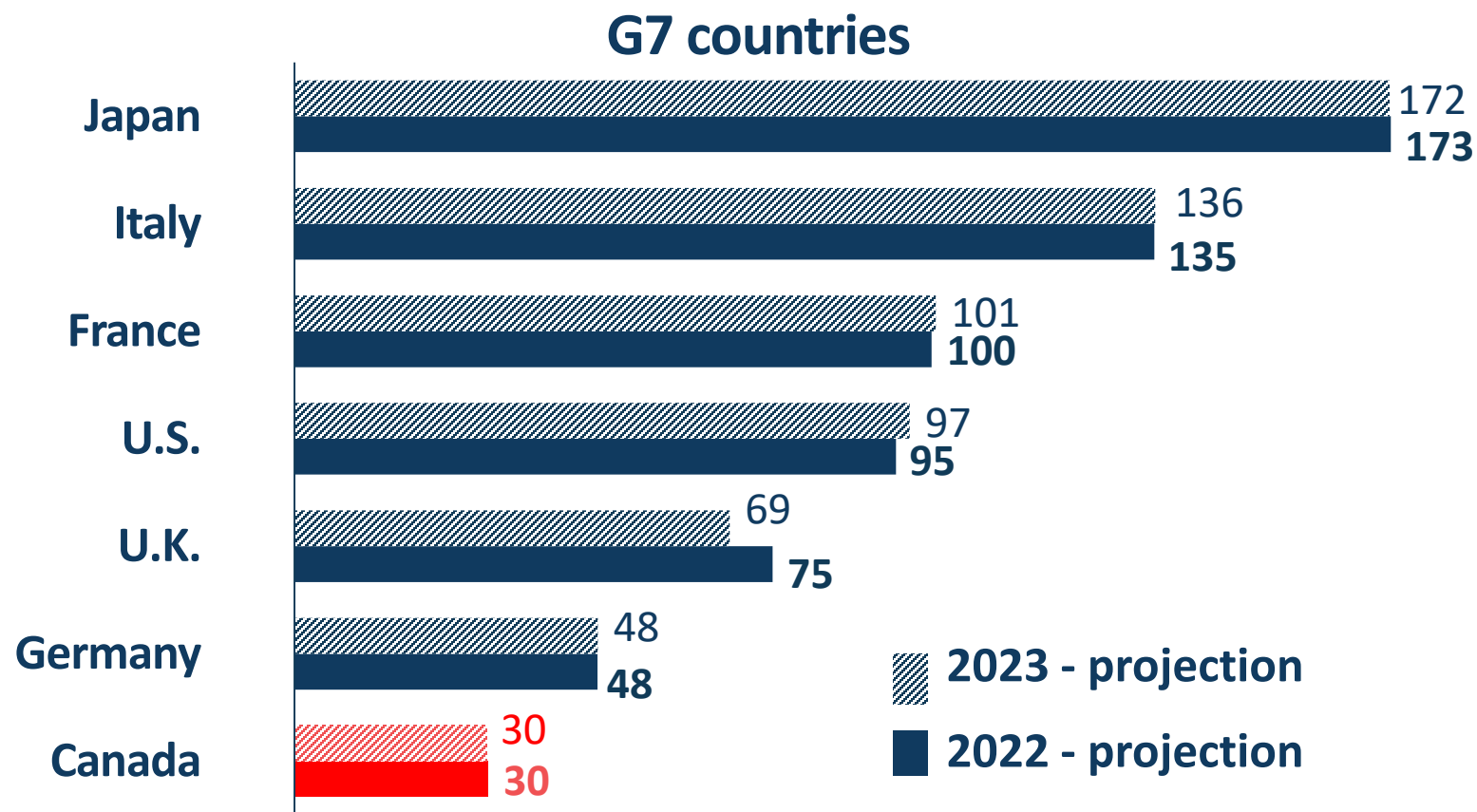
CANADA HAS THE LOWEST NET DEBT IN THE G7



Canada has a strong fiscal position

- It has held the lowest net debt position in G7 for over 15 years
- Despite extraordinary spending in 2020 and 2021, Canada is expected to have the lowest net debt to GDP ratio of G7 in 2022 and 2023
- Budget 2022 focuses away from broad-based COVID-19 expenditures towards targeted investments on Canada's economic capacity and prosperity

General Government Net Debt (% of GDP)



NOTE : General government net debt includes net debt of central, state and local governments.
Source: IMF, World Economic Outlook, October 2022; Finance Canada, Budget 2022



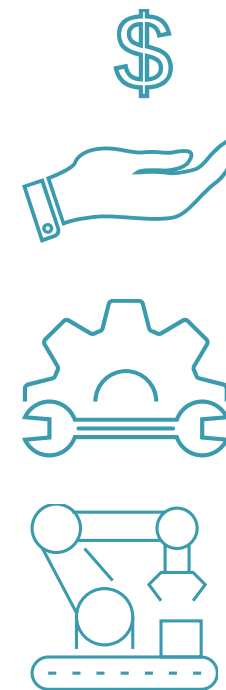
LOW CORPORATE INCOME TAX RATE

- Imports of inputs and machinery for manufacturing enter Canada duty free.
- Full tax deduction in first year for cost machinery and equipment for goods manufacturing
- The Accelerated Investment Incentive enables businesses to recover initial costs for capital investment quickly



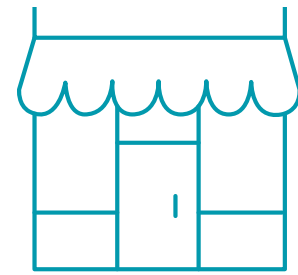
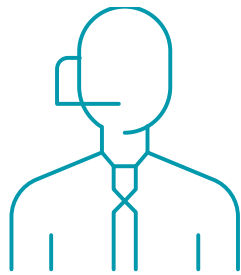
Statutory General Corporate Income Tax Rates in G7 and OECD average* (%), 2021

U.K = 19.0
OECD = 23.1
U.S = 25.8
France = 25.8
Canada = 26.2
Italy = 27.8
Japan = 29.7
Germany = 29.8



* OECD average does not include Columbia.
Source: OECD database and Finance Canada – Budget 2022

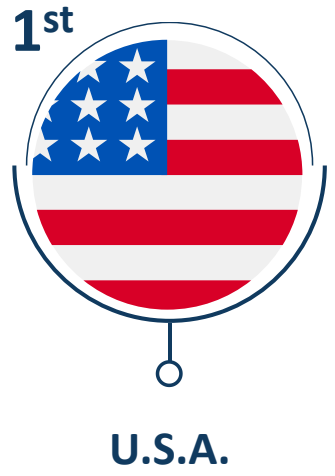
CANADA – RELIABLE POLITICAL INSTITUTIONS



CANADA HAS SOUND FINANCIAL INSTITUTIONS...



