



## Doing Business in Canada: 2014 Country

### Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2010. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

- [Chapter 1: Doing Business In Canada](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

## Chapter 1: Doing Business in Canada

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)
- [Market Fact Sheet](#)

### Market Overview

[Return to top](#)

Canada continues to maintain its ranking as the United States' largest export market in the world accounting for \$365.8 billion (19% of total exports) of U.S. goods and services. This figure represents a \$10.4 billion increase (2.9%) from 2012 and the highest total on record. Proximity, ease of doing business, a common business culture, rule of law, and high receptivity for U.S. made goods and services contribute to the already significant bilateral trade base. Anticipated future growth and expansion of the Canadian economy ensures that U.S. made goods and services have a chance to compete in this thriving market in the coming years. Similarly, in 2013 Canada ranked fourth in the world in foreign direct investment (FDI) to the United States.

We often hear that no two countries are as closely integrated as the United States and Canada. Indeed, the relationship is truly mutually beneficial; the United States is Canada's largest export market accounting for \$367.7 billion (80%) of Canadian exports of goods and services in 2013. The United States is Canada's largest FDI contributor. This unique trade and investment relationship is based on an increasingly integrated supply chain, on co-production of new, leading technologies, and on the positive flow of people, talent and ideas. In fact, the United States maintained its number one ranking as Canadian's favorite tourist destination, and vice versa in 2013 with travel and tourism contributing approximately \$22 billion to each country's economy.

There is continued optimism about the future of this relationship and the prospects for expanded trade and investment. North America represents 25% of the world's GDP. This means businesses will continue to find viable markets for competitive products and services. In particular, new developments in shipbuilding, air-defense, safety and security, IT, infrastructure, mining, and renewable energy will create virtually limitless business opportunities.

In anticipation of the growth in these potential projects, the Canadian and U.S. federal governments in 2011 launched two ambitious initiatives to streamline the movement of people and goods safely across the common border – the Beyond the Border and the Regulatory Cooperation Council are implementing programs to help U.S. and Canadian businesses reduce operational costs while effectively streamlining trading procedures.

In this year's Country Commercial Guide, you will find concise and practical information that will enable you to determine the best prospects for U.S. made goods, information on regulations, labeling, as well as identifying and working with agents and distributors, and much more.

## Market Challenges

[Return to top](#)

Canada remains among the most accessible markets in the world. Nevertheless, doing business in Canada is not the same as doing business in the United States. Canada Customs documentation, bilingual labeling, packaging requirements, ITAR (International Traffic in Arms Regulations), and Canadian federal and provincial sales tax accounting can be surprisingly challenging.

Canadian federal, provincial, and municipal procurement procedures, while open in principle to U.S. bidders, vary from procedures followed in the United States. Bidders must be registered in Canada in order to bid, and bidders must fulfill all Canadian requirements in order to qualify to bid (mandatory requirements are non-negotiable). In some cases, security clearances are required for personnel prior to submitting a bid, and in a number of projects, there may be requirements for off-sets (known as Industrial Technical Benefits or ITBs).

Increasing competition in a number of sectors but in particular cosmetics, vitamins, electronics and home furnishings translates into a need for competitive pricing, aggressive, flashy marketing, and deep discounts for agents and distributors. Other ways to differentiate from your competitors are to offer agents and distributors specialized training and flexible contract terms, or offer end users after sales support.

## Market Opportunities

[Return to top](#)

The following market trends are creating new business opportunities for U.S. firms in several key sectors.

Efforts to facilitate trade at the border include pre-inspections and technological advances. Streamlined regulatory requirements will improve and expand just in time delivery of goods and services and strengthen and expand supply chains. This will provide enhanced opportunities in particular for U.S. firms seeking to enter the Canadian [aerospace](#) and [automotive](#) sector supply chains.

The opportunities exist for expansion in [Canadian travel and tourism](#) to the U.S, including an expanding medical tourism component.

Continued high global prices for energy and other natural resources will drive increased development of Canadian energy, mining, and water resources. These developments offer substantial opportunities for U.S. [renewable energy, mining, oil and gas](#) and [environmental-related sectors](#).

## Market Entry Strategy

[Return to top](#)

For many companies (particularly in the manufacturing and construction sectors), frequent visits to Canada and establishing a local presence will be crucial to long-term market success. For many U.S. companies, joining in a U.S. delegation to a [Canadian trade show](#) can be the best first step.

For U.S. companies with limited budgets and marketing staff, we recommend:

- A pilot program called [Client Finder](#) which uses advanced database tools to help identify potential Canadian clients and partners, and
- Working with the Commercial Service to seek potential [sales to Canadian government entities](#).

U.S. companies new to the Canadian market should contact a [CS Canada Commercial Service Officer](#) to obtain information about resources and value added assistance.

## Market Fact Sheet

[Return to top](#)

### PROFILE

Population in 2012: (Millions) 35  
 Capital: Ottawa  
 Government: Constitutional monarchy

### ECONOMY

	2011	2012	2013
Nominal GDP (Current Billions \$US)	1,739	1,819	1,825
Nominal GDP Per Capita (Current \$US)	50,496	52,231	51,989
Real GDP Growth Rate (% Change)	2.4	1.8	2.0
Real GDP Growth Rate Per Capita (% Change)	1.5	0.5	-0.4
Consumer Prices (% Change)	2.9	1.5	1.5
Unemployment (% of Labor Force)	7.5	7.3	7.1

Economic Mix in 2008: 32% All Industries: 12% Manufactures;  
 66.1% Services; 1.9% Agriculture

### FOREIGN MERCHANDISE TRADE (\$US MILLIONS)

	2011	2012	2013
Canada Exports to World	450,430	453,380	458,319
Canada Imports from World	450,580	462,369	461,793
U.S. Exports to Canada	280,890	292,443	300,200
U.S. Imports from Canada	315,347	327,246	332,100
U.S. Trade Balance with Canada	-34,457	-31,803	-31,803
<b>Position in U.S. Trade</b>			
Rank of Canada in U.S. Exports	1	1	1
Rank of Canada in U.S. Imports	2	2	2
Canada Share (%) of U.S. Exports	19.0	18.9	19.0
Canada Share (%) of U.S. Imports	14.3	14.2	14.6

#### Principal U.S. Exports to Canada in 2013:

1. Vehicles (17.2%)
2. Machinery (15.1%)
3. Electrical Machinery (8.9%)
4. Mineral Fuel and Oil (8.2%)
5. Plastic (4.33%)

#### Principal U.S. Imports from Canada in 2013:

1. Mineral Fuel and Oil (32.94%)
2. Vehicles (16.77%)
3. Machinery (5.96%)
4. Plastic (3.19%)
5. Special Other (returns) (3.07%)

### FOREIGN DIRECT INVESTMENT

	2010	2011	2012
U.S. FDI in Canada (US \$Millions)	289,535	318,964	351,500
FDI in U.S. by Canada (US\$ Millions)	188,350	210,864	225,300

### DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2013 Rank: 17 of 185  
 Heritage/WSJ 2013 Index of Freedom Rank: 6 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Canada Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. World and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports are 3-digit NAICS Categories.

For more information, visit: <http://www.ustr.gov/countries-regions/americas/canadab>

[Return to table of contents](#)

[Return to table of contents](#)

## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2089.htm>

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

### **Overview**

Because of Canada's proximity and cultural similarity to the United States, many U.S. companies incorporate their selling efforts in Canada into a general North American division or strategy. This time-tested approach usually works well. 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.

### **Trade Summary**

U.S. goods exports in 2013 were \$300.2 billion, up 2.6 percent from the previous year. Corresponding U.S. imports from Canada were \$332.1 billion, up 2.5 percent. The U.S. goods trade deficit with Canada was \$31.8 billion in 2013, up \$437 million from 2012. Canada is currently the largest export market for U.S. goods.

U.S. exports of private commercial services (i.e., excluding military and government) to Canada were \$61.2 billion in 2012 (latest data available), and U.S. imports were \$29.8 billion. Sales of services in Canada by majority U.S.-owned affiliates were \$125.6 billion in 2011 (latest data available), while sales of services in the United States by majority Canada-owned firms were \$74.6 billion.

The stock of U.S. foreign direct investment (FDI) in Canada was \$351.5 billion in 2012 (latest data available), up from \$331.7 billion in 2011. U.S. FDI in Canada is led by the nonbank holding companies, manufacturing, and finance/insurance sectors.

### **Manufactured goods:**

Although U.S. firms have experienced success in marketing directly to Canadian manufacturers, in general, odds of success are multiplied if companies work through a manufacturer's representative or local agent. A robust website is highly suggested.

**Services:**

For U.S. organizations marketing services (most often this means construction, engineering, or logistical services), we strongly recommend partnering with at least one Canadian firm. Partnering with a Canadian firm will make your firm more competitive in bidding situations because Canadian government buyers prefer to give major contracts to local firms, or at least to bids with strong local content. Due to Canadian work permit requirements, it will usually be necessary to have a local partner with local employees to carry out a great deal of the actual work.

**Consumer goods:**

Canada's consumer goods market is small (34.6m population). Major U.S. retailers are already present and others have plans to enter or expand their local presence through major investments including Target Corp., Wal-Mart, and the Tanger Outlet Malls. Competitively priced, quality, and unique products have a good chance to gain market share in Canada. Companies should consider selling via the Internet as a low-cost strategy. Contact Stefan Popescu at [Stefan.Popescu@trade.gov](mailto:Stefan.Popescu@trade.gov) to receive a free copy of: "Canada - Selling On-Line to Canadians". U.S. firms often discover that many of their consumer goods sales from their northern U.S. distributors are actually sales made in Canada.

**Using an Agent or Distributor**

[Return to top](#)

Large industrial equipment is usually purchased directly by end-users. In contrast, smaller equipment and industrial supplies are frequently imported by wholesalers, exclusive distributors, or by manufacturers' sales subsidiaries. U.S. firms have historically appointed manufacturers' agents to call on potential customers to develop the market. Most sales agents expect to work on a two-tier commission basis. Agents receive a lower commission for contract shipments and a higher rate when purchases are made from the local agent's own stocks.

Canada is a huge country, and it is usually prudent to secure a manufacturer's agent near your potential buyers.

<u>To sell to</u>	<u>Secure an agent in</u>
The aerospace sector	Montreal
The auto sector	Toronto
The Canadian government	Ottawa
Alberta energy sector	Calgary or Edmonton

Consumer goods are usually purchased directly by Canadian wholesalers, department stores, mail-order houses, chain stores, purchasing cooperatives, and single-line retailers. Many of these groups have their own purchasing agents in the United States, who can be marketed to directly in the United States. Manufacturers' agents can also play a role in the consumer goods sales.

**Locating Partners and Customers:**

Commercial Service offices in Canada can assist U.S. firms in locating qualified potential partners through customized matchmaking programs, such as the *International Partner Search*, *Gold Key Service*, or *International Client Finder*. The *Client Finder* service is a database driven, customized e-mail marketing solution for companies interested in

identifying and reaching target clients in the Canadian market. Contact a [Commercial Service Officer](#) for additional information.

## **Establishing an Office**

[Return to top](#)

U.S. companies can establish a representative office or branch offices, set up a sole proprietorship or partnership, or incorporate a wholly owned subsidiary or joint venture in Canada. Corporations can be public or private, and [incorporated federally](#) or under [the laws of a province](#). Private and public corporations incorporated federally under the [Canada Corporations Act](#) may operate nationally or in several provinces, but must still register as an extra-provincial corporation in each province in which it does business. [Corporations Canada](#) has a [Joint Online Registration System](#) that allows for extra-provincial registration for federal corporations with four provinces, namely Newfoundland and Labrador, Nova Scotia, Saskatchewan and Ontario. Registration fees vary by province, but are minimal. Corporations incorporated in Quebec must adopt a corporate name in French under [Section 63 of Quebec's Charter of the French Language](#). Extra-provincial corporations registered in Quebec must supply a French version of their corporate name. Firms considering establishing operations in Quebec are advised to contact the [Office Québécois de la langue Française](#) (Quebec Office of the French Language) that helps companies comply with Quebec's language laws.

## **Franchising**

[Return to top](#)

According to the [Canadian Franchise Association](#), Canada's franchising sector is comprised of more than 1,000 franchises and over 78,000 individual units, ranging from restaurants to non-food retail establishments, from automotive product retailers to purveyors of business services. This sector accounts for 10 percent of Canada's GDP. The average franchise investment in Canada is between \$150,000 and \$200,000. In the restaurant sector, 35 percent of all sales are from franchise operations. In the retail sales sector, 45 percent of all sales are from franchise operations. The fastest growing demographic of franchise buyers is women.

Although there are no federal franchise laws, Ontario, Prince Edward Island, and Alberta do have [franchise specific-legislation](#) aimed at ensuring small business investors are better able to make informed decisions prior to committing to franchise agreements. Disclosure requirements provide prospective franchisees with information about how sellers plan to approach key contractual issues, such as termination, and afford buyers stronger legal remedies regarding court action. Similar legislation is under consideration in other provinces.

## **Direct Marketing**

[Return to top](#)

The [Canadian Marketing Association](#) and the [Direct Marketing News](#) are two leading sources of information about direct marketing in Canada. Tapping into this market can be as easy as placing an advertisement in a magazine or on the Internet. In general, Canadian audiences are targeted using the same techniques used in the United States.

## **Joint Ventures/Licensing**

[Return to top](#)

The Canadian legal system imposes few restrictions on joint ventures or licensing. Some joint ventures require approval from the Government of Canada under the [Investment](#)



[Canada Act](#); but, for 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 Government**

[Return to top](#)

Canada is a signatory to three international agreements relating to government procurement (the WTO Agreement on Government Procurement (GPA), the NAFTA, and the 2010 United States-Canada Agreement on Government Procurement). Canada ratified the modernized WTO GPA on December 3, 2013, and that agreement entered into force in April 2014. The current agreements provide U.S. businesses with access to procurement conducted by most Canadian federal departments and a large number of provincial entities. However, U.S. suppliers have access under these trade agreements to procurement of only seven of Canada's Crown Corporations. Crown Corporations are government organizations that operate following a private sector model, but generally have both commercial and public policy objectives. Canada currently has more than 40 Crown Corporations.

[Public Works and Government Services Canada \(PWGSC\)](#) is the government's largest purchasing organization, averaging 60,000 transactions and purchases over \$14 billion in goods and services annually. While PWGSC buys goods for most departments of the federal government, the departments buy most services themselves.

The Canadian federal government's official, free, internet-based electronic tendering service is <http://buyandsell.gc.ca/tenders>. It is the authoritative source for federal government procurements that are subject to trade agreements or subject to departmental policies that are below trade agreement thresholds. Features of the website include:

- Searching for opportunities using simple plain language search terms to match your good or service to available tenders.
- Narrow down search results to find opportunities of interest by region, Goods and Services Identification Number (GSIN), department, etc.
- Procurement information for any tender, such as previous contracts or pre-qualified suppliers who hold standing offers or supply arrangements.

In addition, the [Supplier Registration Information \(SRI\)](#) service is used by federal government buyers to identify potential suppliers for purchases not subject to any of the trade agreements.

The Canadian federal government's fiscal year is from April 1 to March 31.

For a complete listing on where to find provincial government procurement tenders, please contact [Lucy.Latka@trade.gov](mailto:Lucy.Latka@trade.gov).

There will be many business opportunities available to U.S. companies with respect to the upcoming Pan American Games in Toronto. The City of Toronto has been selected to host the Pan American Games from July 10 to 26, 2015 and the Parapan Am Games from August 7 to 14, 2015. The overall budget for [Toronto 2015 \(TO2015\)](#) is approximately C\$1.4 billion. The Pan American Games are the world's third largest international multi-sport Games only surpassed in size and scope by the Olympic Summer Games and the Asian Games.

TO2015 will announce the competitive procurement requirements on [MERX](#), the website for Canadian private tenders. Procurements ramped up in 2013 with the bulk in 2014-15.

TO2015 follows three processes based on the value of each procurement.

- For purchases up to C\$10,000, TO2015 sources suppliers through its market knowledge as well as through its base of suppliers who have registered their businesses on the TO2015 website.
- For procurement opportunities between C\$10,000 and C\$100,000, TO2015 follows a competitive invitational process by inviting no less than three qualified suppliers to compete for the business. These suppliers are sought through marketing knowledge and the TO2015 supplier database. All invitational tenders are posted on the TO2015 website.
- Procurement opportunities greater than C\$100,000, undergo an open, competitive process that, in most cases, involves a pre-qualification phase followed by a request for proposal phase. The responsibility is on the supplier to look for the opportunity. All open tenders are posted on the [TO2015 website](#) and facilitated through [MERX](#).

Working on behalf of three levels of government, [Saad Rafi](#) is the Chief Executive Officer of TO2015, the Organizing Committee responsible for staging the Pan/Parapan American Games.

## **Distribution and Sales Channels**

[Return to top](#)

The majority of sales to Canadian companies are handled through relatively short marketing channels; and in many cases, products move directly from manufacturer to end-user. This is particularly true for industrial products. Ninety percent or more of prospective customers for industrial products are located in or near two or three major cities. Canada's consumer goods market, on the other hand, is more widely dispersed than its industrial market. From a regional perspective, the country may be divided geographically into six distinct markets, plus the territories.

## **Selling Factors/Techniques**

[Return to top](#)

Canadian buyers expect reasonable payment terms, sophisticated or cutting edge technologies, in time delivery and competitive pricing and quality. After-sales service and support and training are also very important to Canadian enterprises. Most conventions that apply in business culture in the United States apply in Canada. This includes setting up meetings in advance, being prepared, arriving on time and wearing appropriate business attire. However, even though we share a common language and border, it is important to treat Canada as a unique market. When doing business in Canada, having an understanding of the country's culture, history and geography will be helpful for developing relationships. U.S. companies, particularly small and medium sized firms, must demonstrate credibility and a long-term commitment to the market. Making frequent reference to well-known and established clients, as well as identifying positive economic or environmental implications for Canada during sales presentations will resonate strongly with Canadian counterparts. Identifying the sustainable aspects of a product is also a crucial selling point in Canada. This can include the use of recycled materials, organic content, sustainable production techniques and use of local production.

Canadian consumers rely increasingly on the Internet to place orders online. For the past decade, Internet consumer sales have risen at a far higher rate than traditional retail sales. Most Canadian retail firms have adopted new wireless technologies and Internet based systems in order to improve B2B and business-to-consumer relations. Manufacturing firms and government organizations are also increasingly likely to use the Internet for purchases, especially for small routine orders.

Canada's e-commerce infrastructure is highly developed and closely integrated with that of the United States. Broadband Internet access is offered throughout Canada using much of the same equipment as in the United States. Information flows freely across the border, and without difficulty. U.S. companies do not need to set up a separate website. Many U.S. companies have integrated Canadian transactions into their current websites. Others have links, and maintain a .ca domain separate from their .com site. U.S. companies selling to Canadian business and consumers over the Internet should have procedures in place to meet Canadian customs requirements and pricing in Canadian dollars.

