Doing Business in Canada: 2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Canada

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Market Overview Return to top

Canada continues to hold a historic record as the United States' largest export market, accounting for 18.9 percent of total U.S. goods exports. Total stock of Canadian foreign direct investment in the United States also ranked among the top four in the world. U.S. companies looking to expand their international portfolios need to consider the tremendous business opportunities offered in Canada.

A solid and increasingly integrated supply chain mainly in the automotive and aerospace sectors already make up roughly 30 percent of the over $616 billion in bilateral merchandise trade recorded in 2012. New developments in shipbuilding, air-defense, safety and security, mining, and renewable energy, will create virtually limitless business opportunities.

The U.S. and Canada, through the Beyond the Border Initiative, are committed to facilitating the flow of people and goods across the border while maintaining the security and integrity at the border. In an unprecedented effort to streamline unnecessary or duplicative regulations, the private sector and government on both sides developed ambitious work plans through the U.S.-Canada Regulatory Cooperation Council. Tangible results have reduced the cost of doing business and increased just in time efficiencies. Recent efforts to curb pirated goods and to enhance IPR protection will significantly support increased trade and investment between the U.S. and Canada.

In this revised edition of the Country Commercial Guide, you will obtain practical information about what you need to know, who to contact, how to develop an effective export strategy and how to position your firm to maneuver successfully in this vast ocean of export opportunities. We welcome especially new to market firms that have unique and highly competitive U.S. made products and services. We are committed to your success and look forward to supporting your company's efforts to build a strong and vibrant platform for your business in Canada.

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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. Canadian 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, can vary from procedures followed in the United States. Bidders must be registered in Canada in order to bid, and bidders must fulfill all the requirements in order to qualify to bid (specified 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 Regional Benefits or IRBs).

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.

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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 continuing strength of the Canadian dollar will mean continued expansion in Canadian travel and tourism to the United States, 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

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For many companies (particularly in the manufacturing and construction sectors), frequent visits 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

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PROFILE

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

ECONOMY	2010	2011	2012
Nominal GDP (Current Billions $US)	1,577	1,739	1,819
Nominal GDP Per Capita (Current $US)	46,283	50,496	52,231
Real GDP Growth Rate (% Change)	3.2	2.4	1.8
Real GDP Growth Rate Per Capita (% Change)	2.0	1.3	0.7
Consumer Prices (% Change)	1.8	2.9	1.5
Unemployment (% of Labor Force)	8.0	7.5	7.3

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

FOREIGN MERCHANDISE TRADE ($US MILLIONS)	2010	2011	2012
Canada Exports to World	386,580	450,430	453,380
Canada Imports from World	392,109	450,580	462,369
U.S. Exports to Canada	249,105	280,890	292,443
U.S. Imports from Canada	277,647	315,347	324,246
U.S. Trade Balance with Canada	-28,542	-34,457	-31,803
Position in U.S. Trade			
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	19.5	19.0	18.9
Canada Share (%) of U.S. Imports	14.5	14.3	14.2

Principal U.S. Exports to Canada in 2012:
1. Transportation Equipment (21.1%)
2. Machinery, Except Electrical (11.6%)
3. Chemicals (10.1%)
4. Computer and Electronic Products (9.5%)
5. Engine and Parts Manufacturing (5.0%)

Principal U.S. Imports from Canada in 2012:
1. Oil and Gas (25.4%)
2. Transportation Equipment (21.7%)
3. Chemicals (7.9%)
4. Primary Metal Manufacturing (6.7%)
5. Petroleum and Coal Products (5.8%)

FOREIGN DIRECT INVESTMENT	2009	2010	2011
U.S. FDI in Canada (US $Millions)	265,326	289,535	318,964
FDI in U.S. by Canada (US$ Millions)	188,943	188,350	210,864

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.

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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

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Chapter 3: Selling U.S. Products and Services

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- 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

The U.S. goods trade deficit with Canada was $32.5 billion in 2012, down $2.0 billion from 2011. U.S. goods exports in 2012 were $292.4 billion, up 4.1 percent from the previous year. Corresponding U.S. imports from Canada were $324.2 billion, up 2.8 percent. 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 $56.1 billion in 2011 (latest data available), and U.S. imports were $28.0 billion. Sales of services in Canada by majority U.S.-owned affiliates were $117.3 billion in 2010 (latest data available), while sales of services in the United States by majority Canada-owned firms were $68.9 billion

The stock of U.S. foreign direct investment (FDI) in Canada was $318.9 billion in 2011 (latest data available), up from $289.5 billion in 2010. 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. firms 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 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

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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.

To sell to	Secure an agent in
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

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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

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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. 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

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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

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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

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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). In December 2011, Canada added provincial procurement and ten federal crown corporations to the WTO Government Procurement Agreement.

The agreements provide U.S. businesses with access to procurement conducted by most Canadian federal departments and a large number of provincial entities.

The Canadian federal government spends approximately $20 billion a year on goods and services. Procurement by the Ontario province alone is estimated to be $15 to $20 billion annually, approximately equal to all federal procurement spending.

Chapter Ten of the North American Free Trade Agreement (NAFTA) provides national treatment in Canada for U.S. companies on Canadian federal government procurement contracts above the following thresholds:

- Contracts of CDN$27,300 or more offered by a federal entity.
- Contracts of CDN$76,600 or more offered by a federal entity for services.
- Contracts of CDN$9.9 million or more offered by a federal entity for construction services.
- Contracts of CDN$383,300 or more offered by a crown corporation or other federal government enterprise for goods and services.
- Contracts of CDN$12.2 million offered by crown corporations or federal government enterprises for constructions services.

In addition to NAFTA, the WTO Government Procurement Agreement applies to most federal government departments. This multilateral agreement aims to secure greater international competition for government procurement. For more information visit: http://www.tbs-sct.gc.ca/atip-aiprp/tpa-pcp/tpa-pcp09-eng.asp.

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 government's current official internet-based electronic tendering service, MERX, gives subscribers access to more than 1,500 open tenders from the federal government, provincial governments, and many municipalities, school boards, universities, and hospitals that are subject to Canada's trade agreements. Approximately 150 new tenders are posted daily. On June 1, 2013 the federal Government of Canada’s tendering opportunities are moving from MERX to www.Buyandsell.gc.ca. Access to federal government opportunities is free of charge; however, access to other opportunities (municipal, provincial, academia, etc.) is available on MERX through fee-based subscription packages.

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.

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. Procurement will be ramping 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, Ian Troop is the Chief Executive Officer of TO2015, the Organizing Committee responsible for staging the Pan/Parapan American Games.