Soundness of financial systems (2022 rank) G7 Countries



Canada's financial system is sound and safe

- 4th in G20 and 10th out of 63 countries*
- 6 of Canada's banks are among the world's top 50 safest commercial banks**

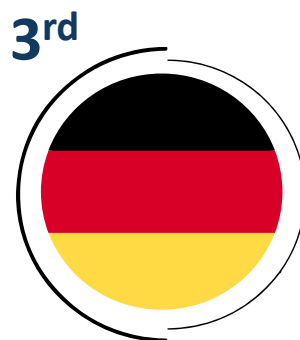
* Ranking based on different financial sub-indicators (Banking and financial services, Regulatory compliance (banking laws), Stock markets, etc.). Source: The IMD World Competitiveness Center, 2022

** Banks were selected through an evaluation of long-term foreign currency ratings—from Moody's, Standard & Poor's and Fitch—of the 500 largest banks worldwide. Source: Global Finance Magazine, October 2022

... AND ONE OF THE BEST COUNTRIES IN THE G20 FOR ECONOMIC FREEDOM...



2022 Index of Economic Freedom of top G20 Countries

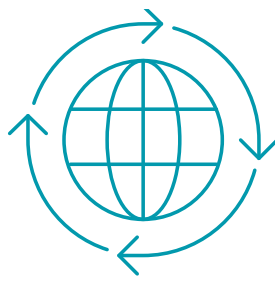
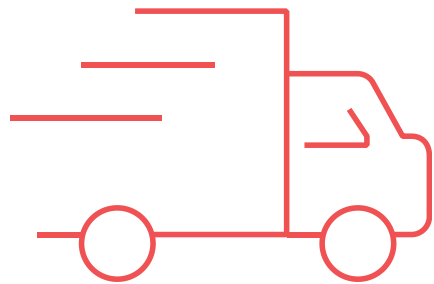
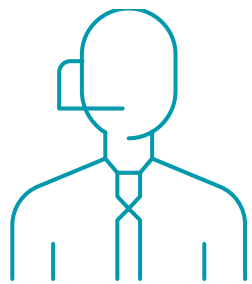


Canada ranks 2nd among G20 countries and 15th among 177 countries for having a free economy*

* Economic freedom is measured on the basis on 12 quantitative and qualitative factors, grouped into four broad categories, or pillars, of economic freedom : Rule of Law (property rights, government integrity, judicial effectiveness), Government Size (government spending, tax burden, fiscal health), Regulatory Efficiency (business freedom, labor freedom, monetary freedom) and Open Markets (trade freedom, investment freedom, financial freedom).

Source: Heritage Foundation – Index of Economic Freedom, 2022 the ranking includes 177 countries.

CANADA – BEST CONDITIONS TO DO BUSINESS

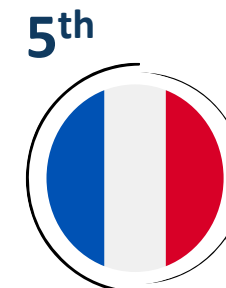


ONE OF THE BEST COUNTRIES IN THE G20 FOR DOING BUSINESS



Favourable Business Environment, top G20 countries

Rank for forecast period 2023-2027*



Canada's business environment is simple to navigate

Canada ranked 4th among G20 countries with the least complex jurisdiction for conducting business**

Canada - 1st in G20 and 2nd in the world
Among top 3 in the world for over 15 years

* [Business environment rankings](#) are based on policies related to competition, private enterprise, foreign investment, trade and exchange controls, taxes financing, the labour market, infrastructure and technological readiness.

** The TMF Group's *Global Business Complexity Index 2022* is based on 292 different indicators relating to business complexity and compile a global ranking of the 77 jurisdictions, based on the complexity of their business environments and covering legislation, compliance, accounting procedures, tax regimes, human resources (HR) rules and payroll processes (June 2022).

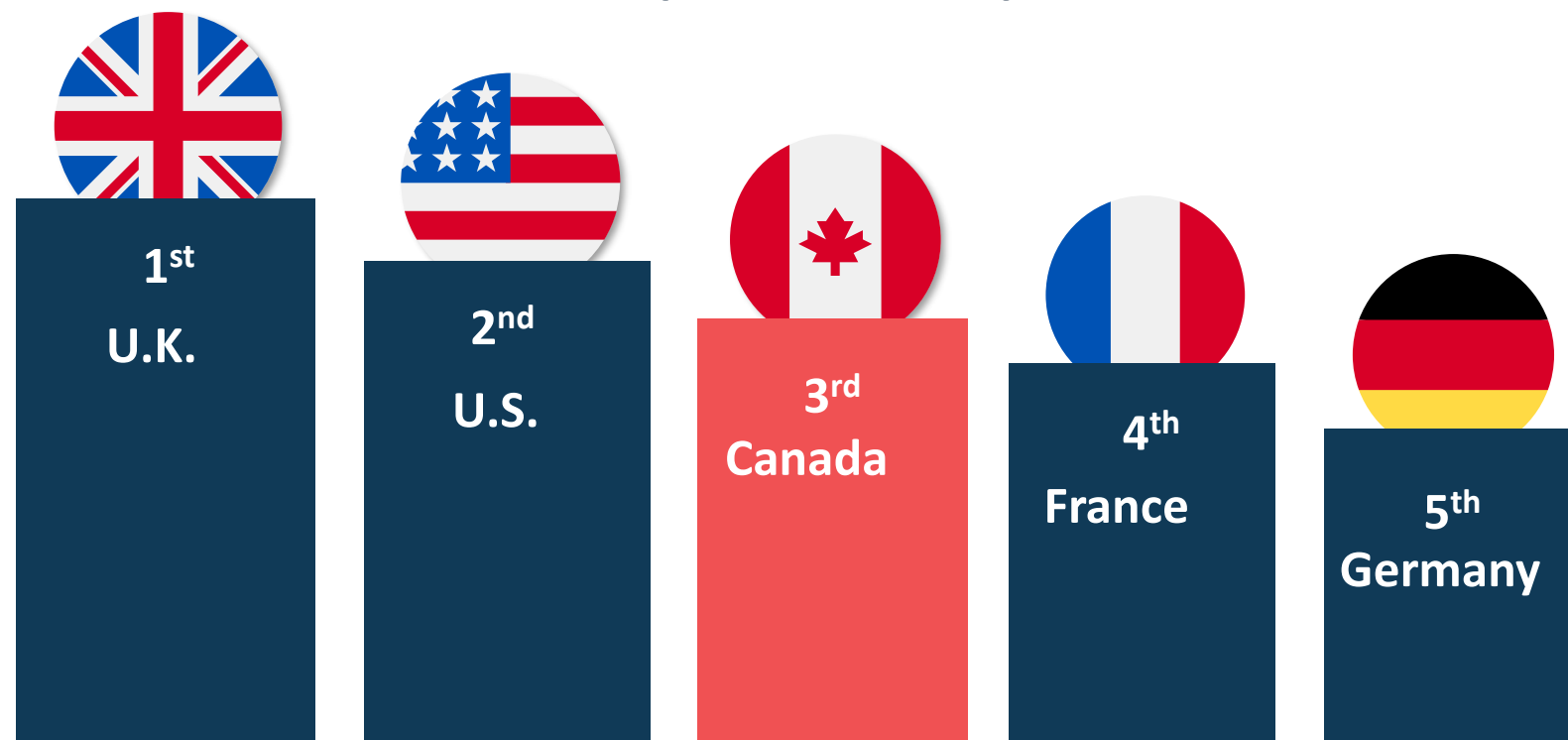
Source: The Economist Intelligence Unit, October 2022; the global ranking includes 82 countries.