U.S. companies will need to comply with Canada's federal data privacy laws, including the Privacy Act and the Personal Information Protection and Electronic Documents Act (PIPEDA), as well as provincial privacy laws. Canada's Personal Information Protection and Electronic Documents Act (PIPEDA) requires persons or firms that collect personal information during the course of commercial activities to inform the subject of all possible uses of the data and to obtain consent for its use.

***Manufacturing sector:***

A crucial (and often neglected) factor in promoting manufacturing products (as well as technical services) in Canada is developing and maintaining a sales-oriented corporate website. This website needs to succinctly identify your firm's products and services; their comparative advantages over competitors; technical specifications; examples or testimonials of your firm's clients; and contact information for sales and service. Firms may broaden their visibility and sales through participation in American pavilions at major Canadian trade shows, and through participation in Commerce Department trade missions to Canada. Visit [www.export.gov/canada](http://www.export.gov/canada) for a list of missions and events.

***Consumer sector:***

Small and mid-sized U.S. consumer goods firms entering the Canadian market should focus on developing a strong web presence. Traditional mass market Canadian advertising (newspapers, TV, and radio) is very costly, even by U.S. standards. Given Canada's relatively small and saturated consumer market, the upside from mass market advertising for a small company is usually not worth the price.

***Daily Newspapers:***

There are currently more than 90 daily newspapers in Canada, of which approximately 90 percent are published in English and the remainder in French. Canada's leading daily national newspapers are:

- [The Globe and Mail](#) - published in Toronto, part of the CTVGlobemedia Publishing

- [The National Post](#) - published in Toronto and part of Canada.com
- [The Gazette](#) - Montreal's main English-language newspaper
- [The Toronto Star](#)
- [The Sun](#)

### ***Television and Radio:***

Leading stations include:

- The [Canadian Broadcasting Corporation/Radio Canada](#) (CBC/Radio Canada) - Canada's national public broadcaster operates in Canada in both English and French as well eight aboriginal languages and operates internationally in nine languages.
- [CTV](#) - broadcasting on two English language channels
- [Global Television](#) - broadcasting on one English language channel
- [TVA](#) - broadcasting in French

Canada's remaining independent stations are mostly community-oriented specialty stations. Radio advertising is largely local.

### ***Internet marketing:***

Canadian web users are similar to those in the other English-speaking countries, especially the United States. The most popular sites in Canada are the major international sites, such as Google, Yahoo! and MSN. Facebook, Twitter and LinkedIn are the dominant social networking sites in Canada.

## **Pricing**

[Return to top](#)

End-user prices of U.S. products and services to Canadian customers, in Canadian dollars, are substantially affected by the exchange rate changes between the U.S. dollar and the Canadian dollar. The Canadian dollar has recently depreciated and is now hovering around the 90-cents U.S. mark after falling as low as 89 cents in March 2014. The last time the dollar reached parity with the U.S. dollar was in February 2013. Canadian buyers are price-sensitive, particularly in the wake of the 2009 global financial crisis. U.S. companies should research competitors' prices, and be prepared to negotiate on price to win contracts. U.S. firms should also have price lists illustrating Canadian prices.

## **Sales Service/Customer Support**

[Return to top](#)

Canadian customers, whether corporate or individual, demand high-quality sales service and after-sale customer support. Corporate clients often expect the U.S. seller to have an agent or distributor whom they can contact immediately should any problems arise. Like their counterparts in the United States, Canadian customers expect fast service and emergency replacement if required. A U.S. company entering Canada should evaluate its system of after-sale service and support in the U.S. market, and replicate that network as closely as possible in the Canadian market. Many U.S. companies have found that establishing a toll-free telephone number that services both Canada and the United States is extremely useful in maintaining contact with customers. If possible, sales and service should be handled within Canada. It can be expensive and time-consuming to handle product returns, exchanges, and warranty repairs cross-border due to the customs documentation required.

**Protecting Your Intellectual Property in Canada:**

Several general principles are important for effective management of intellectual property (“IP”) rights in Canada. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Canada than in the U.S. Third, rights must be registered and enforced in Canada, under local laws. Your U.S. trademark and patent registrations will not protect you in Canada. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Canadian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Canada. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Canadian law. The U.S. Commercial Service can provide a list of local lawyers upon request

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Canada require constant attention. Work with legal counsel familiar with Canadian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Canada or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce

- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

Protection and enforcement of intellectual property rights is a continuing priority in bilateral trade relations with Canada. After placing Canada on the Special 301 Priority Watch List since 2009, the U.S. Government moved Canada to the Watch List in 2012 in light of steps taken to improve copyright protection through the Copyright Modernization Act. The Act will come into force following additional legislative procedures and regulatory action, and the U.S. Government continues to urge Canada to implement the law as quickly as possible. With respect to pharmaceuticals, the United States continues to have serious concerns about the impact of the heightened patent utility requirements that Canadian courts have adopted. On enforcement issues, Canada re-introduced the Combating Counterfeit Products Act in the House of Commons in October 2013. The United States continues to urge the government of Canada to amend this legislation to address the problem of transshipment of counterfeit trademark goods and pirated copyright goods through Canada to the United States.

The U.S. government and stakeholders also have expressed strong concerns about Canada's current administrative process for appeals of the regulatory approval of pharmaceutical products, limitations in Canada's trademark regime, insufficient patent-term restoration, and lack of confidentiality for clinical trial data. Canada made limited IP concessions in the Canada-EU Comprehensive Economic and Trade. In addition, recent decisions by Canadian courts regarding pharmaceutical patents have raised concern in the U.S. pharmaceutical industry. In September 2013, a U.S. pharmaceutical company formally filed a notice of arbitration under 34. NAFTA Chapter 11, stemming from decisions made by Canadian courts to invalidate two of the company's patents. In November 2012, the Supreme Court of Canada held that another U.S. pharmaceutical company's patent covering a major pharmaceutical product was void.

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit [www.STOPfakes.gov](http://www.STOPfakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit <http://www.uspto.gov/>.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit <http://www.copyright.gov/>.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the STOPfakes website at <http://www.stopfakes.gov/resources>.
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: <http://www.stopfakes.gov/business-tools/country-ipr-toolkits>. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contains contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

## Due Diligence

[Return to top](#)

Although Canadian businesses have a strong reputation for business ethics, before signing a major contract or entering into a long-term partnership agreement U.S. exporters should conduct adequate due diligence. The Commercial Service offers an International Company Profile (ICP) service, which conducts routine background checks on Canadian companies that include a Dun & Bradstreet report. For information on the ICP, please contact [lucy.latka@trade.gov](mailto:lucy.latka@trade.gov).

## Local Professional Services

[Return to top](#)

Canada’s major cities boast an array of high quality professional services firms, catering to both large and small international companies. Prices for services vary greatly, and are often higher than those found in the United States. U.S. companies can refer to Commercial Service Canada’s website for a list of Canadian [Business Service Providers](#) specializing in serving U.S. firms.

Leading professional associations in Canada include:

[Canadian Accountants Listing](#)  
[Canadian Bar Association](#)  
[Canadian Society of Professional Engineers](#)  
[Certified General Accounts Association of Canada](#)  
[Canadian Lawyer Listing](#)

## Web Resources

[Return to top](#)

[Guide to Federal Incorporation](#)  
[Provincial Registrars](#)  
[Canada Corporations Act](#)  
[Corporations Canada](#)  
[Joint Online Registration System](#)  
[Section 63 of Quebec’s Charter of the French Language](#)  
[Office Québécois de la Langue Française \(Quebec Office of the French Language\)](#)  
[Canadian Franchise Association](#)  
[Franchise Specific Legislation](#)

[Canadian Marketing Association](#)  
[Direct Marketing News](#)  
[Investment Canada Act](#)  
[Public Works and Government Services Canada](#)  
[Chapter Ten of the North American Free Trade Agreement \(NAFTA\)](#)  
[WTO Agreement on Government Procurement](#)  
[Standard Acquisition Clauses and Conditions Manual](#)  
[Government Electronic Directory \(MERX\)](#)  
[Supplier Registration Information](#)  
[U.S. Export Assistance Portal](#)  
[Canadian Intellectual Property Office](#)  
[Patents](#)  
[Trademarks](#)  
[Copyrights](#)  
[The Patent Act](#)  
[Patent Rules](#)  
[The Trade-marks Act](#)  
[Trade-marks Regulations](#)  
[World Intellectual Property Organization](#)  
[Copyright Act and Copyright Regulations](#)  
[Integrated Circuit Topographies](#)  
[National Association of Manufacturers \(NAM\)](#)  
[International Intellectual Property Alliance](#)  
[International Trademark Association](#)  
[International Anti-Counterfeiting Coalition](#)  
[Pharmaceutical Research and Manufacturers of America](#)  
[Biotechnology Industry Organization](#)  
[The Canadian Intellectual Property Council](#)  
[American Chamber of Commerce \(AmCham\) Canada](#)

[Return to table of contents](#)



[Return to table of contents](#)

## Chapter 4: Leading Sectors for U.S. Export and Investment

### Commercial Sectors

- [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](#)

### Agricultural Sectors

- [Food Service](#)
- [Snack Food](#)
- [Fresh Vegetables](#)
- [Fresh Fruit](#)
- [Red Meats](#)
- [Processed Fruits and Vegetables](#)

## Power Generation (ELP)

### Overview

[Return to top](#)

- Canadian real GDP for 2014 forecasted to increase approximately 2.3%
- Total installed generating capacity 134 GW is projected to reach 170 GW in 2035
- Electricity by primary sources: 63.3 % hydro, 15 % coal, 15.3 % nuclear, 6.4% gas plus renewables
- Power generation based on coal is being replaced with gas and renewable energy – wind/solar
- 2013 total imports of equipment and components US\$ 17.6 billion (43% from the U.S.)
- Total import value similar with total exports; high global integration

### Opportunities

[Return to top](#)

- 80% of power-generation facilities to be replaced/upgraded during the next 10 - 15 years
- Investment \$290 billion by 2030, over \$ 195 billion in generation (per Conference Board of Canada)
- Ongoing refurbishments and upgrades of power stations and substations
- Several nuclear power generation units to be refurbished, 1-2 new under consideration
- Clean Energy Fund: awarded \$150 million for R & D and \$795 million for demonstration projects
- Provincial Governments' programs (i.e. ON Green Infrastructure Fund- \$704 million / 8 new projects)
- Further cooperation for a safe, integrated, North American Smart Grid

### Sub-Sector Best Prospects

[Return to top](#)

- Electric Motors and Generators: \$ US 1,301 million (+25%)
- Boards & Panels for Breakers and Fuses: \$1,754 million (+7%)
- Electrical Lighting Equipment: \$US 1,134 million (+5%)
- Electrical Transformers, Static Convertors & Inductors: \$US 2,107 million (+5%)
- Many specific product groups and sub-groups with solid growth rates

### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [Canadian Wind Power Conference](#) – Montreal, QC, October 27-30, 2014
- [Smart Grid Canada](#) – Montreal, QC, October 1-3, 2014
- [Canadian Council for Public-Private Partnership Conf.](#) – Toronto, ON, Nov. 3-4, 2014
- [APPo 2014](#) – Toronto, ON, November 18-19, 2014

### Web Resources

[Return to top](#)

[National Energy Board](#)  
[Canada's Economic Action Plan](#)  
[Industry Canada](#)  
[Statistics Canada](#)

For additional information on this sector, please contact Commercial Specialist Stefan Popescu at [Stefan Popescu@trade.gov](mailto:Stefan.Popescu@trade.gov); Tel: 416 595-5412, Ext. 223

## Automotive (APS)

### Overview

[Return to top](#)

- Canada represents the second largest automotive market in North America
- A record 1.74 million light vehicles sold in Canada during 2013, up 4.0% from 2012
- Canadian imports of vehicles (cars, light and heavy duty trucks and chassis) totaled US\$39.5 billion in 2013, approximately 1% increase over previous year, and 61% of these imports were coming from the U.S.
- Canada imported parts and components totaling US\$37 billion
- Canadian automotive-aftermarket retail sales are estimated at approximately US\$19 billion in 2013
- U.S. light vehicles maintain a dominant share of 44.6% of the Canadian market

### Opportunities

[Return to top](#)

- Increased OEMs' capital investment in 2013, combining to an announced \$950 million
- Federal government announced additional \$500 million over 2 years for the Automotive Innovation Fund
- Chrysler in talks to invest up to \$3.6 billion in its manufacturing facilities in Canada
- Large Canadian Tier 1 suppliers investments of over \$500 million in 2012-2013

### Sub-Sector Best Prospects

[Return to top](#)

Total 2013 imports:

- Motor Vehicle Transmission and Power Train Parts: US\$5.90 billion
- Motor Vehicle Body and Trailers: US\$3.72 billion, up 5.8%
- Motor Vehicle Electric and Electronic Equipment: US\$3.42 billion
- Motor Vehicle Steering and Suspension Components: US\$2.86 billion, up 1.4%

### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- Bridges to Canada: Matchmaking promotion/appointments; August and November 2014.
- [Canadian International Auto Show](#): Multi Company Promotion, February 2015, Toronto, ON.
- Truck World – Multi Company Trade Show, April 2015, Toronto, ON

### Web Resources

[Return to top](#)

[Automotive Industries Association of Canada](#)  
[Automotive Parts Manufacturers' Association](#)  
[Industry Canada](#)  
[Statistics Canada](#)  
[DeRosiers Automotive Consultants](#)

For additional information on this sector, please contact Commercial Specialist Stefan Popescu at [Stefan Popescu@trade.gov](mailto:Stefan.Popescu@trade.gov); Tel: 416 595-5412, Ext. 223.

## Aerospace (AIR)

### Overview

[Return to top](#)

- Canada is the world's fifth largest aerospace market, generating approximately \$22.8 billion in direct revenues and \$42 billion across multiple supply chains in 2013.
- Approximately 60% of the industry is in Quebec; 28% is in Ontario; 8% in Western Canada.
- Canada is home to large OEMs such as Bombardier, Pratt & Whitney Canada, Rolls Royce Canada, Bell Helicopter Textron Canada, Boeing Canada, CAE and L-3.
- U.S. aerospace exports to Canada were \$7.3 billion in 2013; Canada is in the 10 best export markets for U.S. aerospace products.
- Approximately 83% of Canada's aerospace production is civil; 17% is military.
- Approximately 70% of Canada's aerospace production is in new parts; 30% is for MRO.

### Major Aircraft Platforms / Opportunities

[Return to top](#)

- Bombardier Platforms: CSeries, Challenger 7000/8000, Learjet 85
- Bell Helicopter Textron Platforms: Bell 427 and Bell 429
- Boeing Platforms: Dreamliner 787, Chinook
- Next Generation Fighter Jet Program
- Fix Wing Search and Rescue (FWSAR)
- Joint Unmanned Surveillance and Target Acquisition System (JUSTAS)

### Sub-Sector Best Prospects

[Return to top](#)

- Aerostructures, Aircraft & Engine Parts
- Composite Materials and Green Aircraft Technologies
- Cyber & Space Technology
- C4ISR
- Synthetic Training & Simulation for all civil and military aircraft; development of virtual battlespace; electronic warfare.
- Maintenance, Repair and Overhaul

### Major upcoming events/trade shows supported by CS Canada in this sector:

- [CANSEC 2014](#), May 28-29, 2014, Ottawa, ON
- U.S. Pavilion at [DEFSEC Atlantic 2014](#), September 3-5, 2014, Halifax, NS
- [Canadian Aerospace Summit](#), November 18-19, 2014, Ottawa, ON
- [Aeromart Montreal](#), March 31-April 2, 2015, Montreal, QC

### Web Resources

[Return to top](#)

[AeroMontreal](#)

[Aerospace Industries Association of Canada](#)

[Air Transport Association of Canada](#)

[Canada First: Leveraging Defense Procurement Through Key Industrial Capabilities](#)

[Consortium for Research and Innovation in Aerospace in Quebec](#)

[Manitoba Aerospace Association](#)

[New Defense Procurement Strategy](#)

[Ontario Aerospace Council](#)

For additional information on this sector, please contact Commercial Specialist Gina Rebelo Bento at [Gina.Bento@trade.gov](mailto:Gina.Bento@trade.gov); Tel: 514 908-3660 or Commercial Specialist Luz Betancur at [Luz.Betancur@trade.gov](mailto:Luz.Betancur@trade.gov); Tel: 613-688-5411.

## Oil and Gas (OGS) (OGM)

### Overview

[Return to top](#)

- Canada is the world's fifth largest producer of natural gas and the sixth largest producer of crude oil. Alberta's oil sands are the world's third largest oil reserve.
- Canada imported approximately \$5.5 billion of oil and gas products from the U.S. in 2012. More than half of Canada's oil and gas machinery comes from the United States.

### Opportunities

[Return to top](#)

- Innovative Energy Technology Program funds less energy-intensive upgrading practices of oil sands resources, and the total industry/government commitment to relevant new technologies is more than \$800 million.
- Joslyn Mine Project, a joint venture by Total E&P Canada and Suncor Energy Inc., will cost around \$8.9 billion and is expected to yield 874 million barrels with a capacity of 100,000 bpd. The mine should be running by 2018.
- Frontier Oil Sands Mine, a Teck Cominco project is expected to begin construction at 2021 with anticipated costs of \$14.5 billion.
- Fort Hills Project is an integrated oil sands project including a mine and a bitumen extraction facility. Expected development costs are \$13.5 billion and the project is expected to be on stream by 2017.

### Sub-Sector Best Prospects

[Return to top](#)

- Maintenance Repair and Operations (MRO) – over \$30 billion in 2013.
- Specialty mining and extraction equipment/services for Alberta's oil sands.
- Exploration and drilling services; refinery equipment.
- Pipeline construction equipment.
- Environmental remediation technology and services such as faster treatment of tailings, barrier walls to control seepage and off-stream water storage capacity.
- Safety and security equipment and services.

### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [Global Petroleum Show](#): June 10-12 2014, Calgary, AB.
- [Oil Sands Trade Show and Conference](#): September 9-10, 2014, Fort McMurray, AB.
- [National Supply Chain Forum](#): October 28-30, 2014, Calgary, AB.

### Web Resources

[Return to top](#)

[Canadian Association of Oilwell Drilling Contractors](#)  
[Alberta Energy Research Institute](#)  
[Energy Resources Conservation Board](#)  
[Canadian Association of Petroleum Producers](#)  
[Canadian Energy Pipeline Association](#)

[TradeStats Express](#)  
[Statistics Canada](#)  
[Petroleum Society](#)  
[Natural Resources Canada](#)  
[Alberta Energy](#)

For additional information on this sector, please contact Commercial Specialist Crystal Roberts at [Crystal.Roberts@trade.gov](mailto:Crystal.Roberts@trade.gov); Tel: 403 265-2116.

## Defense Products and Services (DFN)

### Overview

[Return to top](#)

- Canada ranked as the 15<sup>th</sup> largest military spender in the world in 2013 at \$18.9 billion.
- Canada's defence industry represents over 2,000 firms with close to 80,000 employees, and estimated annual revenues of \$10 billion in 2013.
- A new "Defence Procurement Strategy" (DPS) was announced on February 5, 2014.
- DPS introduces a new way of selling defence products to the GoC that include a value proposition (VP) assessment system, and Key Industrial Capabilities to improve Canada's competitiveness and industry engagement.
- A new Defence Acquisition Guide will be released in June 2014 that will outline DND's procurement priorities and major initiatives over a twenty year period.
- The Canada First Defence Strategy announced in 2008 is currently under review as the GoC assess current and new modernization and re-capitalization programs.

