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Canada

2017

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Doing Business in Canada

Market Overview

The United States and Canada enjoy the world's largest and most comprehensive trading relationship that supports millions of jobs in each country. The United States and Canada share a \$1.3 trillion bilateral trade and investment relationship: two-way trade in goods and services totaled nearly \$635 billion in 2016, and bilateral investment stock reached nearly \$698 billion. U.S. exports to Canada were \$321 billion in 2016, or 15 percent of total U.S. exports. Over thirty U.S. states rank Canada as their number one export market. In 2016, U.S. exports to Canada exceeded total U.S. exports to China, Japan, South Korea, and Singapore combined. Whether your company is a first-time or seasoned exporter, Canada should be a key component of your company's export growth strategy.

Growth in the U.S. economy translates into growth in Canada: 19 percent of Canada's GDP results from sales of goods exported into the United States. For example, per *Business Insider*, Canada exports more goods to the State of Michigan than it does to all European Union member countries. Twenty-three U.S. states name Canada as their number one source of imports.

Approximately 380,000 people cross between the countries every day by all modes of transport. American travelers made 12.5 million trips to Canada in 2015, spending nearly \$7 billion. Canada is the largest foreign supplier of oil, natural gas, and electricity for the United States. In 2016, more than 40 percent of the United States' crude oil imports came from Canada.

Education remains a top service export sector in the bilateral trade relationship: [27,000 Canadian students attended U.S. schools in the 2015-16 academic year](#), and more than 12,000 American students studied in Canada in 2015.

Principal U.S. exports to Canada in 2016 were (listing value and percentage of total exports): vehicles (\$47.6 billion/18.1%); nuclear reactors, boilers, and machinery (\$42.8 billion/15%); electric machinery (\$24.8/9%); mineral fuel and oil (\$21.3/5.8%); and plastics (\$12.6 billion/4.6%).

The United States is Canada's primary source of foreign direct investment (FDI), with investment stock from the United States totaling \$352 billion in 2015. Canadian FDI in the United States was \$341 billion in 2015, making Canada the United States' third-largest source of FDI. Canadian investments in U.S. industrial sectors are predominantly found in information technology, financial services, professional services, industrial machinery, transportation, and food/tobacco. As of 2014, U.S. affiliates of majority Canadian-owned firms employed than 621,400 U.S. workers, spent more than \$500 million in research and development at U.S. organizations

and universities, and contributed more than \$12.8 billion toward total value of goods exported by the United States.

Canada is a highly receptive, open, and transparent market for U.S. products and services, with Canadians spending more than 60 percent of their disposable income on U.S. goods and services. The nations share a similar lifestyle, engendering a certain level of cultural familiarity; Americans and Canadians “speak” the same language, literally and figuratively. Canada’s two official languages are English and French; however, English is almost universally spoken, facilitating business communication.

In fields ranging from security and law enforcement to environmental protection to free trade, the two countries work closely together on multiple levels, from federal to local. Close geographic proximity and initiatives between our governments such as Beyond the Border, Regulatory Cooperation Council, and Trusted Traveler programs make cross-border business increasingly seamless.

Market Challenges

Canada remains among the most accessible markets in the world for U.S. exporters, yet the country’s subtle but important differences from the United States can trip up the unprepared. U.S. exporters must understand differing provincial regulations, conduct due diligence on market potential and sales channels, comprehend labeling and packaging requirements and certification standards and customs procedures, and in general must educate themselves on unique industry matters relevant to selling their goods or services in Canada. Exporters should be prepared for Canada Customs documentation, bilingual labeling, and packaging requirements, Canadian federal and provincial sales tax accounting and, in some cases, should be aware of International Traffic in Arms Regulations (ITAR).

Canadian federal, provincial, and municipal procurement procedures, although open in principle to U.S. bidders, vary from the procedures in the United States. Bidders must be registered in Canada to bid, and must fulfill all Canadian requirements to be awarded contracts (mandatory requirements are non-negotiable). In some cases, security clearances are required for personnel prior to submitting a bid, and in defense projects there may be requirements for offsets (known as Industrial Technical Benefits or ITBs). For further information, refer to the [Government of Canada’s “ITB Policy: Value Proposition Guide” document](#).

Increasing competition in several sectors such as cosmetics, vitamins, electronics, and home furnishings translates into a need for competitive pricing, provocative and imaginative 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 to offer end users after-sales support.

Market Opportunities

U.S. exporters are finding new business opportunities in several of Canada's key industrial, governmental, and consumer sectors. Public-Private Partnership (P3) opportunities exist within Canada's public infrastructure and government projects. For example, the [Defence Production Sharing Agreement](#) allows for U.S. and Canadian companies to jointly work on research and produce aircraft components for the defense industry.

In consumer product sectors, Canada's wide ethnic diversity and high level of consumer disposable income provide broad food and consumer goods selling opportunities. Bridging all the country's industrial, governmental, and consumer buying channels is e-Commerce, a large opportunity for U.S. exporters who seek to access the Canadian market. Furthermore, SMEs are shifting rapidly to the internet for business purchases. Businesses purchase approximately 34% of office supplies online. Most Canadian retail firms have adopted wireless technologies and internet-based systems to improve business-to-business and business-to-consumer relations.

Mechanisms for facilitating trade at the Canada-United States border include pre-inspections and associated technological advances. Streamlined regulatory requirements will improve and expand just-in-time delivery of goods and services, and will strengthen and expand supply chains. This will provide enhanced opportunities for U.S. firms seeking to enter the Canadian aerospace and automotive sector supply chains.

Commercial opportunities exist in Canada's energy and environmental industries, including in oil and gas, renewable energy, mining, and environment-related sectors. However, as of this writing, low global crude oil prices have had a significant impact on the Canadian economy, and the current market is stressed by a growing demand for pipeline access and rolling stock, which is needed for increasing volumes of oil and gas produced in Canada to reach markets.

Market Entry Strategy

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

If your company is new to the Canadian market, contact the [U.S. Commercial Service Canada](#) to obtain information and assistance. Or confer with a U.S. Commercial Service trade professional in one of our 108 domestic offices. An office directory may be found at [Export.gov's "Offices in the U.S." webpage](#).

Political and Economic Environment

Political Environment

U.S.-Canada Relations

The United States and Canada share the longest international border in the world and their bilateral relationship is one of the closest and most extensive. It is reflected in the high volume of bilateral trade. In fields ranging from security and law enforcement to environmental protection to free trade, the two countries work closely together on multiple levels, from federal to local.

U.S. defense arrangements with Canada are more extensive than with any other country. The Permanent Joint Board on Defense provides policy-level consultation on bilateral defense matters. The United States and Canada share North Atlantic Treaty Organization (NATO) mutual security commitments, and the United States and Canadian military forces cooperate on continental defense within the framework of the binational North American Aerospace Defense Command (NORAD).

The Beyond the Border initiative outlines a cooperative vision for perimeter security and economic competitiveness. The United States and Canada work in partnerships within, at, and away from our borders to achieve enhanced security and accelerate the legitimate flow of people, goods, and services between our two countries. This effort includes collaboration under four pillars: addressing threats early; facilitating lawful trade and travel; law enforcement collaboration; and resilience and cybersecurity. Extensive law enforcement ties include collaboration in risk assessment/analysis, incident management, and coordinated messaging. Successful joint law enforcement programs with Canada include the Border Enforcement Security Taskforces (BEST) and the Shiprider Integrated Cross Border Maritime Law Enforcement program. In addition, the Cross-Border Crime Forum (CBCF), co-chaired by DHS, DOJ, and their Canadian counterparts, meets to address issues pertaining to the intersection of cross-border law enforcement and prosecution.

U.S. Customs and Border Protection (CBP) conducts preclearance operations at eight Canadian airports, allowing air travelers to complete customs and immigration procedures before boarding flights to the United States.

The United States and Canada cooperate closely to resolve and manage transboundary environmental and water issues. A principal instrument of this cooperation is the International Joint Commission, established under the 1909 Boundary Waters Treaty. The United States and Canada have hundreds of environmental partnerships at the local, state, and federal levels. These partnerships include the Great Lakes Water Quality Agreement to protect water quality and ecosystem health, and the Columbia River Treaty to regulate and

manage the Columbia River as it flows from British Columbia into the United States. The two countries cooperate on a range of bilateral fisheries issues and international high seas governance initiatives, and are both founding members of the Arctic Council.

The bilateral Clean Energy Dialogue is charged with expanding clean energy research and development, developing and deploying clean energy technology, and building a more efficient electricity grid based on clean and renewable energy.

U.S. Assistance to Canada

The United States provides no foreign assistance to Canada.

Bilateral Economic Relations

The United States and Canada share the world's most comprehensive and integrated trading relationship, supporting millions of jobs in communities on both sides of the border. Canada is the single largest foreign supplier of energy to the United States. Canada has the third largest crude oil reserves, after Saudi Arabia and Venezuela; and is the only non-OPEC member in the top five. Canada and the United States operate an integrated electricity grid under jointly developed reliability standards. Uranium mined in Canada helps to fuel U.S. nuclear power plants.

The North American Free Trade Agreement (NAFTA) among the United States, Canada, and Mexico reduced trade barriers and established agreed upon trade rules. It liberalized rules in several areas including agriculture, services, energy, financial services, investment, and government procurement. The Regulatory Cooperation Council, established in 2011, seeks to stimulate trade by increasing bilateral regulatory transparency and cooperation and eliminating unnecessary differences and duplication that hinder trade and investment. On May 18, 2017, the U.S. Administration formally notified Congress of its intent to renegotiate the NAFTA.

Canada and the United States have one of the world's largest investment relationships. The United States is Canada's largest foreign investor, and Canada is the third-largest foreign investor in the United States. U.S. investment is primarily in Canada's mining and smelting industries, petroleum, chemicals, the manufacture of machinery and transportation equipment, and finance. Canadian investment in the United States is concentrated in finance and insurance, manufacturing, banking, information and retail trade, and other services.

Bilateral trade disputes are managed through bilateral consultative forums or referral to NAFTA or World Trade Organization (WTO) dispute resolution procedures.

The United States has encouraged Canada to strengthen its intellectual property laws and enforcement.

Canada's Membership in International Organizations

In addition to their close bilateral ties, Canada and the United States cooperate in multilateral fora, including international efforts to combat terrorist financing and money laundering. The two countries belong to many of the same international organizations, including the United Nations, NATO, WTO, G7, G20, Organization for Security and Cooperation in Europe, Organization for Economic Cooperation and Development, Organization of American States, and Asia-Pacific Economic Cooperation forum.

Bilateral Representation

Elizabeth Moore Aubin is the Chargé d'Affaires of the U.S. Mission to Canada.

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Selling U.S. Products and Services

Using an Agent to Sell U.S. Products and Services

Although large industrial equipment is usually purchased directly by end users, nearly all smaller equipment, goods and related services, and industrial supplies are frequently imported by wholesalers, exclusive distributors, or 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.

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 to whom you can market directly. Manufacturers' agents can also play a role in consumer goods sales.

Locating Partners and Customers

U.S. Commercial Service offices in Canada can assist U.S. firms in locating qualified potential partners through customized matchmaking programs, such as Single Company Promotions, industry trade events, International Partner Search, and Gold Key Service. For additional information, please see the [U.S. Commercial Service Canada's "Office Location" webpage](#).

Establishing an Office

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. For additional information, visit the [Government of Canada's Corporations Canada website](#).

Private or public corporations incorporated federally under the Canada Corporations Act may operate nationally or in several provinces. Provincial and territorial legislation requires you to register your corporation in each province and territory in which it will conduct business. For more information, visit the [Government of Canada's Corporations Canada website Provincial and Territorial Registrar information webpage](#) and the [Justice Laws Website's "Canada Corporations Act" webpage](#).

While incorporating your federal corporation online, you can at the same time register your corporation in the provinces of Ontario, Nova Scotia, Saskatchewan,

and Newfoundland and Labrador. Registration fees are minimal and vary by province. For more information, visit the [Government of Canada's Corporations Canada "Provincial Registration of Federal Business Corporations" information page](#).

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 should contact the [Office Québécois de La Langue Française \("Quebec Office of the French Language"\)](#) that helps companies comply with Quebec's language laws.

Franchising

Per the Canadian Franchise Association (CFA), Canada's franchising sector now includes approximately 1,300 franchises and more than 78,000 individual units with a wide range of franchising opportunities ranging from restaurants and non-food retail establishments to automotive product retailers and purveyors of business services. The franchise sector in Canada generates approximately \$68 billion every year. Fees can range from less than \$5,000 to more than \$75,000. Individual investments can range from less than \$10,000 to more than \$1,000,000.

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. For more information, please visit the [Canadian Franchise Association's website](#).

Although there are no federal franchise laws, six provinces (Alberta, British Columbia, Manitoba, New Brunswick, Ontario, and Prince Edward Island) have franchise-specific legislation to enable small business investors 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 legal remedies regarding court action. Similar legislation is under consideration in other provinces.

To learn more about provincial franchising laws, please visit the website of [The Association of Corporate Counsel \(ACC\)](#), a global bar association of in-house counsel. Also, visit [CFA's "Franchise Legislation" webpage](#).

Direct Marketing

In general, direct marketing techniques that succeed in the United States are also effective in reaching Canadian audiences. Tapping into this market can be as easy as placing an advertisement in a magazine or on the internet.

To learn more, please visit the [Canadian Marketing Association](#) and [Direct Marketing News](#)' websites. Both are widely considered to be leading sources of information about direct marketing in Canada.

Joint Ventures/Licensing

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](#). For most new ventures, foreign investors need only notify the Canadian government of their investment. Foreign licensors do not require registration or public disclosure.

Selling to the Government

Canada is a signatory to three international agreements relating to government procurement: the World Trade Organization (WTO) Agreement on Government Procurement (GPA), the North American Free Trade Agreement (NAFTA), and the 2010 United States–Canada Agreement on Government Procurement. The current agreements provide U.S. businesses with access to procurement conducted by most Canadian federal departments and many provincial entities. U.S. suppliers have access under these trade agreements to procurement by seven of Canada's Crown Corporations, which are government organizations that operate following a private sector model, but generally have both commercial and public policy objectives. Canada currently has more than 40 Crown Corporations.

[Public Services and Procurement Canada \(PSPC\)](#), formerly known as Public Works and Government Services Canada (PWGSC), is the government's largest purchasing organization, averaging 60,000 transactions and purchasing more than US\$14 billion in goods and services annually. PSPC buys goods for several federal government departments; most departments buy services themselves.

The [Canadian government has instituted an “Integrity Regime”](#) for public procurement managed by PSPC. This policy can restrict opportunities for firms that have been convicted of or pled guilty to corruption anywhere in the world.

The Canadian federal government's official, free, internet-based electronic tendering service is [Buyandsell.gc.ca](#). It is the authoritative source for federal government procurements that are subject to trade agreements or subject to departmental policies that are below trade agreement thresholds. Features of the website include:

- Search for opportunities using simple, plain language search terms to match your good or service to available tenders.

- Narrow search results to opportunities by region, Goods and Services Identification Number (GSIN), department, and more.
- Locate procurement information for any tender, such as previous contracts or pre-qualified suppliers who hold standing offers or supply arrangements.

Federal government buyers use the [Supplier Registration Information \(SRI\)](#) service to identify potential suppliers for purchases that are not subject to any of the trade agreements. All sellers must be registered on the SRI to sell to the Government of Canada.

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

Selling to Provincial Governments

For a complete listing of where to find government procurement tenders for all provincial governments in Canada, please contact Senior Commercial Specialist Lucy Cicero Latka via email at Lucy.Latka@trade.gov.

Distribution & Sales Channels

Most sales to Canadian companies are handled through relatively short marketing channels; 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 in or near two or three major cities. Canada's consumer goods market is more widely dispersed than its industrial market. From a regional perspective, the country may be divided geographically into distinct markets, plus the territories, defined as follows: Ontario, Quebec, the West, Atlantic Canada, and Northern Canada.

Express Delivery

Canada has many of the same express delivery providers as the United States. U.S. Government statistics show that approximately \$1.8 billion of goods and services cross the Canada-U.S. border each day. With this volume of trade, express delivery providers are an experienced and reliable means of cross-border shipping. Transit time for express services between most major U.S. and Canadian cities ranges from overnight to three days. Transit time may be longer if the goods being transported require additional processing at customs (import/export clearances). It is important to define clearly the goods being shipped. In addition to private delivery companies, Canada has a robust and reliable federal mailing system, Canada Post. Additional information can be found through the following organizations:

[Canada Border Services Agency \(CBSA\) - Import Commercial Goods](#)

[Canada Border Services Agency \(CBSA\) – Service Providers](#)

[Canada Post](#)

On March 10, 2016, the [U.S. Customs and Border Protection \(CBP\)](#) raised the value of the [de minimis exemption](#) from US\$200 to US\$800 for goods shipped from Canada to U.S buyers. This exemption applies to a shipment of merchandise imported by one person on one day that generally may be imported free of duties and taxes. The US\$800 rate set by the U.S. CBP is among the highest allowable thresholds in the world. For goods shipped from the United States to Canada buyers, the *de minimis* threshold is C\$20, or about US\$15. This threshold was originally set in the early 1980s, before the advent of online retailing, and remains the lowest in the industrialized world and among the lowest globally.