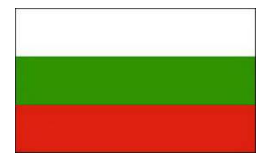


Ranking based on the easiness to start a business (G7 countries)

2021/2022 Global Report, GEM Consortium : Easiness of starting business

- The easiness of starting business is measured by the proportions of adults in each economy who strongly agree that it is easy to start a business
- Canada ranked 3rd among G20 countries



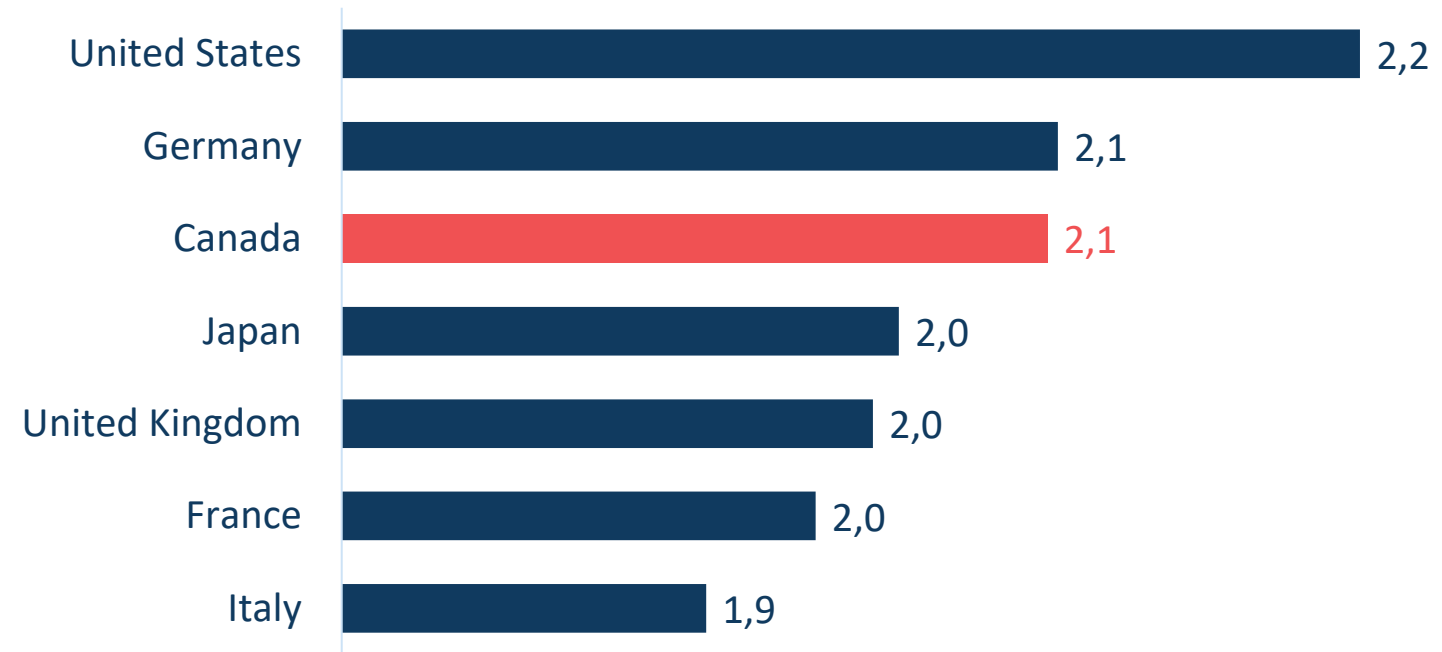


CANADA RANKS 3RD IN G7 COUNTRIES LIKELY TO ATTRACT THE MOST INVESTMENT IN THE NEXT THREE YEARS

Optimism dashed : The 2022 *FDI Confidence Index*

- Overall, under FDICI Canada ranks 3rd in G7; however, when considering the sub-indicator related to the most optimistic economic outlook in net terms in the next three years, Canada ranks 1st
- The 2022 FDICI is constructed using data from a proprietary survey of senior executives of the world's leading corporations

2022 Kearney Foreign Direct Investment Confidence index (FDICI) G7 countries





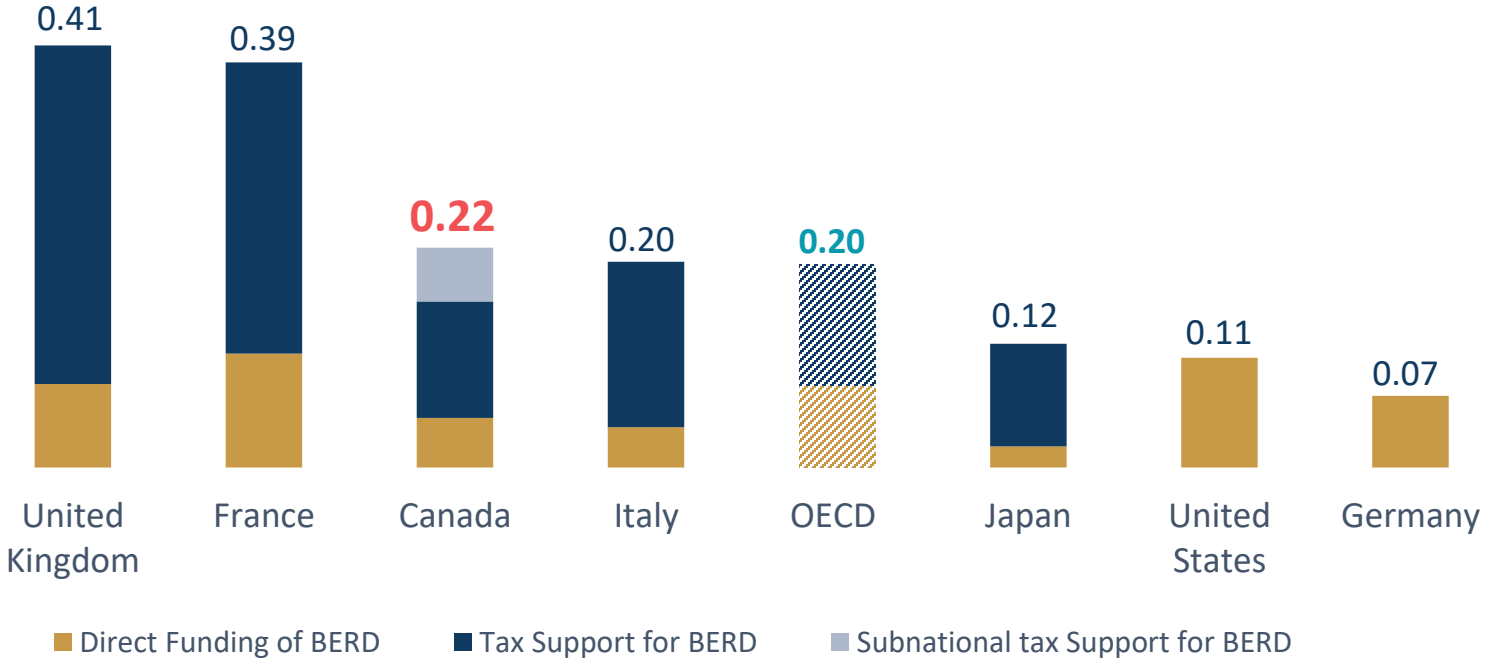
CANADA SUPPORTS THE VARIOUS SECTORS: BUSINESS R&D THROUGH DIRECT FUNDING AND MULTILEVEL-TAX SUPPORT