### Opportunities

[Return to top](#)

- Arctic Offshore Patrol Ships (AOPS)
- Joint Support Ships (JSS)
- Light Armoured Vehicle Upgrade
- Maritime Helicopter Project (CH148)
- CP140 Aurora Modernization Class
- Fixed Wing Search and Rescue (FWSAR)
- Domestic Arctic Mobility Enhancement (DAME)
- Medium Support Vehicle System (MSVS) – Standard Military Pattern
- Next Generation Fighter (NGFC)
- Joint Unmanned Surveillance Targeting & Acquisition System (JUSTAS)
- Airspace Coordination Centre Modernization (ASCCM)
- Canadian Surface Combatant (CSC)

### Sub-Sector Best Prospects

[Return to top](#)

- Synthetic Training & Simulation (i.e. electronic warfare, weapon effects, land vehicle crew training, LV CTS project)
- C4ISR Capabilities
- Cyber Security (Arctic/Maritime)
- Equipment Readiness and Optimization
- In-Service Support
- Green aircraft technologies
- Combat Service Support Systems

### Upcoming Events Supported by Commercial Service Canada:

- [CANSEC 2014](#), May 28-29, 2014 - Ottawa, ON
- U.S. Pavilion at [DEFSEC Atlantic 2014](#), September 3-5, 2014 - Halifax, NS
- U.S. Pavilion at [SecureTech](#), November 4-5, 2014 - Ottawa, ON

### Web Resources

[Return to top](#)

[New Defence Procurement Strategy](#)  
[Canada First: Leveraging Defence Procurement Through Key Industrial Capabilities](#)  
[Department of National Defense](#)  
[Public Works and Government Services Canada](#)  
[Canadian Association of Defense and Security Industries](#)

For additional information on this sector, please contact Sr. Commercial Specialist Lucy Cicero Latka at [Lucy.Latka@trade.gov](mailto:Lucy.Latka@trade.gov); Tel: 613 688-5219, or Commercial Specialist Luz Betancur at [Luz.Betancur@trade.gov](mailto:Luz.Betancur@trade.gov); Tel: 613 688-5411.

## Safety and Security Equipment (SEC)

### Overview

[Return to top](#)

- The skill of identity thieves, industrial spies and other intruders to out-smart existing security technologies have forced the Canadian public and private sectors to update or purchase new security systems that provide leading-edge security control.
- Cyber-attacks on government and private companies have increased over the last decade. The demand for updated and state-of-the-art security products will continue to grow due to the increasing frequency of these threats to security in the private and public sector.
- The Canadian market for security products and services to protect commercial buildings and facilities is estimated at over \$2 billion and is projected to grow 1% to 2% yearly until 2030.
- Imports from the United States of safety security related products including: first-aid equipment, reinforced safes, burglar protection and fire alarms, totaled \$42 million in 2013.
- Most security products are imported. U.S. products account for about one-third of the security market.

### Opportunities

[Return to top](#)

- Defence Research and Development Canada estimates a \$14.5 million investment under the Canadian Safety and Security Program, with further \$20 million invested from the Government of Canada as announced in March 2013.
- Upgrade of Canadian armed services through "Canada First Defense Strategy".
- On-going renovation and security overhaul of major Canadian airports.
- Cyber security investments as part of Canada's [2010-2015 Cyber Security Action Plan](#).

### Sub-Sector Best Prospects

[Return to top](#)

- Rise of remote cloud-based application suites and data centers has increased the need for secure, electronically managed data and proprietary system protection solutions.
- Electronic physical access control systems, led by biometric, smart card and other non-contact technology utilizing software that can be used to secure both physical access to facilities and access to data stored on computers.
- Airport security equipment.

#### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [Secure Tech 2014](#), November 4-5, 2014, Ottawa, ON

### Web Resources

[Return to top](#)

[Canadian Security Association](#)  
[Advanced Card Technology Canada](#)  
[Canadian Advanced Technology Alliance](#)  
[SP&T News](#)  
[Canadian Security Magazine](#)  
[Canadian Maritime and Port Security Conference](#)  
[Canadian Association of Defense and Security Industry](#)  
[Defence Research and Development Canada](#)

For additional information on this sector, please contact the Sr. Commercial Specialist Lucy Cicero Latka at [Lucy.Latka@trade.gov](mailto:Lucy.Latka@trade.gov); Tel: 613 688-5219.

## Renewable Energy (REQ)

### Overview

[Return to top](#)

- Canada is a world leader in the production and use of energy from renewable resources, including solar, wind, hydro, biomass, and marine energy extraction – renewable energy currently represents 16.9 percent of Canada's total primary energy supply.
- Hydro Electricity is the largest subsector of renewable energy in Canada. Approximately 60 percent of Canada's electricity is generated by moving water.
- Wind energy, Canada's second largest source of renewable energy, is experiencing significant growth. By the end of 2013, Canada had installed nearly 8 GW of wind energy capacity, and this figure is expected to increase to 16 GW by 2016.
- In 2013, wind energy supplied approximately three percent of Canada's total electricity demand.
- The federal government is committed to seeing 90 percent of Canada's electricity generated by non-emitting sources by 2020.

### Opportunities

[Return to top](#)

- Plan Nord – Quebec
- EcoENERGY Initiative – Cartier Wind Energy Inc. wind farms in Quebec
- Rivière-du-Moulin Phase I & II (350 MW) – Construction from 2013 to 2015

### Sub-Sector Best Prospects

[Return to top](#)

- Wind turbines, tower sections, rotor blades, casting and forgings and transformers
- Gears and generators
- Hydro energy turbines and equipment
- Engineering, construction and logistics services
- Smart Grid

### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [CanWEA Annual Conference](#): Oct. 27 - 29, 2014 - Montreal, QC

### Web Resources

[Return to top](#)

[Canadian Renewable Energy Alliance](#)  
[Canadian Solar Industries Association](#)  
[Canadian Wind Energy Association](#)  
[Canadian Hydropower Association](#)  
[Canadian Energy Efficiency Alliance](#)  
[Solar and Sustainable Energy Society of Canada Inc.](#)  
[Ministry of Energy of Ontario – Renewable Energy](#)  
[Renewable Energy Quebec](#)  
[APPRO – Association of Power Producers of Ontario](#)  
[B.C. Sustainable Energy Association](#)

For additional information on this sector, please contact Commercial Specialist Connie Irrera at [Connie.Irrera@trade.gov](mailto:Connie.Irrera@trade.gov); Tel: 514 908-3662.



## Information and Communication Technology (ICT)

### Overview

[Return to top](#)

- Canada has a strong ICT sector and continued to carry momentum from 2012 into 2013, setting record revenues of more than \$85B.
- Three out of four major ICT sub-sectors experienced growth in 2013. At the top of the leader-board is the ICT-Professional Services sector, which grew by 49.9%, followed by the Software and xSP sectors, with grown rates of 20.1% and 3.8% respectively.
- Geographically, ICT revenues in Canada are led by Ontario, Quebec, British Columbia and Alberta.
- This sector is highly trade dependent; importing \$45B in goods from around the world in 2013 and exporting \$16.6B.
- The United States is the top trading partner for Canadian exports at \$10.3 billion and in the top two for imports at \$11.8 billion in 2013 (Canada imports the majority of ICT product from China at \$15.7B).
- ICT market expects to remain in positive growth through 2017.

### Opportunities

[Return to top](#)

- At the federal level, the government consolidation and streamlining of government data storage centers and in-house networks offer opportunities for US companies.
- At the provincial level, the Ontario government will continue to be constrained by a focus on cutting costs, with cost reviews being conducted, but there have been a number of large tenders highlighting continued opportunities within the sector.

### Sub-Sector Best Prospects

[Return to top](#)

Consumer:

- Near field communications & mobile commerce.
- Tablets, ultra-thin notebooks and hybrids/convertibles.

Enterprise:

- Cloud Computing: Software as a Service (SaaS), Infrastructure as a Service (IaaS) and Platform as a Service (PaaS).
- Bring Your Own Device (BYOD).
- IT Security products, especially as they pertain to fighting CyberCrime.

***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [GTEC 2014](#): October 27-30, 2014, Ottawa, ON.
- [SecureTech 2014](#): November 4-5, 2014, Ottawa, ON.

### Web Resources

[Return to top](#)

[Canadian Advance Technology Alliance](#)  
[IDC Canada](#)  
[Information and Communication Technology Council](#)  
[Industry Canada](#)  
[Information Technology Association of Canada](#)

For additional information on this sector, please contact Commercial Specialist Tracey Ford at [Tracey.Ford@trade.gov](mailto:Tracey.Ford@trade.gov); Tel: 613-688-5406

## Pollution Control (POL) – Wastewater Treatment (WRE)

### Overview

[Return to top](#)

Over 150 billion liters of untreated and undertreated wastewater (sewage) is dumped into the Canadian waterways each year. This is an environmental, human health and economic issue and is a priority for the Canadian government(s) to address.

### Opportunities

[Return to top](#)

- Over 150 Wastewater treatment facilities across Canada are in need of renovation or reconstruction by 2020
- On February 11, 2014, the Government of Canada announced that the [First Nations Water and Wastewater Action Plan](#) (FNWWAP) has been extended, with an additional \$323.4 million investment over the next two years; these investments target improved drinking water and wastewater systems on First Nation lands through four pillars: enhanced capacity building and operator training; enforceable standards and protocols; infrastructure investments; and protection of public health.
- Core Area Wastewater Management Project – located in the British Columbia Capital Regions District, this \$783 million dollar project has a proposed spring 2014 start
- Bonnybrook Wastewater Treatment Plant Expansion – located in Calgary, Alberta this \$126 million proposal is expected to go to a tender call in late 2016, starting construction in 2017.

### Sub-Sector Best Prospects

[Return to top](#)

The following technologies and equipment will be required to upgrade from primary to secondary, and from secondary to tertiary, wastewater treatment facilities:

- New Tertiary Membrane Treatment Plants.
- Chlorine Tanks.
- Upgrades to Secondary and Tertiary Treatment Facilities.
- UV Disinfection systems.

### ***Major upcoming events/trade shows supported by CS Canada in this sector:***

- [Weftec](#): September 27 – October 1, 2014, New Orleans, LA.

### Web Resources

[Return to top](#)

[Alberta Major Projects](#)  
[Alberta Water and Wastewater Operators Association](#)  
[British Columbia Major Projects](#)  
[Canadian Infrastructure Report Card](#)  
[Canadian Water and Wastewater Association](#)  
[Canadian Biosolids Partnership](#)  
[Environment Canada](#)  
[Saskatchewan Water and Wastewater Association](#)  
[Statistics Canada](#)  
[TradeStats Express](#)  
[Western Canada Section of the AWWA \(American Water Works Association\)](#)  
[Western Canada Section of the Water Environment Association](#)

For additional information on this sector, please contact Commercial Assistant Jared Byrne at [Jared.Byrne@trade.gov](mailto:Jared.Byrne@trade.gov); Tel: 403 265-2116.

## Mining (MIN)

### Overview

[Return to top](#)

- Canada is one of the world's leading mining countries and largest producers of minerals and metals. The production of non-metallic minerals dominates this industry, followed by coal and metallic minerals.
- Approximately 60 percent of the world's exploration companies are Canadian – Canada spends more on exploration programs than any other country.
- The Canadian metals & mining industry reported total revenues of \$50.5 billion in 2011, and is forecasted to grow at a compound annual growth rate of 11.7 percent through 2015.
- About two-thirds of the mining equipment market, approximately two billion dollars, was supplied by U.S. exports in 2010. This is expected to grow to \$2.62 billion by 2015.

### Opportunities

[Return to top](#)

- Canada's mining industry plans to invest \$140 billion in projects over the next decade, concentrating on British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Newfoundland and Labrador, Nunavut and the Northwest Territories.
- Northern Plan (Plan Nord) Mining Projects: approximately eleven mining projects to be launched in the coming years with an estimate of US\$8.13 billion in investments.
- Mount Milligan Mine, BC: gold-copper mine – production began in 2013.
- Galore Creek Development, BC: project underway – one of the world's largest underdeveloped gold/copper/silver deposits.
- Potash One Legacy Project, SK: potash mine and production facility to be built – commissioning targeted for the summer of 2016.

### Sub-Sector Best Prospects

[Return to top](#)

- Specialty mining
- Mining equipment replacement parts
- Exploration, drilling, and mine construction services
- Environmental remediation services
- Mining safety and security equipment and services

### **Major upcoming events/trade shows supported by CS Canada in this sector:**

- [Northern Mines Expo](#). May 28 - 30, 2014 – Timmins, ON
- [Quebec Mines](#): November 27 - 30, 2014 – Québec City, QC

### Web Resources

[Return to top](#)

[The Mining Association of Canada](#)  
[Natural Resources Canada](#)  
[Prospectors and Developers Association of Canada](#)

For additional information on this sector, please contact Commercial Specialist Connie Irrera at [Connie.Irrera@trade.gov](mailto:Connie.Irrera@trade.gov); Tel: 514 908-3662

## Travel and Tourism (TRA)

### Overview

[Return to top](#)

- Canada continued to deliver the largest inbound travel market to the United States in 2013 at 23.4 million visitors, up 3% from 2012.
- Canadian visitation is forecasted to increase 20% from 2013 – 2018.
- Canada ranks first in travel and tourism-related spending at \$27 billion in 2013.
- Travel and tourism accounted for 42% of total U.S. services exports to Canada in 2013.
- Canadians are unique in their visitation to the United States, travelling across all seasons.
- Ontario, British Columbia, and Quebec account for the largest share of visitors to the United States.

### Opportunities

[Return to top](#)

- Duty free allowances increased for Canadian travelers starting on June 1, 2012.
- Canadian Planners of Meetings, Incentive Travel, Conferences, and Events (MICE) spend \$20.5 billion annually around the world. Expecting a 19% increase in meetings into the U.S.

### Sub-Sector Best Prospects

[Return to top](#)

- Cross-Border Shopping
- Sightseeing
- Sports Tourism
- Adventure Travel; soft to extreme
- Meetings, Incentive Travel, Conferences and Events (MICE)

### *Upcoming events/trade shows supported by CS Canada in this sector:*

- [Discover America Day](#), Media Marketplace: September 29, 2014, Toronto, ON.
- CT's TravXchange Trade Shows:
  - Toronto – September 29, 2014.
  - Montreal – September 30, 2014.
  - Calgary – October 1, 2014.
  - Vancouver – October 2, 2014 plus TravXchange Media Morning.
- International Travel & Tourism Show: October 24-26, 2014, Montreal, QC.

### Web Resources

[Return to top](#)

[U.S. Department of Commerce, Office of Travel and Tourism Industries](#) (Source of data on Canadian travel and tourism preferences and trends).

For additional information on this sector, please contact Senior Commercial Specialist Ruth Williamson at [Ruth.Williamson@trade.gov](mailto:Ruth.Williamson@trade.gov); Tel: 416 595-5412, Ext. 238.

## Agricultural Sectors

[Return to top](#)

The following information on Canada's market for U.S. agricultural and food products was prepared by the Foreign Agriculture Service at the U.S. Embassy in Ottawa. For further information and for assistance in marketing U.S. agricultural and food products in Canada, U.S. exporters should contact:

Office of Agricultural Affairs  
U.S. Embassy, Canada  
P.O. Box 5000  
Ogdensburg, NY 13669-0430  
Telephone: (613) 688-5267  
Fax: (613) 688-3124  
Email: [agottawa@usda.gov](mailto:agottawa@usda.gov)

In 2013, U.S. agricultural, fish and forestry exports to Canada reached a new record of \$25.9 billion. U.S. agricultural exports to Canada accounted for 16 percent of total U.S. food and agricultural product exports of \$161.9 billion. American products accounted for about 62 percent of total Canadian agricultural imports in 2013.

During 2013 consumer-oriented agricultural categories posted record sales to Canada. The top five categories are red meats (\$3.0 billion), fresh vegetables (\$1.8 billion), fresh fruit (\$1.8 billion), snack foods (\$1.3 billion), and prepared foods (\$1.9 billion).

U.S. fish and seafood exports to Canada reached \$936 million in 2013. U.S. forest products exports to Canada reached \$2.3 billion in 2013. Total bilateral agricultural, fish and forestry trade between the U.S. and Canada reached \$49.6 billion in 2013, more than \$136 million per day.

The majority of U.S. agricultural products have entered Canada duty-free since 1998 under the NAFTA (and the preceding U.S.-Canada Free Trade Agreement.) Major exemptions are the supply managed sectors, including dairy, chicken, turkey and eggs.

Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel among citizens for business and pleasure. Many U.S. products have gained an increased competitive edge over goods from other countries as the result of the FTA/NAFTA. Canada's grocery product and foodservice trade have been quick to seize opportunities under NAFTA by expanding their geographical sourcing area to include the United States. The country's wide ethnic diversity and high-level of consumer disposable income provide broad food marketing opportunities. Also, the familiarity and confidence in Canadian based U.S. chains (hotels, restaurants and fast food) have helped to increase the demand for high value U.S. foods. Canada remains the top U.S. export market for consumer ready foods accounting for over \$16.9 billion in annual trade representing 65 percent of overall agricultural trade. Significant gains continue to be realized in the Canadian market for U.S. consumer ready foods and food service foods.

On the basis of current market trends and conditions, the following sectors are considered to be best prospects for U.S. exports of food and agricultural products to Canada:

1. Food Service
2. Snack Food
3. Fresh Vegetables
4. Fresh Fruit

5. Red Meats
6. Processed Fruit and Vegetables

The markets for these best prospects are analyzed below.

## 1. Food Service

[Return to top](#)

It is projected that for the first time since 2008, every segment of the foodservice sector will post gains this year. Growing disposable income should encourage more spending in the market, though higher household debt in Canada could restrain this somewhat. More information on the food service sector in Canada can be found in the USDA Foreign Agricultural Service's [2013 Overview of the Hotel, Restaurant and Institutional Sector in Canada](#).

Commercial foodservice is expected to grow in every province with Saskatchewan (5.1%), British Columbia (5.0%) and Alberta (4.9%) projected to show the largest increases. Snacking is increasingly popular. Between 2008 and 2012, morning snacks (15.2%) and afternoon snacks (11.1%) posted the highest growth of all dayparts in Canada. Lunch is still the most popular time to visit a foodservice establishment in Canada, accounting for 25.6 per cent of visits.

### *Hotels and Resorts*

According to a report by the Hotel Association of Canada, the Canadian hotel and resort sector consisted of 8,538 establishments in 2012. These establishments accounted for 464,376 rooms. The distribution of rooms reflects population distribution with the greatest number of rooms found in Ontario (133,336), Quebec (104,442), British Columbia (80,503) and Alberta (72,073). Total revenue for this sector equaled C\$16.4 billion, with over C\$2.8 billion of that resulting from food and beverage sales (this excludes alcoholic beverages.)