Selling Factors and Techniques

Canadian buyers expect reasonable payment terms, sophisticated or cutting-edge technologies, on-time delivery, and competitive pricing and quality. After-sales service and support and training are also important to Canadian enterprises. Most conventions that apply in business culture in the United States apply in Canada. These conventions include setting up meetings in advance, being prepared, arriving on time, and wearing appropriate business attire.

It is important to treat Canada as a unique market. Having an understanding of Canada's culture, history, and geography will be helpful for developing business 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. The information can include the use of recycled materials, organic content, sustainable production techniques, and use of local production.

eCommerce Overview

As one of the world's heaviest users of the internet, Canadians have embraced electronic commerce amid a major disruption in retail channels. Per eMarketer, as of March 2017, retail e-commerce sales totaled approximately C\$1.2 billion. Retailers are investing in digital platforms to reach consumers dispersed over a vast land mass while responding to competition from global e-tailers such as Amazon. In fact,

by 2015, 84 percent of Canadians had purchased something online and more than 20 percent of Canadians shopped online about once per month. It is estimated that there will be 20 million digital buyers in Canada who will spend \$50 billion annually online by 2019, representing 10 percent of all retail purchases in Canada. Twenty-seven percent of Canadians have shopped online once a month and it is estimated that the e-commerce industry will reach C\$50 billion by 2020, representing 10 percent of all retail purchases in Canada.

Statistics

Table: Canada eCommerce Information

Capital	Ottawa, Ontario
Population	36.6 million (2017)
Currency	Canadian dollar (CAD)
Language(s)	English, French
Internet Penetration	88.5 percent or 32.1 million people (2016)
National Domain	.ca

Contact Information

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Current Market Trends

Canadian consumers increasingly rely upon the internet to place orders. For the past decade, internet consumer sales have risen at a far higher rate than traditional retail sales. Most Canadian retail firms have adopted wireless technologies and internet-based systems to improve business-to-business 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.

The Canadian e-commerce market closely resembles that of the United States and therefore shares some of the trends in the retailers to the south. Trends shaping the Canadian e-commerce market include:

- *Hybrid purchases/ “Click and Collect”* – so-called “omnichannel” consumers order goods online and pick them up in a brick and mortar store.
- *Marketing through social media* – return on investment for using social media is constantly improving; retailers increasingly spend marketing dollars on social media ads.
- *Cybersecurity* – fraud is a growing concern for Canadian retailers. Tools that help companies detect and deter cybercriminals are becoming more easily available and affordable, with integration often built into a company’s strategic planning.
- *Migration to mobile payments/” mPOS (mobile Point-Of-Sale)”* – continues to increase in Canada.

Although approximately 88.5 percent of all Canadians have access to stable internet service, the users primarily live in the more urban areas of the country. Internet access provides a crucial link to the rest of the world for residents in remote communities in Canada’s north, but delivering high-speed services remains costly and difficult.

Domestic eCommerce (B2C)

The growth of e-commerce is due not only to the volume of purchases, but also to the breadth of goods and services Canadians purchase. Media products, including books, music, apps, and show tickets top the list, followed by apparel and footwear, flights and travel packages, consumer electronics, and household goods.

Cross-Border eCommerce

Although Canadians prefer to support Canadian businesses, a significant proportion of the nation’s e-commerce spending goes to non-Canadian websites. One-third of the total spending is in the United States and the rest in Asia (primarily China) and Europe. In fact, 67 percent of online purchases Canadians made in 2016 were from other countries. Canada has many small and medium-sized enterprises (SMEs), but the companies have been slow to enter the e-commerce industry. Canadians cite lower prices and better selection as some reasons for shopping outside the country.

Due to Canada’s strong economy and proximity to the United States, retailers aspire to tap into the growing e-commerce market in Canada. For U.S. retailers who are

selling beyond their borders for the first time, Canada offers an easy cross-border opportunity with similar taxes, fees, and shipping safety. How-to websites, such as CrossBorderShopping.ca, have also been created for the sole purpose of aiding Canadian consumers through the process, providing price comparison tools and outlining areas such as return policies, taxes, and restrictions.

B2B eCommerce

Virtually all Canadian small business owners report making online purchases. Large numbers of business owners are opting to purchase their travel online and are more likely to access government services or office supplies online.

eCommerce Services

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 maintain a distinct ".ca" domain. U.S. companies selling to Canadian business and consumers over the internet should have procedures in place to meet Canadian customs requirements and pricing in Canadian dollars. More than 200 languages are spoken in Canada. English and French are official languages. This linguistic duality can present an obstacle for retailers, sometimes requiring multilingual customer care and sites to be successful.

U.S. companies 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. PIPEDA requires persons or firms that collect personal information during commercial activities to inform the subject of all possible uses of the data and to obtain consent for the use.

Canada's Anti-Spam Law (CASL) took effect on July 1, 2014 and was scheduled to come into full effect July 1, 2017, however a cabinet order dated June 2, 2017, indefinitely repeals that July coming-into-force date so Parliament can examine the legislation.

CASL significantly limits the way companies send Commercial Electronic Messages (CEM). A CEM is defined as any electronic message intended to encourage participation in a commercial activity. An electronic message includes email, text messages, VoIP phones, digital radio, digital TV, and some aspects of social media. Under CASL, the sender of a CEM must have express or implied permission before sending the recipient a CEM. Although CASL does not ban sending CEMs, the law

requires that senders obtain prior consent before sending the CEM. Senders must also provide identifying information in all CEMs. This information must be valid for 60 days after the message is sent. All CEMs must also include an obvious unsubscribe mechanism.

eCommerce Intellectual Property Rights (IPR)

The Office of the United States Trade Representative (USTR) placed Canada on the [Watch List in 2017 in its annual Special 301 report on IPR](#). The United States remains deeply concerned that Canada does not provide customs officials with the ability to detain, seize, and destroy pirated and counterfeit goods that are moving in transit or are transshipped through Canada. Other concerns relate to Canada's failure to implement certain provisions of its copyright reforms and protection of pharmaceutical patents.

Popular e-Commerce Sites

Major online retailers in Canada include Wal-Mart, Amazon, Dell, Sears, Staples, Costco, and Best Buy.

Online Payment

There are several methods online vendors can use to collect payment in Canada, the most popular being credit card-based – Instadebit, Interac Online, and PayPal -- but some vendors also offer the option for prepaid card or prepaid voucher. MasterCard is the preferred credit card in Canada, with 53.6 percent share of the market; Visa closely follows with 41.3 percent and American Express with 5.1 percent.

Mobile e-Commerce

In 2016, 25 percent of Canadians made online retail purchases with their mobile devices and this trend is growing. Millennial consumers (ages 18-34) lead the trend, with 41 percent of these shoppers purchasing via digital devices at least once a week.

Digital Marketing

Given the increasing access to and dominant presence of younger consumers on social media sites, digital ads have more consistently targeted social media rather than the traditional online news and information portals or information sources. Currently, 36 percent of digital ads are placed on social media, 18 percent on entertainment sites, and 12 percent on portals. The remaining ads are placed on news and information sites and directories, among others.

In terms of consumer preferences, young consumers have shown a greater trend toward mobile purchases and are more responsive to mobile ads. Another preference in Canada is for video advertising: per Com Score, mobile commerce (m-commerce) is on the rise, given increasing mobile connectivity of smartphones and tablets. Digital advertising now has surpassed TV advertising revenues and is poised to become the favorite advertising venue in Canada.

Major Buying Holidays

The major consumer “buying holidays” are like those in the United States: Christmas (December 25), Back-to-School (August), Mother’s Day (May), Valentine’s Day (February 14), Easter (March/April), Father’s Day (June) and Halloween (October 31). Canada also sees a rise in sales around the fourth quarter holidays, most notably Cyber Week, the buying period that begins on the U.S. Thanksgiving holiday, including Black Friday and Cyber Monday.

Social Media

Social network user numbers are on the rise in Canada and it is projected that this trend will continue, reaching 20.4 million social media users by 2018. Advertising expenditures on social media are expected to reach nearly \$835 million CAD by the end of 2017.

Generational usage studies show that consumers between the ages of 18 and 24 spent on average 48 minutes daily with a social network in 2014. Canadian millennials use social media differently from other age groups, with YouTube, Instagram, Twitter, and Snapchat the most used sites. The older consumers are, the less likely they are to have tried any social media network. Social media usage among women is growing steadily across all networks, and growth among Canadian men is slower by comparison. Women are using visual social networks more, with Instagram and Pinterest seeing more growth. LinkedIn growth among Canadian males is almost double the usage of women on that network.

A 2016 survey from InsightsWest determined that Facebook, YouTube, and Instagram use is still growing at a healthy pace overall in Canada, while Twitter, Google+, Pinterest, LinkedIn, Tumblr, and Reddit usage has slowed down. Among the general population, most time spent accessing different social platforms was via smartphones, followed by desktops and tablets.

Trade Promotion and Advertising Manufacturing Sector

A crucial factor in promoting manufactured products as well as related professional services in Canada is to develop and maintain a sales-oriented corporate website. The website needs to identify your firm's products and services; comparative advantages over competitors; technical specifications; examples or testimonials of your firm's clients; and contact information for sales and service. Be mindful of Canada's requirements for bilingual French/English messaging.

Firms may broaden their visibility and sales through participation in American pavilions at major Canadian trade shows, and through participation in U.S. Department of Commerce trade missions to Canada. For more information and to view a list of missions and events, please see the [U.S. Commercial Service in Canada's website](#).

Consumer Sector

Small and mid-sized U.S. consumer goods manufacturers entering the Canadian market should focus on developing a strong web presence. Traditional mass market Canadian advertising (newspapers, TV, and radio) is costly, with ethnically diverse and geographically dispersed audiences.

Daily Newspapers

Per the news media industry association [News Media Canada](#), as of April 2017, there were 99 daily newspapers in Canada. Eighty-six of these newspapers are paid for, and the remaining 13 papers are free publications. Canada's leading daily national newspapers are:

- *Toronto Star*: 2.4 million copies weekly
- *The Globe and Mail*: 2.1 million copies weekly
- *The National Post*: 1.1 million copies weekly
- *La Presse* (French): 1.7 million copies weekly
- *Le Journal de Montreal* (French): 1.6 million copies weekly

Television and Radio

The [Canadian Broadcasting Corporation \(CBC\)](#) / [Radio Canada](#) is Canada's national public broadcaster. CBC carries news and entertainment programming nationwide on radio and television in English and French, as well as in eight indigenous languages, and operates internationally in nine languages.

[CTV](#) is Canada's largest private broadcaster, offering news and entertainment programming on two English language channels.

[Global Television](#) broadcasts nationwide on one English language channel.

[TVA](#) broadcasts in French, countrywide.

Commercial television stations in Canada carry a large amount of U.S. programming including popular dramas, sitcoms, and major sporting events, but show local commercials. The Canadian Radio-television and Telecommunications Commission ([CRTC](#)) [requires that U.S. networks simultaneously substitute](#) Canadian commercials over U.S. commercials during their programs. The CRTC recently made an exception to this policy, allowing for U.S. commercials to be broadcast on U.S. networks during the Super Bowl. As of Super Bowl LI, viewers had the option of viewing Canadian commercials on Canadian channels, or U.S. commercials on U.S. channels.

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

Internet marketing

The most popular sites in Canada are major international sites such as Google, YouTube, Yahoo!, Amazon, and Wikipedia. Facebook, Twitter and LinkedIn are the dominant social networking sites in Canada.

Pricing

End-user prices of U.S. products and services to Canadian customers, in Canadian dollars, are substantially affected by the exchange rate with the U.S. dollar and the Canadian dollar. The last time the Canadian dollar was at parity with the U.S. dollar was in February 2013.

Canadian buyers are price-sensitive; therefore, U.S. companies should research competitors' prices and wholesale distribution margin models within their industry, and be prepared to negotiate on price to win contracts while offering attractive margins to all parties. U.S. companies should also publish price lists in Canadian dollars.

Sales Service/Customer Support

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 if 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 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. Be mindful of Canada's requirements for bilingual French/English messaging.

Protecting Intellectual Property

Several general principles are important for effective management of intellectual property (IP) rights in Canada. It is important to have an overall strategy to protect your IP. IP may be protected differently in Canada and in the United States, and the scope of protection may be different. Rights must be registered and enforced in Canada under local laws. For example, your U.S. trademark and patent registrations will not protect you in Canada. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a country depends on the national laws of that country.

Granting patent registrations is generally based on first-to-file or first-to-invent, depending on the country. Similarly, registering trademarks is based on a first-to-file or first-to-use, depending on the country, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Canadian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Canada. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Canadian law. The U.S. Commercial Service can provide a list of local lawyers upon request. For more information, please see the [U.S. Commercial Service Canada's "Office Locations" webpage](#).

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

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully 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.

Small and medium-size companies should understand the importance of working with trade associations and organizations to support IP protection and stop counterfeiting. There are several organizations based in Canada and the United States, including:

- [American Chamber of Commerce \(AmCham\) Canada](#)
- [Biotechnology Innovation Organization \(BIO\)](#)
- [International Anti-Counterfeiting Coalition \(IACC\)](#)
- [International Intellectual Property Alliance \(IIPA\)](#)
- [International Trademark Association \(INTA\)](#)
- [National Association of Manufacturers \(NAM\)](#)
- [National Intellectual Property Rights Coordination Center](#)
- [Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)
- [The U.S. Chamber and Local American Chambers of Commerce](#)

Canada remains on the USTR's Special 301 Watch List for IPR protections and enforcement. The new Combatting Counterfeit Products Act does not apply to pirated and counterfeit goods in customs transit control or customs transshipment control in Canada. With respect to pharmaceuticals, the United States continues to have serious concerns about the availability of rights of appeal in Canada's administrative process for reviewing regulatory approval of pharmaceutical products, and about the lack of clarity and the impact of the heightened utility requirements for patents that Canadian courts have recently applied.

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or visit [STOPfakes.gov's website](http://STOPfakes.gov).

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the [U.S. Patent and Trademark Office \(USPTO\)](#) at **1-800-786-9199**.
- For more information about registering for copyright protection in the United States, contact the [U.S. 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, please visit the [“Resources” section of the STOPfakes.gov’s webpage](#).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit [STOPfakes.gov’s IPR toolkits webpage](#). The toolkits contain detailed information on protecting and enforcing IP in specific markets and contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles, please link to the U.S. Department of Commerce’s articles on [Protecting Intellectual Property](#) and also [Corruption](#).

Contact Information

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Due Diligence

Canadian businesses have a strong reputation for business ethics. Nonetheless, before signing a major contract or entering a long-term partnership agreement in Canada, U.S. exporters should conduct due diligence. The Commercial Service offers an International Company Profile (ICP) service, which conducts routine background checks on Canadian companies.

Contact Information

U.S. Commercial Service Ottawa
 Lucy Cicero Latka
 Senior Commercial Specialist
 Phone: (613) 688-5219
 Email: lucy.latka@trade.gov

Local Professional Services

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 in the United States. For more information, U.S. companies can refer to [U.S. Commercial Service Canada's "Business Service Providers" webpage](#).

Principle Business Associations

Leading professional associations in Canada include:

- [American Chamber of Commerce \(AmCham\) Canada](#)
- [Biotechnology Innovation Organization \(BIO\)](#)
- [Canada Corporations Act](#)
- [Canadian Bar Association \(CBA\)](#)
- [Canadian Franchise Association \(CFA\)](#)
- [Canadian Lawyer Listing](#)
- [Canadian Society of Professional Engineers \(CSPE\)](#)
- [Chartered Professional Accounts Canada \(CPA\)](#)

Limitations on Selling U.S. Products and Services

There are six sectors (telecommunications, cultural industries, broadcasting, transportation services, uranium production, and financial services) for which the acquisitions of Canadian businesses by non-Canadians are subject to review under the Investment Canada Act, and that have sector-specific legislation and/or foreign ownership restrictions. There are also limitations on the sale of weapons and drugs in the Canadian market. U.S. goods must comply with all relevant Canadian legislation and regulations. Additional information can be found at the following websites:

[Innovation, Science and Economic Development Canada](#)

[Health Canada Food and Drug Act](#)

[Library of Congress – Firearms-Control Legislation and Policy – Canada](#)

[Canada Firearms Act](#)

Web Resources

[American Chamber of Commerce \(AmCham\) Canada](#)

[Biotechnology Innovation Organization \(BIO\)](#)

[BuyandSell.gc.ca - Government Tenders Procurement](#)

[Canada Corporations Act](#)

[Canadian Franchise Association \(CFA\)](#)

[Canadian Franchise Association \(CFA\) - Franchise Legislation](#)

[Canadian Intellectual Property Office \(CIPO\)](#)

[Canadian Intellectual Property Office \(CIPO\) - Copyrights](#)

[Canadian Marketing Association \(CMA\)](#)

[Copyright Act](#)

[Copyright Regulations](#)

[Corporations Canada](#)

[Direct Marketing Magazine](#)

[Federal Incorporation](#)

[Government Electronic Directory Services \(GEDS\)](#)

[Government of Canada - Patents](#)

[Integrated Circuit Topographies](#)

[International Anti-Counterfeiting Coalition \(IACC\)](#)

[International Intellectual Property Alliance \(IIPA\)](#)

[International Trademark Association \(INTA\)](#)

[Investment Canada Act](#)

[National Association of Manufacturers \(NAM\)](#)

[North American Free Trade Agreement \(NAFTA\) - Chapter Ten](#)

[Office Québécois de la Langue Française \(Quebec Office of the French Language\)](#)

[Patent Act](#)

[Patent Rules](#)

[Pharmaceutical Research and Manufacturers of America \(PhRMA\)](#)

[Provincial and Territorial Registrars](#)

[Public Services and Procurement Canada](#)

[Westlaw - Franchising in Canada](#)

Leading Sectors for U.S. Exports and Investments

Agricultural Sector

Overview

In 2016, Canada was the second largest export market for U.S. agricultural exports, totaling US\$20.2 billion, and accounted for 15 percent of total U.S. agricultural exports. Consumer-oriented agricultural exports account for the largest share, at \$16.2 billion and nearly 80 percent of total U.S. agricultural exports to Canada. Some of the top consumer-oriented export categories include prepared foods, fresh and processed vegetables, fresh and processed fruit, meat and meat products, snack foods, certain non-alcoholic beverages, chocolate and cocoa products, condiments and sauces, coffee, wine, beer, and pet food. In 2016, the United States imported US\$21.6 billion worth of agricultural products from Canada.