Distribution and Sales Channels

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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

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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.

Electronic Commerce

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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.

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.

Trade Promotion and Advertising

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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 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

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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 value of the U.S. dollar hovers near parity in relation to the Canadian dollar. 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

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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

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Protecting Your Intellectual Property in Canada:

It is important to have an overall strategy to protect your IP. IP is protected differently in Canada than in the U.S. 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.

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 Canada market. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Canada law. The U.S. Commercial Service can provide a list of local lawyers upon request.

Conduct due diligence on potential partners. 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. Work with legal counsel familiar with Canadian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

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 register at **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**.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia. For details and to register, visit: **http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html**

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov** This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

Due Diligence

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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.

Local Professional Services

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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

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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

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

Commercial Sectors

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- 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)

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- Total installed generating capacity 134 GW is projected to reach 170 GW in 2035.
- Electricity by primary sources: 62% hydro, 16% coal, 15% nuclear, 7% gas plus renewables.
- 80% of Canada's existing power-generation to be replaced during the next 10 to 15 years.
- Canadian 2012 total imports of equipment and components $19.5 billion (50% from the U.S.).
- Further cooperation for a safe, integrated, North American Smart Grid.

Opportunities
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Total 2012 imports:

- Boards & Panels for Breakers and Fuses: US$1,704 million (up 30%)
- Lighting Equipment: US$1,123 million (up 27%)
- Electric Motors and Generators: US$1,483 million (up 26%)
- Electric Generating Sets and Rotary Converters: US$1,483 million (up 26%)
- Many specific product groups and sub-groups with solid growth rates.

Sub-Sector Best Prospects
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- Power generation based on coal is being replaced with gas and renewables.
- Ongoing refurbishments and upgrades of power stations and substations.
- Several nuclear reactor power generation units to be refurbished and 2 new under consideration.
- Clean Energy Fund: awarded $150 million for R & D and $850 million for demonstration projects.

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

- Canadian Wind Energy Association Conference & Exhibition: Multi Company Promotion, October 7-10, 2013, Toronto, ON.
- Smart Grid Canada: Networking Facilitation, October 2013, Toronto, ON.
- APPrO Power Conference: Networking Facilitation, November 2013, Toronto, ON.
- Canadian Delegation to POWER-GEN Conference & Exhibition: Multi Company Promotion, November 2013, Toronto, ON.

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National Energy Board
Canada's Economic Action Plan
Industry Canada
Statistics Canada

If you would like further information on this sector, please contact Commercial Specialist Stefan Popescu at Stefan Popescu@trade.gov; Tel: 416 595-5412, Ext. 223.

Automotive (APS)

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- Canada represents the second largest automotive market in North America. Over 1.68 million light vehicles (cars and light trucks) were sold in Canada during 2012, an increase of 5.6% from the previous year.
- Canadian automotive imports of light and heavy vehicles totaled over $39 billion in 2012 and 60% of these imports came from the United States.
- Canada imported $26.6 billion of automotive parts and components in 2012.

Opportunities
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- Canadian automotive manufacturers supply almost 20% of the North American market, driving a proportional demand in components, parts and technology.
- The new U.S. light vehicles market share in 2012 remains 45%.
- Investment in modernizations and new facilities is announced in the $1 billion level; 50 percent to 80% of automotive manufacturing and assembly line equipment are supplied by imports.
- The Federal Government announced the renewal of the Automotive Innovation Fund with $250 million for 5 years.

Sub-Sector Best Prospects
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Total 2012 imports:

- Motor Vehicle Engines and Engine Parts: $24 billion (up 10% from 2011).
- Motor Vehicle Electric and Electronic Equipment: $2.4 billion (up 13% from 2011).
- Motor Vehicle Steering and Suspension Components: $2.8 billion (up 14% from 2011).

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

- Bridges to Canada: Matchmaking promotion/appointments; August and November 2013.
- Canadian International Auto Show: Multi Company Promotion, February 14, 2014, Toronto, ON.

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Automotive Industries Association of Canada
Automotive Parts Manufacturers' Association
Industry Canada
Statistics Canada
DeRosiers Automotive Consultants

If you would like further information on this sector, please contact Commercial Specialist Stefan Popescu at Stefan Popescu@trade.gov; Tel: 416 595-5412, Ext. 223.

Aerospace (AIR)

Overview

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Canada has the world's fifth largest aerospace market, generating approximately $22 billion in revenues in 2011 of which over 80% were from Quebec and Ontario.

- 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.
- Over 80% of production is exported; over 50% of imports are from the United States.
- Approximately 83% of the industry is dedicated to civil aircraft manufacturing, while 17% is dedicated to military aircraft manufacturing.

Opportunities

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- Bombardier Platforms: CSeries, Challenger 7000/8000, Learjet 85 (over $4 billion).
- Bell Helicopter Textron Platforms: Bell 427 and Bell 429 Helicopters.
- Boeing Platforms: Dreamliner 787, Chinook (over $1 billion).
- Fix Wing Search and Rescue (FWSAR) – Estimated Cost: $1.55 billion.

Sub-Sector Best Prospects

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- Aircraft maintenance, repair and overhaul.
- Aircraft engines and engine parts.
- Advanced avionics and instrumentation.
- Simulation software, additive manufacturing, all green aircraft technologies.

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

- Canadian Aviation Expo: June 1-2, 2013, Breslow, ON.
- Canadian Business Aviation Convention & Exhibit: June 25-27, 2013, Toronto, ON.
- AUVSI's Unmanned Systems 2013: August 12-15, 2013 - Washington, D.C.
- AIAC Canada Aerospace Summit: October 16-17, 2013, Ottawa, ON.
- Air Transport Association of Canada Convention & Trade Show: November 17-19, 2013, Montreal, QC.
- Aerospace Innovation Forum: December 2-4, 2013, Montreal, QC.

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Aerospace Review

Canada First: Leveraging Defence Procurement Through Key Industrial Capabilities Aerospace Industries Association of Canada

Air Transport Association of Canada

Aero Montreal

Consortium for Research and Innovation in Aerospace in Quebec

Ontario Aerospace Council

Manitoba Aerospace Association

For information on civil aerospace, please contact Commercial Specialist Gina Rebelo Bento at Gina.Bento@trade.gov; Tel: 514 908-3660.

Oil and Gas (OGS) (OGM)

Overview

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- Canada is the world's fourth largest producer of natural gas and the sixth largest producer of crude oil. Alberta's oil sands are the world's second 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 U.S.