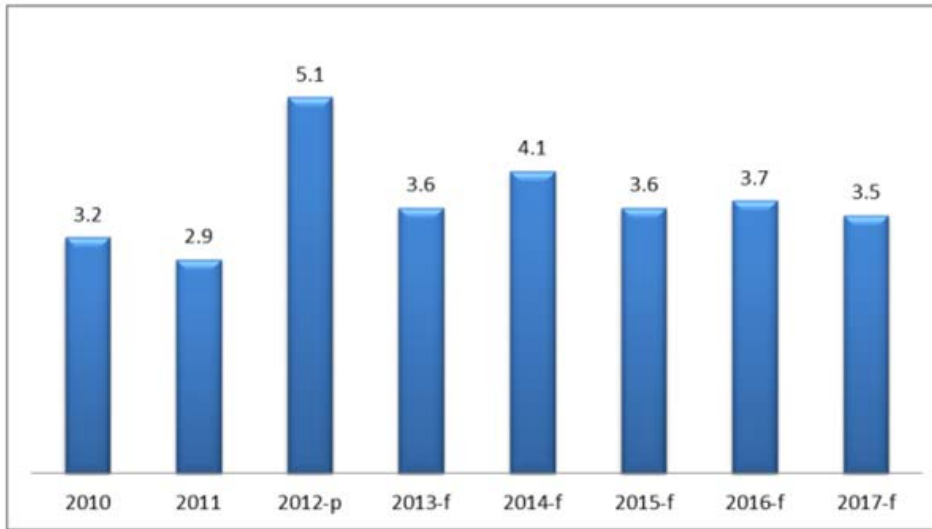
### *Restaurants*

Canada is home to 81,400 restaurants, bars and caterers who generate C\$65 billion in annual sales, or 4 percent of Canada's total GDP. Of these establishments, 61 percent are independent while 39 percent are part of a chain. Canadians make approximately 18 million restaurant visits daily.

### *Institutional*

The Institutional foodservice sector in Canada totaled approximately C\$3.7 billion in 2012. This total was expected to climb 4.5 percent in 2012 to reach almost C\$3.9 billion. The institutional sector consists of hospitals, residential care facilities, schools, prisons, factories, remote facilities and offices, including patient and inmate meals.

### Commercial Foodservice Sales Forecast (Percent, year-over-year change)



**Notes:**

p=preliminary f=forecast

Growth rates in nominal terms

Source: Statistics Canada and CRFA's Restaurant Industry Forecast

## 2. Snack Foods

[Return to top](#)

Snacking continues to grow in importance in the Canadian market. In 2013, retail sales of snack foods grew five per cent to reach over C\$ 3 billion. Snacks are widely available in all retail channels across the country, including major chain grocery retailers, large format outlets, corner stores, drug stores, gas stations and vending machines as well as at movie theaters and sporting events. The biggest growth in this field in 2013 was seen in popcorn and nuts.

	2012	2013	2014 (Forecast)
<b>Total Market Size</b>	3,150	3,309	3,419
<b>Total Local Production</b>	1,521	1,653	1,730
<b>Total Exports</b>	N/A	N/A	N/A
<b>Total Imports</b>	1,629	1,656	1,689
<b>Imports from the U.S.</b>	1,287	1,308	1,334

(Millions of U.S. dollars)

Sources: FAS Global Agricultural Trade System, Euromonitor, Agriculture and Agri-Food

## 3. Fresh Vegetables

[Return to top](#)

Canada is by far the largest export market for U.S. fresh vegetables, absorbing more than three quarters of American exports in this product category. On a per capita basis, Canada has one of the highest consumption rates of fresh vegetables in the world. Demand for U.S. vegetables is enhanced due to the short Canadian domestic growing season for vegetables

in Canada's northern climate. However, despite the rough climatic conditions, the local growers supply about half of the market demand through extensive greenhouse production of peppers, tomatoes, lettuce and cucumbers. In recent years, Canadian immigration has been dominated by new arrivals from Asia, where traditional dietary habits also include significant amounts of fresh vegetables. The immigrant population has also led to an increased demand for exotic vegetables. In recent years, food safety issues have risen to the forefront and Canadian consumers generally maintain a high level of confidence in the safety of U.S. fresh vegetables. In addition, fresh vegetable consumption is recommended in [Health Canada's food guide](#) for Canadian consumers. Under NAFTA, American fresh vegetable exports enter Canada duty free. A modern transportation and wholesale dealer network provides Canadian buyers with prompt delivery and relatively reduced spoilage.

<b>Fresh Vegetables</b>	<b>2011</b>	<b>2012 (Estimated)</b>	<b>2013 (Forecast)</b>
<b>Total Market Size</b>	4,243	4,175	4,275
<b>Total Local Production</b>	3,251	3,200	3,250
<b>Total Exports</b>	1,257	1,125	1,175
<b>Total Imports</b>	2,249	2,100	2,200
<b>Imports from the U.S.</b>	1,493	1,400	1,475

*(Millions of U.S. dollars)*

*Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates*

#### 4. Fresh Fruit

[Return to top](#)

Canada is by far the most important market for U.S. exports of fresh fruit, with a 50 percent market share. Canada is heavily dependent on imports of fresh fruit to meet total market demand due to the Canadian climate's limited growing season and variety of fruits that can be grown. Over 80 percent of the Canadian fresh fruit market is supplied through imports. Strong U.S. sales gains have been made for avocados, strawberries, other berries, melons and watermelons, grapes, cherries and citrus. An aging Canadian population has contributed to an increased interest in healthy alternatives with regard to diet – a development that is leading to increased demand for quality produce. Major U.S. growers and shippers retain membership in the Canadian Produce Marketing Association, which is an important advocate for the industry in Canada on food safety and trade issues and key promoter of increased fresh fruit consumption among Canadians.

<b>Fresh Fruit</b>	<b>2011</b>	<b>2012 (Estimated)</b>	<b>2013 (Forecast)</b>
<b>Total Market Size</b>	3,721	3,765	3,775
<b>Total Local Production</b>	748	675	700
<b>Total Exports</b>	212	260	250
<b>Total Imports</b>	3,185	3,350	3,325
<b>Imports from the U.S.</b>	1,541	1,675	1,650

*(Millions of U.S. dollars)*

*Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates*



## 5. Red Meats

[Return to top](#)

Canada is a major producer and exporter of red meat. Nevertheless, it is the third destination for U.S. exports of fresh/chilled/frozen red meat with an export market share of nearly 15 percent, and the first destination for processed meats, with a market share of almost 50 percent in 2012. The North American red meat market is heavily integrated with trade flowing both ways between Canada and United States. Typically, Canada exports large numbers of live animals and significant amounts of meat to United States and imports a wide variety of meat products. After a number of years of decline, the red meat sector in Canada is finally expected to stabilize. Supply remains limited, while the market demand is gradually picking up resulting in increased wholesale and retail prices that translate into improved export opportunities for the American red meat industry.

Red Meats (incl. processed)	2011	2012 (Estimated)	2013 (Forecast)
<b>Total Market Size</b>	16,032	16,070	16,025
<b>Total Local Production</b>	18,250	18,000	17,950
<b>Total Exports</b>	4,671	4,700	4,675
<b>Total Imports</b>	2,453	2,770	2,750
<b>Imports from the U.S.</b>	2,045	2,330	2,300

(Millions of U.S. dollars)

Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates

## 6. Processed Fruits and Vegetables

[Return to top](#)

The Canadian import market for processed fruits and vegetables is one of the fastest growing categories in the high value, consumer-oriented food product sector, absorbing close to one third of total U.S. exports in this category. Processed foods include frozen fruits and vegetables, sauces and condiments and tomato based sauces. Frozen fruit and vegetables are sold in a wide-range of product formats such as mixed frozen vegetables, ready-to-heat stir fries, and french fries. Frozen fruits and vegetables are being increasingly incorporated as ingredients by Canadian food manufacturers in ready-to-serve meals including TV dinners, pizza and other entrées. Consumer demand for convenient products, as well as smaller serving sizes, is driving the development of a wide range of ready-to-cook and -eat fruit and vegetable products that are benefitting U.S. sales.

Processed Fruit and Vegetables	2011	2012 (Estimated)	2013 (Forecast)
<b>Total Market Size</b>	7,090	7,225	7,250
<b>Total Local Production</b>	6,927	7,000	7,025
<b>Total Exports</b>	1,741	1,875	1,900
<b>Total Imports</b>	1,904	2,100	2,125
<b>Imports from the U.S.</b>	1,127	1,225	1,235

(Millions of U.S. dollars)

Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

### Import Tariffs

[Return to top](#)

Canada eliminated tariffs on all industrial and most agricultural products imported from the United States on January 1, 1998, under the terms of the NAFTA. Tariffs and tariff-rate quotas (TRQs) remain in place on dairy and poultry tariff lines. Canada is phasing out its remaining MFN tariffs on imported machinery and equipment and intends to complete this process by 2015. Canada announced the elimination of MFN tariffs on baby clothing and athletic equipment (valued at CAD \$76 million annually) in its 2013 federal budget.

### Trade Barriers

[Return to top](#)

#### ***Agricultural Supply Management***

Canada uses supply-management systems to regulate its dairy, chicken, turkey, and egg industries. Canada's supply-management regime involves production quotas, producer marketing boards to regulate price and supply, and TRQs. Canada's supply management regime severely limits the ability of U.S. producers to increase exports to Canada above TRQ levels and inflates the prices Canadians pay for dairy and poultry products. Under the current system, U.S. imports above quota levels are subject to prohibitively high tariffs (e.g., 245 percent for cheese, 298 percent for butter). The United States continues to press for the elimination of all remaining tariffs and TRQs.

The United States remains concerned about additional Canadian actions that limit the access of U.S. exporters to the Canadian dairy market. First, Canada changed the way in which it applies import duties to certain commercial "food preparations" that contain cheese. For these particular food preparations, rather than classifying the product under a single tariff heading as was done previously, Canada now requires the components of the food preparation to be classified separately. As a result, the cheese components of these food preparations are now subject to prohibitively high tariff rates. In particular, U.S. exports of a particular pizza topping product will experience much higher duties as a result of the change. Canada's actions implementing this change were taken without any consultations with affected trading partners or opportunity for public comment. The United

States has asked questions and raised concerns about this change at the WTO Committee on Agriculture and the U.S. – Canada Consultative Committee on Agriculture.

Second, Canada's compositional standards for cheese, which entered into force on December 14, 2008, further restrict access of certain U.S. dairy products to the Canadian dairy market. These regulations limit the ingredients that can be used in cheese making, require use of a minimum percentage of fluid milk in the cheese-making process, and make cheese importers more accountable for ensuring that the imported product is in full compliance. The compositional standards also apply to cheese that is listed as an ingredient in processed food.

### ***Geographical Indications***

On October 18, 2013, Canada and the European Union (EU) announced an agreement-in-principle on the Canada-EU Comprehensive Economic and Trade Agreement (CETA) after more than four years of negotiation. Although the Canadian government and the European Commission have not released the text of the agreement, the details contained in government summaries and fact sheets have raised serious concerns with respect to access for current and future U.S. agricultural and foodstuff producers. For example, the Canadian government has agreed to the EU's request to automatically protect 179 food and beverage terms without providing for due process safeguards, such as the possibility of refusal of applications or objection by third parties. Also, while the agreement appears to provide limited safeguards for the use of generic terms with respect to a short list of specific terms for existing producers, concerns remain about the right for future producers to use those terms and for producers to use generic terms with respect to other products. In addition, the U.S. Government continues to examine the effect the agreement will have on the use of individual components of compound terms in trademarks, the use of translations in trademarks, and prior rights of existing trademark owners.

### ***Restrictions on U.S. Grain Exports***

Canada passed the Marketing Freedom for Grain Farmers Act in 2011 to transition the Canadian Wheat Board from a crown corporation to a commercial entity over a five-year period. The legislation allowed Western Canadian farmers to sell wheat on the open market beginning on August 1, 2012. Several not-for-profit associations from both the United States and Canada created a task force in order to provide information to facilitate the marketing of grain and seed between the United States and Canada. The United States welcomes the progress made to date to transition the Canadian Wheat Board to a commercial entity.

U.S. origin wheat and barley are not eligible to receive Canadian statutory grades, other than the lowest official statutory grade in the particular class (for example, feed-grade wheat or #5 Amber Durum). Regulations promulgated under the Canada Grain Act require that for wheat and barley to be eligible to receive statutory grades, the variety must be registered for use in Canada and grown in Canada. As a result, while U.S.-grown varieties of wheat and barley can be brought into Canada and sold at a fair price based on contract-based specifications, they must be segregated from Canadian varieties that are eligible for grading under Canada's grain handling system. Canadian wheat and barley exporters do not face such a two-tiered grain handling system in the United States that distinguishes between domestic and imported wheat. U.S. members of the task force described above would like to have a working group established to review issues concerning varietal declarations as well as the lack of access to Canada's grading system for foreign-grown grains.

### ***Restrictions on U.S. Seeds Exports***

Canada's Seeds Act prohibits the sale, advertising, or importation into Canada of seed varieties that are not registered in the prescribed manner. In order to apply for seed varietal registration, the applicant must reside permanently in Canada. In addition, once registered, the seed variety must be grown in Canada in order to avail the resulting crop of any benefits under the Canada Grain Act's grain grading and inspection system (described above). This operates as a trade barrier to the many U.S. seeds (e.g., wheat, barley, etc.) that are not varieties registered in Canada. In 2013, the Canadian government has presented an options paper seeking guidance from industry on how to modernize and streamline the crop variety registration system. Among the options being considered is to remove the oversight role of Canada's federal government in varietal registration.

### ***Personal Duty Exemption***

On June 1, 2012, Canada increased the cross-border shopping limit for tax-free imports of goods purchased in the United States. Canadians who spend more than 24 hours outside of Canada can now bring back CAD \$200 worth of goods duty free (the previous limit was CAD \$50). Canada raised the duty-free limit for trips over 48 hours to CAD \$800, an increase from a CAD \$400 limit for stays of up to one week and a CAD \$750 limit for stays longer than 7 days. However, Canada continues to provide no duty-exemption for returning residents who have been out of Canada for fewer than 24 hours. The United States provides similar treatment for its returning travelers who spend more than 24 hours outside of the country, but unlike Canada, also allows up to \$200 of duty-free goods after visits of less than 24 hours.

### ***Wine, Beer and Spirits***

Most Canadian provinces restrict the sale of wine, beer and spirits through province-run liquor control boards. Market access barriers in those provinces greatly hamper exports of U.S. wine, beer and spirits to Canada. These barriers include cost-of-service mark-ups, restrictions on listings (products which the liquor board will sell), reference prices (either maximum prices the liquor board is willing to pay or prices below which imported products may not be sold in order to avoid undercutting domestic prices), labeling requirements, discounting policies (requirements that suppliers offer rebates or reduce their prices to meet sales targets), distribution, and warehousing policies. Moreover, while Canada increased its personal duty exemption limit in June 2012, Canadian tourists still face high provincial taxes on personal imports of U.S. wines and spirits upon their return to Canada from the United States. This inhibits their purchases of U.S. alcoholic beverages. More information on the Alcoholic Beverages sector in Canada can be found in the USDA Foreign Agricultural Service's [Overview of the Wine and Spirits Sector in Canada](#).

### ***Softwood Lumber***

On September 30, 2013, the United States and Canada agreed to jointly initiate arbitration under the Softwood Lumber Agreement between the Government of the United States and the Government of Canada (SLA) to resolve a disagreement over the implementation of a prior SLA arbitration award (LCIA No. 81010). The award requires Canada to apply additional export charges on shipments of softwood lumber from Quebec and Ontario to remedy breaches of the SLA concerning certain forestry programs in those provinces. The additional export charges were designed to collect \$58.85 million over the term of the SLA, which was set to expire on October 12, 2013 when the award was issued. In January 2012, the United States and Canada extended the SLA until October 12, 2015. Canada has applied the additional export charges since March 2011, but had not collected \$58.85 million as of October 12, 2013. The United States and Canada have reconvened

the original tribunal to determine whether the award requires Canada to continue to apply the additional export charges until \$58.85million is collected while the SLA remains in effect.

### ***Canadian Content in Broadcasting***

The Canadian Radio-television and Telecommunications Commission (CRTC) imposes quotas that determine both the minimum Canadian programming expenditure (CPE) and the minimum amount of Canadian programming that licensed Canadian broadcasters must carry (Exhibition Quota). Large English language private broadcaster groups have a CPE obligation equal to 30 percent of the group's gross revenues from their conventional signals, specialty and pay services. The Exhibition Quota for all conventional broadcasters is fixed at 55 percent Canadian programming as part of a group, with a 50 percent requirement from 6 p.m. to midnight. Specialty services and pay television services that are not part of a large English language private broadcasting group are subject to individual Canadian programming quotas (time or expenditure or both), which vary depending upon their respective license conditions.

For cable television and direct-to-home broadcast services, more than 50 percent of the channels received by subscribers must be Canadian programming services. Non-Canadian channels must be pre-approved ("listed") by the CRTC. Canadian licensees may appeal the listing of a non-Canadian service that is thought to compete with a Canadian pay or specialty service. The CRTC will consider removing existing non-Canadian services from the list, or shifting them into a less competitive location on the channel dial, if they change format to compete with a Canadian pay or specialty service.

The CRTC also requires that 35 percent of popular musical selections broadcast on the radio should qualify as "Canadian" under a Canadian government-determined point system.

## **Import Requirements and Documentation**

[Return to top](#)

The Canada Border Services Agency website lists the [required documents for import](#). The most important document required from a U.S. exporter is a properly completed Canada Customs Invoice or its equivalent that is required for all commercial shipments imported into Canada. The exporter can use its own form if it has the required information on it. At the border, the importer or customs broker also submits Form B3, the customs coding form. Further information on Form B3 can be found in the [brochure](#) "Importing Commercial Goods into Canada – How to complete Form B3 when importing commercial goods." Other documents that trucking companies will provide for customs clearance may include a cargo control document and bill of lading. Some goods such as food or health-related products may be subject to the requirements of other federal government departments and may need permits, certificates, or examinations.

In addition, to obtain duty-free status under the NAFTA Rules of Origin, a commercial NAFTA import over CDN\$1,600 must be accompanied by a NAFTA Certificate of Origin; while a commercial import less than CDN\$1,600 only requires a statement of origin from the exporter that the product originates in a NAFTA state. Canada looks at the products and its component parts to determine whether a sufficient percentage of the value and/or composition of the final product qualify for NAFTA origin. This can be quite complex and rules vary for each product. U.S. companies should consult the U.S. Department of Commerce's [NAFTA Certificate of Origin Interactive Tool](#).

Customs brokers can assist U.S. exporters with the details of the import documentation process, including Canada's [non-resident importer program](#), in which the U.S. exporter in the United States obtains a "business number" and can then be the "importer of record" for purposes of customs clearance. This offers a number of marketing advantages, in particular the opportunity to remove the burden of customs clearance of commercial shipments from the Canadian customer. In fact, large retailers often demand that an exporter does whatever paperwork is required so that all the retailer needs to do is unload the goods from the truck and pay the exporter for the goods. Many brokers advertise their non-resident importer programs on their websites.