By far, Canada is the largest destination for U.S. exports of high-value agricultural products, with a 26.4 percent market share in 2016 and a value of US\$16.2 billion. U.S. exports of consumer-oriented food products to Canada are more than twice the amount exported to Mexico, the United States' second largest export market, and are equal to the combined markets of Japan, Hong Kong, South Korea, China, and Taiwan. Consumer-oriented agricultural products are foods typically sold directly in supermarkets and used in restaurants. These high-value exports support tens of thousands of jobs in the United States, and many of the suppliers are small and medium-sized businesses.

Most U.S. agricultural products have entered Canada duty-free since 1989 under NAFTA (and the preceding U.S.-Canada Free Trade Agreement.) Major exceptions are the supply managed sectors, including dairy, chicken, turkey, and eggs.

Table: Canada Agricultural Sector Production Data (USD Thousands)

Year	2014	2015	2016 (estimated)	2017 (estimated)
Local Production	7,267	7,126	7,200	7,250
Imports	2,352	2,374	2,400	2,425
Exports	1,890	1,985	1,900	1,900
<u>Total Market Size</u>	7,729	7,515	7,725	7,785

(Total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Consumer-Oriented Food Products in Retail and Food Service

Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel for business and pleasure. Canada's wide ethnic diversity and high level of consumer disposable income provide broad food marketing opportunities. Familiarity with 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. Significant gains continue in the Canadian market for U.S. consumer-ready foods and food service foods.

Based on current market trends, the sectors below are considered the best prospects for U.S. exports of food and agricultural products to Canada. Although the strong U.S. dollar vis-à-vis the Canadian dollar will likely hinder growth to some extent, consumer-oriented product imports in the retail food and food service industries are projected to grow slightly in 2017.

Retail food markets are a significant channel for the import of U.S. consumer-oriented products. Grocery stores and supermarkets, mass merchandisers, and warehouse clubs are the primary recipients of these products.

Food service imports of consumer-oriented products are also an important channel. This sector falls into three categories: Hotels and Resorts, Restaurants, and Institutional. Restaurants are the most significant of the three, generating 80 percent of food service sales and 4 percent of Canada's GDP. Restaurants Canada, an association representing the restaurant and food service industry, has projected growth of 3.8 percent in 2017 and by the year 2020 an additional growth of food service sales by 12 percent to C\$93 billion annually. There are nearly 95,000 restaurants across Canada, with more than half located in Ontario and Quebec. As shown in the tables below, fresh fruit, processed fruit and vegetables, red meats (including processed meats), and fresh vegetables represent more than half of U.S. exports of consumer-oriented food products. Other important categories include processed and snack foods.

Processed Fruit and Vegetables

Processed fruit and vegetables are sold in a wide range of product formats such as mixed frozen vegetables, ready-to-heat, stir fry, and French fries. Canadian food manufacturers increasingly incorporate frozen fruits and vegetables in ready-to-serve meals including TV dinners, pizza, and other entrées. Consumer demand is growing for convenient products, and this factor will continue to drive the development of a wide range of ready-to-cook and -eat fruit and vegetable products

that benefit U.S. sales. Canadian manufacturers are also highly dependent on fresh fruit and vegetable imports used in processing; growth in manufacturing will increase demand for these products as well. In 2016, the total market size fell as imported inputs and ready-to-eat fresh fruit and vegetables became relatively more expensive because of a strong U.S. dollar and lingering drought conditions in the production areas of California. The weakening of the Canadian dollar vis-à-vis the U.S. dollar and improving weather conditions in California will likely lower input prices, spurring demand for these products.

Table: Canada Processed Fruit and Vegetables Production Data (USD Thousands)

Year	2014	2015	2016 (estimated)	2017 (estimated)
Local Production	7,267	7,126	7,200	7,250
Imports	2,352	2,374	2,400	2,425
Exports	1,890	1,985	1,900	1,900
<u>Total Market Size</u>	7,729	7,515	7,725	7,785

(Total market size = (total local production + imports) - exports)

Fresh Fruit

U.S. exports are projected to remain strong because of growing demand and limited Canadian domestic fresh fruit production. More than 80 percent of the Canadian fresh fruit market is supplied through imports, of which the United States typically supplies nearly half. Sales are expected to remain robust, especially for strawberries, other berries, grapes, oranges, apples, and cherries. Canada is by far the most important market for U.S. exports of fresh fruit, and is heavily dependent on imports of fresh fruit to meet total market demand due to the Canadian climate's limited growing season and limited variety of fruits. An aging Canadian population with health concerns, in combination with a general increased interest in healthy eating, has contributed to a growing demand for perceived healthy products. Major U.S. growers and shippers are members of the Canadian Produce Marketing Association, an important advocate for the industry in Canada on food safety and trade issues and a key promoter of increased fresh fruit consumption among Canadians.

Table: Canada Fresh Fruit Production Data (USD Thousands)

Year	2014	2015	2016 (estimated)	2017 (estimated)
Local Production	857	875	875	875
Imports	3,590	3,419	3,625	3,650
Exports	261	303	300	300
<u>Total Market Size</u>	4,186	4,062	4,200	4,225

(Total market size = (total local production + imports) - exports)

Red Meats (Including Processed)

Canada is a major producer and exporter of red meat, but also an important destination for U.S. exports of fresh/chilled/frozen red meat. In 2016, U.S. exports of beef to Canada reached nearly \$1 billion, or 65.6 percent of the import market. The North American red meat market is heavily integrated, with trade flowing both ways between Canada and the United States. Typically, Canada exports large numbers of live animals and significant amounts of meat to the United States and imports a wide variety of meat products. After several years of contraction, the red meat sector in Canada is expected to stabilize. Supply remains somewhat limited in the short term as farmers rebuild their herds. Meat demand is gradually picking up, resulting in increased wholesale and retail prices that translate into improved export opportunities for the American red meat industry.

Table: Canada Red Meats Production Data (USD Thousands)

Year	2014	2015	2016	2017 (estimated)
Local Production	19,513	19,388	19,500	19,500
Imports	2,248	2,056	2,200	2,200
Exports	4,599	3,967	4,200	4,200
<u>Total Market Size</u>	17,162	17,477	17,500	17,500

(Total market size = (total local production + imports) - exports)

Fresh Vegetables

Canada is by far the largest export market for U.S. fresh vegetables, absorbing more than 80 percent of U.S. exports in this product category. Per capita, 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 in the country's northern climate. Despite the difficult climatic conditions, local growers supply about half of the market demand through extensive greenhouse production of peppers, tomatoes, lettuce, and cucumbers. U.S. exports of fresh vegetables are nonetheless increasing. Products such as cauliflower, yams, zucchini, asparagus, bagged salads, broccoli, and beets have the highest forecast sales growth for the period 2016-2021. 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.

Table: Canada Fresh Vegetables Production Data (USD Thousands)

Year	2014	2015	2016	2017 (estimated)
Local Production	3,639	3,675	3,700	3,700
Imports	2,445	2,489	2,500	2,525
Exports	1,405	1,394	1,400	1,400
<u>Total Market Size</u>	4,679	4,770	4,800	4,850

(Total market size = (total local production + imports) - exports)

Opportunities

Canada is heavily dependent on a wide range of consumer-oriented imports of U.S. agricultural products. The climate in Canada limits expansion of fruit and vegetable production, although the greenhouse industry is expanding. The best opportunity for export growth of U.S. agricultural products is in sales to the food service industry, consisting of restaurants, hotels, and institutions as well as grocery stores/supermarkets. The food service industry is projected to grow 3.8 percent in 2017 and by the year 2020 an additional 12 percent to C\$93 billion annually. This expected expansion will increase opportunities for sales of U.S. agricultural products. The current value of the Canadian dollar may attract more international visitors, increasing the use of hotels, particularly in cities such as Montreal and

Toronto, creating opportunities for U.S. food products in the Canadian food service sector.

Upcoming Events/Trade Shows

[Canadian Health Food Association \(CFHA\) West Conference & Trade Show](#)

February 22-25, 2018

Vancouver, British Columbia

[Canadian Health Food Association \(CFHA\) East Conference & Trade Show](#)

September 14-17, 2017

Toronto, Ontario

[Canadian Health Food Association \(CFHA\) Quebec Conference & Trade Show](#)

May 3-4, 2019

Montreal, Quebec

[Canadian Produce Marketing Association \(CPMA\) Convention Show](#)

April 24-26, 2018

Vancouver, British Columbia

[International Food Fair \(SIAL\) Canada](#)

May 2-4, 2018

Montreal, Quebec

[Restaurants Canada \(RC\) Show](#)

February 25-27, 2018

Toronto, Ontario

Web Resources

[Canada Food Inspection Agency \(CFIA\)](#)

[Canada Food Inspection Agency \(CFIA\) - Food Labelling for Industry](#)

[Canada Food Inspection Agency \(CFIA\) - Acts and Regulations](#)

[Canada Food Inspection Agency \(CFIA\) - Fish Import Program Policy](#)

[Canada Food Inspection Agency \(CFIA\) - Meat and Poultry Products](#)

[Canada Food Inspection Agency \(CFIA\) – New Regulatory Framework for Federal Food Inspection](#)

[Canadian Importers Database](#)

[Global Affairs Canada](#)

[Health Canada](#)

[Health Canada – Food Allergen Labelling](#)

[Health Canada – Genetically Modified \(GM\) Foods and Other Novel Foods](#)

[Health Canada – Natural Health Products](#)

[Health Canada – Nutrition Labelling](#)

[Health Canada – Proposed Changes to the Format Requirements for the Display of Nutrition and Other Information on Food Labels](#)

[Innovation, Science and Economic Development Canada](#)

[Justice Laws Website – Food and Drug Act](#)

[Trade Data Online](#)

Contact Information

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Agriculture Machinery and Equipment Overview

Canada is the largest export market for U.S. agricultural equipment, with exports totaling US\$2.1 billion in 2016. Growth in U.S. exports of agricultural equipment to Canada has been double-digit negative since 2013. Falling commodity prices, the Canadian-U.S. exchange rate, some price weakness in the livestock sector, and domestic and global economic factors have led to a decline of U.S. agricultural and machinery exports to Canada, dropping 20 percent in 2016. Despite recent declines, industry experts predict moderate recovery in 2018 and industry growth through 2022. Canadian farm cash receipts are predicted to increase.

A combination of recent Canadian economic conditions and a strong U.S. dollar may result in Canadian purchases of agricultural machinery and equipment shifting toward purchases of used equipment, and longer financing terms for new purchases.

In 2016, retail sales of tractors and combines in Canada peaked in October and May. Data show some growth within the last year in 2-4WD tractors and combines. Canada did not experience as much of a decline in recent years in combine sales as did the United States during the same period.

Table: Canada Agricultural Machinery and Equipment Production Data (USD Millions)

Year	2015	2016	2017 (estimated)	2018 (estimated)
Total Market Size	4,325	4,122	3,916	4,014
Local Production	2,190	2,190	2,081	2,133
Imports	3,585	3,300	3,135	3,213
Exports	1,450	1,368	1,300	1,333
Imports from U.S.	2,364	2,073	1,970	2,019

(Total market size = (total local production + imports) - exports)

Leading Sub-Sectors

- Agricultural implements, e.g., utility and turf, disc harrows, field cultivators, machinery for producing grains, oilseeds, or other commodity row crops
- Precision agricultural technology, specifically used to maximize the productivity of agricultural inputs and farming methods.

- 4WD Tractors (although these make up a small proportion of total sales), 2WD Tractors between 40 and 100HP, and recently <40HP
- Equipment parts (pending commodity price stabilization)

Opportunities

- Despite the ups and downs of global commodity markets, Canada's large farms and high-technology agricultural practices are well suited for U.S. products.
- Part of the recent decline is attributable to unusually high growth in exports and sales in the period prior to the decline.
- Canadian farmers are likely to make new investments as global prices stabilize.
- Canada's agriculture is highly mechanized and capital-intensive, so precision agricultural technology is in high demand.
- "Growing Forward 2" is a US\$3 billion investment by federal, provincial, and territorial governments geared toward capacity-building in agriculture and agri-food. The policy framework includes payments from 2013-2018.
 - The initiative includes programs such as Agri-Investment, AgriStability, Agri-Insurance, and Agri-Recovery to aid farmers under severe market volatility and disaster situations. Best prospects fall in the Prairie Provinces of Alberta, Saskatchewan and Manitoba.
 - The federal government and the government of Manitoba are investing US\$176 million altogether under GF2 to advance the agricultural industry. Investments include tractors, seeding equipment, pesticide applicators, and harvesters.
- Federally, several projects are covered under the Western Innovation Initiative (WINN), which provides \$100 million in repayable contributions to SMEs in Western Canada. WINN recently awarded money to an agricultural implements project.
- Provinces have public online resources available to find opportunities; for more information, please see [Alberta's "Engineering and Construction Opportunities" webpage](#).
- By number of agricultural equipment manufacturing jobs, most are in Ontario, British Columbia, Alberta, Quebec, and Saskatchewan. The Prairie Provinces and New Brunswick are strong for related manufacturing.

Barriers to U.S. agricultural equipment exports to Canada are negligible. Canada eliminated tariffs on all industrial and most agricultural products imported from the United States in 1988. In 2010, Canada announced the unilateral elimination of import tariffs on manufacturing inputs. Most tariffs were eliminated immediately, and the remainder were eliminated by 2015.

For more information on NAFTA certificates of origin, as well as a “What’s My Tariff” tool, please see [Export.gov’s “North American Free Trade Agreement \(NAFTA\)” webpage](#). Exports to Canada must be properly documented for customs purposes; customs regulations and information are available from the [Canada Border Services Agency's website](#). The United States and Canada maintain different regulations regarding product labeling. The requirement that Canadian label information be provided in English and French creates extra costs for U.S. exporters.

Most major export markets for U.S. agricultural equipment are on either the intellectual property “Watch List” or “Priority Watch List” of countries contained in the [Office of the United States Trade Representative’s 2017 Special 301 Report](#). A country’s presence on either list indicates that problems—not all of which relate to agricultural equipment—exist in that country with respect to IPR protection, enforcement, or market access for persons relying on IPR. Canada is on the “Watch List.”

Upcoming Events and Trade Shows

[Canada’s Farm Progress Show:](#)

June 20–22, 2018

Regina, Saskatchewan

[Agri-Trade Equipment Expo](#)

November 8–11, 2017

Red Deer, Alberta

Web Resources

[Agriculture and Agri-Food Canada – Growing Forward 2](#)

[Association of Equipment Manufacturers \(AEM\)](#)

[Association of Equipment Manufacturers \(AEM\) – Canada Ag Tractor and Combine Report](#)

[Farm Credit Canada \(FCC\) – Farm Sector Health Drives & Equipment Sales](#)

[Global Agricultural Information Network \(GAIN\) - Canada](#)

[International Trade Administration \(ITA\) 2017 Top Markets Report – Agricultural Equipment](#)

[Statistics Canada – Canadian Imports Agricultural Implement Manufacturing Report](#)

[Statistics Canada – Canadian Total Exports Agricultural Implement Manufacturing Report](#)

[TradeStats Express \(TSE\)](#)

[U.S. Department of Agriculture Foreign Agricultural Service \(FAS\) - Canada](#)

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Architecture, Construction, and Engineering Services (ACE)

Overview

The Architecture, Construction, and Engineering (ACE) sector is valued at C\$171 billion, accounting for approximately 8% of Canada's GDP. Employment within this sector has reached approximately 1.24 million Canadians, and the sector consumes 40% of the country's energy and 50% of its primary resources per the National Research Council of Canada. As Canadian infrastructure ages and there is a decline in the condition of roads, bridges, and buildings, governments at the municipal, provincial and federal levels are seeking innovative and effective ways to fund and develop new or existing projects. One of these funding and operating models is Public-Private Partnerships (P3), a performance-based approach to developing projects in which the government mitigates risk through private sector partnerships. Canada is a leader in P3 adoption and has numerous projects in green, transportation, and social infrastructure based on this model. Several Canadian cities are regarded as smart, green build cities and are consistently ranked as leaders by organizations such as the Intelligent Community Forum and U.S. Green Build Council. Canada ranks second only to the United States in the number of LEED certified projects worldwide. Construction industry capital expenditures in 2017 are expected to reach \$240.5 billion CAD in non-residential construction, machinery, equipment, and repairs.