Canada ranks 3rd in the G7, ahead of Italy, Japan, the United States and Germany

- [SR&ED tax incentive](#) is Canada's largest R&D program, providing \$3 billion annually in tax incentives¹
- Budget 2022 included a review of SR&ED to ensure its effectiveness and explore opportunities to modernize and simplify it

Direct government funding and government tax support for business R&D (as % of GDP), 2019*

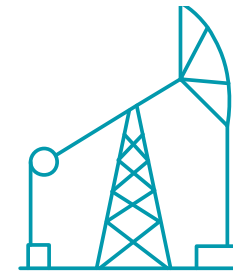
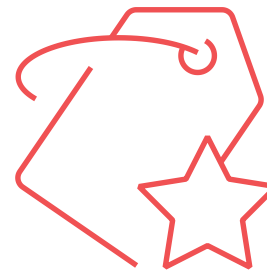
G7 Countries and OECD average



¹ Invest in Canada: <https://www.canada.ca/en/revenue-agency/services/scientific-research-experimental-development-tax-incentive-program/overview.html>
 *2019 or latest year available
 Source: OECD, R&D Tax Incentives database, April 2022



CANADA - EASY ACCESS TO MARKETS





EXCELLENT MARKET ACCESS TO 61% OF GLOBAL ECONOMY

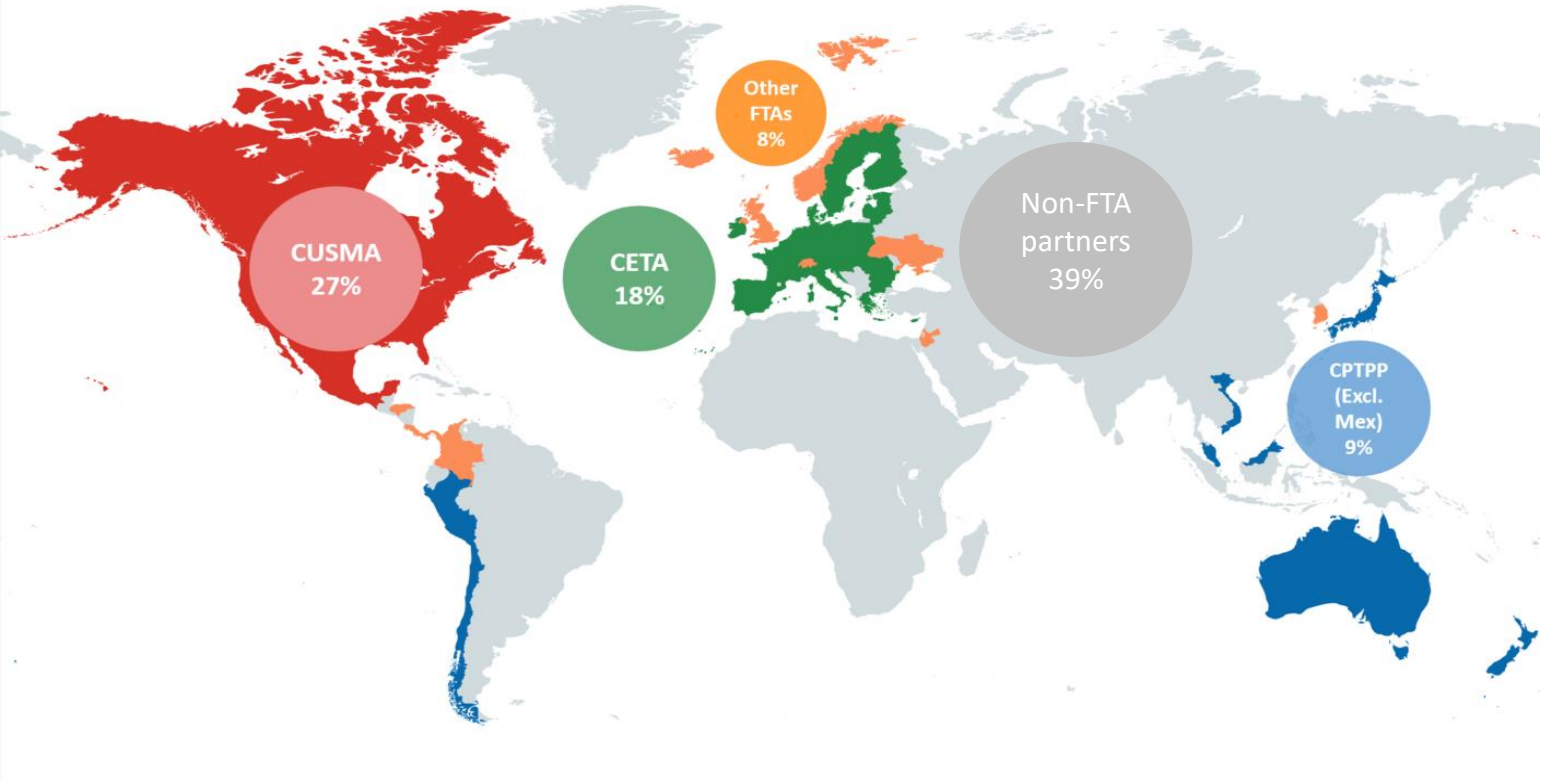
Canada's 15 free trade agreements provide for preferred market access to:

- 51 foreign countries*
- 1.5 billion consumers
- more than US\$59 trillion of global GDP

Canadian businesses & consumers benefit from lower product prices through tariff savings :

- For example, under CETA, an estimated \$890.6 million were saved through reduced tariffs in 2021 alone, of which \$223 million came from tariff savings on Canadian exports to the EU and \$668 million from Canadian imports from the EU.