For most mail-order shipments, the only paperwork needed is a standard business invoice. Companies should indicate the amount paid by the customer for the goods, in either U.S. or Canadian dollars. If goods are shipped on a no-charge basis (samples or demos) companies must indicate the retail value of the shipment.

U.S. companies shipping goods to Canada by truck or rail need to be aware that the Canada Border Services Agency's (CBSA) [eManifest](#) initiative is changing the way commercial goods that are coming into Canada are processed.

eManifest is the third phase of the [Advance Commercial Information \(ACI\) program](#). The first two phases of ACI require air and marine carriers to electronically transmit pre-arrival cargo and conveyance information to the CBSA, within advance time frames.

When fully implemented, eManifest will require carriers, freight forwarders and importers in all modes of transportation (air, marine, highway and rail) to electronically transmit cargo, conveyance, house bill/supplementary cargo and importer data to CBSA prior to loading in the marine mode and prior to arrival in the air, rail and highway modes.

An informed compliance period for highway carriers is currently in effect. Regulations to enforce eManifest requirements for highway carriers are expected to be in place in the Fall of 2013. The CBSA anticipates being able to provide carriers as much as 45 days advance notice of the mandatory compliance date. Once the regulations are in place, highway carriers must provide electronic cargo and conveyance data to the CBSA in advance of arriving at the Canadian border. Shipments that are made without advance notice after the regulations are enforced will be refused entry to Canada.

For more information on [eManifest requirements](#), visit the CBSA web site at [www.cbsa.gc.ca](http://www.cbsa.gc.ca).

## **U.S. Export Controls**

[Return to top](#)

The North American Free Trade Agreement came into force and eliminated many export controls to reduce barriers to trade between the United States, Canada and Mexico. This allows these countries to ship their goods all across North America without any fees or Shipper's Export Declarations (SED's).

Shipments to Canada do not require an [SED](#) unless the shipment:

- Requires a [Department of Commerce export license](#);
- Is subject to the Department of State, International Traffic in Arms Regulations (ITAR) regardless of license requirements; or

- Is subject to Department of Justice, Drug Enforcement Administration, export declaration requirements.

For merchandise transshipped from the United States through Canada for ultimate destination to a foreign country, other than Canada, an SED or [Automated Export System \(AES\)](#) record is required.

## Temporary Entry

[Return to top](#)

Canada allows the temporary import free of duty and tax of certain commercial goods and equipment such as brochures, commercial samples, audio-visual equipment and industrial equipment for business meetings, trade shows, product demonstrations and industrial or construction purposes.

If the goods are eligible for free entry, a refundable security deposit -- in the form of cash or bond -- may be required. Further information on Canada's Form E29B ("temporary entry") and other requirements are available on the [Canada Border Services Agency](#) website. Information on temporary entry of personal goods and equipment can also be found on this website.

## Labeling and Marking Requirements

[Return to top](#)

The Canadian federal [Consumer Packaging and Labeling Act](#) requires that all labels be bilingual in English and French and that the following information appear on the package/label of consumer goods sold in Canada:

- **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 of volume when the product is a liquid or a gas, or is viscous; or in metric units of weight when the product is solid or by numerical count. Net quantity may also be expressed in other established trade terms.
- **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 is acceptable. This information can be in either English or French.

Exporters of food products face additional challenges because of different rules regarding the types of health claims that can be made on labels and different nutrition standards, such as recommended daily allowances of vitamins, etc.

The agency responsible for inspection of imports, the [Canada Border Services Agency](#), also requires an indication of the country of origin, such as "Made in the USA," on several classes of imported goods. Goods not properly marked cannot be released from Canada Customs until suitably marked.

The Province of Quebec requires that all products sold in that province be labeled in French and that the use of French be given equal prominence with other languages on any packages or containers. The Charter of the French Language requires the use of French on product labeling, warranty certificates, product manuals, and instructions for

use, public signs and written advertising. The [Office Québécois de la langue Française](#) (Quebec Office of the French Language) website provides guidance on these requirements.

U.S. exporters of textile and apparel should check the website of [Industry Canada](#) for specific labeling requirements. Food exporters should check the Canadian Food Inspection Agency's [Guide to Food Labeling and Advertising](#).

Finally, Industry Canada is charged with ensuring that any claims about a product being "environmentally-friendly" are accurate and in compliance with relevant legislation. In general, environmental claims that are ambiguous, misleading or irrelevant, or that cannot be substantiated, should not be used. In all cases, environmental claims should indicate whether they are related to the product itself or to the product's packaging materials. The Canadian government has issued a set of guiding principles governing the use of environmental labeling and advertising, which may be obtained by contacting Industry Canada.

## **Prohibited and Restricted Imports**

[Return to top](#)

Certain goods may be prohibited or controlled, or require special permits, inspections or conditions to be met in order to allow them into Canada. The Canada Border Services Agency provides a step-by-step guide to help importers determine whether their goods may be subject to special rules or conditions.

The Export and Import Controls Board monitors the import and export of controlled goods. These include goods such as sugar and softwood lumber, which are the subject of quota agreements, as well as weapons, munitions, nuclear materials and goods of a similar nature. The Canada Border Services Agency administers Canada's laws and regulations governing products on the Import Control List.

### ***Restrictions on Container Sizes***

Canada announced in its 2012 budget that it would repeal standardized container size regulations for food products. The Canadian government has stated that these regulations do not provide a food safety benefit and that the elimination of such regulations would remove an unnecessary barrier for the importation of new products from international markets. The timeline for implementing the new regulations continues to be extended, however, and the existing regulations have not been repealed to date. The Canadian Food Inspection Agency conducted consultations with some companies and industry groups in 2013, during which several Canadian food manufacturers expressed opposition to the removal of container size requirements. For the time being, the existing regulations for food container sizes remain in force.

### ***Cross-Border Data Flows***

The strong growth of cross-border data flows resulting from widespread adoption of broadband-based services in Canada and the United States has refocused attention on the restrictive effects of privacy rules in two Canadian provinces, British Columbia, and Nova Scotia. These provinces mandate that personal information in the custody of a public body must be stored and accessed only in Canada unless one of a few limited exceptions applies. These laws prevent public bodies such as primary and secondary schools, universities, hospitals, government-owned utilities, and public agencies from



using U.S. services when personal information could be accessed from or stored in the United States.

The Canadian federal government is consolidating information technology services across 63 email systems under a single platform. The request for proposals for this project includes a national security exemption which prohibits the contracted company from allowing data to go outside of Canada. This policy precludes some new technologies such as “cloud” computing providers from participating in the procurement process. The public sector represents approximately one-third of the Canadian economy, and is a major consumer of U.S. services. In today’s information-based economy, particularly where a broad range of services are moving to “cloud” based delivery where U.S. firms are market leaders; this law hinders U.S. exports of a wide array of products and services.

## Customs Regulations and Contact Information

[Return to top](#)

Canadian customs regulations and information are available from the Canada Border Services Agency webpage at [www.cbsa-asfc.gc.ca](http://www.cbsa-asfc.gc.ca).

## Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

## Overview

[Return to top](#)

Canadian and U.S. standards are very similar. Products designed to conform to U.S. standards will often meet Canadian standards with little or no modification. Similarities between U.S. and Canadian standards, however, do not relieve the U.S. exporter of the obligation to meet the Canadian standard.

Standards regulations in Canada seek to follow the basic principle of the WTO and NAFTA and, as such, must not create unnecessary barriers to trade. To reduce such barriers, NAFTA applies three basic principles to bilateral trade:

- Testing facilities and certification bodies are treated in a nondiscriminatory manner.
- Federal standards-related measures will be harmonized to the greatest extent possible.
- Greater openness will be provided in the regulatory process.

### **National Standards System**

[Canada's National Standards System](#) (NSS) develops, promotes, and implements standards in Canada. The NSS includes more than 400

organizations accredited by the Standards Council of Canada. These organizations are involved in several activities, such as: standards development, product testing and quality (conformity assessment), product or service certification, and environmental management and production systems registration.

### ***Standards Council of Canada***

As a federal Crown corporation, the [Standards Council of Canada](#) (SCC) coordinates standardization activities in Canada. The organization reports to Parliament through the Minister of Industry and oversees Canada's National Standards System. The SCC is comprised of representatives from both the federal and provincial governments as well as from a wide range of public and private interests. It prescribes policies and procedures for developing National Standards of Canada, coordinates Canada's participation in the international standards system, and accredits more than 400 organizations involved in standards development, product or service certification, testing and management systems registration activities in Canada. The SCC is independent of government, although it remains partially financed by public funds.

The SCC does not develop standards itself, nor does it conduct any conformity assessments. Rather, under its mandate to coordinate and oversee the efforts of the National Standards System, the SCC accredits testing and certification organizations to conduct conformity assessments and reviews of the standards submitted by standards development organizations for approval as National Standards of Canada.

## **Standards Organizations**

[Return to top](#)

There are four accredited standards development organizations (SDOs) in Canada: the [Canadian Standards Association](#) (CSA), [Underwriters Laboratories of Canada](#) (ULC), the [Canadian General Standards Board](#) (CGSB), and the [Bureau de Normalisation du Québec](#) (BNQ). The CSA and ULC are private sector organizations covering a wide variety of commercial goods and services. The CGSB and BNQ cover areas related to the activities of the Canadian federal and Quebec provincial government respectively. Each of these organizations develops standards through committees representing various interests. SDOs may submit standards to the SCC to be recognized as National Standards of Canada.

The websites of these four organizations, listed in the product and service certification section of this document, provide information to assist companies looking to keep up with current developments. Companies should become familiar with the development process, especially the proposal stage. This will enable them to learn of new standards at the earliest time possible.

Standards organizations in the United States and Canada continue to work cooperatively in the development of joint standards and have made progress in several areas. For example, the Air Conditioning and Refrigeration Institute and the CSA have harmonized performance standards into a single North American standard for air conditioners and heat pumps, packaged water chillers, and water-source heat pumps. Similarly, UL and CSA have established common

electrical safety standards for air conditioners, heat pumps, and refrigerant motor-compressors.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## **Conformity Assessment**

[Return to top](#)

Product testing, known as *conformity assessment*, is usually carried out by a testing and certification organization or laboratory that has been accredited to conduct the test that certifies the product's conformity with the applicable standard. All regulated products must be tested and certified. The Standards Council accredits six types of conformity assessment organizations:

- testing and calibration laboratories;
- management system certification bodies;
- personnel certification bodies;
- product and service certification bodies;
- inspection bodies; and
- greenhouse gas validation and verification bodies.

## **Product Certification**

[Return to top](#)

U.S. manufacturers and exporters should determine what standards are applicable to their products and services. If certification is required, it generally must be obtained before the goods are imported into Canada. The process can be time-consuming and, therefore, certification should be one of the first steps taken to establish an export market in Canada.

For U.S. exporters unsure of Canadian certification requirements, the first step is to contact the SCC directly in order to determine: (1) what testing is required, and (2) what organizations are accredited to conduct that testing and certification. For many products, U.S. exporters will learn that a U.S. laboratory has been accredited (see next section below) and the manufacturer needs to only submit the product to one lab instead of spending the time and money to have the product tested by both a U.S. and a Canadian lab.

CSA International, the conformity assessment and product certification organization in the CSA Group, and the other three standards development organizations, ULC, CGSB, and BNQ, are engaged in conformity assessment and product certification.

**CSA International** – A database containing a complete list of products that CSA certifies for Canada can be accessed at the company's website:  
<http://www.csa.ca>

**ULC** – A database containing a complete list of products that ULC certifies for Canada can be accessed at the company's website: <http://www.ulc.ca/>

Underwriters Laboratories in the United States (UL) and CSA have a memorandum to accept each other's test results. However, each issues its own certification marks.

**CGSB** – A database containing a complete list of products that CGSB certifies for Canada can be accessed at the company's website:  
<http://www.ihs.com/products/industry-standards/organizations/cgsb/index.aspx>

**BNQ** – A database containing a complete list of products and services that BNQ certifies for Canada can be accessed at the company's website:  
<http://www.bnq.qc.ca/>

## Accreditation

[Return to top](#)

The Standards Council of Canada (SCC) offers accreditation to over 300 mostly Canadian laboratories that conduct scientific testing in a variety of subjects and program specialty areas.

The North American Free Trade Agreement (NAFTA) provides that testing facilities, inspection agencies, and certification bodies of the United States, Canada and Mexico may be accredited in another NAFTA country without obligation to establish facilities in the other country. Thus, NAFTA allows U.S. exporters to get "one-stop shopping" product approval for both the United States and Canada by submitting their product to only one organization in order to get product certification for both countries. This eliminates the time and expense of obtaining separate certifications for each market. Numerous U.S. testing and certification organizations have received accreditation from the SCC. A complete list of these organizations is available on the website of the Standards Council of Canada: <http://www.scc.ca/en/accreditation/product-process-and-service-certification/directory-of-accredited-clients>.

Provincial regulations, however, do not fall under the NAFTA accreditation framework. U.S. companies faced with difficulties in obtaining provincial approvals should consult with the U.S. Commercial Service to determine the nature of the problem.

## Publication of Technical Regulations

[Return to top](#)

The Standards Council operates Canada's WTO standards Enquiry Point. The Enquiry Point provides a current database of all current Canadian standards and regulations and makes them available to Canada's trading partners. See <http://www.scc.ca/en/information-services/enquiry-point> as well, businesses can register for the [Standards Alert](#) program to receive updated information on regulatory changes in their business areas.

[NIST Notify U.S.](#) provides a similar function in the United States. It is a free web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets.

Members of the World Trade Organization (WTO) including the United States and Canada are required under the [World Trade Organization Agreement on Technical Barriers to Trade](#) to report proposed technical regulations that may affect trade to the WTO Secretariat, who in turn distributes them to all WTO Members. As well, any proposed regulatory change in Canada is listed in the [Canada Gazette](#). U.S. companies can submit comments to the Government of Canada on proposed changes, especially if they are likely to constitute a trade barrier.

Persons who plan to comment on a Canadian (or any other foreign) regulation should contact the U.S. National Centre for Standards and Certification (NCSCI) for guidance. If there is insufficient time to review and comment on the regulation, NCSCI staff will request an extension of the comment period. For more information on NCSCI services for U.S. exporters to Canada, see the [NCSCI website](#).

The U.S. Department of Commerce's [Trade Compliance Center](#) also serves as a point of contact for U.S. companies to submit information on a foreign trade barrier or unfair trade practice they have encountered that is limiting their ability to export or compete internationally.

## Contacts

[Return to top](#)

The U.S. Commercial Service Canada point of contact on standards matters is:

Shakir Farsakh  
Deputy Principal Commercial Officer  
U.S. Commercial Service  
U.S. Consulate General Toronto  
Tel: (416) 595-5412, ext. 236; Fax: (416) 595-5419  
E-mail: [Shakir.Farsakh@trade.gov](mailto:Shakir.Farsakh@trade.gov)  
Website: <http://www.buyusa.gov/canada>

## Trade Agreements

[Return to top](#)

The North American Free Trade Agreement (NAFTA), signed by the United States, Canada, and Mexico ("the Parties"), entered into force on January 1, 1994. At the same time, the United States suspended the United States-Canada Free Trade Agreement, which had entered into force in 1989. Under the NAFTA, the Parties progressively eliminated tariffs and nontariff barriers to trade in goods among them, provided improved access for services, established strong rules on investment, and strengthened protection of intellectual property rights. After signing the NAFTA, the Parties concluded supplemental agreements on labor and environment, under which the Parties are, among other things, obligated to effectively enforce their environmental and labor laws. The

agreements also provide frameworks for cooperation among the Parties on a wide variety of labor and environmental issues.

For further information, please refer to the “North American Free Trade Agreement (NAFTA)” at the Office of the United States Trade Representative Webpage: <http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta>.

In 2012, Canada and Mexico became participants in the Trans-Pacific Partnership (TPP) negotiations, through which the United States and 11 other Asia-Pacific partners are seeking to establish a comprehensive, next-generation regional agreement to liberalize trade and investment. This agreement will advance U.S. economic interests with some of the fastest-growing economies in the world; expand U.S. exports, which are critical to the creation and retention of jobs in the United States; and serve as a potential platform for economic integration across the Asia-Pacific region. The TPP agreement will include ambitious commitments on goods, services, and other traditional trade and investment matters. It will also include a range of new and emerging issues to address trade concerns our businesses and workers face in the 21st century. In addition to the United States, Canada and Mexico, the TPP negotiating partners currently include Australia, Brunei, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

## Web Resources

[Return to top](#)

[Form B3 – Customs Coding Form](#)  
[NAFTA Certificate of Origin Interactive Tool](#)  
[Non-Resident Importer Program](#)  
[U.S. Department of Commerce’s Bureau of Industry & Security Export License Automated Export System](#)  
[Canada Border Services Agency Memorandum D8-1-1 Temporary Import Regulations](#)  
[The Canada Border Services Agency Importer step-by-step guide](#)  
[The Export and Import Control Bureau](#)  
[The Canada Border Services Agency Import Control List](#)  
[Tips for Travelers to Canada](#)  
[Office québécois de la langue française](#)  
[Canada Border Services Agency](#)  
[Canadian Standards Association](#)  
[Underwriters Laboratories of Canada](#)  
[Canada General Standards Board](#)  
[Bureau de Normalisation du Québec](#)  
[NIST Notify U.S.](#)  
[Standards Council of Canada](#)  
[SCC Standards Alerts](#)  
[World Trade Organization Agreement Technical Barriers to Trade](#)  
[Canada Gazette](#)  
[U.S. National Centre for Standards and Certification](#)  
[The U.S. Department of Commerce Trade Compliance Center](#)  
[Consumer Packaging and Labeling Act](#)  
[Industry Canada’s Competition Bureau](#)  
[Guide to Food Labeling and Advertising](#)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

### Openness to Foreign Investment

[Return to top](#)

With few exceptions, Canada offers full national treatment to foreign investors within the context of a developed open market economy operating with democratic principles and institutions. Canada reviews investments under the Investment Canada Act (ICA). Foreign investment is prohibited or restricted in several sectors of the economy.

The United States and Canada agree on important foreign investment principles, including right of establishment and national treatment. The 1989 Canada-United States Free Trade Agreement (CUFTA) and 1994 North America Free Trade Agreement (NAFTA) recognize that a hospitable and secure investment climate is necessary to achieve the full benefits of reduced barriers to trade in goods and services. The agreements establish a framework of investment principles sensitive to U.S., Canadian, and Mexican interests while assuring that investment flows freely and investors are treated in a fair and equitable manner. The NAFTA provides higher review thresholds for U.S. investment in Canada than for other foreign investors, but the agreement does not exempt all American investment from review nor does it override specific foreign investment prohibitions, notably in "cultural industries" (e.g., publishing, film, music). The NAFTA investor-state dispute settlement mechanism creates the right to binding arbitration in specific situations.