Table: Canada Architecture, Construction, and Engineering Production Data (USD Millions)

Year	2014	2015	2016	2017 (Estimated)
Total Local Production	107,479	89,098	83,473	83,583
Total Exports	3,368	3,079	2,756	2,759
Total Imports	13,089	11,007	9,437	9,449
Imports from the U.S.	8,469	6,694	5,909	5,764
<u>Total Market Size</u>	117,200	97,025	90,154	90,273
Exchange Rates	US\$1=C\$1.1	US\$1=C\$1.28	US\$1=C\$1.33	US\$1=C\$1.35

Sources: Statistics Canada & OECD

*2017 Estimates based on forecast growth rates.

(Total Market size = total Local Production + imports – exports)

Exchange Rate: Average (Import and Export data as recorded in US\$)

Leading Sub-Sectors

Green Build

Canadian companies have a strong interest in technology and materials that provide long-term savings. McGraw Hill construction research predicts large green build demand in the next three years. Budget 2017 details the Canadian Government's plan to invest \$21.9 billion CAD in green infrastructure.

Transport Infrastructure

Demand for modern transportation systems is on the upswing in Canada. This need, along with the declining road and bridge systems, offers an opportunity for U.S. firms to tap into projects. Canada currently has US\$66 billion worth of transport projects in the pipeline, with an expected 3 percent real growth during 2017–2021.

Water Infrastructure

The water infrastructure industry will be a sector of interest, as the New Infrastructure Spending Allocation by Sector plan promotes a higher-level growth for the water infrastructure industry than anticipated. Of the C\$11.9 billion outlined in the budget, over the course of five years \$5 billion will go toward green infrastructure. Of the \$5 billion, \$2 billion will go to the Clean Water and Wastewater Fund, with \$2.2 billion going toward improving water and sanitation for First Nations communities.

Opportunities

Although low oil prices have adversely affected the Architecture, Construction, and Engineering sector in Canada since 2014, 2017 marks a turning point. It will be the first year for which capital expenditures are expected to rise -- by 0.8% to \$240.5 billion (compared to combined 12 percent decrease in 2015 and 2016). The primary market affected by low oil prices was new engineering construction (73 percent of non-residential construction in Canada). Although many projects were halted, sustaining current projects and facilities still accounts for a large portion of activities and presents an opportunity for U.S. firms looking to do business in Canada. Rising oil prices have increased capital expenditures in the oil and gas

industry, although current prices still pose a challenge to the Canadian oil and gas industry.

The federal government's commitment to boost construction industry growth by increasing public spending on infrastructure development presents an opportunity for U.S. firms in the Canadian market. The infrastructure plan outlines a considerable boost to infrastructure project funding and includes a doubling of current infrastructure investments to C\$10 billion over each of the next two fiscal years. The federal government has also committed C\$20 billion in each of three priority areas: public transit infrastructure; green infrastructure, to include local water and wastewater, clean energy, and infrastructure to protect against changing weather; and social infrastructure, which includes cultural and recreational infrastructure. The federal government's creation of a new Canada Infrastructure Bank will allow municipalities to raise funding for major projects using the federal government's credit rating to access lower interest rates, and give them authority to issue green bonds, which will allow financing projects directly from the public.

Transport infrastructure also has significant opportunities for U.S. firms, as significant growth is anticipated in the short to medium term. This prospect is largely due to government funding commitments, urban sprawl and demand for modern transportation systems. Canada's declining road and bridge systems provide an opportunity for U.S. firms to tap into refurbishment projects and new project initiatives. The largest opportunity lies in large-scale urban rail transit projects, such as Toronto's Eglinton Crosstown Light Rail System or the Edmonton Light Rail Transit System. Per BMI Research, Canada currently has US\$66 billion worth of transport projects in the pipeline, and Canada's infrastructure industry value is expected to average 3 percent real growth over the next five years (2017-2021).

In smart cities innovations, Canada ranks among the global leaders. Since 1999, the Intelligent Community Forum has awarded four Canadian cities the "Most Intelligent City" designation (Montreal, Toronto, Calgary, and Waterloo). The latest recipient of the award is Montreal (2016). Montreal received the award due to a smart city initiative started in 2011 that saw investment and expansion of wired and wireless broadband infrastructure. Montreal plans to build out a free Wi-Fi zone across seven square miles of its city center. The Montreal Smart and Digital City Strategy aims to make Montreal a global smart cities leader by 2018. The strategy used surveys and case studies (e.g., Arlington, Virginia, Emergency Communication Center) to identify key areas in which its citizens wanted/needed improvements. Survey findings have resulted in Montreal prioritizing urban mobility and citizen services improvements.

The Ontario provincial government’s “Moving Ontario Forward” plan aims to support public transit, transportation, and priority infrastructure, using C\$31.5 billion. Approximately \$15 billion is available outside the Greater Toronto and Hamilton Area (GTHA) and about \$16 billion is available within the GTHA. The aims of these investments are to manage congestion, connect people, and improve the economy and Ontarians’ quality of life. On the west coast, the city of Surrey leads the way in smart city innovation. The city’s four key areas of action surrounding smart cities include Social Engagement and Connectivity, Economic Growth, Service Delivery Innovation, and Smart City Infrastructure. Examples of these plans in action include Surrey’s Traffic Management Centre, free public Wi-Fi, energy management, and open data projects. Surrey’s smart city excellence is showcased by its plan to become the only fully integrated closed-loop waste management system in North America, via its Organic Biofuel Facility.

Web Resources

[Infrastructure Canada](#)

[United States Green Build Council \(USGBC\)](#)

[Canadian Green Building Council \(CAGBC\)](#)

[BuildForce Canada](#)

[The Canadian Council for Public-Private Partnerships \(PPP Council\)](#)

[Intelligent Community Forum](#)

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Automotive Overview

Canada represents the second largest automotive market in North America. The overall value of Canadian automotive imports from the United States increased by 6 percent in 2016, which includes a 5.8 percent increase in total motor vehicle imports and a 9.6 percent increase in automotive parts imports. In 2016, the total value of Canadian imports value of vehicles from the United States (cars, medium and heavy duty trucks) totaled US\$33.7 billion, with a 9.3 percent increase for light vehicles imports offsetting an 11.9 percent decrease in medium and heavy duty truck imports. Canadian automotive parts imports totaled \$30.1 billion in 2016.

In 2016, the value of Canadian imports of automotive vehicles and components from all countries totaled US\$109.4 billion, US\$70.2 billion of which originated from the United States. The regulatory environment in Canada for the automotive sector is like that of the United States, with approximately 90 percent of the two countries' road-safety regulations harmonized.

Table: Canada Automotive Production Data (USD Millions)

Year	2014	2015	2016	2017 * (estimated)
Total Local Production	79,135	75,403	80,141	82,207
Total Exports	58,877	59,283	63,087	64,713
Total Imports	68,124	64,382	65,183	67,096
Imports from the US	45,888	42,817	43,466	44,742
Total Market Size	88,382	80,501	82,237	84,589
Exchange Rates	US\$1=C\$1.1	US\$1=C\$1.28	US\$1=C\$1.33	US\$1=C\$1.35

Sources: Statistics Canada for trade 2015-2016; Estimate for local production 2015-2016; *2017 and 2018 Estimates based on forecasted total product growth rate; (Total market size = (total local production + imports) - exports)

Leading Sub-Sectors

- Trucks and Other Vehicles for the Transport of Goods (US\$10.2 billion)
- Motor Vehicles for Passenger Transportation, other than buses/public transportation (US\$ 14.3 billion)

- Motor Vehicle Parts (US\$2.4 billion)
- Brakes and Servo-Brakes, For Motor Vehicles; Parts Thereof (US\$1.2 billion)

Opportunities

U.S. light vehicles maintain a dominant share of the Canadian market with 44.6 percent, holding steady with the same market share as last year.

As of July 2016, there were 26.3 million registered light vehicles on the road in Canada, increasing at an annual average of 2.9 percent since 2007. The Canadian light vehicle fleet is expected to grow to 29.9 million registered vehicles by 2021.

Government Procurement opportunities are published on [Public Works and Government Services Canada's website](#).

Upcoming Events/Trade Shows

Since many Canadian automotive parts suppliers and distributors are members of the major U.S. auto parts trade associations, U.S. auto aftermarket companies can meet them at the associations' annual U.S. trade shows.

U.S. Trade Shows

[Automotive Aftermarket Products Expo \(AAPEX\)](#)

October 31–November 2, 2017

Las Vegas, Nevada

[Specialty Equipment Market Association \(SEMA\) Show](#)

October 31 – November 3, 2017

Las Vegas, Nevada

Canada Trade Shows

[Automotive Parts Manufacturers Association Annual Conference and Exhibition](#)

June 2018

Windsor, Ontario

[Canadian International Auto Show](#)

February 16–25, 2018

Toronto, Ontario

[SelectUSA Manufacturing Forum at the Canadian International Auto Show](#)

February 16, 2018

Toronto, Ontario

[Truck World](#)

April 19-21, 2018

Mississauga, Ontario

Web Resources

[Automotive Industries Association of Canada \(AIA\)](#)

[Automotive Parts Manufacturers' Association \(APMA\)](#)

[Innovation, Science and Economic Development Canada](#)

[Statistics Canada](#)

[DeRosiers Automotive Consultants](#)

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Civil Aviation Overview

Canada is the world's fifth largest aerospace market, generating \$20.8 billion in revenues in 2016. Canada is also the world's third largest civil aircraft manufacturer, and Montreal is the world's third largest aerospace hub after Seattle and Toulouse. The aerospace sector has more than 700 companies and more than 211,000 jobs, including 89,000 direct jobs, across the nation. Canada has four major aerospace clusters: Quebec (Montreal), with 43 percent of the sector's production; Western Canada (Winnipeg), 25 percent; Ontario (Toronto), 24 percent; and Atlantic Canada (Halifax), 7 percent. The aerospace sector is growing in these areas.

Canada has a diverse and mature aerospace industry, with its largest subsectors including aircraft and aircraft parts (42 percent), maintenance repair and overhaul (MRO) (31 percent), engines and engine parts (11 percent), and avionics and electrical systems (7 percent). The MRO subsector is a niche market that has grown at a rapid pace of 25 percent during the past five years (2010 to 2015). Investment in aerospace research and development (R&D) is the highest among all manufacturing sectors in Canada (approximately US\$1.4 billion per year); more than 80 percent of R&D is for the civilian market, and 20 percent for defense. About 80 percent of the Canadian aerospace industry is focused on civil aircraft manufacturing, 17 percent on military aircraft manufacturing, and 3 percent on space.

The aerospace supply chains between the United States and Canada are highly interdependent. In 2016, Canada was the United States' fifth largest foreign market for U.S. aerospace exports, valued at approximately US\$8.3 billion. In fact, the United States is Canada's largest foreign source of suppliers, dominating more than half of all aerospace exports to Canada. The United States is also Canada's largest aerospace market, receiving 60 percent of all Canadian aerospace exports.

Production in the Canadian civil aerospace market is forecast to outpace the global market for the 2014-2021 period (22 percent for Canada, 11 percent globally). This phenomenon is in great part due to the rise of the need for civil aircraft, particularly the single-aisle, short- to mid-range categories. As the population around the world becomes more urban and the middle-income class grows, a large increase in demand for civil aviation products and services is expected, particularly in developing and emerging markets. Canada is well poised to capture a significant portion of the aviation market opportunity as its main aircraft manufacturer, Bombardier Aerospace, has designed several planes to meet this aviation need.

For more information on the Canadian aerospace sector, please see [Trade.gov's "2016 Canada Aircraft Parts Case Study" report](#).

Table: Canada Civil Aviation Production Data (USD Thousands)

Year	2015	2016	2017 (estimated)	2018 (estimated)
Total Market Size	21,032,558	19,626,921	22,313,440	22,759,230
Total Local Production	22,000,000	20,800,000	23,339,800	23,805,780
Total Exports	13,872,929	11,911,184	14,691,539	14,984,820
Total Imports	12,880,743	10,738,105	13,665,180	13,938,300
Imports from the U.S.	7,305,524	6,318,259	7,524,689	7,675,000

(Total market size = (total local production + imports) - exports)

Exchange Rate: US\$1 = C\$0.7499

Leading Sub-Sectors

- Avionics and Navigation Systems
- Cyber and Space Electronic Warfare
- General Aircraft Parts, Aerostructures and Engine Parts
- High Tech: Advanced Materials, Manufacturing 4.0 Systems and Processes
- Maintenance, Repair and Overhaul
- Stealth Technology
- Synthetic Training and Simulation
- Unmanned Aerial Systems (UAS)

Opportunities

There are many opportunities for U.S. exporters in the Canadian market. Several bilateral agreements render U.S. aerospace trade with Canada particularly easy.

- Canada is a signatory to the WTO Trade in Civil Aircraft Agreement and pledges to free trade principles in civil aircraft and its parts; there is no duty on U.S. aerospace exports.

- A U.S.–Canada bilateral aviation safety agreement facilitates airworthiness approval by Transport Canada of FAA–approved U.S. civil aerospace products.
- The [Defense Production Sharing Agreement](#) allows for U.S. and Canadian companies to jointly work on research and produce aircraft components for the defense industry. The agreement also enables U.S. companies to bid on Canadian government procurement opportunities, and vice versa.

U.S. companies can export International Traffic in Arms Regulations (ITAR) items to Canada more easily due to the [Canadian ITAR Exemption](#).

When seeking opportunities to sell aerospace products to the Canadian government, U.S. exporters can search tender opportunities at [BuyandSell.gc.ca](#), Canada’s federal procurement website. The Canadian government is currently managing several aerospace procurement programs, and we strongly encourage companies to sign up for aerospace tender alerts on this website.

U.S. companies can best capture direct business opportunities, identify distributors or representatives, and partner with Canadian aerospace companies by participating in local Canadian aerospace trade shows. Be aware that the Canadian aerospace market is highly competitive and companies must be prepared to showcase their unique value proposition. Companies can locate suitable business partners by accessing the [Government of Canada’s “Aerospace and Defense – Company Directories” webpage](#) and [AeroMontreal’s “Member List” webpage](#).

Web Resources

Aerospace Industry Associations

[AeroMontreal](#)

[Aerospace Industries Association of Canada \(AIAC\)](#)

[Air Transport Association of Canada \(ATAC\)](#)

[Alberta Aviation Council](#)

[Atlantic Canada Aerospace and Defense Association \(ACADA\)](#)

[Canadian Association of Defense and Security Industries \(CADSI\)](#)

[Canadian Business Aviation Association \(CBAA\)](#)

[Canadian Council for Aviation and Aerospace \(CCAA\)](#)

[Canadian Space Commerce Association \(CSCA\)](#)

[Consortium for Aerospace Research and Innovation in Canada \(CARIC\)](#)

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

[Green Aviation Research and Development Network \(GARDN\)](#)

[Manitoba Aerospace](#)

[Ontario Aerospace Council \(OAC\)](#)

[Pacific Northwest Aerospace Alliance \(PNAA\)](#)

[Unmanned Systems Canada](#)

Government Federal and Regional Units

[Transport Canada – Aircraft](#)

[Public Services and Procurement Canada](#)

[Innovation, Science and Economic Development Canada](#)

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Consumer Goods Overview

Middle-class income households that have disposable income to spend on non-essential products drive the consumer goods and retail sector in Canada. Net income per capita is expected to increase in coming years and is currently valued at approximately US\$42,000. Rising oil prices and employment rates should boost retail and consumer goods spending. Canada is a highly saturated and competitive market that has numerous international companies present. Retailers have shifted their strategy to e-commerce and search for ways to optimize costs due to a weak Canadian dollar and low oil prices (since 2014). With oil prices now set to slowly recover and with rising employment rates, consumption of consumer goods is expected to rise 1.8 percent in 2017 (1.6 percent 2016) according to BMI. It is important to note that household debt in Canada has reached record high levels and may pose a risk to future spending. Canada also has labeling laws that differ from laws in the United States, including the important bilingual labeling requirement (English and French) for all products sold in the Canadian market.

Table: Canada Consumer Goods Production Data (USD Millions)

Year	2014	2015	2016	2017 (estimated)
Total Local Production	15,064	13,453	13,131	13,277
Total Exports	9,444	8,489	8,221	8,307
Total Imports	28,854	24,076	22,737	22,993
Imports from the US	7,086	5,610	5,101	5,158
Total Market Size	34,474	29,041	27,673	27,963
Exchange Rates	US\$1=C\$1.1	US\$1=C\$1.2 8	US\$1=C\$1.33	US\$1=C\$1.3 5

Sources: Statistics Canada & OECD; *2017 Estimates based on forecast growth rates. (Total Market size = total Local Production + imports – exports); Exchange Rate: Average (Import and Export data as recorded in US\$)

Leading Sub-Sectors

High-end Luxury Retail

Even though spending in this sub-sector is low by comparison with other retail sectors in Canada, some market watchers see potential in high-end products. Canada's high-end fashion sector is outpacing budget and mid-market retailers, and as such has attracted investors such as U.S. luxury department store Nordstrom.