Opportunities

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- 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 between $7-9 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 2015 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 for the first two phases are $10 billion and the project is expected to be on stream by 2017.

Sub-Sector Best Prospects

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- 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:

- Gas and Oil Expo: June 11-13, 2013, Calgary, AB.
- Oil Sands Trade Show and Conference: September 10-12, 2013, Fort McMurray, AB.
- National Buyer Seller Forum: November 12-14, 2013, Calgary, AB.

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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

If you would like further information on this sector, please contact Commercial Specialist Crystal Roberts at Crystal.Roberts@trade.gov; Tel: 403 265-2116.

Defense Products and Services (DFN)

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- Canada ranked as the 14th largest military spender in the world in 2012 at $22.5 billion.
- Canada's defence industry represents more than two thousand companies, with over 70,000 employees, and an estimated $12.6 billion in annual revenues as of 2011.
- The Canada First Defence Strategy calls for a $490 billion investment in personnel (51%), equipment (12%), readiness (29%), and infrastructure (8%) between 2008/09 – 2027/28.
- Total defense spending of military equipment is expected to reach $60 billion, with approximately 20% of these expenditures to be allocated by the end of 2012/13, and the remainder to become planned expenditures through 2027/28.
- Canada's current procurement priorities include allocation of $35 billion for acquisition of combat and non-combat vessels under the National Shipbuilding Procurement Strategy.
- In 2010, Canada imported $4.4 billion of U.S. defense products and services.

Opportunities

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- Fixed Wing Search and Rescue (FWSAR)
- Close Combat Vehicle (CCV)
- Medium Support Vehicle System (MSVS) – Standard Military Pattern
- Joint Support Ships (JSS)
- Multi-Mission Aircraft (CP-140 replacement)
- Next Generation Fighter Capability (NGFC) – Purchase of 65 Strike Fighters. Approx. Value: $44 billion
- Joint Unmanned Surveillance Target Acquisition System (JUSTAS) – Approx. Value: $1.3 million
- Arctic/Offshore Patrol Ships (AOPS)
- Canadian Surface Combatant (CSC)

Sub-Sector Best Prospects

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- Arctic and Maritime Security
- Cyber Security
- Command and Support Capabilities
- Training and Simulation
- Protecting the Soldier
- Manned/Unmanned Military Aircraft

Upcoming Events Supported by Commercial Service Canada:

- CANSEC 2013: May 29 – 30, 2013 – Ottawa, ON – *Matchmaking.*
- DEFSEC Atlantic 2013: Sept. 4 – 6, 2013 - Halifax, NS – *U.S. Pavilion and Delegation.*
- SecureTech 2013: Oct. 29 – 30, 2013 – Ottawa, ON – *U.S. Pavilion and Matchmaking.*

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The NSPS Shipbuilding Value Chains
Canada First: Leveraging Defence Procurement Through Key Industrial Capabilities
The Government of Canada's Aerospace Review
Department of National Defense
Public Works and Government Services Canada
Defence Research and Development Canada (DRDC)
Canadian Association of Defense and Security Industries

For more information on this sector contact Sr. Commercial Specialist Lucy Cicero Latka: Lucy.Latka@trade.gov; Tel: 613 688-5219, or Commercial Specialist Luz Betancur: Luz.Betancur@trade.gov; Tel: 613 688-5411

Safety and Security Equipment (SEC)

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- 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, biometric security, reinforced safes, burglar and fire alarms, as well as physical-access security related products totaled $1.14 billion in 2011.
- Most security products are imported. U.S. products account for about one-third of the security market.

Opportunities

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- Large ongoing expansion of Canadian Federal corrections facilities as a result of the 2010 Truth in Sentencing Act will result in over $2 billion dollars invested in correctional facilities.
- 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

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- 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:

- SecureTech 2013: October 29 – 30, 2013, Ottawa, ON.

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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

If you would like further information on this sector, please contact the Sr. Commercial Specialist Lucy Cicero Latka at Lucy.Latka@trade.gov; Tel: 613 688-5219.

Renewable Energy (REQ)

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- Canada is a world leader in the production and use of energy from renewable resources, including solar, wind, hydro, biomass, and marine energy extraction.
- Wind energy is poised to experience the highest growth rate within the sector. Average annual growth in Canadian windpower capacity for the past five years was 27.4%
- Canada is now the ninth largest producer of wind energy in the world with current installed capacity at 6,500 MW – representing about 3% of Canada's total electricity demand
- Wind energy production is expected to triple in the next five years. The total installed capacity in North America is expected to more than double to reach 94.2 GW.
- Hydro Electricity is the largest subsector of renewable energy in Canada. Four provinces currently produce over 90% of their power from hydroelectricity.
- The federal government is committed to seeing 90% of Canada's electricity generated by non-emitting sources by 2020.

Opportunities
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- Nord Pour Tous (North for Everybody) – Province of Quebec.
- EcoENERGY Initiative – Cartier Wind Energy Inc. wind farms in Quebec.
- Rivière-du-Moulin Phase I & II (350 MW) – Construction from 2013 to 2015.
- The Ontario Feed-in Tariff Program for solar power generation.

Sub-Sector Best Prospects
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- 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:

- IPB- WINDPOWER 2010 Conference & Exhibition: May 5 – 8, 2013, Chicago, Il.
- CanWEA Annual Conference: Oct. 7 – 10, 2013, Toronto, ON.

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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

If you would like further information on this sector, please contact Commercial Specialist Connie Irrera at Connie.Irrera@trade.gov; Tel: 514-908-3662.

Information and Communication Technology (ICT)

Overview

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- The ICT sector in Canada is composed of nearly 33,300 companies that generate over $155 billion in annual revenues.
- This sector is highly trade dependent; the United States is the top trading partner for exports at $10.9 billion and in the top two for imports at $12.3 billion in 2012.
- Measuring, Medical & Controlling Devices Manufacturing is the largest commodity group imported from the United States under the ICT banner, representing $3.3 billion and 61% of the Canadian market.

Opportunities

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- Government consolidation and streamlining of government data storage centers, email systems and in-house networks.

Sub-Sector Best Prospects

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Consumer:

- Near field communications & mobile commerce.
- Web TV.

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 2013: October 7 – 10, 2013, Ottawa, ON.
- SecureTech 2013: October 30 – 31, 2013, Ottawa, ON.