#### ***Legal Framework: The Investment Canada Act***

Foreign investment policy in Canada has been guided by the Investment Canada Act (ICA) since 1985. The ICA liberalized policy on foreign investment by recognizing that

investment is central to economic growth and key to technological advancement. The ICA provides for review of large acquisitions by non-Canadians and imposed a requirement that these investments be of "net benefit" to Canada. For the vast majority of small acquisitions and the establishment of new businesses, foreign investors need only notify the Canadian government of their investment. Fewer than 10 percent of foreign acquisitions are subject to ICA review. The threshold for investments subject to ICA review for 2014 is \$354 million for WTO Members. (Indirect control acquisitions by WTO Members do not have to be reviewed.) For non-WTO Members, the threshold remains at \$5 million for direct control and \$50 million for indirect control acquisitions. Canada amended the ICA in 2009 to increase the threshold for review to \$1 billion over a four-year period. This increase will take effect once regulations implementing the amendments come into force.

Canada announced new SOE guidelines in December 2012, which included the statement that future SOE bids to acquire control of a Canadian oil-sands business will only be approved on an "exceptional basis." Canada altered the definition of an SOE in its 2013 Budget Implementation Bill to an entity or individual that is *influenced directly or indirectly* by a foreign government. The Bill also established a separate threshold review for SOE acquisitions of control, and allows Canada's Industry Minister to review minority SOE investments for the first time. The new rules were developed in response to an increase in SOE investment from 2008 to 2011 and an increasing trend for these investors to seek to acquire control of Canadian businesses. Canada added SOE guidelines in 2007 to its net benefit test to ensure that SOEs adhere to North American market principles and Canadian standards of governance and accountability. The new rules supplement Canada's 2007 SOE guidelines.

Canada's 2013 budget bill also included measures to provide the Industry Minister with additional flexibility to extend the timelines for national security reviews. The new timelines will come into force once regulations are finalized. Canada added a national security review to the ICA in 2009 that permits the Industry Minister to review investments that could be "injurious to national security." National security reviews can take up to 130 days to complete under existing timelines.

Canada amended the ICA in June 2012 to allow the Industry Minister to publically disclose why an investment proposal failed to satisfy the net benefit test, so long as disclosure will not harm the Canadian business or investor. Another amendment allows the Industry Minister to accept security of payment from an investor when a court finds the investor to be in breach of its ICA undertakings. Canada also introduced guidelines that provide foreign investors with the option of a formal mediation process to resolve disputes when the Industry Minister believes a non-Canadian investor has failed to comply with a written undertaking.

Canada approved the acquisition of two Canadian energy companies by two Asian SOEs in tandem with the December 2012 SOE investment rule unveiling, but signaled their approval was "the end of a trend."

Canada has only turned down investment offers three times since the ICA came into force 25 years ago. Canada blocked a Cairo-based investment and management company's proposed \$520 million acquisition of Manitoba Telecom Services' Allstream Division under the national security provisions of the ICA in October 2013. The Canadian government did not elaborate on the reasons behind its decision. Canada blocked a proposed \$38.6



billion purchase of a potash producer in Saskatchewan by an Australian-based company in November 2010, claiming the hostile takeover failed to be of "net benefit" to Canada under the ICA. The third instance occurred in April 2008 when Canada denied the sale of Canadian communications company MacDonald Dettwiler's satellite operations to an American buyer over security concerns.

Canada reviewed several other high-profile investment cases in recent years. The announced merger of Canada's largest stock exchange and a major London-based stock exchange in February 2011 sparked an ICA review. The deal failed to draw sufficient support from the Canadian stock exchange's shareholders and the deal was dropped before the ICA review process was completed. A rival bid for the Canadian stock exchange by a consortium of major Canadian banks, pension plans, and financial firms, was a significant factor in the merger's eventual failure.

Canada's Industry Minister sought an order in federal court in July 2009 against a U.S. steel producer alleging that the company had failed to fulfill its obligations under the ICA to maintain minimum Canadian employment levels in exchange for permission to acquire a Canadian steel mill. Under the ICA, Canada has authority to levy financial penalties against the producer for breach of these undertakings. Following an unsuccessful appeal by the company, Canada dropped its case in December 2011 in exchange for a company commitment to continue manufacturing steel in Canada until 2015 and a pledge to invest an additional \$50 million in its Canadian facilities.

Investment in specific sectors is covered by special legislation. Foreign investment in the financial sector is administered by the Finance Department. Investment in any activity related to Canada's cultural heritage or national identity is administered by the Heritage Department. Foreign ownership of Canadian telecommunications firms is governed by the Telecommunications Act, while the Broadcast Act governs foreign investment in radio and television broadcasting.

Investment in Canada is also subject to provincial jurisdiction. Restrictions on foreign investment differ by province, but are largely confined to the purchase of land and to provincially-regulated financial services. Provincial government policies relating to, inter alia, culture, language, labor relations or the environment, can be a factor for foreign investors.

U.S. foreign direct investment in Canada is subject to provisions of the Investment Canada Act, the WTO, and the NAFTA. Chapter 11 of the NAFTA ensures that future regulation of U.S. investors in Canada and Canadian investors in the United States results in treatment no different than that extended to domestic investors within each country, i.e., "national treatment." Both governments are free to regulate the ongoing operation of business enterprises in their respective jurisdictions provided that the governments accord national treatment to both U.S. and Canadian investors.

Existing U.S. and Canadian laws, policies, and practices were "grandfathered" under the NAFTA except where specific changes were required. The "grandfathering" froze various exceptions to national treatment provided in Canadian and U.S. law, such as foreign ownership restrictions in the communications and transportation industries. Canada retains the right to review the acquisition of firms in Canada by U.S. investors at the levels applicable to other WTO members and has required changes before approving some investments.

Canada and the United States are free to tax foreign-owned companies on a different basis from domestic firms, provided this does not result in arbitrary or unjustifiable discrimination. The governments can also exempt the sale of Crown (government-owned) corporations from any national treatment obligations. The two governments retain some flexibility in the application of national treatment obligations. They need not extend identical treatment, as long as the treatment is "equivalent."

### **Services Trade**

Canada-U.S. trade in services is largely free of restrictions and has doubled over the past decade. U.S. services exports to Canada totaled more than \$64 billion in 2013, while Canada's services exports to the United States totaled nearly \$30 billion. The NAFTA ensures that restrictions on bilateral services trade will not be applied in the future. Preexisting restrictions, such as those in the financial sector, were not eliminated by the NAFTA. The NAFTA services agreement is primarily a code of principles that establishes national treatment, right of establishment, right of commercial presence, and transparency for a number of service sectors specifically enumerated in annexes to the NAFTA. The NAFTA also commits both governments to expand the list of covered service sectors, except for the financial services covered by NAFTA Chapter 14.

### **Federal Procurement**

Canada is a signatory of the WTO Government Procurement Agreement, and has made government procurement market access commitments through NAFTA and the U.S.-Canada Agreement on Government Procurement. The U.S.-Canada Agreement on Government Procurement, which came into effect in February 2010, provides permanent U.S. access to Canadian provincial and territorial procurement contracts in accordance with the WTO Government Procurement Agreement (GPA). The U.S.-Canada Agreement provided Canadian companies with reciprocal access to 37 states subject to the GPA, as well as a limited number of projects under the *American Recovery and Reinvestment Act of 2009*.

These three agreements provide U.S. businesses with access to most Canadian federal departments and some provincial and municipal entities, but procurement by only ten of Canada's Crown corporations are covered. Federal departments can delegate purchasing authorities to Crown corporations that are not bound by international procurement rules.

In February 2014, Canada announced a new defense procurement strategy designed to give the federal government more flexibility to improve economic outcomes from defense procurement projects. Under the new strategy, Canada's Industrial and Regional Benefits (IRBs) policies will be transformed into Industrial Technological Benefits (ITBs). A core element of the new approach is rated and weighted Value Propositions (VP) for defense and major Canadian Coast Guard procurement projects. Bidders will be asked to put forward their best industrial plan for Canada, as these plans will be scored on the quality of their Value Propositions. Industrial considerations will factor into determining who wins the contract. One component that has not changed is that the ITB must have a value equal to 100 percent of the contract.

Canada has taken measures to address interprovincial trade barriers that can restrict U.S. firms established in one province from bidding on another province's procurement opportunities. The Agreement on Internal Trade (AIT), which came into force in July 1995, provides a framework for dealing with intra-Canada trade in ten specific sectors and establishes a formal process for resolving trade disputes. Over the past two decades, the

AIT has been expanded to include improvements in labor mobility, agriculture access, dispute resolution and other areas.

Regional agreements have also emerged to enhance interprovincial trade. The provinces of British Columbia and Alberta signed a Trade, Investment, and Labor Mobility Agreement (TILMA) in 2006 to ensure that any provincial measures will not “operate to impair or restrict trade between or through the territory of the Parties, or investment or labor mobility between the Parties.” The Agreement came into force in April 2009. Alberta, British Columbia, and Saskatchewan signed the New West Partnership Trade Agreement (NWPTA) in 2010, which further liberalized trade, investment, and labor mobility between the three provinces. Ontario and Quebec signed a Trade Cooperation Agreement (TCA) in 2009, while Nova Scotia and New Brunswick signed a Partnership Agreement on Regulation and Economy (PARE) the same year. Both agreements aim to enhance interprovincial economic activity through regulatory harmonization and measures to address trade barriers.

The NAFTA includes provisions that enhance the ability of U.S. investors to enforce their rights through international arbitration; prohibit a broad range of performance requirements, including forced technology transfer, and expand coverage of the NAFTA investment chapter to include portfolio and intangible investments, as well as direct investment.

### ***Investment in Cultural Industries***

Canada defines cultural industries to include: the publication, distribution or sale of books, magazines, periodicals or newspapers, other than the sole activity of printing or typesetting; the production, distribution, sale or exhibition of film or video recording, or audio or video music recordings; the publication, distribution or sale of music in print or machine-readable form; and any radio, television and cable television broadcasting undertakings and any satellite programming and broadcast network services.

The Investment Canada Act requires that foreign investment in the book publishing and distribution sector be compatible with Canadian national cultural policies and be of “net benefit” to Canada. Takeovers of Canadian-owned and controlled distribution businesses are not allowed. The establishment of new film distribution companies in Canada is permitted only for importation and distribution of proprietary products. Direct and indirect takeovers of foreign distribution businesses operating in Canada are permitted only if the investor undertakes to reinvest a portion of its Canadian earnings in Canada.

The Broadcasting Act sets out the policy objectives of enriching and strengthening the cultural, political, social, and economic fabric of Canada. The Canadian Radio-television and Telecommunications Commission (CRTC) administers broadcasting policy. When a Canadian service is licensed in a format competitive with that of an authorized non-Canadian service, the commission can drop the non-Canadian service if a new Canadian applicant requests it to do so. Licenses will not be granted or renewed to firms that do not have at least 80 percent Canadian control, represented both by shareholding and by representation on the firms' board of directors.

The CRTC denied a major Canadian broadcaster's bid to acquire a leading Canadian media company in October 2012. The CRTC maintained that it did not believe the transaction would provide significant benefits to the Canadian broadcasting system and

said the deal raised competitiveness concerns. The Canadian broadcaster submitted a revised application of its acquisition proposal to the CRTC in November 2012.

Canada allows up to 100 percent foreign equity in an enterprise to publish, distribute and sell periodicals but all foreign investments in this industry are subject to review by the Minister for Canadian Heritage, and investments may not occur through acquisition of a Canadian-owned enterprise. No more than 18 percent of the total advertising space in foreign periodicals exported to Canada may be aimed primarily at the Canadian market. Canadian advertisers may place advertisements in foreign-owned periodicals, and may claim a tax deduction for the advertising costs, including in cases where the periodical is a Canadian issue of foreign-owned periodical. One-half of advertising costs may be deducted in the case of publications with zero to 79 percent original editorial content, and the full cost of advertising may be deducted in the case of publications with advertising may be deducted in the case of publications with 80 percent or more original editorial content.

This regime is the result of a 1999 U.S.-Canada agreement, which balanced U.S. publishers' desire for access to the Canadian market against Canada's desire to ensure that Canadian advertising expenditures support the production of Canadian editorial content. Canada's decision in April 2010 to allow online retailer Amazon to open a Canadian distribution center suggests a willingness to allow foreign investors greater access to cultural industries in exchange for commitments to promote Canadian content.

### ***Investment in the Financial Sector***

Canada is open to foreign investment in the banking, insurance, and securities brokerage sectors, but there are barriers to foreign investment in retail banking. Foreign financial firms interested in investing submit their applications to the Office of the Superintendent of Financial Institutions (OSFI) for approval by the Finance Minister. U.S. firms are present in all three sectors, but play secondary roles. Canadian banks have been much more aggressive in entering the U.S. retail banking market because there are no barriers that limit access. U.S. and other foreign banks have long been able to establish banking subsidiaries in Canada, but no U.S. banks have retail banking operations in Canada, which is regarded as a fairly "saturated" market. Several U.S. financial institutions have established branches in Canada, chiefly targeting commercial lending, investment banking, and niche markets such as credit card issuance. A major U.S. bank announced plans to expand its wholesale banking capabilities throughout Canada in November 2012. The bank received regulatory approval to offer commercial and corporate banking capabilities in Canada in September 2012, leading to the announced expansion. Canada also gave regulatory approval to a Pittsburgh-based U.S. bank in February 2013 to expand its commercial banking services across Canada.

Chapter 14 of the NAFTA deals specifically with the financial services sector, and eliminates discriminatory asset and capital restrictions on U.S. bank subsidiaries in Canada. The NAFTA also exempts U.S. firms and investors from the federal "10/25" rule so that they will be treated the same as Canadian firms. The "10/25" rule prevents any non-NAFTA, nonresident entity from acquiring more than ten percent of the shares (and all such entities collectively from acquiring more than 25 percent of the shares) of a federally regulated, Canadian-controlled financial institution. Canada raised the 10-percent limit for single, non-NAFTA shareholders to 20 percent in 2001. Several provinces, however, including Ontario and Quebec, have similar "10/25" rules for provincially chartered trust and insurance companies that were not waived under the NAFTA.

The requirement that bank ownership be "widely held" with no more than 25 percent of its shares owned by a single shareholder is said to prevent ownership concentration without discriminating against foreign investors; however, Canadian influence is still exerted through certain requirements of the Bank Act:

- the head office of a bank must be located in Canada;
- shareholders' meetings are required to be held in Canada;
- two-thirds of the directors must be resident Canadians;
- the chief executive officer of the bank must ordinarily be resident in Canada;
- important corporate and transactional documents must be kept in Canada;
- certain administrative changes require ministerial approval.

### ***Investment in Other Sectors***

***Commercial Aviation:*** Canada limits foreign ownership of Canadian air carriers to 25 percent of voting equity. Foreigners may own nonvoting equity subject to the overall requirement that they are not permitted to control a Canadian air carrier. The Canada-EU Aviation Agreement envisions changes to Canadian legislation that will allow up to a 49 percent foreign stake in Canadian airlines. Canada passed an amendment to the Canada Transportation Act in March 2009 that provides the Governor in Council with authority to increase foreign ownership of Canadian airlines to a maximum of 49 percent. This power has not been exercised to date.

***General Aviation:*** No non-Canadian (other than permanent residents) may register a general aviation aircraft for commercial or personal use in Canada.

**Mining:** Generally foreigners cannot be majority owners of uranium mines.

**Energy:** Canada continues to encourage additional foreign investment in its energy sector to develop its vast oil and gas resources.

Canada has faced several investment disputes involving energy in recent years. An American oil and gas company filed a notice of arbitration under NAFTA Chapter 11 in September 2013, following the government of Quebec's announced suspension of oil and gas exploration beneath the Saint Lawrence River in June 2011. The American company claims the suspension breached NAFTA expropriation and minimum standard of treatment provisions.

A NAFTA tribunal sided with two international energy companies' claim against Canada in May 2012. At issue was whether the province of Newfoundland and Labrador's policy requiring offshore petroleum investors to contribute financially to provincial research and development initiatives violated NAFTA's minimum standard of treatment and performance requirements. The tribunal ruled that the provincial policy breached NAFTA's performance requirements, but not its minimum standard of treatment provisions. In a separate case, an international energy company agreed to pay the government of Newfoundland and Labrador \$150 million dollars in October 2012 for amending its original commitment to construct three modules in the province for the Hebron offshore oil project. The settlement allowed two of the three modules to be constructed in Newfoundland and Labrador with the third to be built out of province.

***Telecommunications:*** Under provisions of Canada's Telecommunications Act, foreign ownership of transmission facilities is limited to 20 percent direct ownership and 33

percent through a holding company, for an effective limit of 46.7 percent total foreign ownership. Canada also requires that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian citizens. Canada amended the Telecommunications Act in June 2012 to rescind foreign ownership restrictions to carriers with less than 10 percent share of the total Canadian telecommunications market. Foreign-owned carriers are permitted to continue operating if their market share grows beyond 10 percent provided the increase does not result from the acquisition or merger with another Canadian carrier. The policy change was part of the Canadian government's strategy to facilitate more competition in the telecom sector. Canada announced the results of its 700 Mhz spectrum auction February 18, 2014. Canada's three largest telecomm providers acquired the majority of spectrum licenses sold, and the auction did not feature any new foreign buyers.

**Fishing:** Foreigners can own up to 49 percent of companies that hold Canadian commercial fishing licenses.

**Electric Power Generation and Distribution:** Regulatory reform in electricity continues in Canada in expectation that increased competition will lower costs of electricity supply. Province-owned power firms are interested in gaining greater access to the U.S. power market. Since power markets fall under the jurisdiction of the Canadian provinces, they are at the forefront of the reform effort. Several Canadian provinces have introduced initiatives to encourage the development and implementation of renewable sources of electricity.

Ontario's efforts to implement a feed-in-tariff renewable energy program as part of the *Green Energy and Green Economy Act of 2009* has been opposed by U.S. suppliers of equipment and services. Under the program, the Ontario Power Authority provides a guaranteed tariff for energy produced through renewable means (including wind, solar/photovoltaic) on the condition that suppliers use a provincially-mandated percentage of local content (equipment, services, etc.) in their generating activity. U.S. companies contend that the program's domestic content requirement is a disincentive to purchase from U.S. suppliers. An investor-state claim was filed under NAFTA Chapter 11 against Canada in July 2011 by a Texas-based renewable energy firm, claiming the program violates Canada's obligations under NAFTA to provide investors with fair and equitable treatment.

Japan and the European Union filed requests for consultations with the WTO Dispute Settlement Body regarding the domestic content requirements included in *the Green Economy Act*. A WTO dispute settlement panel ruled in December 2012 that the Act's domestic content rules violated Canada's obligations under the General Agreement on Tariffs and Trade. Canada appealed the ruling to the WTO Appellate Body. The Appellate Body upheld the WTO panel's prior ruling in a decision issued May 6, 2013. Ontario's Minister of Energy issued a directive to the Ontario Power Authority (OPA) in August 2013, instructing the OPA to reduce domestic content requirements for new FIT programs as an interim step to comply with the WTO's ruling.

A wind power company owned by a New York-based investment group filed a NAFTA Chapter 11 a notice of arbitration against Canada in January 2013 in response to Ontario's February 2011 moratorium on all new offshore wind projects. The company maintains that the moratorium breached Canada's obligations under NAFTA to protect U.S. investors

from expropriation without compensation and violates NAFTA's minimum standard of treatment provision.

**Real Estate:** Primary responsibility for property law rests with the provinces. Prince Edward Island, Saskatchewan, and Nova Scotia all limit real estate sales to out-of-province parties. Government authorities can expropriate property after paying appropriate compensation.