Furniture and Furnishings

Low borrowing costs will continue to provide support to Canada's housing sector. Spending on furniture and furnishings is forecast to increase from US\$1.7 billion in 2016 to US\$12.0 billion in 2021.

Toys, Sports, Garden, and Pets

This sub-sector is expected to reach US\$17.4 billion in 2017 and to increase to US\$19.8 billion in 2021, thanks to Canada's well-established sports/outdoor activities culture, and a high volume of spending on gardens, plants, and flowers.

Opportunities

eCommerce presents a large opportunity for U.S. exporters to access the Canadian market. With household income on the rise in Canada, e-commerce presents an easy, cost-effective alternative to tap into potential private consumption spending increases. According to CIRA (Canadian Internet Registration Authority), e-commerce accounts for 42 percent of clothing purchases, 29 percent of household goods, and 32 percent of electronics purchases. Furthermore, SMEs are shifting rapidly to the Internet for business purchases. Businesses purchase approximately 34 percent of office supplies online. When considering e-commerce as a channel to Canadian end users, it is important to consider a purchasing system that is tablet/phone compatible. Many department stores use a hybrid selling model consisting of online and in-store sales, each often containing differing product offerings. One should consider both options when approaching the Canadian market and searching for potential partners.

With the expected recovery of oil prices and employment rates, luxury goods sales should increase steadily over the next five years and present an opportunity to U.S. exporters. Low credit rates, a growing middle class, and demand for quality products will also drive demand. The move of major retailers such as Nordstrom and Saks Fifth Avenue to Canada highlights this trend. The domestic luxury goods retailer Holt Renfrew has also made a competitive push by opening new stores across the country. It is important to note that Canadian consumers are highly receptive to corporate social responsibility, acting as a key driver of success on the Canadian market.

According to BMI, the strongest household goods sub-sector is toys, sports, garden, and pet goods, expected to reach US\$19.8 billion in 2021, with a faster growth rate than any other consumer goods sub-sector. Canada's reputation as an outdoor equipment leader continues, as retail chains such as FGL Sports, Canadian Tire, Mountain Equipment Co-op, Sail, and Canada Goose continue to prosper. Canadians who purchase clothing and equipment from this sub-sector are less price sensitive but pay close attention to quality and brand reputation. To sell successfully in Canada, U.S. exporters must focus on multiple selling points including material, warranty, design, and price. It is also important to prepare a marketing plan and familiarize oneself with regulations affecting the product offering prior to engaging potential Canadian partners.

Web Resources

[Competition Bureau – Consumer Packaging and Labelling Act](#)

[Guide to the Textile Labelling and Advertising Regulations](#)

[Canadian Food Inspection Agency \(CFIA\) – Food Labelling for Industry](#)

[Statistics Canada – Retail E-commerce in Canada](#)

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Defense Products and Services

Overview

The Canadian defense industry generates US\$7.28 billion (C\$10 billion) in annual sales, with 60 percent attributed to exports. In 2016, exports of U.S. defense products to Canada reached US\$6.8 billion, whereas Canadian defense exports into the United States reached US\$12.7 billion. The defense industry output includes 40 percent in land items, 13 percent in marine services and technology, and 47 percent in aerospace products. On June 8, 2017, the Department of National Defence (DND) released its [Defense Policy Review](#). The policy includes US\$46.8 billion (C\$62 billion) in new funding over 20 years, and a budget increase from US\$14.2 billion (C\$18.9 billion) to US\$24.6 billion (C\$32.7 billion) in 2026–27. The review introduces a gradual increase in contracting authority by DND to US\$3.8 million (C\$5 million) by 2019, and a reduction in approval times for less sensitive projects.

The aerospace defense industry accounted for 17 percent of the industry’s total revenue, with three segments of the industry generating the most revenue: maintenance, repair, and overhaul (MRO) at 43 percent with US\$1.45 billion (C\$2 billion) in sales; aircraft fabrication, structures, and components at 22 percent with US\$726 million (C\$1 billion) in sales; and airborne communication and navigation systems with 17 percent and sales of US\$555 million (C\$765 million). The unmanned aerial vehicle (UAV) segment is one of Canada’s most defense-concentrated areas. The new Defence Policy will fully fund 15 Canadian Surface Combatants; 88 advanced fighter jets; land capabilities including ground based air defense, combat support vehicles, and training simulators; and airborne intelligence, surveillance, and reconnaissance platforms.

Leading Sub-Sectors

- C4ISR
- Cyber Security (Arctic/Maritime)
- In-Service Support
- Modeling and Simulation Capabilities
- Unmanned Aerial Systems

Opportunities

Aerospace Defense

[CH146 Griffon Limited Life Extension \(GLLE\)](#)

[Future Aircrew Training \(FAcT\)](#)

[Future Fighter Capability](#)

[Joint Unmanned Surveillance Targeting and Acquisition System \(JUSTAS\)](#)

[Strategic Tanker Transport Capability](#)

Marine Defense

[Arctic and Offshore Patrol Ship \(AOPS\)](#)

[Canadian Surface Combatant \(CSC\) Program](#)

[Interim Auxiliary Oiler Replenishment \(iAOR\) Program](#)

[Multi-Role Boat \(MRB\)](#)

[Naval Large Tug \(NLT\)](#)

[Underwater Warfare Suite Upgrade \(UWSU\)](#)

[RCN ISTAR Unmanned Aircraft System \(UAS\)](#)

[StrongBow](#)

Army

[Advanced Sub-Unit Water Purification System](#)

[Land Vehicles Crew Training System \(Simulation\)](#)

[Light Armored Vehicle \(LAV\) III Upgrade Part 2](#)

[Operational Clothing and Footwear Consolidated Contract](#)

[Weapon Effects Simulation Mid Life Upgrade](#)

Upcoming Events/Trade Shows

[Canadian Association of Defense and Security Industries \(CANSEC\)](#)

May 30-31, 2018

Ottawa, Ontario

[Canadian Defense Security and Aerospace Exhibition Atlantic \(DEFSEC\)](#)

September 5-7, 2017

Halifax, Nova Scotia

Web Resources

[Defence Acquisition Guide 2016](#)

[National Defence's 2017-18 Departmental Plan](#)

[Industrial and Technological Benefits \(ITB\) Policy: Value Proposition \(VP\)](#)

[Public Services and Procurement Canada](#)

[Canadian Coast Guard \(CCG\)](#)

[Innovation, Science and Economic Development Canada](#)

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Education and Training

Overview

Canada's education system falls under ministerial responsibility set in each of the country's 10 provinces and three territories. Each provincial/territorial government establishes education rules and standards for its own geographic regions. Schools operating in Canada must be registered and follow strict curriculum and graduation requirements.

Canada is the fifth largest source of international students attending higher education institutions in the United States. In 2015-16, a total of 26,973 Canadians studied in the United States, down 1 percent from 2014-15. In the past year, Canadian students in U.S. colleges and universities contributed US\$1.08 billion to the U.S. economy.

Of the more than two million students in Canada, approximately 2.3 percent went abroad in 2016. The United States attracted approximately 58.7 percent of Canadian students who were studying abroad.

In 2014/2015, approximately 2,054,943 students enrolled in universities and colleges across Canada. The most popular programs of study include business/management at 18 percent, humanities at 15 percent, and social/behavioral sciences and law at 13 percent. The average full-time graduate tuition fee averaged US\$12,600 per year (inclusive of living expenses, student fees, and books.) In 2016, the average undergraduate tuition cost in was US\$4,690 per year.

Leading Sub-Sectors

Most Canadian students in the United States study at the undergraduate level. In 2015/2016, the breakdown was 49 percent undergraduate, 37.9 percent graduate, 2.3 percent other, and 10.7 percent Optional Practical Training.

The top areas of study by Canadians studying in the United States are business/management at 16.2 percent, health professions at 14.9 percent, and social sciences at 12.3 percent.

Opportunities

- Athletic scholarships
- Cross-border tuition agreements, reciprocity programs or in-state tuition for Canadians
- Exchange programs and partnerships with Canadian educational institutions

Web Resources

[Canadian Information Centre for International Credentials \(CICIC\)](#)

[EducationUSA Canada](#)

[Fulbright Canada](#)

[Institute of International Education \(IIE\) 2016 Open Doors Report](#)

[Statistics Canada – Education, Training and Learning](#)

[The Council of Ministers of Education \(CMEC\)](#)

[U.S. Department of Education – Data & Statistics](#)

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Environmental Technology Overview

The environmental technologies sector covers a large variety of processes and activities across the Canadian economy. Such technologies are generally categorized by the environmental media they are designed to protect or provide: air, water, and soil. They generally include industrial goods and services that:

- Foster environmental protection and physical resource efficiency in industrial settings;
- Generate compliance with environmental regulations;
- Prevent or mitigate pollution;
- Manage or reduce waste streams;
- Remediate contaminated sites;
- Design, develop, and operate environmental infrastructure; and
- Afford the provision and delivery of environmental resources.

Environmental Technologies Market

The table below provides statistics for the Canadian market for filtering and purification machinery and apparatus and all surveying instrumentation and apparatus for atmospheric, hydrographic, and geophysical purposes.

Table: Canada Environmental Technology Production Data (USD Millions)

Year	2014	2015	2016	2017* (estimate)
Total Local Production	2,561	1,974	1,753	1,671
Total Exports	2,034	1,779	1,682	1,671
Total Imports	3,194	2,961	2,943	2,877
Imports from the U.S.	2,030	1,834	1,704	1,604
Total Market Size	3,721	3,155	3,014	2,945
Exchange Rates	US\$1=C\$1.1	US\$1=C\$1.28	US\$1=C\$1.33	US\$1=C\$1.35

Sources: Statistics Canada Imports, Exports, and export / manufacturing ratios 2013-2016 *2017 Estimates based on forecasted growth rates.

(Total Market size = total Local Production + imports – exports); Exchange Rate (Average) (Import and Export data as recorded in US \$ Current Dollars)

The Canadian regulatory framework is coordinated from the federal level by the Ministry of Environment and Climate Change Canada (Environment Canada). The ministry's mandate is to coordinate policies and programs and to preserve the quality of the natural environment. The ministry also administers the compliance of products with applicable regulations. Provincial governments develop and enforce policies, regulations, legislation, and standards.

The Canadian environmental technologies sector, including a complexity of goods, services, and other intangible components such as Intellectual Property (IP), has an overall annual value of several billion U.S. dollars. The actual installations, equipment, and components include a large variety of product groups such as electric motors, generators, mechanical machinery, process controls, and ICT systems that are classified into various sectors.

The market size evaluation in this report is focused on product categories specific to the environment, including filtering and purification machinery and apparatus and the surveying instrumentation and apparatus for atmospheric, hydrographic, and geophysical purposes (HS842121, HS842129, HS842139, HS842199, HS9015, HS9025, and HS9026).

The total value of Canadian imports for this market was US\$2.94 billion in 2016. Approximately 58 percent of the imports originated from the United States. Canada's environmental technologies sector also has a strong domestic manufacturing base, which is highly integrated in international trade by supplying foreign markets.

Leading Sub-Sectors

- Chlorine Tanks
- Filtering or purifying machinery and apparatus –for other gases (US\$997 million)
- Filtering or purifying machinery and apparatus –for other liquids (US\$351 million)
- New Tertiary Membrane Treatment Plants
- Parts for filtering or purifying machinery and apparatus (US\$386 million)
- Upgrades to Secondary and Tertiary Treatment Facilities
- UV Disinfection systems

Opportunities

The Canadian government estimates US\$10 billion (C\$13 billion) required in investment toward modernization over the next 30 years. One in every four wastewater treatment plants needs upgrades to comply with the 2012 Systems Effluent Regulations. More than 800 wastewater treatment plants require upgrade. High-risk systems are required to meet standards by 2020, medium-risk by 2030, and low-risk by 2040.

The federal and provincial governments implemented significant air, water, and soil pollution limits, which are important drivers for the market. In addition, governments have support programs for environmental technologies. In March 2017, the Government of Canada announced a C\$43 million dollar investment in clean technology innovation to help businesses working on innovative projects.

In December 2016, a Pan-Canadian Framework on Clean Growth and Climate Change was adopted by the provincial premiers and the Prime Minister of Canada outlining critical actions for growing the economy while reducing GHG emissions.

Most wastewater systems in Canada are owned and operated by municipalities, and best prospects usually fall within a municipal jurisdiction. Ontario, Manitoba, Saskatchewan, and British Columbia are top provinces for projects. Municipal water treatment spending in Canada is expected to see significant growth. Wastewater treatment is a category supported by the Provincial-Territorial Base Fund, the Green Infrastructure Fund, the Gas Tax Fund, and the Building Canada Fund.

Table: Canada Environmental Technology Projects

Project Name	Location	Cost (USD)	Project Information	Timeline
Lions Gate Secondary Wastewater Treatment Plant	Vancouver, British Columbia	\$700 million	Project Started in 2017, Operational Planned by 2020	
Alberta Carbon Trunk Line (ACTL) with Agrium (Carbon Capture)	Redwater, Alberta	N/A	Operational by 2018	
Alberta Carbon Trunk Line (ACTL) with North West Sturgeon Refinery	Redwater, Alberta	N/A	Operational by 2018	
Seaterra Program	Southern Vancouver Island, British Columbia	\$788 million	Implementation by 2020	

Upcoming Events/Trade Shows

[American Water Works Association Western Canada Section \(WCSAWWA\) Canadian Water Forum](#)

June 2018, dates and location to be determined

[Atlantic Canada Water & Wastewater Association \(ACWWA\) Annual Conference](#)

October 15 - 18, 2017

Charlottetown, Prince Edward Island

[Canadian Water and Wastewater Association \(CWWA\) - National Water and Wastewater 2017](#)

November 5 - 8, 2017

Saskatoon, Saskatchewan

[Saskatchewan Water and Wastewater Association \(SWWA\) Annual Conference](#)

November 1 - 3, 2017

Saskatoon, Saskatchewan

[Water Environmental Federation Technical Exhibition and Conference \(WEFTEC\)](#)

September 30 – October 4, 2017

Chicago, Illinois

Web Resources

[Alberta Major Projects](#)

[Alberta Water and Wastewater Operators Association \(AWWOA\)](#)

[American Water Works Association, Western Canada Section \(WCSAWWA\)](#)

[British Columbia Major Projects Inventory](#)

[Canadian Infrastructure Report Card](#)

[Canadian Water and Wastewater Association \(CWWA\)](#)

[Environment and Climate Change Canada](#)

[Saskatchewan Water and Wastewater Association \(SWWA\)](#)

[Statistics Canada](#)

[U.S. International Trade Administration \(ITA\) 2016 Top Markets Report – Environmental Technologies](#)

[U.S. International Trade Administration \(ITA\) – TradeStats Express™](#)

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Healthcare and Medical Equipment Overview

Canada's healthcare industry is experiencing demand increases resulting from the advance of chronic diseases and an aging population. In 2016, total healthcare expenditures were valued at approximately C\$228 billion. Healthcare spending in Canada is projected to increase from 2.7 percent to 7.5 percent by 2020. Much of this spending will be toward the three leading causes of death: cardiovascular disease, cancer, and respiratory diseases.

Medical devices are regulated under the Food and Drugs Act as a Class I, II, III, or IV (Class I represents the medical devices with the lowest risk, and Class IV represents the ones with the highest risk). A Canadian Medical Device License (MDL) is required for manufacturers selling Class II, III, or IV medical devices in Canada.

Canada's mixed public-private healthcare system comprises the public sector, which finances healthcare services, and the private sector, which delivers the services. The Canadian healthcare system falls under the jurisdiction of each province and territory. As a result, the health care system differs by province in terms of structure and operation.

Canada's aging population and product innovation have kept industry demand steady. Industry experts report that the number of adults 65 and older is expected to increase at an annual rate of 3.8 percent over the next five years. By 2021, seniors will comprise 18.7 percent of Canada's population, up from 16.5 percent in 2016. Devices that support the older population, including neurological and cardiovascular products, are expected to experience strong sales over the next five years.

The following table demonstrates Canada's total market size for medical equipment. Industry sources indicate that in 2017 the Canadian medical device market will be valued at approximately US\$3.6 billion. Average growth rate is expected to be between 1.5 – 2 percent in the coming year.

Table: Canada Healthcare and Medical Equipment Production Data (USD Millions)

Year	2014	2015	2016	2017 (estimated)
Total Local Production	6,719	6,988	7,058	7,129
Total Exports	8,595	9,429	9,523	9,618
Total Imports	5,893	5,833	5,950	6,069
Imports from the U.S.	2,947	2,917	2,975	3,035
Total Market Size	4,017	3,392	3,485	3,580

(Total market size = (total local production + imports) - exports)

Leading Sub-Sectors

Diagnostic apparatus, orthopedic, prosthetic, patient monitoring, and dental equipment are Canada's top five largest import categories.