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Canadian Advance Technology Alliance
IDC Canada
Information and Communication Technology Council
Industry Canada
Information Technology Association of Canada

If you would like further information on this sector, please contact Commercial Specialist Tracey Ford at Tracey.Ford@trade.gov; Tel: 613-688-5406.

Pollution Control (POL) – Wastewater Treatment (WRE)

Overview
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- 40.3% of Canada's wastewater plants, pumping stations and storage tanks and 30.1% of Canada's pipes are suggested to be in fair to very poor condition in 2012.
- The cost to replace this infrastructure is $3,136 per household, or $39 billion.

Opportunities
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- Wastewater treatment facilities in Newfoundland Labrador, Quebec, Nova Scotia, British Columbia, Ontario, Alberta, Saskatchewan, the Yukon, and an additional 150 federally owned plants throughout Canada by 2020.
- First Nations Communities 18 water projects – $165 million in federal funding allocated.
- Capital Region District Wastewater treatment program ($783 million) Victoria, BC through 3 main projects:
    - McLoughlin Wastewater Treatment Plant.
    - Biosolids Energy Centre.
    - Conveyance System Upgrades.

Sub-Sector Best Prospects
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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:

- Canada Green Building Council: June 4 – 6, 2013, Vancouver, BC.
- GLOBE Environmental Expo: March 26 – 28, 2014, Vancouver, BC.

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TradeStats Express
Statistics Canada
Canadian Infrastructure Report Card
Canadian Water and Wastewater Association
Canadian Biosolids Partnership
Alberta Water and Wastewater Operators Association
Manitoba Water and Wastewater Association
Saskatchewan Water and Wastewater Association
Western Canada Section of the AWWA (American Water Works Association)
Western Canada Section of the Water Environment Association

If you would like further information on this sector, please contact Commercial Assistant Jared Byrne at jared.byrne@trade.gov; Tel: 403 265-2116.

Mining (MIN)

Overview

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- Canada is one of the world's leading mining countries and largest producers of minerals and metals. Non-metallic minerals will continue to dominate production, followed by coal and metallic minerals.
- Approximately 60% of the world's exploration companies are Canadian, spending more on exploration programs than any other country.
- The Canadian metals and 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% through 2015.
- About two-thirds of the mining equipment market, approximately $2 billion dollars in 2010, was supplied by U.S. exports. This is expected to grow to $2.62 billion by 2015.
- Canada remained the world's top destination for exploration spending in 2012 with 16% of the worldwide total budget.
- Canada's mining industry plans to invest $140 billion in projects over the next decade, with multiple billions in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Newfoundland and Labrador, Nunavut and the Northwest Territories.

Opportunities

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- Nord Pour Tous (North for Everybody) Mining Projects in the Province of Quebec – approx. 11 mining projects to be launched in the coming years with US$8.13 billion in investments.
- Mount Milligan Mine, BC: gold-copper mine construction started in 2010.
- Galore Creek Development, BC: copper/gold/silver mine; in feasibility study phase.
- Potash One's Legacy Project, SK: $2.8 billion awaiting environmental permits, financing.

Sub-Sector Best Prospects

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- 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:

- Canadian Institute of Mining, Metallurgy & Petroleum Show: May 5 – 8, 2013, Toronto, ON.
- Northern Mines Expo: May 29 - 30, 2013, Timmins, ON.
- Mining Excellence in Ontario: June 4 - 5, 2013, Toronto, ON.
- PDAC 2014: March 2 – 5, 2014, Toronto, ON.

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The Mining Association of Canada
Natural Resources Canada
Prospectors and Developers Association of Canada

If you would like further information on this sector, please contact Commercial Specialist Connie Irrera at Connie.Irrera@trade.gov; Tel: 514 908-3662.

Travel and Tourism (TRA)

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- Canada continued to deliver the largest inbound travel market to the United States in 2012 at 22.7 million visitors, up 6.4% from 2011.
- Canadian visitation is forecasted to increase 24% from 2011 – 2017.
- Canada ranks first in travel and tourism-related spending at $26.1 billion in 2012.
- Travel and tourism accounted for 45% of total services exports to Canada in 2012.

Opportunities

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- Strength of the Canadian dollar increases visitation to and purchasing power in the United States.
- Duty free allowances increased for Canadian travelers starting on June 1, 2012.
- 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.
- A long wait time for medical treatment in Canada increases the demand for medical treatment in the United States.

Sub-Sector Best Prospects

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- Cross-Border Shopping.
- Sightseeing.
- Sports Tourism.
- Time Share / Second Home Investment.
- Medical Tourism.

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

- Discover America Day, Media Marketplace: September 30, 2013, Toronto, ON.
- CT's World of Travel Shows, Discover America Pavilions 2013:
    - Toronto – September 30, 2013.
    - Montreal – October 1, 2013.
    - Calgary – October 2, 2013.
    - Vancouver – October 3, 2013.
- International Travel & Tourism Show: October 25-27, 2013, Montreal, QC.

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

If you would like further information on this sector, please contact Commercial Specialist Ruth Williamson at Ruth.Williamson@trade.gov; Tel: 416 595-5412, Ext. 238

Agricultural Sectors

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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

In 2012, U.S. agricultural exports to Canada reached a new record of $20.6 billion. U.S. agricultural exports to Canada accounted for 14.6 percent of total U.S. food and agricultural product exports of $141.3 billion. American products accounted for almost 61 percent of total Canadian agricultural imports in 2012.

During 2012 a number of consumer oriented agricultural categories posted record sales to Canada. The top 5 categories are red meats ($2.2 billion), fresh vegetables ($1.6 billion), fresh fruit ($1.8 billion), snack foods ($1.7 billion), and processed fruits and vegetables ($1.3 billion). Combined items in these categories accounted for 54 percent of total U.S. exports of consumer-oriented agricultural products to Canada.

U.S. fish and seafood exports to Canada reached $918 million in 2012. Despite being a major producer and world exporter of forest products, Canadian imports of U.S. forest products reached $2.4 billion in 2012. Combined, total U.S. farm, fish and forestry product exports to Canada reached a new record $23.9 billion in 2012. Total bilateral agricultural, fish and forestry trade between the U.S. and Canada reached $52.8 billion in 2012, more than $144.6 million per day.

Under the tariff elimination provisions of the North American Free Trade Agreement (NAFTA), the majority of U.S. agricultural products have entered Canada duty-free since January 1, 1998. On December 4, 1998 the United States and Canada signed a Record of Understanding, an agreement to further open Canadian markets to U.S. farm and ranch products. Some tangible benefits of the agreement are already accruing to the U.S. agricultural industry.