**Privatization:** Federal and provincial privatizations are considered on a case-by-case basis, and there are no overall limitations with regard to foreign ownership. As an example, the federal Department of Transport did not impose any limitations in the 1995 privatization of Canadian National Railway, whose majority shareholders are now U.S. persons.

### **Investment Incentives**

Federal and provincial governments in Canada offer a wide array of investment incentives that municipalities are generally prohibited from doing. None of the federal incentives are specifically aimed at promoting or discouraging foreign investment in Canada. The incentives are designed to advance broader policy goals, such as boosting research and development or promoting regional economies. The funds are available to any qualified Canadian or foreign investor who agrees to use the monies for the stated purpose. For example, Export Development Canada can support inbound investment under certain specific conditions (e.g., investment must be export-focused; export contracts must be in hand or companies have a track record; there is a world or regional product mandate for the product to be produced).

Several provinces have developed initiatives aimed at attracting foreign investment. The Province of Quebec launched its "Plan Nord" (Northern Plan) in May 2011, now called "Le Nord pour tous" (the North for Everyone) under the government that was elected in September 2012. The plan is a 25 year, \$80 billion investment initiative aimed at developing a 1.2 million square-kilometer territory in Northern Quebec. Much of this investment will go toward renewable energy, infrastructure, and natural resource development projects. Quebec's government has instructed its main investment arm, Investissement Quebec, to attract and partner with foreign investors to develop projects under the initiative. Provincial incentives tend to be more investor-specific and are conditioned on applying the funds to an investment in the granting province. As an example, AdvantageBC operates a provincial incentive program that registers foreign companies in British Columbia's International Business Activity program, and assists them in obtaining a full refund of provincial corporate income tax. Specific sectors and foreign banks are eligible, as are some employees of the registered company.

Provincial incentives may also be restricted to firms established in the province or that agree to establish a facility in the province. Government officials at both the federal and provincial levels expect investors who receive investment incentives to use them for the agreed purpose, but no enforcement mechanism exists.

Incentives for investment in cultural industries, at both the federal and provincial level, are generally available only to Canadian-controlled firms. Incentives may take the form of grants, loans, loan guarantees, venture capital, or tax credits. Incentive programs in Canada generally are not oriented toward export promotion. Provincial incentive programs for film production in Canada are available to foreign filmmakers.

### **Canada's Ranking in Selected Business Indices**

<b>Index</b>	<b>Year</b>	<b>Metric</b>	<b>Ranking</b>
TI Corruption Index	2013	CPI Score 81	9 of 177
Heritage Economic Freedom Index	2014	Overall Score 80.2	6 of 177
WB Ease of Doing Business	2013		19 of 189
Global Innovation Index (MCC Indices Not Applicable)	2013		11 of 142

### **Conversion and Transfer Policies**

[Return to top](#)

The Canadian dollar is fully convertible. Canada provides some incentives for Canadian investment in developing countries through Canadian International Development Agency (CIDA) programs. Canada's official export credit agency, the Export Development Corporation (EDC), provides political risk insurance to Canadian companies with investments in foreign countries and to lenders who finance transactions pursued by Canadian companies abroad.

### **Expropriation and Compensation**

[Return to top](#)

Canadian federal and provincial laws recognize both the right of the government to expropriate private property for a public purpose, and the obligation to pay compensation. The federal government has not nationalized any foreign firm since the nationalization of Axis property during World War II. Both the federal and provincial governments have assumed control of private firms, usually financially distressed ones after reaching agreement with the former owners.

### **Dispute Settlement**

[Return to top](#)

Canada is a member of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Canada has made a decision in principle to become a member of the International Center for the Settlement of Investment Disputes (ICSID). However, since the ICSID legal enforcement mechanism requires provincial legislation, the federal government must also obtain agreement from the provinces that they will enforce ICSID decisions. Although most provinces have endorsed the agreement, full agreement is unlikely in the foreseeable future.

Canada accepts binding arbitration of investment disputes to which it is a party only when it has specifically agreed to do so through a bilateral or multilateral agreement, such as a Foreign Investment Protection Agreement (see below). The provisions of Chapter 11 of the NAFTA guide the resolution of investment disputes between NAFTA persons and the NAFTA member governments. The NAFTA encourages parties to settle disputes through consultation or negotiation. It also establishes special arbitration procedures for investment disputes separate from the NAFTA's general dispute settlement provisions. Under the NAFTA, a narrow range of disputes dealing with government monopolies and expropriation between an investor from a NAFTA country and a NAFTA government may be settled, at the investor's option, by binding international arbitration. An investor who seeks binding arbitration in a dispute with a NAFTA party gives up his right to seek redress



through the court system of the NAFTA party, except for proceedings seeking nonmonetary damages.

### **Performance Requirements and Incentives**

[Return to top](#)

The NAFTA prohibits the United States or Canada from imposing export or domestic content performance requirements, and Canada does not explicitly negotiate performance requirements with foreign investors. For investments subject to review, however, the investor's intentions regarding employment, resource processing, domestic content, exports, and technology development or transfer can be examined by the Canadian government. Investment reviews often lead to negotiation of a package of specific "undertakings," such as agreement to promote Canadian products.

### **Right to Private Ownership and Establishment**

[Return to top](#)

Investors have full rights to private ownership.

### **Protection of Property Rights**

[Return to top](#)

Foreign investors have full and fair access to Canada's legal system, with private property rights limited only by the rights of governments to establish monopolies and to expropriate for public purposes. Investors from NAFTA countries have mechanisms available to them for dispute resolution regarding property expropriation by the Government of Canada.

USTR moved Canada from the U.S. Special 301 Report's Priority Watch List to the Watch List in 2013. The move reflects Canada's passage of the Copyright Modernization Act in June 2012. The Act is designed to implement Canada's obligations under the WIPO Internet Treaties and to address the challenges of copyright piracy in the digital age. In March 2013, Canada also introduced the Combating Counterfeit Products Act to strengthen IPR enforcement, which included provisions that would provide ex officio authority to Canadian customs officials to seize pirated and counterfeit goods at the border. The Special 301 Report notes that the United States supports Canada's efforts to address pirated and counterfeit goods, but urged Canada to expand the legislation to also provide authority for its customs officials to take action against goods in-transit.

The United States has expressed strong concerns about the availability of rights of appeal in Canada's administrative process for reviewing the regulatory approval of pharmaceutical products, and has also expressed concerns regarding the heightened utility requirements for patents that Canadian courts have been adopting recently. One U.S. pharmaceutical company filed a Notice of Intent under NAFTA Chapter 11 in September 2013 after its patent was invalidated on two of its drugs. Another pharmaceutical patent was voided in November 2012 by a Supreme Court decision.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: David Henry, [HenryDA@state.gov](mailto:HenryDA@state.gov)

Local lawyers list: <http://canada.usembassy.gov/consulates/ottawa/ottawa-attorneys.html>

The transparency of Canada's regulatory system is similar to that of the United States. Proposed legislation is subject to parliamentary debate and public hearings, and regulations are issued in draft form for public comment prior to implementation. While federal and/or provincial licenses or permits may be needed to engage in economic activities, regulation of these activities is generally for statistical or tax compliance reasons. The Bureau of Competition Policy and the Competition Tribunal, a quasi-judicial body, enforce Canada's antitrust legislation.

Canada and the United States announced the creation of the Canada-U.S. Regulatory Cooperation Council (RCC) on February 4, 2011. The RCC will increase regulatory transparency and cooperation between the United States and Canada and eliminate unnecessary regulatory differences and duplication that hinder cross-border trade and investment. The RCC Joint Action Plan sets out 29 initiatives where Canada and the United States will seek greater regulatory alignment. All 29 Work Plans were final by July 2012 and cover sector initiatives such as automotive, agricultural, and consumer product sectors, and future technologies, including nanotechnology. Agency work plans include a host of regulatory cooperation activities including technical/scientific collaboration, pilot programs, information sharing, mutual recognition, harmonized testing procedures, joint standards, and collaboration on common approaches to regulations.

Canada and the United States announced in December 2012 the first joint review and approval of a veterinary drug as part of an RCC initiative to better align the approval process for these products. The RCC's Marine Transport Working group launched a pilot project in September 2012 for joint Port State Control inspections on a limited number of non-Canadian and non-U.S. flagged vessels entering the Great Lakes St. Lawrence Seaway. The pilot project will look for efficiencies to reduce duplicate inspections and remove impediments to trade. Pilot projects are also underway to better align Canada's standards and reviews of pest control products. Collaborative work to develop aligned regulations and testing procedures under the New Motor Vehicle Safety Standards Working Plan for electric vehicle safety, hydrogen vehicle safety, quiet electric, and hybrid vehicles is underway. Canada and the United States continue to make strides to align their emissions standards for light and heavy vehicles.

Other areas of engagement include efforts to develop a common approach to food safety, developing joint rail safety standards, instituting common policy principles for regulatory oversight of nanotechnology and nanomaterials, fostering greater symmetry and access with respect to agriculture production, increasing fairness and effectiveness of agricultural trade, and aligning marine transportation security requirements to facilitate more secure and efficient cross-border trade.

Canada's capital markets are open, accessible, and without onerous regulatory requirements. Foreign investors are able to get credit in the local market. The World Economic Forum ranked Canada's banking system as the "most sound" in the world in 2012. Canadian banking stability is linked to high capitalization rates that are well above the norms set by the Bank for International Settlements.

The Canadian banking industry includes 22 domestic banks, 25 foreign bank subsidiaries, 23 full-service foreign bank branches and seven foreign bank lending branches operating in Canada. These institutions manage close to \$3.1 trillion in assets. Many large international banks have a presence in Canada through a subsidiary, representative office or branch of the parent bank.

In Canada, the regulation of defensive tactics against hostile takeovers is handled by provincial securities regulators rather than the courts. Provincial authorities refer to the Canadian Securities Administrators' National Policy 62-202 regarding takeovers that seeks to encourage open and unrestricted auctions to maximize target company shareholder value and choice between competing alternatives. The nationality of the bidding entity is not considered by the provincial securities regulators but trigger a federal review under the Investment Canada Act.

While cross-shareholding arrangements are permitted in Canada, the extent of foreign investment and cross-border merger and acquisition activity suggests that they do not pose any practical barriers.

### **Competition from State Owned Enterprises**

[Return to top](#)

Canada has more than 40 state-owned enterprises (SOEs) at the federal level, with the majority of assets held by three federal crown corporations: Export Development Canada; Farm Credit Canada; and Business Development Bank of Canada. Canada also has over 100 SOEs at the provincial level that contribute to a variety of sectors including, finance; power, electricity, and utilities; and transportation. The Treasury Board Secretariat provides an annual report to Parliament regarding the governance and performance of Canada's federal crown corporations and other corporate interests.

There are no restrictions on the ability of private enterprises to compete with SOEs. The functions of most Canadian crown corporations have limited appeal to the private sector, e.g. the Canadian Space Agency. The activities of some SOEs such as VIA Rail and Canada Post do overlap with private enterprise. As such, they are subject to the rules of the Competition Act to prevent abuse of dominance and other anti-competitive practices. Foreign investors are also able to challenge SOEs under the NAFTA and WTO.

Canada does not have a sovereign wealth fund but the province of Alberta has the Heritage Savings Trust Fund established through province's share of petroleum royalties. The fund's value was nearly \$17 billion in 2013. It is invested in a globally diversified portfolio of public and private equity, fixed income and real assets.

### **Corporate Social Responsibility**

[Return to top](#)

Canada encourages Canadian companies to observe the OECD Guidelines for Multinational Enterprises in their operations abroad and provides a National Contact Point for dealing with issues that arise in relation to Canadian companies. Despite the increased level of official attention paid to CSR, the activities of Canadian mining companies abroad remain the subject of critical attention and have prompted calls for the government to move beyond voluntary measures.

## Political Violence

[Return to top](#)

Political violence occurs in Canada to about the same extent as in the United States. For example, student protests over proposed tuition increases in Quebec led to confrontation between police and protesters in May 2012.

## Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including Canadian implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Canada is a party to the OECD Antibribery Convention, the UN Convention, and the OAS Convention, but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States. Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Since 1999, Canada has been a party to the OECD Antibribery Convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 160 parties to it as of April 2013 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Canada signed the UN Antibribery Convention in May, 2004 and later ratified it in October of 2007.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Canada has been a party to the OAS Convention since 1990.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [http://www.coe.int/t/dghl/monitoring/greco/general/about\\_en.asp](http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp)) Canada was granted observer status to the Council of Europe in April of 1996, and has ratified a number of conventions including the Convention on Cybercrime, and the Convention on Mutual

Administrative Assistance in Tax Matters. For a full list of conventions that Canada has signed or ratified see [The Council of Europe](#).

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Canada has a free trade agreement (FTA) in place with the United States; the [NAFTA](#) Agreement came into force in 1994.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws.

Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

On an international scale, corruption in Canada is low and similar to that found in the United States. In general, the type of due diligence that would be required in the United States to avoid corrupt practices would be appropriate in Canada. Canada is a party to the UN Convention Against Corruption. Canada is a party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, as well as the Inter-American Convention Against Corruption.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/investment/anti-bribery/anti-briberyconvention/oecdantibriberyrecommendation2009.htm>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/whatwedo/publications>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://data.worldbank.org/data-catalog/worldwide-governance-indicators>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org>.

## **Bilateral Investment Agreements**

[Return to top](#)

The FTA and NAFTA guide investment relations between Canada and the United States. Investment relations with other states are governed by Foreign Investment Protection Agreements (FIPAs). These are bilateral treaties that promote and protect foreign investment through a system of legally binding rights and obligation based on the same principles found in the NAFTA. Canada has negotiated FIPAs with countries in Central Europe, Latin America, Africa, and Asia. Canada is actively pursuing FIPA's with ten countries, including India. Canada signed a FIPA with China in September 2012, after nearly two decades of negotiations, but has yet to ratify the agreement. Canada views China as an increasingly important trade and investment partner. Canada concluded FIPA negotiations with Albania, Benin, Cameroon, Cote d'Ivoire, Guinea, Moldova, Nigeria, Serbia, and Zambia in 2013.

## **OPIC and Other Investment Insurance Programs**

[Return to top](#)

Because Canada is a developed country, the U.S. Overseas Private Investment Corporation does not operate in Canada.

## **Labor**

[Return to top](#)

The federal government and provincial/territorial governments share jurisdiction for labor regulation and standards. Federal employees and those employed in the railroad, airline, and banking sector are covered under the federally administered Canada Labor Code. Employees in most other sectors come under provincial labor codes. As the laws vary somewhat from one jurisdiction to another, it is advisable to contact a federal or provincial labor office for specifics, such as minimum wage and benefit requirements. Canada is slowly recovering from the economic crisis of 2008-2009 which triggered job losses across the country particularly in manufacturing and construction. Canada's unemployment rate stood at 7 percent in January 2014, which is still higher than pre-recession rates of between 6 and 6.5 percent. Newfoundland and Labrador recorded the highest provincial unemployment rate in the country in January 2014 at 12.0 percent, while Saskatchewan recorded the lowest at 4.3 percent.



Canada's labor unions have clashed with the federal government on several occasions in recent years. Eighteen unions and labor organizations announced their intention in December 2013 to take legal action against the Canadian federal government over provisions included in the government's 2013 budget bill (Bill C-4). The unions maintain that Bill C-4 undermines their right to collective bargaining by allowing the federal government to determine which federal workers will be permitted to strike and which collective agreements will be settled through arbitration. Canada passed "back-to-work" legislation in March 2012 and May 2012 to end labor disputes involving a Canadian airline and rail company. Canada justified introducing the legislation on both occasions as a necessary action to protect the Canadian economy.

### **Foreign-Trade Zones/Free Ports**

[Return to top](#)

Under the NAFTA, Canada operated as a free trade zone for products made in the United States. U.S. made goods enter Canada duty free.

### **Foreign Direct Investment Statistics**

[Return to top](#)

The United States has long been Canada's primary source for foreign investment, and Canada is the fourth largest source of foreign direct investment in the United States after the United Kingdom, Japan, and Germany respectively.

About 52 percent of Canada's foreign direct investment comes from the United States. At the end of 2012, Canada's stock of U.S. FDI was \$351 billion. U.S. investors with large direct investments in Canada include major automakers (GM, Ford, Chrysler), integrated energy, chemical and mineral producers (e.g., ExxonMobil, ChevronTexaco, ConocoPhillips), financial services firms (e.g., Citibank), and retailers (e.g., Wal-Mart). Target and Nordstrom are among several U.S. retailers that have announced expansion plans into Canada over the past three years. Canada attracted 2.8 percent of the world's FDI in 2012.

Canadian residents have become increasingly active as worldwide investors, and their net international liabilities have been shrinking over the past decade relative to national income. The United States is the top destination for Canadian direct investment abroad (CDIA). CDIA stocks in the United States rose 7 percent (\$17.1 billion) in 2012 to \$261 billion. The United States' share of CDIA in 2012 was 41 percent. Other major destinations for Canadian FDI are the United Kingdom, other European Union countries, Brazil, Australia, and Chile.

**TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy**

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data
	Source: Stats Canada				(Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
<b>Economic Data</b>	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) ( <i>Billions U.S. Dollars</i> )	2012	\$1,750	2012	\$1,821	International Source: <a href="#">World Bank</a>
<b>Foreign Direct Investment</b>	Host Country Statistical Source: Stats Canada		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country ( <i>Thousands U.S. Dollars, stock positions</i> )	2012	\$313,968,000	2012	\$351,460,000	International source: <a href="#">U.S. Bureau of Economic Analysis</a>
Host country's FDI in the United States ( <i>Thousands U.S. Dollars, stock positions</i> )	2012	\$278,294,000	2012	\$261,133,000	International source: <a href="#">U.S. Bureau of Economic Analysis</a>  *by Ultimate Beneficial Owner
Total inbound stock of FDI as % host GDP	2012	35%	2012	36%	International source: <a href="#">OECD Report</a>

\* Note: Canadian sourced data converted to U.S. dollars using 2012 Yearly Average Exchange Rate of 1.040, source: <http://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates>

**TABLE 3: Sources and Destination of FDI**  
**Source: International Monetary Fund (2012 Figures)**

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	636,972	100%	Total Outward	715,053	100%
United States	328,102	52%	United States	290,822	41%
Netherlands	61,744	10%	United Kingdom	87,232	12%
United Kingdom	54,821	9%	Barbados	59,591	8%
Luxembourg	24,761	4%	Cayman Islands	30,316	4%
Switzerland	21,501	3%	Australia	27,025	4%

"0" reflects amounts rounded to +/- USD 500,000.

Results are consistent with host country data.

**TABLE 4: Sources of Portfolio Investment**  
**Source: International Monetary Fund (2012 Figures)**

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	867,775	100%	All Countries	683,975	100%	All Countries	183,800	100%
United States	496,117	57%	United States	369,522	54%	United States	126,596	69%
United Kingdom	70,523	8%	United Kingdom	61,573	9%	United Kingdom	8,950	5%
Japan	42,004	5%	Japan	38,290	6%	Australia	5,977	3%
France	26,077	3%	France	21,067	3%	France	5,010	3%
Australia	21,845	3%	Switzerland	17,583	3%	Germany	4,668	3%

The data is based on partial 2012 data from Canada with final 2012 figures derived by the IMF's Statistical Information Division.