Opportunities

Hospitals and public health institutions are principal buyers of medical equipment and supplies. In 2016, hospitals alone accounted for an estimated 18.2 percent of total sales. Other significant buyers include medical professionals such as dentists, eye care, and other professionals in nursing homes and residential care facilities. Private clinics and outpatient facilities are also experiencing a growing demand for medical equipment including devices, instruments, and supplies.

Healthcare systems in Canada use various competitive tendering processes for the procurement of medical devices and equipment. U.S. suppliers looking to export to Canada should refer to the individual provinces' tendering websites for information concerning procurement opportunities available in each province.

The provinces of Quebec and Ontario host more than 80 percent of the medical device companies, with buyers ranging from private to public health institutions. U.S. companies can review opportunities in these provinces by consulting the following websites: [SEAO, Quebec's Electronic Tendering website](#), and [Ontario's online Tenders Portal](#).

Upcoming Events/Trade Shows

U.S. companies looking to further develop business contacts and gain market exposure in Canada should also consider attending major Canadian trade shows such as:

[HealthAchieve](#)

November 6-7, 2017

Toronto, Ontario

Web Resources

[Health Canada – Safe Medical Devices in Canada](#)

[Deloitte Canada – 2017 Global Health Care Sector Outlook](#)

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Information and Communications Technology (ICT)

Overview

Canada's technology sector is a major economic driver and is outperforming much of the rest of the country's economy. Per the Toronto Stock Exchange, the technology and innovation sectors have grown faster than any other on the exchange since 2013 and over the last few years, Canada has developed into a hotbed of tech entrepreneurship. The Canadian ICT sector is highly trade dependent, importing US\$39 billion in goods and exporting US\$15.7 billion around the world in 2016. The United States is the second largest supplier of ICT goods to Canada, at \$9.8 billion the top market for Canadian ICT exports with \$10.3 billion in 2016. In 2016, total imports of ICT goods were led by the provinces of Ontario (US\$28 billion), Quebec (US\$4.3 billion), British Columbia (\$3.7 billion), and Alberta (US\$1.4 billion). The Canadian ICT market expects to continue growing through 2019.

Leading Sub-Sectors

Per Miller Thompson LLP, 2016 saw an alarming number of Canadian organizations (both public and private) become victims of malicious cyber-attacks and data breaches, so cyber security is a serious concern in government and enterprise organizations in Canada.

2017 is expected to be the year Canadian businesses begin to equip themselves for digital transformation. In AP Canada's second annual digital transformation report, only four out of 10 Canadian businesses had enacted digital transformation practices. The rest are still in the planning stages.

Canada has become a leader in artificial intelligence, with the Canadian government, companies, universities, and technologies supporting this industry.

Hybrid Cloud technologies/architecture including Everything as a Service (EaaS), the Internet of Things (IoT), SmartHome, SmartCity, Big Data, and Analytics. Traditional business products are being reimaged as services when organizations modernize core systems and the technology stack.

Augmented and Virtual Reality (AR/VR) is still in the early stages of adoption in Canada. IDC Canada has estimated year-over-year growth in this sector of 230 percent with spending on AR/VR in Canada to hit US \$500 million in 2017. IDC Canada estimates that although consumer VR adoption will see initial uptake in the Canadian market in the short term, the combination of AR and VR hardware in both consumer and commercial will drive the overall market by 2020.

Opportunities

Canada is still operating under the Cyber Security Strategy that was released in 2010 and a new strategy is expected in 2017. The Government of Canada committed \$77.4 million over five years in the 2017 budget toward the improvement of the security of government networks and information technology systems, with \$27 million to be spent before 2019. It is estimated that Canadian businesses will invest more than C\$2B in IT security.

At the federal level, the government is expected to release a long-awaited cloud computing strategy. This strategy could lead to significant purchases by the government.

More than two-thirds of enterprises are in the early stages of Digital Transformation, but few organizations are advanced. There will be considerable expenditure on digital transformation in 2017.

Details on Cyber Security Strategy may be found at the [Government of Canada's "Canada Cyber Security Strategy" report](#).

Web Resources

[Canadian Advanced Technology Alliance \(CATA\)](#)

[International Data Corporation \(IDC\) Canada](#)

[Information and Communication Technology Council \(ICTC\)](#)

[Innovation, Science and Economic Development Canada](#)

[Information Technology Association of Canada \(ITAC\)](#)

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Mining and Minerals: Systems and Equipment Overview

Canada ranks among the top five countries in the global production of 11 major minerals and metals. The mining industry employs more than 373,000 workers across the country in mineral extraction, smelting, fabrication, and manufacturing, and indirectly employs an additional 190,000 people. Canada also has one of the largest mining supply sectors globally, with more than 3,700 companies supplying engineering, geotechnical, environmental, financial, and other services. The extractive industries, which include mineral extraction and oil and gas extraction, contributed \$120.4 billion (7.3 percent), to Canada's GDP in 2015, making it the nation's fourth largest industry. As of 2016, Canada also held 53 percent of all mining projects for TSX trading companies.

Market Snapshot

Total mining establishments: 1,192

Metals: 77 Non-metals: 1,120

Value of mining 2015

Canada-wide: \$42.8 billion

Top 4 Provinces (US\$)

1. Ontario: \$10.8 billion
2. Saskatchewan: \$8.5 billion
3. Quebec: \$7.7 billion
4. British Columbia: \$5.9 billion

Table: Canada Mining, Oil and Gas Machinery by North American Industry Classification System (NAICS)-33313 Production Data (USD Thousands)

Year	2014	2015	2016	2017 (estimated)
Total Local Production	4,112,330	2,586,126	1,445,515	1,474,425
Total Exports	1,588,194	1,284,280	973,430	992,899
Total Imports	1,608,835	1,615,569	1,025,895	1,046,413
Imports from the U.S.	894,027	675,959	437,345	446,092
<u>Total Market Size</u>	4,132,971	2,917,415	1,497,980	1,527,940

(Total market size = total local production + imports) - exports)

Leading Sub-Sectors

- Environmental remediation services
- Exploration, drilling, and mine construction services
- Gold output is expected to climb, with 2.2% annual growth
- Mining equipment replacement parts
- Mining safety and security equipment and services
- Nickel production will continue to grow in Canada
- Specialty mining

Opportunities

Canada will remain a preeminent mining destination due to vast mineral reserves, stable political and economic environment, and strong capital markets. Recent uncertainty over the short-term global economic outlook caused commodity prices to decline in 2014. Nevertheless, the Canadian market is still promising as it is forecast that the conglomerate mining industry will grow from US\$19 billion in 2017 to US\$21 billion by 2020, averaging 2.4 percent annual growth per year. This growth will provide numerous opportunities for U.S. firms to enter the Canadian market.

One of the largest market opportunities derives from the lack of critical infrastructure in many of Canada's mining regions. Roads, ports, railways, and power grids often are not available in remote and northern regions of Canada where

mining development opportunities are located. Another large series of opportunities are in the Northern Plan (“Plan Nord”) Mining Projects, redesigned in 2015 to attract \$50 billion in anticipated investment by 2035. This project is expected to bring thousands of construction and permanent jobs to these northern regions.

In 2014, the Government of Canada approved Seabridge Gold's KSM project in northwest British Columbia. It is the world's largest undeveloped gold project based on mineral reserves. This project will provide 1,800 direct and 4,770 indirect jobs during a five-year construction period and 1,040 direct jobs annually during 52 years of production. During production, more than \$400 million in GDP for British Columbia and more than \$42 billion for Canada over the life of the mine.

The Policy Perception Index (PPI) international rankings from 2015 include three Canadian jurisdictions in the top 10: Saskatchewan ranked 4th, Alberta at number 7, and New Brunswick rounding out the Top 10.

Upcoming Events/Trade Shows

[Canadian Institute of Mining, Metallurgy, and Petroleum \(CIM\) Convention:](#)

May 6–9, 2018

Vancouver, British Columbia

[National Mining Association \(NMA\) MINExpo](#)

Sep 28–30, 2020

Las Vegas, Nevada

Web Resources

[The Mining Association of Canada](#)

[Natural Resources Canada - Statistics](#)

[National Bank of Canada \(NBC\)](#)

[Prospectors and Developers Association of Canada \(PDAC\)](#)

[Government of Canada – Trade Data Online](#)

[Internal Revenue Service \(IRS\) – Yearly Average Currency Exchange Rates](#)

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Oil and Gas Overview

In 2015, Canada was the world's fifth largest producer of natural gas and the fifth largest producer of crude oil. Canada has the world's third largest crude oil reserves after Venezuela and Saudi Arabia, 98 percent of which are comprised of oil sands reserves. Canada's oil and gas and mining sectors are premier export markets for U.S. providers of machinery, equipment, and related supply chain goods and services, with most oil and gas production taking place in the provinces of Alberta and Saskatchewan. In 2015 and 2016 there was an overall decrease in total imports to service the Canadian oil and gas industry following the decrease in global oil prices. Nevertheless, due to the cost leadership of U.S. manufacturers, U.S. imports hold a significant advantage over competing regions.

The reduction in oil prices in recent years has had an adverse impact on the Canadian economy, especially in Alberta and Saskatchewan, where oil production growth had stalled, but is now recovering with increasing oil prices. Low oil prices caused a slowdown in capital expenditures, and a decline in production royalties earned by the provincial government. Although projects currently under way will be completed, investment in new oil and gas projects has significantly decreased in the provinces. Although the industry is temporarily in decline, the Canadian Association of Petroleum Producers forecasts oil sands production to grow to 3.67 million barrels per day (mbl/d), with overall production in Canada increasing to 4.93 mbl/d by 2030.

The current market is stressed by a growing demand for pipeline access to convey increasing volumes of oil and gas produced in Alberta and Saskatchewan to markets. Increased transportation options to move oil westward to tidewater ports in British Columbia and the Western United States or southward to Midwestern transfer facilities and tidewater ports in the Gulf Coast states are needed. Production in Canada may be tempered by increased transportation cost incurred from conventional rail sources. With recent approval of the Keystone XL pipeline and Trans Mountain extensions by the U.S. and Canadian governments, respectively, pipeline support is becoming less of an immediate issue for producers moving forward.

The reduction in oil and gas production has caused a decrease in overall imports to service the Canadian oil and gas sector. Despite this temporary slowdown, the sector is expected to continually increase production well into 2030. Thus, the Alberta and Saskatchewan region continues to be a leading destination for investment and sales of American goods and services.

Table: Canada Oil and Gas Production Data (USD Thousands)

Year	2014	2015	2016	2017 (estimate)
Total Market size	83,223,541	59,613,589	51,248,816	61,801,380
Local Production	83,202,900	59,282,300	51,196,400	61,620,000
Total Canadian Imports	1,608,835	1,615,569	1,025,895	1,171,060
Total Canadian Exports	1,588,194	1,284,280	973,479	989,680
Imports from the U.S.	946,907	713,384	481,206	535,912

Sources: Imports and exports are from U.S. Census Bureau/Trade Stats Express) and Statistics Canada.

(Total market size = (total local production + imports) - exports)

Note: Local production is based on sales volume from each manufacturing province and territory throughout the country (source Statistics Canada).

Leading Sub-Sectors

Top opportunities related to the oil and gas sector in Canada, direct and indirect, are predominantly based on dealing with large industry players with a focus on long-term projects. The current economic environment provides opportunities for U.S. companies that present cost-efficient and environmentally responsible solutions.

The following prospects currently exist within the Canadian oil and gas market:

- Field machinery and equipment, specialty mining and extraction equipment/services, drilling services, refinery equipment, and pipeline construction equipment.
- Maintenance, repair, and operations support services provide robust opportunity for current and future projects.
- Canadian oil and gas development firms are looking to integrate protection for water resources, land reclamation, and environmental remediation into their operations, in an effort to reduce greenhouse gas emissions. Development of oil and gas technology focusing on these categories will be

needed for companies to achieve their compliance and Corporate Social Responsibility (CSR) targets.

- With an increased focus on innovative methods for decreasing operating costs and increasing value of assets, new technologies such as solvent injection/co-injection (in situ), waterless extraction (mining), radiofrequency heating/electrical heating (in situ), and “field” upgrading techniques to reduce production costs are currently in demand.
- There is also need for general construction materials; coking and recovery units; instrumentation and control systems; safety and security equipment; pressure vessels; heat exchangers; and transportation equipment.

Opportunities

Imperial Oil’s Kearl Mine – Started in Q3 2015; Phase 3 completion of the project is expected by 2020. The cost of the project is \$16 billion.

Teck Cominco Frontier Oil Sands Mine – Regulatory review process to continue into 2017; the capital cost is ~\$14.6 billion and the total capacity is 260,000 bbls/d.

Suncor Fort Hills – 2017 fourth quarter is the on stream date and production slated for 180,000 bbls/d. Estimated development costs of \$10 billion.

Athabasca Oil Corporation HS-2B Expansion scheduled for 2019, adding 32,000 bbls/d.

Cenovus is planning on investing \$1.2-1.4 billion in the sector. This includes investment into the Phase G expansion at Christina Lake, thereby increasing production by ~50,000 bbls/d.

Overall operating rig count is increasing slowly across the sector. The Petroleum Services Association of Canada’s current forecast is 5,150 wells to be drilled for 2017.

Beyond 2020, Imperial Oil’s Kearl debottlenecking project is going to increase capacity by 125,000 bbls/d, while Cenovus is looking to start Narrows Lake Phase A, which will bring 45,000 bbls/d.

Exxon Mobil is currently working on the development of the WCC LNG project in British Columbia. A starting production date is still to be determined. The project will add 30 million metric tons per year of liquefied natural gas and is estimated to cost more than \$18 billion.

Atlantic Canada – Husky Energy is exploring the possibility of developing its West White Rose field at an estimated development cost of ~\$1.8 billion.

Hibernia Management and Development Company Limited is continuing work on the Hibernia Southern Extension – a \$1.3 billion subsea tie-back project.

Market Barriers

No major barriers in the cross-border flow of trade exist between the United States and Canada. There are a few general barriers intrinsic to the oil and gas sector, including:

- High startup costs that make it difficult to enter the sector for some companies.
- Federal and provincial government environmental regulations often require additional capital investment.

Upcoming Events/Trade Shows

[Atlantic Petroleum Show](#)

June 20-21, 2018

St. John's, Newfoundland and Labrador

[Global Petroleum Show](#)

June 12-14, 2018

Calgary, Alberta

[Louisiana Gulf Coast Oil Exposition \(LAGCOE\)](#)

October 24-26, 2017

Lafayette, Louisiana

[Offshore Technology Conference \(OTC\)](#)

April 30- May 3, 2018

Houston, Texas

[Oil Sands Trade Show and Conference](#)

September 12-13, 2017

Fort McMurray, Alberta

Web Resources

[Statistics Canada](#)

[Canadian Association of Oilwell Drilling Contractors \(CAODC\)](#)

[Alberta Innovates - Energy Research Institute \(AI-EES\)](#)

[Canadian Society for Unconventional Resources \(CSUR\)](#)

[Petroleum Services Association of Canada \(PSAC\)](#)

[Natural Resources Canada](#)

[Canadian Energy Pipeline Association \(CEPA\)](#)

[Canadian Association of Petroleum Producers \(CAPP\)](#)

[JuneWarren-Nickle's Energy Group](#)

[Canadian Energy Research Institute](#)

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Power Generation and Renewable Energy Overview

The electrical energy sector in Canada has total installed generating capacity of more than 135 GW and is projected to reach 170 GW in 2035. Canada is among the world's top countries that rely mostly on clean hydro energy. The primary sources of electricity generated in 2015 were hydro (60.7 percent), nuclear (16.8 percent), coal (10.8 percent), natural gas (6.8 percent), and renewables (e.g., wind, biomass, solar) (5 percent), according to the Canadian National Energy Board (NEB). Coal-based power generation has already been eliminated in Ontario and Quebec. British Columbia, Manitoba, Newfoundland and Labrador, PEI and Yukon power generation relies on hydro for more than 95 percent of power generation. Alberta, Saskatchewan, are the only provinces that rely primarily on fossil fuels (more than 83 percent of generation).

The regulatory environment is centered at the provincial level, which has full authority over local electrical system regulations, policies, and enforcement. All jurisdictions aim to reduce existing coal-based generation, replacing it with gas and renewable energy.

Canada is one of the world leaders in the production and use of energy from renewable sources -- hydro, wind, solar, biomass -- with significant developments in geothermal and marine energy, accounting for more than 65 percent of Canada's total electricity generation in 2015. Power generation based on sources like wind, biomass, geothermal, and solar is projected to reach 12 percent by 2035 (NEB). The electricity generated in 2015 was 574 TWH by utilities and 632 TWH total, including industry. This level of power generation has held relatively stable in recent years, because the increases in industrial, commercial, and residential electricity needs have been offset by improved efficiency solutions.

Wind is Canada's second largest source of renewable energy (after hydro). Installed wind energy capacity reached 11,898 MW at the end of 2016. The leading provinces for wind are Ontario (4,781 MW), Quebec (3,510 MW), and Alberta (1,479 MW). The cumulative solar PV power installed capacity was more than 2,500 MW by the end of 2015, with Ontario one of the top 20 solar electricity markets in the world based on solar installations.