Share of Global GDP by Canada's FTA Partners in 2021

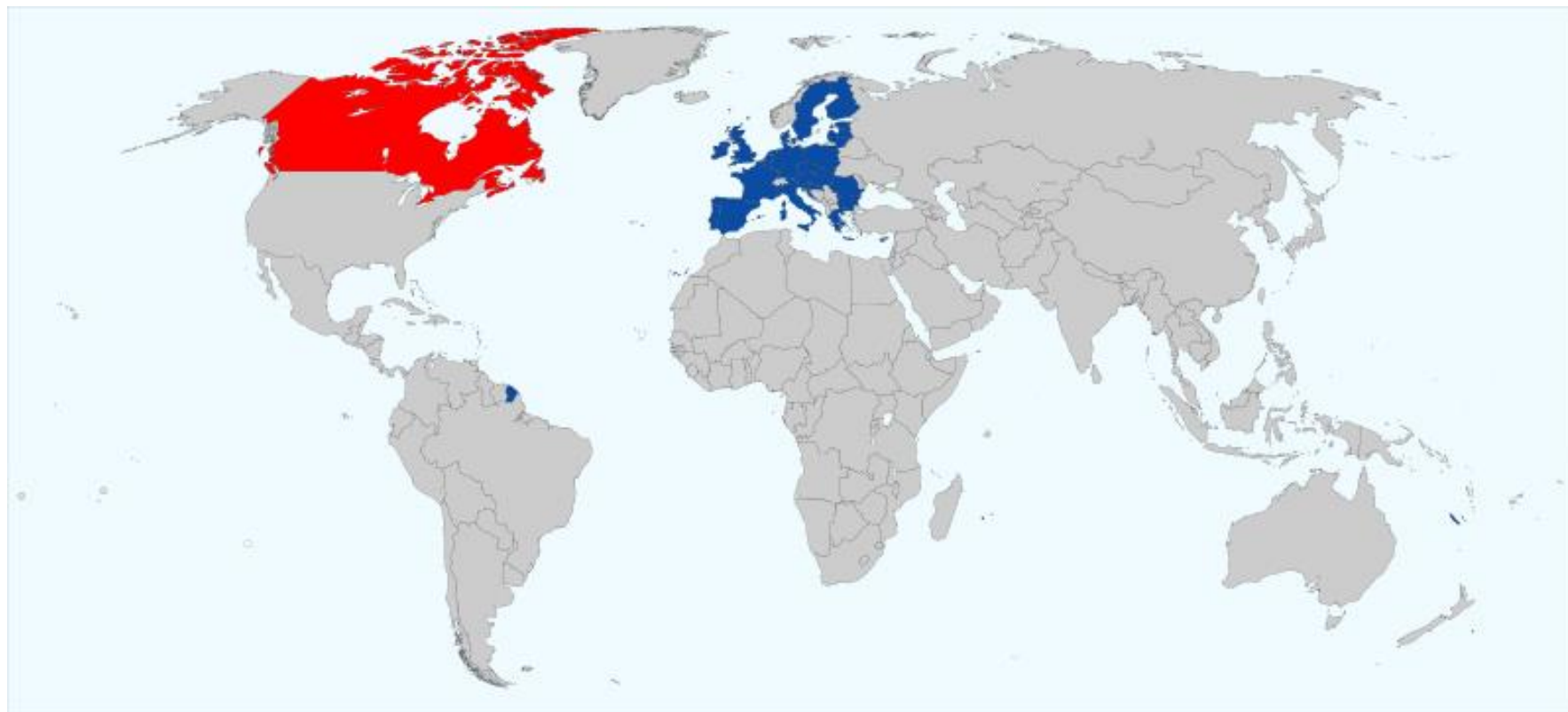


* Once the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) has come into force in all its country members.
Sources: IMF World Economic Outlook, October 2022 and [CETA@5 Delivering trade benefits during unprecedented times \(international.gc.ca\)](https://international.gc.ca/CETA@5)



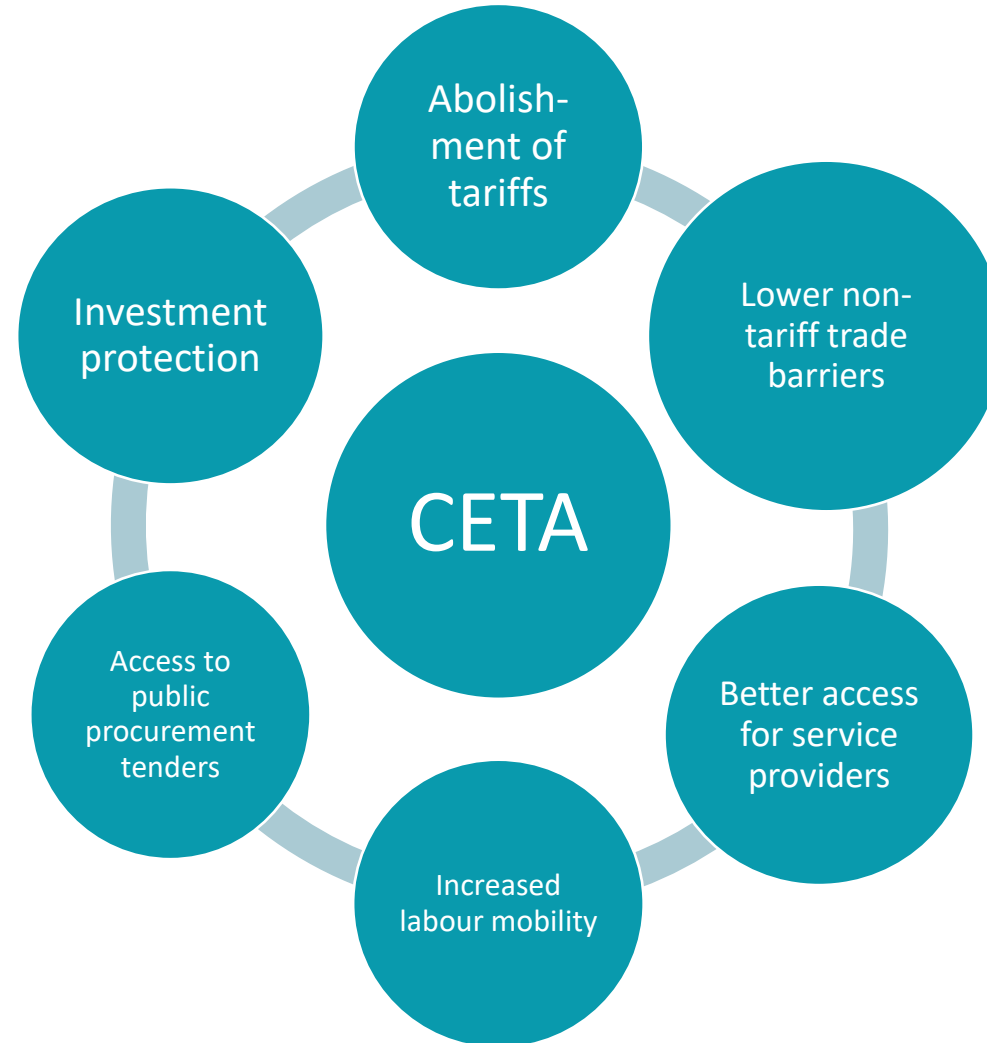
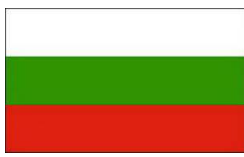
EXCELLENT MARKET ACCESS TO THE WHOLE EUROPEAN UNION...