Canadian consumers enjoy a high disposable income, coupled with a growing interest in global cuisine and the country's wide ethnic diversity that provides broad food marketing opportunities. 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 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. Since U.S. food products match Canadian tastes and expectations there have been significant gains in the Canadian market for U.S. consumer ready 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

Canada's foodservice industry plays a key role in Canada's economy. With over $81 billion in sales, it accounts for nearly 5.0 percent of Canada's gross domestic product. It employs over 1.3 million people. With approximately 90,000 establishments (including hotels and other lodging facilities, restaurants, cafeterias, snack bars, pubs and caterers), the food service industry in Canada continues to provide excellent opportunities for U.S. food and beverage companies.

According to the Canadian Restaurant and Foodservices Association, Canada's foodservice sector will grow by approximately 4 per cent in 2013; however real growth after inflation and increased costs are taken into account is projected to total 1.5 per cent. The industry's growth is expected to be small as factors such as rising food prices and economic uncertainty continue to take their toll, causing more Canadians to eat at home and favor cheaper fast food locations over finer dining outlets.

Exports of U.S. food products to Canada's foodservice industry continue to demonstrate year on year increases. This is due in part to a strong links between American raw product suppliers and U.S. retail and distribution companies operating in Canada. A highly efficient truck-based transportation and distribution system allows the Canadian foodservice industry to procure U.S. food product offerings directly from U.S. manufacturers in a timely fashion while providing consistent quality and supply.

	2011	**2012 (Estimated)**	**2013 (Forecast)**
Total Market Size	63,453	65,483	68,102

(Millions of U.S. dollars)
Sources: Canadian Restaurant and Foodservices Association Foodservice Facts 2012

2. Snack Foods Return to top

Snacking continues to grow in importance in the Canadian market. In Technomic's 2012 "Canadian Snacking Consumer Trend Report," 56 per cent of respondents revealed that they snack at least twice per day. Foodservice outlets are responding by altering their menus; McDonald's snack wraps are an example. Snacking also blurs the line between traditional dayparts, which has caused some outlets to extend their service to allow for late-night options, longer breakfast hours, etc. As an extension of this, small plates and sharing meals are also becoming more popular in foodservice outlets. 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 2011 was seen in soft drinks, potato chips and gingerbread. Though not included in the snack foods category of trade numbers, U.S. exports of tree nuts to Canada also had a strong year. The varieties that posted the greatest growth included: chestnuts (309 per cent), cashews (108 per cent), and mixed nut combinations (104 percent). Almonds, walnuts and pecans remained the top nut exports.

	2011	2012 (Estimated)	2013 (Forecast)
Total Market Size	2,988	3,163	3,269
Total Local Production	2,572	2,623	2,675
Total Exports	159	163	169
Total Imports	399	409	424
Imports from the U.S.	336	343	355

(Millions of U.S. dollars)
Sources: FAS Global Agricultural Trade System, Euromonitor, Agriculture and Agri-Food

3. Fresh Vegetables

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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.

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

(Millions of U.S. dollars)
Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates

4. Fresh Fruit

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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.

Fresh Fruit	**2011**	**2012 (Estimated)**	**2013 (Forecast)**
Total Market Size	3,721	3,765	3,775
Total Local Production	748	675	700
Total Exports	212	260	250
Total Imports	3,185	3,350	3,325
Imports from the U.S.	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)**
Total Market Size	16,032	16,070	16,025
Total Local Production	18,250	18,000	17,950
Total Exports	4,671	4,700	4,675
Total Imports	2,453	2,770	2,750
Imports from the U.S.	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)**
Total Market Size	7,090	7,225	7,250
Total Local Production	6,927	7,000	7,025
Total Exports	1,741	1,875	1,900
Total Imports	1,904	2,100	2,125
Imports from the U.S.	1,127	1,225	1,235

(Millions of U.S. dollars)
Sources: Statistics Canada, Global Trade Atlas, and unofficial estimates

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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 (North America Free Trade Agreement). Canada has been phasing out the remaining Most Favored Nation (MFN) tariffs on imported machinery and equipment and intends to complete this process by 2015.

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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 border protection achieved through tariff-rate quotas (TRQs). Canada's supply management regime severely limits the ability of U.S. producers to increase exports to Canada above the TRQ levels and inflates the prices Canadians pay for dairy and poultry products. The United States has pressed for expanded in-quota quantities for these products as part of the negotiations regarding disciplines on TRQs in the World Trade Organization (WTO) Doha Round agricultural negotiations. One of the barriers created by Canada's dairy policies is ad valorem tariffs of over 200 percent on U.S. exports of cheese.

The Canadian Department of Foreign Affairs and International Trade (DFAIT) is responsible for the administration of all TRQs. Import permits are required and are allocated annually, free of charge, to several groups of qualified Canadian importers (such as historical, processors, distributors, and food service entities) who use the permits throughout the year. DFAIT charges a small processing fee for the issuance of permits and makes the list of the importing companies (quota holders), as well as other TRQ related information, publicly available on its website.

Under Canada's trade agreements, U.S. exporters enjoy duty-free access for the amounts of supply managed products shipped under the quantitative limits of the TRQs. A number of Canadian importers solicit U.S. exporters to pay considerable amounts of money so they can recover the so called "price of import permits". These requested amounts can represent more than 50 percent of the value of the product being exported. Canadian importers justify this as their cost of purchasing import permits from the original companies that received the permits from DFAIT and which do not intend to use them. While U.S. exporters have the latitude to engage in business transactions that they deem appropriate, Canadian importers often overcharge US businesses in their efforts to pass the cost of the import permits to the suppliers while collecting additional “rent”. The price differential between the strictly controlled Canadian and the open U.S. markets is typically amply sufficient to allow importers to recover the so called "price of import permits" without U.S. exporters paying any additional amount.

Early in 2008, Canada announced its intention to proceed with the implementation of the Special Safeguard (SSG) under the WTO Agreement on Agriculture for its supply-managed goods. The SSG is a provision that would allow additional duties to be imposed on over-quota trade when import volumes rise above a certain level, or if prices fall below a certain level. In 2010, Canada announced a number of price and volume triggers for its supply managed products. A list is provided on Agriculture and Agri-Food Canada's website. To date, Canada has not announced the price triggers for chicken and turkey products.