The total Canadian market defined by 20 HS codes at the 4-digit level covering equipment and materials for power generation, transportation, and distribution is at an annual level of approximately US\$ 23 billion. The market drivers are primarily real-time domestic operational needs and provincial policies to align the overall installed capacity to cover the forecast demand and to shift toward renewable energy

sources. International trade and Canadian currency trends are two additional factors that influence the renewable energy market.

Power Generation and Distribution Market

The table below provides statistics on the size of Canada’s market for power generation, transportation, and distribution equipment and materials, defined by 20 HS codes at 4 digits level (Nuclear reactors, Power boilers, Turbines and turbine generator sets, Electrical equipment, related materials and parts).

Table: Canada Power Generation and Renewable Energy Production Data (USD Millions)

Year	2014	2015	2016	2017* (estimated)
Total Local Production	11,421	8,932	8,168	8,293
Total Exports	9,070	8,050	7,842	7,963
Total Imports	21,366	19,286	18,171	16,989
Imports from the U.S.	11,453	10,748	9,569	10,190
Total Market Size	23,718	20,168	18,497	17,320
Exchange Rates	US\$1=C\$1.1	US\$1=C\$1.28	US\$1=C\$1.33	US\$1=C\$1.35

Sources: Statistics Canada annual Imports, Exports, and export/manufacturing ratios; *2017 Estimates based on forecast growth rates.

(Total Market size = total Local Production + Imports – Exports); Exchange Rate (Average (Import and Export data as recorded in US \$ Current Dollars)

Leading Sub-Sectors

- Air/Vacuum Pumps, Compressors and Fans (US\$1.8 billion)
- Engineering, construction, and logistics services
- Gas Turbines and parts (US\$951 million)
- Gears and generators for wind turbines
- Hydro energy turbines and equipment
- Many specific product groups and sub-groups
- Parts for Electric Motors, Generators, Rotary Converters (US\$310 million)
- Smart Grid connection and energy monitoring equipment and software applications

- Switchgear Protecting Electrical Circuits, over 1000 volts (US\$290 million)
- Switchgear Protecting Electrical Circuits, under 1000 volts (US\$1.8 billion)
- Systems and components for 8 nuclear reactors refurbishment
- Wind turbines, tower sections, rotor blades, casting and forgings and transformers

Opportunities

Significant opportunities that make Canada a top market for U.S. companies are driven by existing assets and plans for further development. Eighty percent of power generation facilities will have to be replaced or upgraded during the next 10-15 years. Total investment in the power generation sector is forecast to reach US\$290 billion by 2030, more than US\$195 billion of which would be allocated to power generation stations, with the remainder dedicated to the transmission and distribution segments (per Conference Board of Canada). More than US\$20 billion in investment is committed for nuclear reactor refurbishments. The federal government and the provincial governments have dedicated funding programs (e.g., Ontario Green Infrastructure Fund). The 2017 Federal Government Budget includes C\$5 billion in funding for the Canada Infrastructure Bank "for green infrastructure projects, including those that reduce greenhouse gas emissions, deliver clean air and safe water systems, and promote renewable power."

Opportunities for delivering all types of equipment, installations, components, and materials for all segments from power generation and transmission to local distribution exist through various projects across Canada such as:

- Bruce Power, Tiverton, ON - nuclear generation plant – refurbishment of 6 reactors
- Darlington Nuclear Generation Plant, Darlington, ON – refurbishment of 2 reactors
- Hydro dams and generation stations refurbishment projects in BC, AB, and QC
- Hydro-Quebec Romaine 3 and 4 hydroelectric generation complex
- Lake Erie Connector Project (320KV line ON-PA) – Canadian portion
- New transportation lines and distribution stations, substations - large number of projects
- Plan Nord – Quebec
- Prince Edward Island (PEI) to add another 70MW of wind energy

- Refurbishments and upgrades of existing power generation and distribution stations and substations.
- Revelstoke Dam Hydro Unit 6, 300MW

Upcoming Events/Trade Shows

[Canadian Wind Energy Association \(CanWEA\) Annual Conference and Exhibition](#)

October 3-5, 2017

Montreal, Quebec

[Solar Power International](#)

September 10-13, 2017

Las Vegas, Nevada

[Renewable Energy Integration Trade Mission to Canada](#)

October 30-November 2, 2017

Toronto, Ontario & Calgary, Alberta

[Association of Power Producers of Ontario \(APPrO\) Annual Canadian Power Conference](#)

November 20-21, 2017

Toronto, Ontario

[Canadian Nuclear Association \(CNA\) Conference and Trade Show](#)

February 23-24, 2018

Ottawa, Ontario

[GLOBE Forum – Leadership Summit for Sustainable Business](#)

March 14-16, 2018

Vancouver, British Columbia

Web Resources

[National Energy Board](#)

[Canada's Budget 2017](#)

[Statistics Canada](#)

[Canadian Solar Industries Association](#)

[Canadian Wind Energy Association](#)

[Canadian Hydropower Association](#)

[Canadian Energy Efficiency Alliance](#)

[Canadian Electricity Association](#)

[Solar and Sustainable Energy Society of Canada Inc. \(SESCI\)](#)

[Ontario Ministry of Energy](#)

[Quebec Energy and Natural Resources](#)

[Association of Power Producers of Ontario \(APPRO\)](#)

[British Columbia Sustainable Energy Association \(BCSEA\)](#)

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Safety and Security

Overview

Canada's Cyber Security Strategy budget has doubled to \$245 million over five years due to the increase in cyber-attacks on government agencies as well as private corporations. Areas of focus include border security, counter-terrorism, cyber resilience, and critical infrastructure protection and resilience.

The Canadian market size for security products and services to protect commercial buildings and facilities is predicted to grow at 1 percent to 2 percent annually for the next 20 years, with C\$500 billion spent under security and defense initiatives.

In 2015, Canada's global exports of "Other Communications Equipment Manufacturing" were approximately C\$563.9 million ([Canadian Industry Statistics, 2017](#)). Categories included are the manufacture of traffic signals; smoke detectors; remote control units; intercom systems and equipment; fire detection and alarm systems; and alarm systems and equipment.

The defense and security industry employ more than 109,000 Canadians and generate US\$12.6 billion in annual revenues.

Leading Sub-Sectors

Canada's top imports consist of IT Security, National Security, Video Surveillance Systems (CCTV/video surveillance, video management and video analytics), Intrusion Detection/Burglar Alarm Systems (door alarm monitoring, sound and glass break sensors), Entrance Solutions (mechanical locks, automated gates, vehicles barriers, turnstiles, roll-up doors), Physical Security (fencing, grilles, bullet resistant glazing, mechanical window coverings, safes, locks), Scanning Equipment (narcotics/explosive/metal detectors, scanning equipment), and Fire and Rescue (fire/smoke detection, fire suppression, fireproofing, leak detection, and protective gear).

Electronic physical access control systems: driven by biometric, smart card, and other non-contact technology using software that can secure both physical access to facilities and access to data stored on computers. Wearable technology with advanced sensors and integrated voice communication captures the interest of first responders, because it provides highly accurate biometric data.

[The Security Alarm Services Industry:](#) C\$1 billion in revenue since 2011 and is projected to grow annually at 1.7 percent (*IBS World, 2016*).

[The Canadian Ambulance Services Industry:](#) includes air transportation of patients and provision of emergency medical care.

Opportunities

In 2015, the Government of Canada made up to US\$7.3 million available for new projects under the Canadian Safety and Security Program (CSSP). Cyber security investments are part of Canada's 2010–2015 Cyber Security Action Plan. Canada's Cyber Security Strategy budget has doubled to US\$245 million over the past five years, due to the increase in cyber-attacks on government agencies and private organizations.

Demand for security services to protect Canadian health records is on the increase. "Health care providers and insurers are seeing 340 per cent more security incidents and attacks than most industries" (Soloman, 2015).

The Public Safety Canada Departmental Plan 2017–18 lists several budget estimates for 2017–2018 such as C\$1,052,593,859 in total, \$29,645,423 for National Security threats/infrastructure resilience, C\$213,711,559 for safe communities (crime), \$2,338,110 for secure borders, and C\$757,517,869 for natural and human induced hazards.

Surveillance, monitoring, disruption, and interdiction techniques, technologies, and processes to identify and stop terrorists and criminals are in demand.

Systems that enhance the resiliency, reliability, and protection of Canada's physical and IT facilities, networks, services, and assets are also in demand, as well as systems to enhance the performance and integration of national and international public safety, security, and emergency management processes and supporting systems.

Upcoming Events/Trade Shows

[Canadian Defense Security and Aerospace Exhibition Atlantic \(DEFSEC\)](#)

September 5–7, 2017

Halifax, Nova Scotia

Web Resources

[Canadian Advanced Technology Alliance \(CATA\)](#)

[Canadian Association of Defense and Security Industry \(CADSI\)](#)

[Canadian Security Association \(CANASA\)](#)

[Defence Research and Development Canada](#)

[Industry Canada – Trade Data](#)

[IT World Canada – Top Nine Security Threats](#)

Contact Information

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Textiles

Overview

The Canadian textile industry consists of traditional and non-traditional textile products. Traditional textile products include apparel and accessories; household items; furnishings; and floor coverings. Non-traditional products include technical textiles, such as filtration; transportation; medical; packaging; protection; reinforcement; sporting goods; agriculture; construction; civil engineering; and environmental industries. Included in the non-traditional products are “other value-added textiles” in which advanced technological characteristics have been added to the traditional textile products, such as advanced sport and leisure apparel, antimicrobial textiles, special protective textiles, easy-care textiles, intelligent textiles, and ultra-comfortable textiles.

Canada’s textile industry has shifted over the past decade from traditional textile manufacturing to the production of technical and non-woven textiles. Although the share in commodity-type textiles has declined, higher valued textiles are becoming prevalent in Canada. The decline is a result of a decrease in demand for general apparel textiles and a move toward technical textiles that rely more on technology. The technical textile industry is growing due to the implementation of new techniques, technological advances in textile sciences, and stronger industry knowledge. Technical textiles are used in sectors such as aerospace, agriculture, construction and infrastructure, health care, safety, transportation, marine, and defense.

Table: Canada Textiles Production Data (USD Millions)

Year	2014	2015	2016	2017 (estimated)
Total Local Production	2,056	2,196	2,135	2,100
Total Exports	1,708	1,681	1,643	1,627
Total Imports	5,258	5,037	4,983	5,007
Imports from the US	2,184	1,998	1,925	1,933
<u>Total Market Size</u>	5,606	5,552	5,475	5,480

(Total market size = (total local production + imports) - exports)

Ontario and Quebec account for the largest textile clusters in Canada, with more than 71 percent of all establishments. Ontario holds the largest share in terms of the

number of establishments in this industry with 41.1 percent. Ontario also contains more upstream manufacturers of artificial and synthetic fibers than any other province. Quebec is second with a significant 30.1 percent and the country's second largest share of artificial and synthetic fiber manufacturers.

The textile industry in Canada is governed by Industry Canada's Competition Bureau, which administers and enforces the Textile Labelling Act and the Textile Labelling and Advertising Regulations for consumer textile products advertised, sold, or imported into Canada. Health Canada's Consumer Product Safety (CPS) legislation protects consumers against hazardous products based on its regulatory authority from the Hazardous Products Act (HPA). The Canadian General Standards Board deals with the certification of products and services, regulation of quality, and environmental management systems in relation to products such as protective clothing.

Leading Sub-Sectors

There are growing opportunities in the textile industry for smart textiles and fabrics that incorporate digital monitoring components in industries such as health and athletic performance.

The technical textiles industry also offers opportunities especially in components for the energy, agriculture, construction, protective, automotive, and medical textiles sectors.

There is a growing awareness of ethical fashion, which supports manufacture of ethically-sourced clothing.

Opportunities

The United States is second to China in terms of textile products exported to Canada. In 2015, the United States accounted for about 34.6 percent of total exports of textile products to Canada.

Canada imported approximately US\$3.2 billion in total textiles from the United States in 2016.

The United States accounts for the greatest imports of technical textiles and home furnishing textiles to Canada, as U.S. companies can produce and ship to Canada more easily than manufacturers in developing countries.

U.S. manufacturers of textiles and textile furnishings face an advantage when exporting to Canada due to similar fashion and style trends in Canada and the United States.

Canadian consumers have a high regard for U.S. quality products and brand name goods.

Although general trends in the United States and Canada are similar, textile manufacturers need to be aware that slight provincial and regional differences in style and price exist.

Upcoming Events/Trade Shows

[Apparel Textile Sourcing Canada Trade Show](#)

August 21-23, 2017

Toronto, Ontario

[Expo HighTex 2018](#)

April 2018 (dates to be determined)

Montreal, Quebec

Web Resources

[Competition Bureau of Canada](#)

[Health Canada – Industry Guide to Flammability of Textile Products in Canada](#)

[Public Services and Procurement Canada – Standards Development](#)

Contact Information

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Travel and Tourism Overview

In 2016, Canada delivered the largest inbound travel market to the United States at 19.3 million visitors, a decline of 6.8 percent from 2015. The provinces of Ontario, British Columbia, and Quebec accounted for the largest share of visitors to the United States. In a similar trend to previous recent years, Canadian visits to the United States, in 2017, are expected to decrease. The recent decrease in visits and related spending is associated with the depreciation of the Canadian dollar, which has made it more expensive for Canadians to visit the United States. Longer-term forecasts project total growth in visitation of 9 percent from 2015 to 2021. Canadian tourism spending in the United States ranked second in 2016 at \$19.8 billion, down 13 percent from 2015. Canadians travel to the United States across all seasons and to more U.S. destinations than other countries.

Table: Canada Travel and Tourism Production Data (USD Billions)

Year	2014	2015	2016	2017 (estimate)
Domestic Travel Spend	78.6	68.7	53.8	N/A
International Travel Spend	36.6	32.9	31.4	31.1
Canadian Travel Spend in U.S.	27.2	22	19.8	N/A
<u>Total Travel Spend</u>	115.2	101.6	85.2	N/A
Exchange Rates	1USD=1.1CAD	1USD=1.28CAD	1USD=1.33CAD	1USD=1.35CAD

Sources: International Trade Administration, National Travel and Tourism Office, Statistics Canada, & Conference Board of Canada
(Total market size = total local production + imports) - exports); Exchange Rate: Average as recorded in US \$ Current Dollars)

Leading Sub-Sectors

- Adventure Travel

- Cross-Border Shopping
- Culinary Tourism
- Meetings, Incentive, Conferences and Events Travel (MICE)
- Sightseeing
- Sports Tourism

Opportunities

- Canada's aging population (more are over 65 than 15 and younger). Older demographic prefers travel to the United States over other countries.
- Capitalize on MICE travel between Canada and the United States. This niche segment of the industry generates significant annual spending.
- Capitalize on momentum from the 2016/17 Brand USA "National Parks Adventure" Campaign that organized promotional events across Canada.
- New airline routes to the United States (WestJet, Air Canada, and Porter Airlines strategic alliance with JetBlue).

Upcoming Events/Trade Shows

[Discover America Day](#)

September 25, 2017

Toronto, Ontario

[International Travel and Tourism Show](#)

October 20-22, 2017

Montreal, Quebec

[Ottawa Travel and Vacation Show](#)

March 17-18, 2018

Ottawa, Ontario

[Outdoor Adventure & Travel Show](#)

March 24-25, 2018

Calgary, Alberta

Web Resources

[Discover America - Canada](#)

[U.S. Department of Commerce – National Travel and Tourism Office](#)

[Visit the USA](#)

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Customs, Regulations and Standards

Trade Barriers

What is a Technical Barrier to Trade (TBT)?

Technical regulations and standards specify a product's characteristics (such as size, functions, and performance), how it is labeled or packaged, and testing and certification requirements before it can enter a country's market. These measures should serve legitimate public policy goals, but the requirements can be problematic when they are overly restrictive or discriminatory, and are used to inhibit trade. In cases where they are more trade-restrictive or burdensome than necessary, they are *technical barriers to trade*. The World Trade Organization (WTO) Agreement on Technical Barriers to Trade and our free trade agreements set rules aimed at preventing and addressing such barriers.

Identifying and Reporting TBTs to the U.S. Government

The U.S. Department of Commerce's *Trade Agreements Compliance Program* is a vital part of the U.S. government's efforts to reduce unfair foreign government-imposed trade barriers, including TBTs.

Barriers (tariff and non-tariff) U.S. companies face when exporting may include:

- Particularly high tariffs for certain products
- Restrictions on selling to the government of the country
- Import licensing requirements
- Anti-dumping and countervailing duty measures
- Product bans
- Any quarantine measures for agricultural products
- Foreign governments that prohibit participation in the rule-making process
- Rules that discriminate against U.S. products or are unnecessarily trade-restrictive
- Rules that are inconsistent with relevant international standards

What should you do when you identify a TBT?

For assistance with non-tariff barriers related to trade agreement non-compliance, such as standards and technical regulations-related barriers (i.e., technical barriers to trade), import licensing requirements, and government procurement and investment issues, please utilize the following contact information:

U.S. Department of Commerce

[Office of Trade Agreements Negotiations and Compliance \(TANC\) – Report a Foreign Trade Barrier](#)

Phone: (202) 482-1191

Email: tanc@trade.gov

Provide the following information from your organization to help assess the barrier:

- A translated copy of the technical regulation.
- Background on how the standards and procedures differ from those to which your organization complies.
- Identification of the problematic areas, and explanation of why they are problematic.
- Information about how your organization may be negatively affected, including the dollar value if possible.