- EU-Canada Comprehensive Economic and Trade Agreement (CETA)
- Benefits of CETA:
 - Elimination of duties on 99% of all tariff lines
 - Defense of the EU's Geographical Indications
 - Improving and securing EU companies' access to the Canadian services market



* Once the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) has come into force in all its country members.
Source: IMF World Economic Outlook, April 2022.

CETA – CONTENT AND SCOPE





BULGARIAN EXPORT GROWTH TO CANADA UNDER CETA (2016-2021)

Thanks to CETA, 98% of European Union goods have preferential access to Canada's market—meaning they enter tariff-free or at a preferential rate. Since CETA's provisional application in September 2017, exports have grown for products that benefit from preferential access to Canada.

		BULGARIA EXPORT GROWTH TO CANADA, 2016 TO 2021	
		100% to 499%	More than 500%
CETA TARIFF REDUCTION	0 to 5 percentage points	 Cheese  Base metal mountings for buildings	 Prepared cereal products
	5 to 10 percentage points	 Chocolate confectionary  Savoury snack foods	 Peaches  Pet food  Leather handbags  Aluminum parts for bridges, towers, roofing  Car parts and accessories
	More than 10 percentage points	 Quilts, pillows, cushions	 Carpets  Hats and caps  Bicycles

Source: Calculations by Global Affairs Canada, Office of the Chief Economist, based on Statistics Canada merchandise import data by tariff reduction category. This list is not exhaustive.



... AND UNCOMPARABLE ACCESS TO THE U.S. MARKET



- With CUSMA in force, Canadian-based businesses have virtually tariff free market **access to nearly 500 million consumers** and a combined real GDP of more than **US\$23 trillion**
- Many Canadian production hubs are very close to U.S. markets with **16 of Canada's 20 largest cities** within a 1.5-hour drive of the U.S. border
- **Canada's border is one of the world's most efficient** as it is part of a well-integrated North American transportation system with Automated permit ports, Transponder-identification systems and Joint processing centres

* Import and export statistics are for 2021.
Source: Statistics Canada (Airport Activity 2020) and OECD database, June 2022

IT INDUSTRY IN CANADA



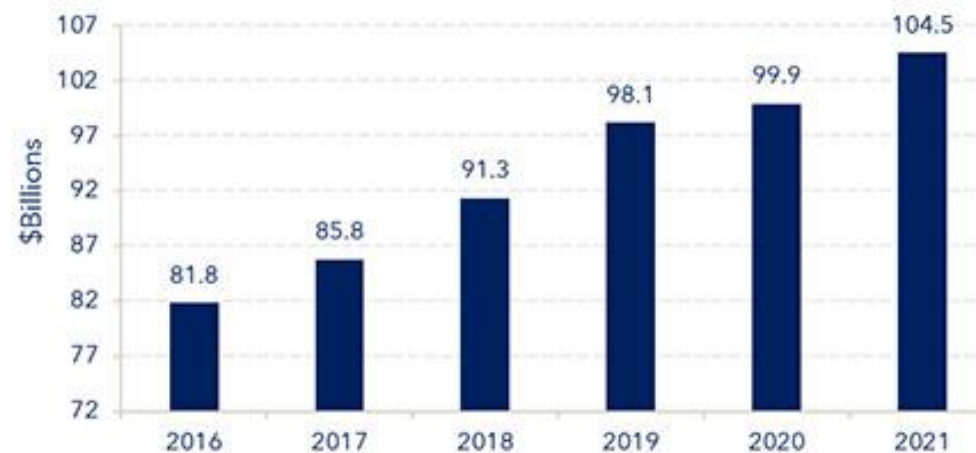
INDUSTRY STRUCTURE



- Over **45,000 companies** in Canadian ICT-Sector
- ICT sector industries:
 - Software and computer services (91.6%)
 - ICT wholesaling (3.8%)
 - Communications services (2.8 %)
 - ICT manufacturing (1.9%)
- **GDP 2021:** \$104.5 billion (5.3% of national GDP)
- Responsible for **15.3% of national GDP growth** between 2016 and 2021



ICT sector GDP , 2016–2021 (2012 constant dollars)





MAJOR TECH HUBS IN CANADA

- Canadian cities have emerged as **ideal ecosystems** for nurturing technology companies
- **Toronto, Edmonton, Montreal, and Vancouver:** Well-known hubs for innovation, attracting some of the world's top tech talent