Restrictions on U.S. Grain Exports
Canada has eliminated its requirement that all registered variety of grain be visually distinguishable based on a system of Kernel Visual Distinguish ability (KVD) requirements. Despite this change, seed must still be registered for use in Canada and continues to limit U.S. export access to Canada’s grain market. For example, to date, only one U.S. variety of seed wheat has been approved for seed wheat use in Canada. It will take years before U.S. wheat varieties are able to complete the necessary field trials to determine whether they will be registered for use in Canada. The Canadian government, however, has expressed openness to revisiting the registration requirements due to recent changes to the Canadian Wheat Board which may result in increased demand by Canadian grain farmers to have access to U.S. wheat varieties.

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 travel to the U.S. for more than 24 hours can cross with C$200 worth of goods per person duty-free (the previous limit was C$50). Canada raised the duty-free limit for trips over 48 hours to C$800, (an increase from a C$400 limit for stays of up to one week and a $$750 limit for stays longer than seven days). The United States provides similar treatment for its returning travelers, but with a much more generous limit of $200 of duty-free goods after visits of less than 24 hours. However, the United States will continue to press Canada on the lack of parity in the personal duty exemptions for day shoppers. Canada currently provides no duty-exemption for returning residents who have been out of Canada less than 24 hours.

Wine and Spirits
In Canada, the Importation of Intoxicating Liquors Act gives power of the sale and distribution of alcoholic products to the provincial liquor boards or commissions and restricts interprovincial shipping of alcoholic beverages. This poses a challenge for companies as they must deal with each province separately and each has their own regulations and processes for obtaining a listing. Alberta is the only province that has

partially privatized it distribution system. Some obstacles that companies may run into include sales quotas, requirements for in-province agents and differences in labeling (including for allergens).

The Canadian Wheat Board

The United States has had longstanding concerns about the monopolistic marketing practices of the Canadian Wheat Board. In late December 2011, Canada passed legislation that ends the monopolistic practices for the Canadian Wheat Board as of August 1, 2012. Western Canadian wheat and barley farmers are now free to contract with whomever they wish for sales to be delivered on or after August 1, 2012. The legislation also requires that the CWB transition to a commercial enterprise within five years. If the CWB fails to do so, it will be dissolved.

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

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The Canada Border Services Agency website describes 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, which 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 qualifies 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.

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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.

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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.

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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

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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.

Health Canada restricts the marketing of breakfast cereals and other products, such as orange juice, that are fortified with vitamins and/or minerals at certain levels. Canada's regulatory regime requires that products such as calcium-enhanced orange juice be treated as a drug. The regime forces manufacturers to label vitamin- and mineral-fortified breakfast cereals as "meal replacements," which imposes costs on manufacturers who must make separate production runs for the U.S. and Canadian markets.

Restrictions on Container Sizes
Processed Products Regulations prescribe standard container sizes for a wide range of processed fruit and vegetable products. Canadian law requires manufacturers of baby food to sell in only two standardized container sizes: 4.5 ounces and 7.5 ounces. The requirement to sell in container sizes that exist only in Canada makes it more costly for U.S. producers of baby food to export their products to Canada. In January 2010 Canada Court of Appeals reversed a lower court decision that would have allowed Gerber to test market baby-food in jar sizes that were not permitted under the Canadian rules. Other companies such as Campbell Soup and Dole have expressed interest in test-marketing “innovative-sized” products in Canada. The United States has had long-standing, high-level interest.

Canada announced in its 2012 budget that it would repeal standardized container size regulations for food products. The timeline for implementing the new regulations continues to be extended, however, and the regulations have not been repealed to date. The Canadian Food Inspection Agency announced in November 2012 its plans to launch formal consultation in 2013 as part of the regulatory amendment process. Existing regulations for food container sizes will remain in force until the review process is complete.

Cheese Compositional Standards
In 2008, the Canadian government passed amendments to its Food and Drug Regulations and Dairy Products Regulations that altered the compositional requirements for cheese. Among U.S. concerns are that the requirements could significantly reduce the market access for milk protein concentrates, thereby potentially negatively affecting access for U.S. dairy to the Canadian market. The focus in 2009 centered on the pending outcome of domestic litigation in Canada. In October 2008, Canadian dairy processors petitioned the federal court of Canada for judicial review of the cheese requirements. The dairy processors asked the court to find the regulations invalid and without legal effect, arguing among other things that the regulations were promulgated for the purpose of providing an economic benefit to dairy producers at the expense of dairy processors and others. The court issued an opinion on October 7, 2009 which upheld the government’s authority to issue the standards. This may have an effect on issuance of additional standards for other dairy products.

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 two provinces have laws mandating 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 from going outside of Canada. This policy precludes some new technologies such as “cloud” computing providers from participating in the procurement process.

Business travelers should also be aware of Canadian restrictions on the importation of controlled substances and firearms. Further information is available from the U.S. State Department webpage "Tips for Travelers to Canada."

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Canadian customs regulations and information are available from the Canada Border Services Agency webpage at www.cbsa-asfc.gc.ca.

Standards

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Overview

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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.

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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/

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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 and Service Certification

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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/

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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.

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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 (NSCSI) 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.

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

Doug Jacobson
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: Doug.Jacobson@trade.gov
Website: http://www.buyusa.gov/canada

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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 10 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, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

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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 francaise
Canada Border Services Agency
Canadian Standards Association
Underwriters Laboratories of Canada
Canada General Standards Board
Bureau de Normalisation du Québec
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Standards Council of Canada
SCC Standards Alerts
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Openness to Foreign Investment

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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.

The Canadian government estimates that foreign investors control about one quarter of Canada's non-financial corporate assets. The stock of global foreign direct investment in Canada stood at $595 billion in 2011, an increase of 1.7 percent from 2010. The stock of U.S. investment in Canada stood at $318.9 billion in 2011, accounting for 53.5 percent of Canada’s total stock of foreign direct investment.

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). Canada announced significant changes to the ICA in December 2012 designed to limit state-owned enterprise (SOE) investment in Canada's vast oil and gas resources. Foreign investment is prohibited or restricted in several key sectors of the economy. Canada's economic development is related to foreign investment flows.

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 2013 is $344 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 investment rules for state-owned enterprises (SOEs) in December 2012. 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. The new rules stipulate that future SOE bids to acquire control of a Canadian oil-sands business will be approved on an "exceptional basis only." Canada also altered its definition of an SOE to include entities that are *influenced directly or indirectly* by a foreign government. Canada will monitor future SOE transactions greater than $330 million in all sectors. 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 also announced in December that it will provide the Industry Minister with additional flexibility to extend the timelines for national security reviews, but did not provide further details. 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 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 reviewed several 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 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 decision marked only the second time Canada has turned down an investment offer since the ICA came into force more than 25 years ago.