**Web Resources**

[Return to top](#)

[FCPA Lay-Person's Guide](#)  
[The OECD Antibribery Convention](#)  
[UN Anticorruption Convention](#)  
[OAS Convention](#)

[Criminal Law Convention](#)  
[Civil Law Convention](#)  
[U.S. Trade Representative](#)  
[U.S. Commercial Service](#)  
[Department of Commerce Trade Compliance Center "Report A Trade Barrier"](#)  
[Department of Justice Fraud Section](#)  
[Office of the Chief Counsel, International Commerce, U.S. Department of Commerce](#)  
[U.S. Foreign Corrupt Practices Act](#)  
[Antibribery Recommendation and Good Practice Guidance Annex](#)  
[World Bank Business Environment and Enterprise Performance Surveys](#)  
[World Economic Forum - Global Enabling Trade Report](#)  
[U.S. State Department - Human Rights Reports](#)  
[Global Integrity](#)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

[Return to top](#)

Methods of payment in Canada are similar to those practiced in the U.S. domestic market. Depending on the magnitude of the contract, U.S. manufacturers exporting to Canada generally ship on open account, and do not require letters of credit. Typical terms are 30 to 90 days with a discount of 1 to 2 percent of the invoice for early payment, usually, if paid within ten days. U.S. firms exporting to retailers (mainly to department stores) tend to offer a higher discount for settlement within ten days. Normal precautions in dealing with a first-time customer should be exercised, and safeguards instituted wherever possible -- at least until a good relationship has been established with the customer. While U.S. firms exporting to Canada may not face the same risks encountered in other foreign markets, caution in dealing with first-time customers should be exercised and safeguards instituted wherever possible until a good relationship has been established.

The U.S. Commercial Service in Canada offers the International Company Profile as a tool to help evaluate the creditworthiness of potential customers or partners. Moreover, U.S. firms may wish to consider using the U.S. Export-Import Bank's export credit insurance program. The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States and its mission is to assist in financing the export of U.S. goods and services to international markets. For further information please see: <http://www.exim.gov>.

### How Does the Banking System Operate

[Return to top](#)

The Canadian banking system is well-developed and mature, and in general highly conservative and regulated with more stringent rules governing leverage and capital ratios. While most of Canada's financial sector is controlled by federal agencies, loan and trust companies, as well as life insurance providers they may also be governed by either federal or provincial regulations. For example, the co-operative credit movement, which includes credit unions and the caisses populaires in Quebec, are regulated almost exclusively under provincial jurisdiction. The [Office of the Superintendent of Financial Institutions Canada \(OSFI\)](#) is the primary regulator and supervisor of federally regulated deposit-taking institutions, insurance companies, and federally regulated private pension plans. They also regulate and oversee all foreign financial services companies operating in Canada.

The banking system in Canada groups financial institutions into five main categories: chartered banks, trust and loan companies, the co-operative credit movement, life insurance companies, and securities dealers. As of May 2014, there were 29 domestic banks, 24 foreign bank subsidiaries, 27 full service foreign bank branches and 3 foreign bank lending branches. Combined, these institutions manage CDN\$ 3.6 trillion in assets. Banks account for over 70 percent of the total assets of the Canadian financial services sector, with the six largest domestic banks accounting for over 90 percent of the banking industry's assets. These six major banks have a significant presence outside Canada in areas such as the United States, Latin America, the Caribbean and Asia.

Canada's banks operate through an extensive network that includes over 6,205 branches and 18,303 automated banking machines (ABMs) across the country. Canada has one of the highest numbers of ABMs per capita in the world and benefits from very high penetration levels of electronic channels such as debit cards, Internet banking and telephone banking. Nearly 26% of Canadians report that they perform the majority of their banking transactions using ABMs. In 2012, ABMs logged over 885 million transactions.

### **Foreign-Exchange Controls**

[Return to top](#)

The government of Canada does not restrict the movement of funds into or out of the country, and imposes no restrictions on the buying or selling of any foreign currency. Corporations and individuals can operate in foreign funds and arrange payments in any currency they choose.

### **U.S. Banks and Local Correspondent Banks**

[Return to top](#)

Under NAFTA, U.S. banks have a right of establishment and a guarantee of national treatment in Canada. All major banks in Canada have the ability to do business with U.S. banks and some have operations in the United States. Major Canadian banks have correspondent accounts with most major U.S. banks.

### **Project Financing**

[Return to top](#)

The U.S. Export-Import Bank provides trade and project finance support for U.S. exporters. Ex-Im Bank has a particular interest in supporting U.S. small and mid-sized companies, and especially those exporting in the following key industry sectors: oil and gas, mining, agribusiness, renewable energy, construction equipment and services, medical equipment and services, aircraft and avionics, and power generation and related services.

The Canadian government, provincial and municipal governments provide extensive financing support for major projects such as infrastructure, energy, and waste and water treatment sectors. In some cases, Canadian entities provide all of the financing for the project (usually through bond offerings), and open the project for competitive bid. In many cases (most often in the energy sector), Canadian entities offer natural resources assets for bid and seek project developers who can secure their own financing. In a growing number of cases, Canadian entities seek to develop infrastructure or energy projects through public-private partnerships in which the Canadian side offers rights, loan guarantees, and/or partial financing in an effort to leverage needed additional project financing from private sector partners.

Canada does not qualify for project financing from any of the multilateral development banks such as the World Bank, the Inter-American Bank for Reconstruction and Development, or from the Overseas Private Investment Corporation (OPIC).

## **Web Resources**

[Return to top](#)

[Bank of Canada](#)

[Canadian Bankers Association](#)

[Export-Import Bank of the United States \(EX-IM\)](#)

[Ex-Im Bank Country Limitation Schedule](#)

[Office of the Superintendent of Financial Institutions Canada](#)

[Overseas Private Insurance Corporation \(OPIC\)](#)

[SBA's Office of International Trade](#)

[Trade and Development Agency](#)

[U.S. Department of Agriculture \(USDA\) Commodity Credit Corporation](#)

[Infrastructure Canada](#)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

### Business Customs

[Return to top](#)

Business customs in Canada are very similar to those in the United States. Initial meetings are generally formal and exchanging business cards is expected. The use of a PowerPoint presentation or other technology during a sales presentation is common. Although English and French are both official languages in Canada, all international business is conducted in English. Business culture varies somewhat throughout Canada depending on the region, and most Canadians identify strongly with their respective provinces. U.S. business travelers to Canada should keep this in mind, and familiarize themselves with the culture, history and geography of the province where their business will be conducted. Most importantly, business traveler should make a good first impression, and sell the reliability and trustworthiness of themselves and their company before trying to sell their product or service.

### Travel Advisory

[Return to top](#)

The State Department reports on the latest [Country Specific Information for Canada](#) with information on such matters as health conditions, crime, unusual customs regulations, entry requirements, and the location of the nearest U.S. Embassy or Consulate. In addition, the State Department issues [travel warnings](#) alerting Americans about conditions that may warrant changes to their travel plans, or to avoid certain countries or areas of a country.

Americans living or traveling in Canada are encouraged to enroll in the [Smart Traveler Enrollment Program \(STEP\)](#) to receive important safety and security announcements, and to make it easier for the Embassy or Consulate to contact American citizens in the event of an emergency.

### Visa Requirements

[Return to top](#)

Entry into Canada is determined solely by Canadian Border Services Agency (CBSA) officials, in accordance with Canadian law. Please refer to [CBSA's website](#) for details. Canadian law requires that all persons entering Canada carry both proof of citizenship and



proof of identity. A valid U.S. passport, passport card or NEXUS card (see below) satisfies these requirements for U.S. citizens. If a U.S. citizen traveler to Canada does not have a passport, passport card or NEXUS card, a government-issued photo ID (e.g. Driver's License) and proof of U.S. citizenship, such as a birth certificate or naturalization certificate, can be presented. Minors under the age of 16 need only present proof of U.S. citizenship. A visa is not required for U.S. citizens traveling to Canada for visits of less than 180 days. Anyone seeking to enter Canada for a purpose other than a visit (e.g. to work, study or immigration) must qualify for the appropriate entry status, and should contact the [Canadian Embassy](#) or nearest Canadian Consulate. Because visas may take several weeks to process, applications should be submitted as far in advance as possible.

When returning to the United States from Canada, U.S. citizens are required to present a valid U.S. passport, if re-entering the United States via air. For entry into the United States via land or sea border, U.S. citizens must present either a U.S. passport, passport card, NEXUS card, Enhanced Driver's License or other Western Hemisphere Travel Initiative (WHTI)-compliant document. The only exception to this requirement is for U.S. citizens under the age of 16 (or under 19, if traveling with a school, religious group or other youth group), who need only present evidence of U.S. citizenship, such as a birth certificate, Consular Report of Birth Abroad or naturalization certificate. U.S. citizen travelers are urged to obtain WHTI-compliant documents before entering Canada well in advance of their planned travel. For the most up-to-date information on WHTI and WHTI-compliant documents, please refer to the State Department's website, [www.cbp.gov](http://www.cbp.gov) and/or [www.uscis.gov](http://www.uscis.gov).

In most cases, Canadian citizens are exempt from visa requirements for travel to the United States. However, Canadian citizens wishing to enter the U.S. as a Treaty Trader/Investor must obtain a visa. Treaty Trader/Investor visas are processed at U.S. Consulates in Toronto, Vancouver, and Calgary. U.S. companies that require non-Canadian foreign business associates to travel to the United States should be advised that visa processing times can vary and may require additional time for administrative processing. For more information on visas, visit the following links:

United States Visas: [http://travel.state.gov/visa/visa\\_1750.html](http://travel.state.gov/visa/visa_1750.html)

Consular Section of the U.S. Embassy in Canada:  
[http://canada.usembassy.gov/consular\\_services.html](http://canada.usembassy.gov/consular_services.html)

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link.

State Department Visa Website: <http://travel.state.gov/content/visas/english.html>

## **Telecommunications**

[Return to top](#)

Telecommunications networks are highly sophisticated in Canada and comparable to those in the United States. Canada is integrated with the U.S. direct-dial long-distance telephone system (dial 1, the area code and the number, just like making a long-distance call in the United States). Most, if not all U.S. mobile phones work in Canada, although roaming and long-distance charges may apply. Some U.S. mobile phone companies offer North America (U.S. and Canada) plans. All forms of communication and transmission are

possible, including voice, text, data and video, over regular phone lines, broadband and Voice over Internet Protocol (VoIP).

## Transportation

[Return to top](#)

Canada possesses an advanced transportation system comparable to that of the United States. Its truck, air and rail services are fully integrated with U.S. networks, providing efficient access to consumers and suppliers throughout North America.

While all cities have reasonably priced public transport systems, Canada is as much an "automobile society" as the United States. Within 200 miles of the U.S. border, there is an excellent highway and freeway system that connects with major U.S. interstate highways at the border and supports heavy truck, bus and automobile traffic. In fact, Canada is ranked number one for road provision among all G7 countries.

The Trans-Canada Highway is a federal-provincial highway system that links all ten provinces of Canada. With the main route spanning 8,030 km (4,990 mi), the Trans-Canada Highway is one of the world's longest national highways and is recognizable by its distinctive white-on-green maple leaf route markers.

U.S. travelers should make note of both the similarities and differences when driving in Canada. Gasoline is sold in liters in Canada, and Canadian safety standards for cars are similar to those in the United States. International highway symbols are used in Canada, and distances and speed limits are given in kilometers. Seat belts and infant/child seat restraints are mandatory in all Canadian provinces. Fines are imposed for non-use of seat belts and child restraints. Travelers renting cars in Canada during winter should make sure that they are equipped with winter tires (mandatory in Quebec), since all-season tires start losing traction in cold weather.

Canada's railway system is the third largest among OECD countries at 73,000 km, with significant links to the United States. There is also easy access to Canada's major ports and to interior communities through truck-rail intermodal services.

Canada has the world's longest inland waterway open to ocean shipping, the Great Lakes/St. Lawrence Seaway System. The Seaway provides a direct route to the industrial heart of North America. Major ports include Vancouver, Montreal, Halifax, Port Cartier, Sept Iles/Pointe Noire, Saint John, and Quebec City. Modern container facilities at major ports connect with inland container trains to ensure rapid movement of goods throughout North America.

Canada's air transportation system includes 10 major international airports and over 300 smaller ones. Toronto's Pearson Airport is the busiest airport in the country, handling almost one-third of all traffic.

## Language

[Return to top](#)

Canada has two official languages: English and French. All Government of Canada services and documents are available in these two languages. English, however, is the official and most commonly spoken language in most provinces, except Quebec. In Quebec, French is the official work and most commonly spoken language. New

Brunswick, home to many French-speaking people, is the only officially bilingual province in Canada. Knowledge of and appreciation of French and of the [history of the Birth Place of French America](#) will be greatly beneficial in helping build relationships with Canadian business partners, especially in Quebec.

Canada has attracted a huge influx of immigrants in recent years, many of whom speak Spanish, Mandarin, Cantonese, and a variety of Arabic dialects. According to Canada's 2006 census, the following are the top ten languages spoken by Canadians as a home language and the relative importance in percentage of the country's total population: English 20,584,775 (67.1 percent), French 6,608,125 (21.5 percent), Chinese 790,035 (2.6 percent), Punjabi 500,000 (1.0 percent), Spanish 209,955 (0.7 percent), Italian 170,330 (0.6 percent), Dutch 159,440 (0.6 percent), Ukrainian 148,090 (0.5 percent), Arabic 144,745 (0.5 percent) and German 128,350 (0.4 percent).

## Health

[Return to top](#)

The level of public health and sanitation in Canada is high. While Canada's medical care is of high standard, it is also government-controlled and rationed. Quick and easy access to ongoing medical care can be difficult for temporary visitors who are not members of each province's government-run healthcare plans, and many physicians will not take new patients. Access to a specialist is only by referral and may take months to obtain. Emergency room waits can be very long. Some health care professionals in the province of Quebec may only speak French. Canadian health care providers do not accept U.S. domestic health insurance, and Medicare coverage does not extend outside the United States. Visitors who seek any medical attention in Canada should expect to pay in cash or by credit card, and obtain a receipt and description of the treatment to file their own insurance claims. Traveler's medical insurance is highly recommended even for brief visits.

Most food and other consumables available in the United States can be found in Canada.

## Local Time, Business Hours, and Holidays

[Return to top](#)

Canada has [six time zones](#). Newfoundland time is 4 1/2 hours ahead of Pacific Time. Local business hours are Monday to Friday, with the workday generally starting between 8:00 a.m. and 9:00 a.m.

Canadian federal and provincial holidays overlap with some, but not all, U.S. holidays, and differ by province.

Canadian Heritage maintains a complete list of [national holidays](#).

## Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Business visitors to Canada may bring certain personal goods into Canada duty and tax-free, provided that all such items are declared to the [Canada Border Services Agency](#) upon arrival and are not subject to restriction. Further information on Canadian entry requirements for business travelers is available from the U.S. State Department webpage "[Tips for Travelers to Canada](#)" and Canada Border Services Agency Memorandum D2-1-1 "[Temporary Importation of Baggage and Conveyances by Non-Residents](#)."

For information on temporary entry of commercial goods and equipment, see the subchapter on [Temporary Entry](#).

Business travelers to Canada may also be eligible for [a refund of the GST/HST sales taxes](#) paid for certain expenses in Canada such as hotel accommodations.

## **Web Resources**

[Return to top](#)

[State Department's Travel Registration](#)  
[Canadian Embassy](#)  
[U.S Department of State](#)  
[U.S. Customs and Border Protection](#)  
[U.S Citizenship and Immigration Services](#)  
[State Department Visa](#)  
[Consular Section of the U.S. Embassy in Canada](#)  
[Canadian Federal Holidays](#)  
[Canada Border Services Agency](#)  
[Tips for Traveling Abroad](#)  
[Tips for Travelers to Canada](#)  
[Refund of GST/HST Sales Tax](#)  
[Consular Information Sheet for Canada](#)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 9: Contacts, Market Research and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

### Contacts

[Return to top](#)

#### Embassy of the United States of America and Consulates in Canada

<http://canada.usembassy.gov>

#### U.S. Commercial Service Canada

<http://www.export.gov/Canada>

The U.S. Commercial Service has four offices in Canada:

U.S. Embassy Ottawa  
U.S. Commercial Service  
Embassy of the United States of America  
PO Box 866, Station "B"  
Ottawa, Ontario K1P 5T1  
Tel: 613 688-5217 / Fax: 613 238-5999  
Contact: [Richard Steffens](#), Minister Counselor for Commercial Affairs

U.S. Consulate General Calgary  
U.S. Commercial Service  
615 Macleod Trail SE, Suite 1000  
Calgary, Alberta T2G 4T8  
Tel: 403 265-2116 / Fax: 403 266-4743  
Contact: [Cindy Biggs](#), Principal Commercial Officer

U.S. Consulate General Montreal  
U.S. Commercial Service  
1155 Saint-Alexandre  
Montreal, Quebec H3B 3Z1  
Tel: 514 398-9695 Ext. 2261 / Fax: 514 398-0711  
Contact: [Artina Davis](#), Principal Commercial Officer

U.S. Consulate General Toronto  
U.S. Commercial Service  
480 University Avenue, Suite 602  
Toronto, Ontario M5G 1V2  
Tel: (416) 595-5412 / Fax: (416) 595-5419  
Contact: [Rick Ortiz](#), Principal Commercial Officer – Ext 222

U.S. Consulate General Vancouver

*\*Requests for U.S. Commercial Service assistance in British Columbia should be directed to the Calgary office (listed above).*

### **Chambers of Commerce**

[The American Chamber of Commerce in Canada](#)  
[Canadian Chamber of Commerce](#)

### **Canadian Trade and Industry Associations**

[Aerospace Industries Association of Canada](#)  
[Canadian Manufacturers and Exporters](#)  
[Automotive Industries Association of Canada](#)  
[CATA Alliance \(Canadian Advanced Technology Association\)](#)  
[Canadian-American Business Council](#)  
[The Canadian Association of Importers & Exporters](#)  
[Canadian Franchise Association](#)  
[Canadian Marketing Association](#)  
[Information Technology Association of Canada](#)  
[Canadian Association of Defence and Security Industries](#)

### **Federal Canadian Government Contacts in Canada**

[Canadian Federal Departments and Agencies Portal](#)  
[Department of Agriculture and Agri-food Canada](#)  
[Foreign Affairs and International Trade Canada](#)  
[Industry Canada](#)  
[Public Works and Government Services Canada](#)  
[Canada Revenue Agency](#)  
[National Defence and Canadian Forces](#)

## **Market Research**

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## **Trade Events**

[Return to top](#)

Please click on the links below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>  
[http://export.gov/canada/eventsforu.s.companies/eg\\_ca\\_029302.asp](http://export.gov/canada/eventsforu.s.companies/eg_ca_029302.asp)

[Return to table of contents](#)

[Return to table of contents](#)

## Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link:

<http://export.gov/canada/servicesforu.s.companies/index.asp>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)