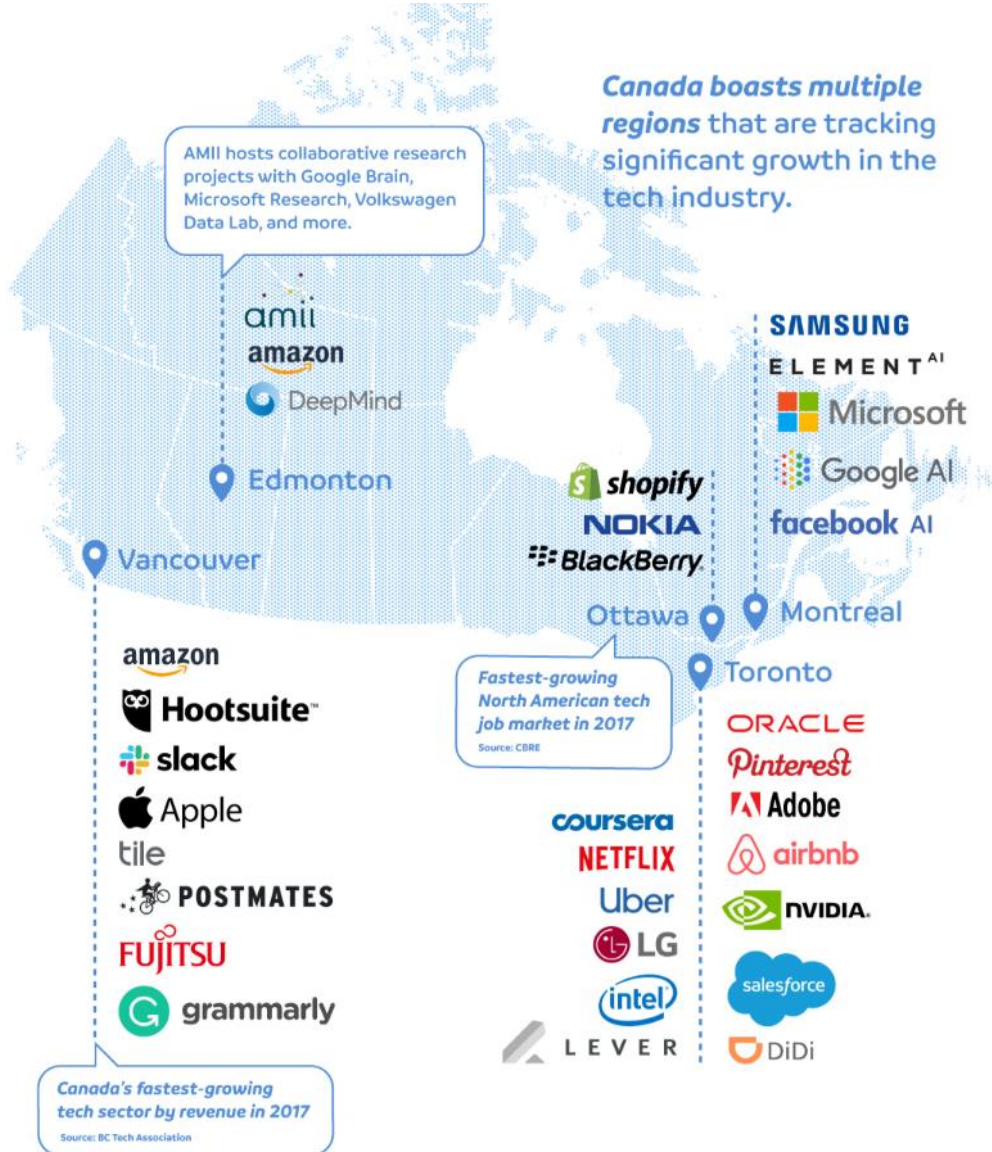


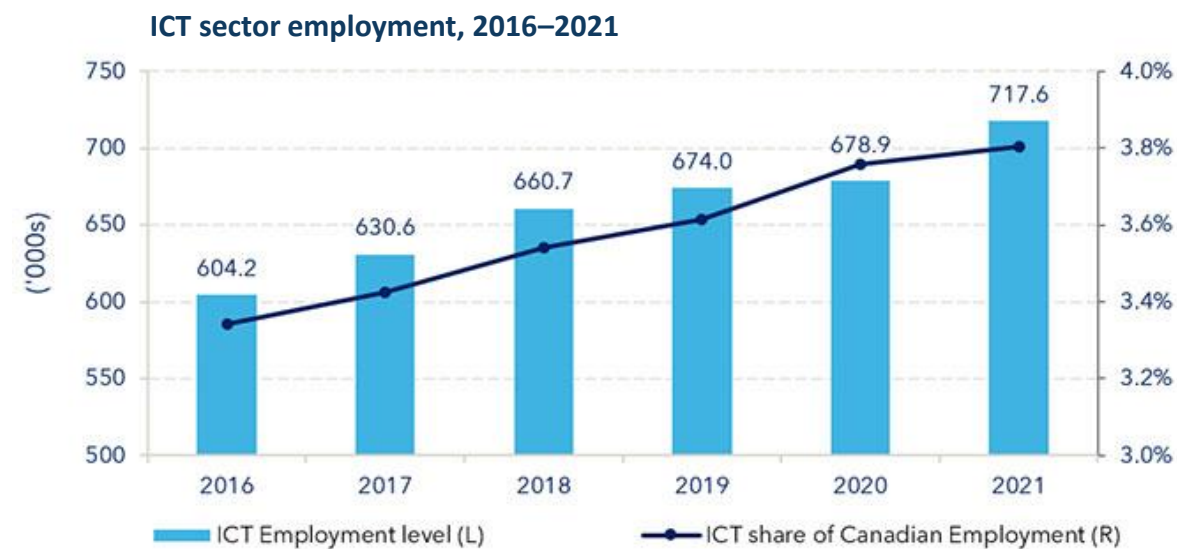
Image Source: <https://www.visualcapitalist.com/investing-in-canada-the-silicon-valley-of-the-north/>



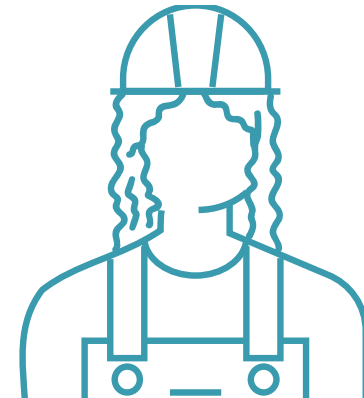
WORKFORCE



- Toronto, Vancouver, Montreal and Ottawa **all rank in CBRE's top 20 tech talent markets** in North America
- The world's highest educated workforce: More than 2.8 million STEM graduates
- 720,000 individuals working in ICT sector (more than 3.8% of total employment)
- Average annual employment growth: 3.5% → 2.5% over overall economy!
- **Global Skills Strategy:** Bring in highly skilled workforce in as little as two weeks



CANADA - A TALENTED & DYNAMIC WORKFORCE

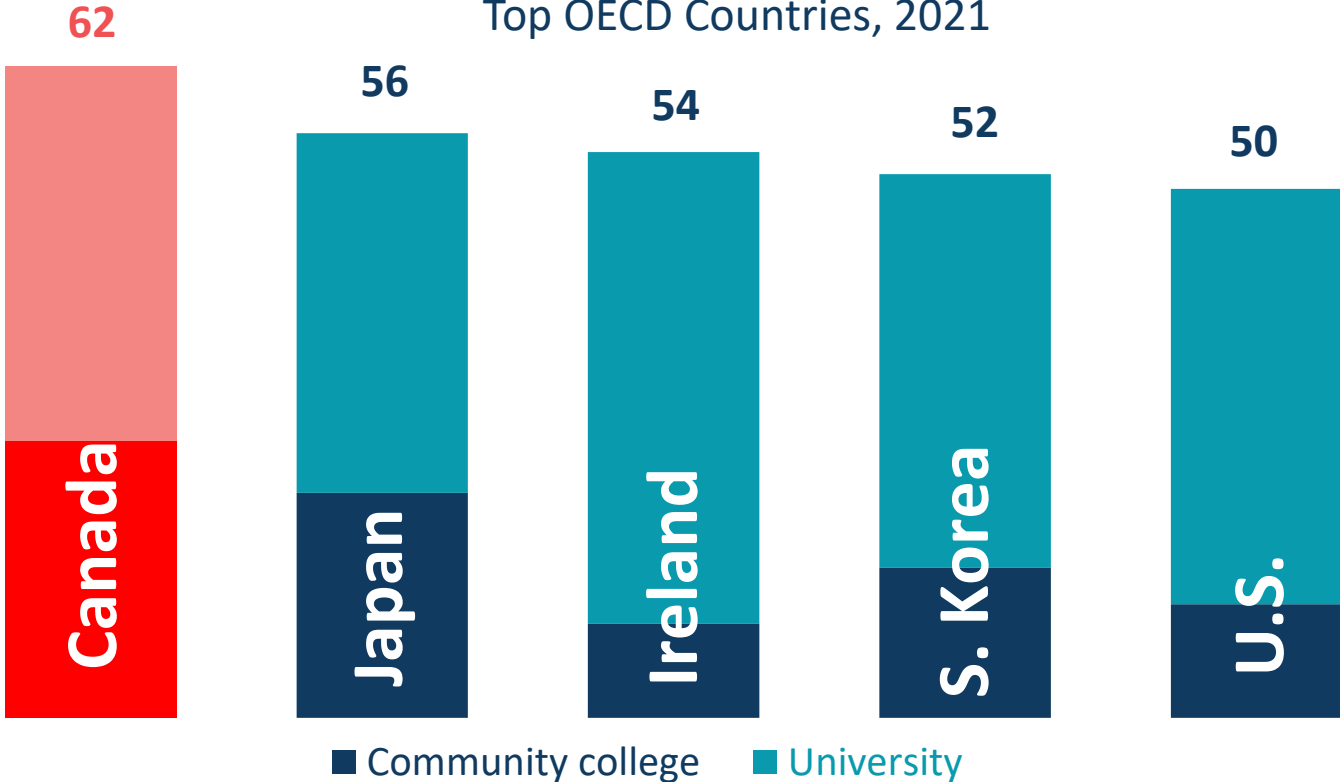


CANADA HAS ONE OF THE WORLD'S BEST-EDUCATED WORKFORCES AND SOME OF THE BEST UNIVERSITIES ...