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. 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. 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 $56 billion in 2011, while Canada's services exports to the United States totaled more than $28 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.

Canada adheres to Investment and Regional Benefits (IRB) policies, which ensures that any company awarded a Canadian defense and security contract must invest in Canadian business activities at a value equal to 100 percent of the contract. This investment can be achieved, for instance, through the purchase of goods and services from Canadian companies. Canada has more than 60 defense and security projects underway with IRB obligations, representing approximately $20 billion in investment in the Canadian business community.

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. The provinces expanded the AIT to include improvements for labor mobility and dispute resolution in January 2009.

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.

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 has come under pressure from Canada's traditional broadcasters to impose Canadian content requirements on "over-the-top" (OTT) providers such as Netflix, iTunes, and Google Video. The CRTC has not found sufficient cause to pursue regulatory restrictions on OTT providers, but has pledged to closely monitor the impact of OTT providers on the Canadian broadcasting environment.

The CRTC denied a major Canadian broadcaster from acquiring 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.

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 and
- 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 intent to submit a claim under NAFTA Chapter 11 in November 2012, 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, direct foreign ownership of Type 1 carriers (owners/operators of transmission facilities) is limited to 20 percent. Ownership and control rules are more flexible for holding companies that wish to invest in Canadian carriers. Under these rules, two thirds of the holding company's equity must be owned and controlled by Canadians.

Canada pledged in 2010 to further open its telecommunications industries to foreign investment and is considering three options to liberalize the sector: increasing the ownership limitation to 49 percent, eliminating ownership restrictions for carriers with less than 10 percent market share, and completely removing all ownership restrictions. 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. Canada announced in March 2012 that it would cap the amount of spectrum that large incumbent companies could purchase at the next auction in an effort to facilitate greater competition in the sector. Canada plans to hold the next 700 Mhz spectrum auction in the first half of 2013, to be followed by the 2500 Mhz spectrum auction within a year.

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. The panel did not uphold part of the

Japanese and European Union's complaint which stipulated that the Act constitutes an illegal subsidy.

A wind power company owned by a New York-based investment group filed a NAFTA Chapter 11 notice of intent to submit a claim against Canada in October 2012 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. There is no constitutional protection for property rights in Canada. Consequently, 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. Plan Nord 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, Invistissement Quebec, to attract and partner with foreign investors to develop projects under Plan Nord. 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

Index	Year	Metric	Ranking
TI Corruption Index	2012	CPI Score 84	9
Heritage Economic Freedom	2012	Overall Score 79.9	6
WB Ease of Doing Business	2013		17
(MCC Indices Not Applicable)			

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

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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

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Investors have full rights to private ownership.

Protection of Property Rights

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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.

The United States has listed Canada on the U.S. Special 301 Report's Priority Watch List since 2009. The April 2012 report cites concerns related to Canada's failure to implement key copyright reforms, particularly the World Intellectual Property Organization (WIPO) Internet treaties, which Canada signed in 1997. Canada passed the Copyright Modernization Act in June 2012. The Act will come into force following additional legislative procedures and regulatory action. The report also notes that Canada has failed to enact legislation that would allow Canadian border enforcement officials the *ex officio* authority to initiate investigation or legal action for criminal counterfeiting and piracy cases. Canada signed the Anti-Counterfeiting Trade Agreement (ACTA) in October 2011, which obligates it to grant border officials *ex officio* authority, and intends to introduce domestic legislation to meet its ACTA commitments.

U.S stakeholders have expressed strong concerns about Canada's administrative process for reviewing the regulatory approval of pharmaceutical products, and limitations in Canada's trademark regime. Canadian court decisions, including Supreme Court decisions in cases where pharmaceutical patents were challenged have raised concern in the U.S. pharmaceutical industry. One U.S. pharmaceutical company formally served a notice of intent to submit a claim to arbitration under NAFTA Chapter 11 in November 2012 after its patent was invalidated. Another pharmaceutical patent was voided in November 2012 by a Supreme Court decision.

Transparency of Regulatory System

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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.

Efficient Capital Markets and Portfolio Investment

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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

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Canada has approximately 100 state-owned enterprises (SOEs), however the vast majority of assets are held by four federal crown corporations: Canada Mortgage and Housing Corporation; Farm Credit Canada; Business Development Bank of Canada; and Export Development Canada. The Treasury Board Secretariat provides an annual report to Parliament regarding the governance and performance of Canada's 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 approximately $16 billion in 2012. It is invested in a globally diversified portfolio of public and private equity, fixed income and real assets.

Corporate Social Responsibility

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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

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There were no reports of widespread or systemic human rights abuses. The government took steps to prosecute and punish all government officials who committed abuses.

Corruption

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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 host country 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. This country is party to [add instrument to which this country is party], 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 April 2013, there are 40 parties to the Convention including the United States (see http://www.oecd.org/daf/antibribery/countryreportsontheimplementationoftheoecdanti-briberyconvention.htm). 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. [Insert information as to whether your country is a party to the OECD 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. [Insert information as to whether your country is a party to the UN Convention.]

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 April 2013, the OAS Convention has 34 parties (see http://www.oas.org/juridico/english/Sigs/b-58.html) [Insert information as to whether your country is a party to the OAS Convention.]

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 April 2013, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

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. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: http://www.ustr.gov/trade-agreements/free-trade-agreements.]

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 host 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.

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.

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. 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 Commerce, U.S. Department of Commerce, Website, at http://www.commerce.gov/os/ogc/international-commerce. 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/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

- 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/international-commerce.

- 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. 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/publications/gcr.

- 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://info.worldbank.org/governance/wgi/index.asp. 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/reports/global-enabling-trade-report-2012.

- 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 a dozen other countries, including India. Canada signed a FIPA with China in September 2012, after nearly two decades of negotiations. Canada views China as an increasingly important trade and investment partner. Canada also concluded FIPA negotiations with Senegal, Tanzania, and Benin in 2012 and brought into force a FIPA with the Slovak Republic in March 2012.

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 7.1 percent at the end of 2012, the lowest percentage in four years but 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 December 2012 at 11.5 percent, while Alberta recorded the lowest at 4.5 percent.