Share of Adults aged 25-64 Having Attained Post-Secondary Education (%)

Top OECD Countries, 2021



Canada's talent pool: most educated among OECD countries

- Over half of Canadians aged 25-64 attained post-secondary education
- 2023 edition of Quacquarelli Symonds World University Rankings places three Canadian universities among top 50 in the world out of over 1,000 universities:
 - McGill University (31th)
 - University of Toronto (34th)
 - University of British Columbia (47th)

* The latest available data are for 2019
Source: Quacquarelli Symonds World University Rankings, 2023 (Published on 08 June 2022) and OECD, Education at a Glance, October 2022

CANADA IS A LEADER IN TECH TALENT IN NORTH AMERICA

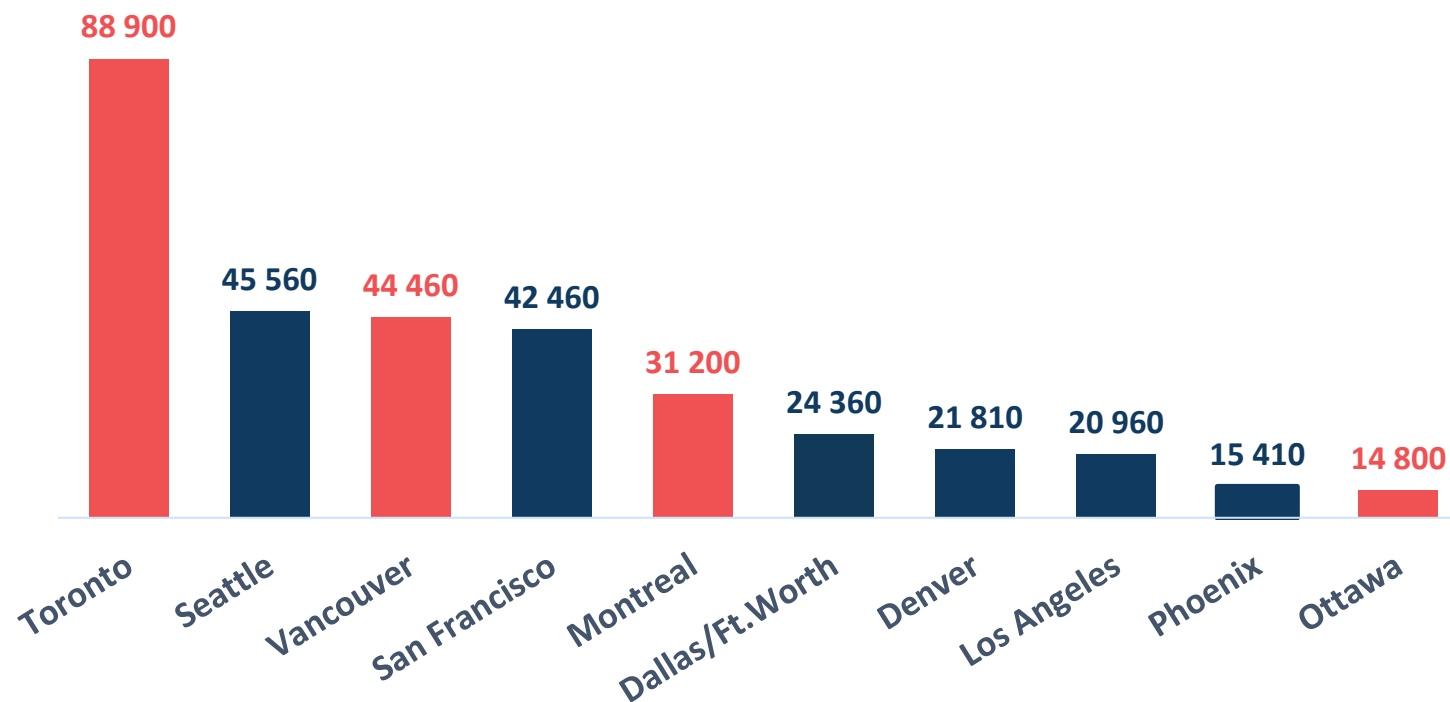


Canada: a leader in tech talent

- Toronto, Vancouver, Montreal and Ottawa rank among top 10 cities with dynamic tech sector
- Toronto added 88,900 tech jobs between 2016 and 2021, ranking 1st among North American cities
- These cities, along with Quebec City, Edmonton, Vancouver, Calgary and Waterloo offer highly qualified tech talent and the lowest total costs (wages and rent) out of 50 North American cities

Top 10 Cities for Growing Tech Sector in North America*

Net increase of jobs in each city between 2016 and 2021



* Rank among 50 North American cities.

Source: 2022 Scoring Tech Talent, CBRE Group Inc., July 2022



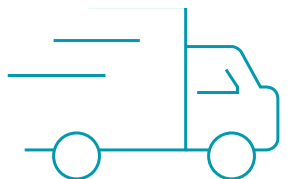
Canada's economic fundamentals and relative cost advantages provide a first-rate business environment.

Canada offers:



Excellent Economic Fundamentals

- One of the strongest economies in the G7
- Lowest debt to GDP ratio in the G7



A Highly Competitive Business Environment

- Ease in establishing and operating a new business
- Competitive tax system



A Talented Dynamic Workforce

- One of the world's best-educated internationally-oriented workforces
- High quality management skills
- Readily available engineers

A Promising Venue for Innovation and Investment

- World leader in post-secondary research
- Strong public support for innovation
- Leader in tech talent



A Greener Economy

- World leader in transition towards a greener economy and meeting emission commitments
- Enabling environment for green businesses
- Investment in green bonds and Skills for a Net-Zero Economy



Easy Access to Markets

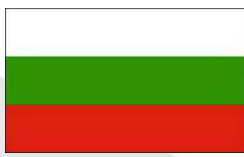
- Geography provides easy access to the world's most prosperous markets
- Highly efficient transportation linkages with Asia and Europe



An Excellent Place to Live

- Superb overall quality of life
- Society rich in multiculturalism

THANK YOU!



Heather Bystryk

Senior Trade Commissioner

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