Canada's labor unions have clashed with the government and corporations on several occasions over the past two years. 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. A Canadian locomotive company based in London, Ontario and owned by an international manufacturer of construction and mining equipment, locked-out more than 450 employees in January 2012. The lockout began after the Canadian Auto Workers Union (CAW) rejected the company's proposed contract for the factory's workers, which would have substantially reduced wages, benefits, and eliminated the worker's pension plan. The locomotive company announced its decision to close its plant in February 2012. A truck and engine manufacturing company based in Illinois closed its plant in Chatham, Ontario in August 2011 after failing to reach a new collective bargaining agreement. The plant had been idle for more than two years as CAW and the company attempted to negotiate a new agreement

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 top target for foreign investment, and Canada is the third largest recipient of U.S. direct investment after the Netherlands and the United Kingdom respectively.

About 53.5 percent of Canada's foreign direct investment comes from the United States. At the end of 2011, Canada's stock of U.S. FDI was $318.9 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 3.0 percent of the world's FDI in 2011.

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 11.9 percent ($22.5 billion) in 2011 to $210.8 billion. The United States' share of CDIA in 2011 was 31.4 percent.
Other major destinations for Canadian FDI are the United Kingdom, other European Union countries, Brazil, Australia and Chile.

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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

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Chapter 7: Trade and Project Financing

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- 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)

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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

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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. In 2012, there were 24 domestic banks, 25 foreign bank subsidiaries, 24 full service foreign bank branches and 5 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 6,100 branches and 16,881 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. In 2012, ABMs logged over 885 million transactions.

Foreign-Exchange Controls

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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

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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

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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).

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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

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Chapter 8: Business Travel

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- Telecommunications
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- Language
- Health
- Local Time, Business Hours and Holidays
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- Web Resources

Business Customs

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Business customs in Canada are very similar to those in the United States. Initial meetings are generally formal and an exchange of business cards is expected. The use of a PowerPoint presentation or other technology during a sales presentation is common. In Canada, English and French are both official languages of business. However, all international business is conducted in English. Business culture varies somewhat throughout Canada depending on the region. Most Canadians identify themselves very strongly with their province. U.S. business travelers to Canada should keep this in mind and familiarize themselves with the culture, history and geography of the province when developing personal contacts in business dealings. The most important thing is to make a good first impression in any sales communication, and sell the reliability and honesty of yourself and your company before trying to sell your product or service.

Travel Information/Advisory

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The State Department posts the latest Country Specific Information for Canada with information on such matters as the health conditions, crime, unusual customs regulations, entry requirements, and the location of the nearest U.S. Embassy and Consulates. In addition, the State Department issues travel warnings alerting Americans to conditions that may warrant changes in travel plans or to avoid a certain country or area of a country.

Americans living or traveling in Canada are encouraged to enroll in the Smart Traveler Enrollment Program (STEP), to receive current important safety and security announcements, make it easier to contact American citizens by the Embassy or Consulate.

Visa Requirements

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Entry into Canada is solely determined by Canadian Border Services Agency (CBSA) officials in accordance with Canadian law. Please see the 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 U.S. citizen travelers to Canada do not have a passport, passport card or approved alternate document such as a NEXUS card, they must show a government-issued photo ID (e.g. Driver's License) and proof of U.S. citizenship such as a U.S. birth certificate or naturalization certificate. Children under 16 need only present proof of U.S. citizenship. A visa is not required for U.S. citizens to visit Canada for up to 180 days. Anyone seeking to enter Canada for any purpose other than a visit (e.g. to work, study or immigrate) must qualify for the appropriate entry status, and should contact the Canadian Embassy or nearest consulate. Because visas may take several weeks to process, applications should be submitted as far in advance of the trip as possible.

When returning to the United States from Canada, U.S. citizens are required to present valid U.S. passports to enter or re-enter the United States via air. For entry into the United States via land and sea borders, 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, or other youth group) need only present a birth certificate (original, photocopy or certified copy), 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 recent information on WHTI and WHTI-compliant documents, please see the State Department's website, or either www.cbp.gov or www.uscis.gov.

Canadian citizens are exempt from needing visas to travel to the United States in most cases Treaty Trader/Investor visas for Canadian citizens are processed in the consular sections in Toronto, Vancouver and Calgary. U.S. companies that require travel of foreign business persons to the United States should be advised that visa processing times vary occasionally requiring additional time for administrative processing. For more information on visas, visit the following links for information:

United States Visas: http://travel.state.gov/visa/visa_1750.html

Consular Section of the U.S. Embassy in Canada:
http://canada.usembassy.gov/consular_services.html

Telecommunications Return to top

Telecommunications networks are highly sophisticated in Canada and comparable with those of 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 plans allow for roaming within Canada. 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. An excellent highway and freeway system exists within 200 miles of the U.S. border that connects with major U.S. interstate highways at the border and supports heavy truck, bus and automobile traffic. While all cities have reasonably priced public transport systems, Canada is as much an "automobile society" as is the United States. 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 in winter should make sure that they are equipped with winter tires (mandatory in Quebec) since all-season tires start losing traction in cold weather.

The Trans-Canada Highway is a federal-provincial highway system that joins the ten provinces of Canada. The Trans-Canada Highway is one of the world's longest national highways, with the main route spanning 8,030 km (4,990 mi). The system was enacted by the Trans-Canada Highway Act of 1948. It officially opened in 1962 and was finally completed in 1971. The highway system is recognizable by its distinctive white-on-green maple leaf route markers.

Canada's truck, air and rail services are fully integrated with U.S. networks, providing efficient access to consumers and suppliers throughout North America. Canada is ranked number one for road provision among all G7 countries. The Trans-Canada Highway is the longest highway in the world at 7,821 km, linking all 10 provinces.

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 service.

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, as a country, 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 of 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

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The level of public health and sanitation in Canada is high. Canada's medical care is of a high standard but is government-controlled and rationed. Quick and easy access to ongoing medical care is difficult for temporary visitors who are not members of each province's government-run health care plans. 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 speak only 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, obtain a receipt and description of the treatment, and 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

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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.

NOTES:

1. In Canada, if a holiday falls on a Saturday or Sunday it is observed the following Monday.
2. Most of Canada, like the United States implement daylight savings time established in 2007.
3. The province of Quebec observes January 2 as a statutory holiday.

Temporary Entry of Materials and Personal Belongings

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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.

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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

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Chapter 9: Contacts, Market Research and Trade Events

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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
Fax: (514) 398-0711
Contact: Rick Ortiz, Deputy Senior Commercial Officer – (613) 688-5222

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: Frank Carrico, Principal Commercial Officer – Ext 222
Contact: Doug Jacobson, Deputy Principal Commercial Officer – Ext 236

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

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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.

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

http://www.export.gov/tradeevents/index.asp
http://www.export.gov/canada

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling 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

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

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).**

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