Possible Resolutions

Seeking voluntary compliance through relevant trade agreements, diplomatic resources, and advocacy from high-level officials is the preferred option to remove trade barriers in a commercially meaningful time frame. The action plan will be tailored to the case and country, and always in concert with the reporting company/industry.

Resolving TBTs at the WTO

The TBT Committee meets three times a year and USTR leads the U.S. delegation to engage trading partners to remove specific TBTs, by raising these barriers either bilaterally or on the floor in front of other WTO members. This process gives a chance for the United States' trading partners to come into compliance.

Import Tariffs

Although Canada eliminated tariffs on all industrial and most agricultural products imported from the United States under the terms of NAFTA, tariffs and tariff-rate quotas (TRQs) remain in place on dairy and poultry tariff lines. Canada announced the elimination of MFN tariffs on baby clothing and athletic equipment (valued at C\$76 million annually) in its 2013 federal budget. Canada proposed to permanently eliminate tariffs on mobile offshore drilling units in its 2014 federal budget.

Technical Barriers to Trade

Restrictions on U.S. Seeds Exports

Canada's *Seeds Act* generally prohibits the sale or advertising for sale in Canada or import into Canada of seeds of a variety that is not registered in the prescribed manner. The purpose of variety registration is to provide government oversight to ensure that seeds meet health and safety requirements and that information related to the identity of the variety is available to regulators to prevent fraud. There are concerns that the variety registration system is slow and cumbersome.

Import Policies

Agricultural Supply Management

Canada uses supply-management systems to regulate its dairy, chicken, turkey, and egg industries. The regime involves production quotas, producer marketing boards to regulate price and supply, and tariff-rate quotas (TRQs) for imports. Canada's supply-management regime severely limits the ability of U.S. producers to increase exports to Canada above TRQ levels. Under the current system, U.S. imports above quota levels are subject to high tariffs (e.g., 245 percent for cheese, 298 percent for butter).

The United States remains concerned about potential Canadian actions that would limit U.S. exports to the Canadian dairy market. For example, the United States monitors closely any tariff reclassifications of dairy products to for possible negative effects on U.S. market access.

Special Milk Classes

Canada provides milk components at discounted prices to domestic processors under the Special Milk Class Permit Program (SMCPP). These prices are "discounted" in the sense that they are lower than Canadian support prices and reflect U.S. or world prices. The SMCPP is designed to help Canadian processed products compete against imports and in foreign markets.

Geographical Indications

Canada and the European Union (EU) announced on August 5, 2014, that they had concluded the [Canada-European Union Comprehensive Economic and Trade Agreement \(CETA\)](#). The agreement contains Canadian commitments regarding geographical indications (GIs) that raise serious concerns about whether implementation will reduce access for current and future U.S. agricultural and foodstuff producers that trade with Canada. The U.S. government engages with

Canada on this issue to advance transparency and due process in Canada's geographical indications system.

Restrictions on U.S. Grain Exports

Several grain sector policies limit the ability of U.S. wheat and barley exporters to receive a premium grade (a grade that indicates use for milling purposes as opposed to grain for feed use) in Canada, including the provisions of the *Canada Grain Act* and *Seeds Act*.

Under the *Canada Grain Act*, the inspection certificate for grain grown outside Canada, including U.S. grain, can only state the country of origin for that grain and not issue a grade. The *Canada Grain Act* directs the Canadian Grain Commission to "establish grades and grade names for any kind of western grain and eastern grain and establish the specifications for those grades" by regulation. The explicit division between "eastern grain" and "western grain" in the *Canada Grain Act* as "grain grown in the [Eastern or Western] Division," defined geographically within Canada, further underscores that grading is only available to Canadian grains. Under the *Canada Grain Act*, only grain of varieties registered under Canada's *Seeds Act* may receive a grade higher than the lowest grade allowable in each class.

U.S. wheat and barley can be sold without a grade directly to interested Canadian purchasers at prices based on contract specifications. Canadian grain elevators offer economic efficiencies by collecting and storing grain from many small-volume growers, giving them the ability to fulfill larger contracts and to demand higher prices.

The barriers to assigning U.S. grain a premium grade encourage both a price discounting of high-quality U.S. grain appropriate for milling use and *de facto* segregation at the Canadian elevator.

Personal Duty Exemption

Canada's personal duty exemption for residents who bring back goods from short trips outside its borders is more restrictive than the U.S. personal duty exemption. Canadians who spend more than 24 hours outside Canada can bring back C\$200 worth of goods duty-free, or C\$800 for trips longer than 48 hours. Canada provides no duty exemption for returning residents who have been out of Canada for fewer than 24 hours. U.S. retailers have raised concerns about the effect of this policy on purchases by Canadians during short trips to the United States.

U.S. companies shipping to Canada should be aware that Canada has a de minimis value of C\$20. De minimis refers to the minimum value of the goods below which no duties and taxes are being collected by customs.

Wine, Beer, and Spirits

Canadians face high provincial taxes on personal imports of U.S. wines and spirits upon return to Canada from the United States.

Most Canadian provinces restrict the sale of wine, beer, and spirits through province-run liquor control boards, which are the sole authorized sellers of wine, beer, and spirits in those provinces. Market access barriers in those provinces hamper exports of U.S. wine, beer, and spirits to Canada. These barriers include cost-of-service mark-ups, restrictions on listings (products the liquor board will sell), reference prices (maximum prices the liquor board is willing to pay or prices below which imported products may not be sold), labeling requirements, discounting policies (requirements that suppliers offer rebates or reduce their prices to meet sales targets), and distribution policies.

British Columbia

British Columbia (BC) has implemented a measure that allows only BC wines to be sold on grocery store shelves. Imported wine in grocery stores can only be sold in a “store within a store” that has controlled access with separate cash registers.

Ontario

Ontario’s new policy that came into effect in 2016 on wine sales in grocery stores, under which a certain number of licenses would be restricted to selling only Ontario Vintners Quality Alliance (VQA) wines, raises concerns that the measure may discriminate against imported wines.

Services Barriers

Telecommunications

Canada no longer maintains foreign ownership restrictions for carriers that have less than a 10 percent share of the total Canadian telecommunications market, following an amendment to the Telecommunications Act in June 2012. Foreign owned carriers are permitted to continue operating if their market share grows beyond 10 percent, provided the increase does not result from acquisition of, or merger with, another Canadian carrier. Canada capped the amount of spectrum that all large incumbent companies could purchase in the January 2014 700 MHz spectrum auction to facilitate greater competition in the sector. No foreign entities

participated in the auction, which resulted in Canada's three large incumbent wireless providers winning 85 percent of the available blocks. Canada has blocked deals it believes would lead to excessive spectrum concentration among market leaders, and set aside 60 percent of spectrum auctioned in March 2015 for new wireless entrants. These developments have fostered increased competition in Canada's wireless telecommunications sector. The federal government included a provision to cap wholesale domestic wireless roaming rates in its 2014 budget implementation act. The measure is intended to foster increased competition in Canada's telecommunications sector by preventing large wireless carriers from charging smaller providers higher roaming rates than they would charge their own customers.

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 of certain suppliers of facilities-based telecommunications services (i.e., those that have more than 10 percent market share), except submarine cable operations. Canada has one of the most restrictive regimes among developed countries. Canada also requires that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian citizens. Because of restrictions on foreign ownership, the role of U.S. firms in the Canadian market as wholly U.S.-owned operators has been limited to that of resellers, dependent on Canadian facilities-based operators for critical services and component parts.

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.

In March 2015, the CRTC announced that it will eliminate the 55 percent daytime Canadian-content quota. The CRTC is maintaining the Exhibition Quota for prime time at 50 percent from 6 p.m. to 11 p.m. Specialty services and pay television services that are not part of a large English language private broadcasting group are now subject to a 35 percent requirement throughout the day, with no prime-time quota.

For cable television and direct-to-home broadcast services, more than 50 percent of the channels subscribers receive must be Canadian programming services. Non-

Canadian channels must be pre-approved (“listed”) by the CRTC. Upon an appeal from a Canadian licensee, the CRTC may determine that a non-Canadian channel competes with a Canadian pay or specialty service, in which case the CRTC may either remove the non-Canadian channel from the list (thereby revoking approval to supply service) or shift the channel into a less competitive location on the channel dial. The CRTC also requires that 35 percent of popular musical selections broadcast on the radio qualify as “Canadian” under a Canadian government-determined point system.

In September 2015, the CRTC released a new Wholesale Code that governs certain commercial arrangements between broadcasting distribution undertakings, programming undertakings, and exempt digital media undertakings. A proposal in the new Wholesale Code to apply a code of conduct for vertically integrated suppliers in Canada (i.e., suppliers that own infrastructure and programming) to foreign programming suppliers (who cannot be vertically integrated, as foreign suppliers are prohibited from owning video distribution infrastructure in Canada) has raised significant stakeholder concerns. Stakeholders have also expressed concern related to provisions in the Wholesale Code that affect U.S. broadcast signals and services within Canada. The Wholesale Code came into force January 22, 2016.

U.S. suppliers of programming have raised concerns about a CRTC policy not to permit simultaneous substitution of advertising for the Super Bowl beginning in 2017. Simultaneous substitution is a process by which broadcasters can insert local advertising into a program, overriding the original U.S. ad and thus providing the Canadian broadcaster an independent source of revenue. U.S. suppliers of programming believe that the price Canadian networks pay for Super Bowl rights is determined by the value of ads they can sell in Canada and that the CRTC’s decision reduces the value of their programming. The United States is seeking clarity from the Canadian government on the CRTC’s position in this matter.

Investment Barriers

The Investment Canada Act (ICA) has regulated foreign investment in Canada since 1985. Foreign investors must notify the government of Canada prior to the direct or indirect acquisition of an existing Canadian business above a threshold value. Canada amended the ICA in 2009 to raise the threshold for Canada’s “net benefit” review of foreign investment. The threshold currently stands at C\$600 million and had been scheduled to increase to C\$1 billion in 2019. The government announced November 1, 2016 that the threshold for review will be raised to C\$1 billion in 2017, two years sooner than originally planned. Foreign state-owned enterprises (SOEs) remain subject to a lower threshold of \$369 million. Innovation, Science and Economic Development Canada (ISED) is the government’s reviewing authority for

most investments, except those related to cultural industries, which come under the jurisdiction of Heritage Canada. Foreign acquisition proposals under government review must demonstrate a “net benefit” to Canada. The Industry Minister may disclose publicly that an investment proposal does not satisfy the net benefit test and publicly explain the reasons for denying the investment, so long as the explanation will not do harm to the Canadian business or the foreign investor.

Under the ICA, the Industry Minister can make investment approval contingent upon meeting certain conditions such as minimum levels of employment and RandD. Since the global economic slowdown in 2009, some foreign investors in Canada have had difficulty meeting these conditions.

Canada administers supplemental guidelines for investment by foreign SOEs, including a stipulation that future SOE bids to acquire control of a Canadian oil-sands business will be approved on an “exceptional basis only.”

For more information, refer to the [U.S. Trade Representative’s \(USTR\) 2017 National Trade Estimate Report on Foreign Trade Barriers](#).

Cross-Border Data Flows

The Canadian federal government is consolidating information technology services across 63 Canadian federal government e-mail systems under a single platform. The tender for this project invoked national security as a basis for prohibiting the contracted company from allowing data to go outside Canada. This requirement precludes U.S.-based “cloud” computing suppliers from participating in the procurement process, unless they replicate data storage and processing facilities in Canada. The public sector represents approximately one-third of the Canadian economy, and is a major consumer of U.S. services, particularly in the Information Communication Technology (ICT) sector, and thus the requirement could significantly hinder U.S. exports of a wide array of products and services.

Privacy rules in two Canadian provinces, British Columbia and Nova Scotia, mandate that personal information in the custody of a public body must be stored and accessed only in Canada unless one of a few limited exceptions applies. These laws prevent public bodies such as primary and secondary schools, universities, hospitals, government-owned utilities, and public agencies from using U.S. services when personal information could be accessed from or stored in the United States.

Import Requirements and Documentation

The [Canada Border Services Agency’s website](#) lists the required documents for import. The most important document required from a U.S. exporter is a properly completed Canada Customs Invoice or its equivalent for all commercial shipments

imported into Canada. The exporter can use its own form if the required information is provided. 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."](#) Other documents that trucking companies 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.

To obtain duty-free status under the NAFTA Rules of Origin, a commercial NAFTA import worth more than C\$2,500 must be accompanied by a NAFTA Certificate of Origin; a commercial import worth less than C\$2,500 only requires a statement of origin from the exporter that the product originates in a NAFTA state. Canada looks at the product and its component parts to determine whether a sufficient percentage of the value and/or composition of the final product will qualify for NAFTA origin. This process can be quite complex, and rules vary for each product. U.S. companies should consult [Export.gov's Logistics webpage](#). Customs brokers can assist U.S. exporters with 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 arrangement offers many marketing advantages, including the opportunity to remove the burden of customs clearance of commercial shipments from the Canadian customer. Large retailers often demand that an exporter complete 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 the customer paid for the goods, in either U.S. or Canadian dollars. If goods are shipped on a no-charge basis (samples or demos), the company 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 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 transmit pre-arrival cargo and conveyance information electronically 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 transmit cargo, conveyance, house bill/supplementary cargo, and importer data electronically 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 have not yet been established, but the CBSA anticipates being able to provide carriers as much as 45 days' notice of the mandatory compliance date. When 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 notice after the regulations are enforced will be refused entry to Canada.

For more information on eManifest requirements, please see the [Canadian Border Services Agency's \(CBSA\) "Requirements for Commercial Clients" webpage](#) and the [Canadian Border Services Agency's \(CBSA\) website](#).

U.S. Export Controls

The North American Free Trade Agreement (NAFTA) eliminated many export controls to reduce barriers to trade among the United States, Canada, and Mexico. The countries may ship their goods across North America without any fees or filing an [Electronic Export Information \(EEI\)](#) form (formerly a Shipper's Export Declaration).

Shipments to Canada do not require an EEI unless the shipment:

- [Requires a Department of Commerce export license per the U.S. Department of Commerce's Bureau of Industry and Security's \(BIS\) guidelines](#)
- 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.

A list that consolidates 11 export screening lists of the Departments of Commerce, State, and Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available at [Trade.gov's "Consolidated Screening List" webpage](#).

Temporary Entry

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's \(CBSA\) "Import and Export" webpage](#). Information on temporary entry of personal goods and equipment can also be found on this website.

Labeling/Marking Requirements

The [Canadian 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:

- Dealer's Name and Principal Place of Business: where the prepackaged product was manufactured, or produced for resale. In general, a name and address sufficient for postal delivery will be acceptable. This information can be in either English or 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.
- Product Identity Declaration: describes a product's common or generic name, or its function. The declaration must be in both English and 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.

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

The Province of Quebec requires that all products sold in the 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's \(Quebec Office of the French Language\)](#) website provides guidance on these requirements.

U.S. exporters of textiles and apparel should check the [Competition Bureau's "Labelling Corner" webpage](#) for specific labeling requirements. Food exporters should see the [Canadian Food Inspection Agency's \(CFIA\) "Food Labelling Industry" webpage](#).

Innovation, Science, and Economic Development 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 [Innovation, Science, and Economic Development Canada](#).

Prohibited & Restricted Imports

Certain goods may be prohibited or controlled, or require special permits, inspections, or conditions to be allowed into Canada. The [Canada Border Services Agency \(CBSA\) 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.

Customs Regulations

Certain goods may be prohibited or controlled, or require special permits, inspections, or conditions to be allowed into Canada. The [Canada Border Services Agency \(CBSA\)](#) provides a step-by-step guide to help importers determine whether their goods may be subject to special rules or conditions.

Standards for Trade

Overview

Canadian and U.S. standards are 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 and technical regulations in Canada follow the basic principles of the WTO Agreement on Technical Barriers to Trade (“TBT Agreement”) and, as such, must not create unnecessary barriers to trade. To reduce such barriers, NAFTA builds on the WTO TBT Agreement by mandating that:

- 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 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 Innovation, Science, and Economic Development and oversees Canada's National Standards System. The SCC comprises representatives from the federal and provincial governments as well as from a wide range of public and private interests. The council 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 is partially financed by public funds.

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

Standards

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 certification section of this document, provide information to assist companies to keep up with current developments. Companies should become familiar with the development process, especially the proposal stage, so they can learn of new standards as early as possible.

Standards organizations in the United States and Canada 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. UL and CSA have established common electrical safety standards for air conditioners, heat pumps, and refrigerant motor-compressors.

Testing, Inspection and Certification

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.

Publication of Technical Regulations

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 the information available to Canada's trading partners. Businesses can register for the [Standard Council of Canada's Standards Alert program](#) to receive updated information on regulatory changes in their business areas.

The [National Institute of Technology's \(NIST\) "Notify U.S." service](#) provides a similar function in the United States. U.S. companies can subscribe to this free web-based e-mail service that provides e-mail alerts regarding proposed foreign government technical regulations that may affect a company's exports and offers an opportunity for companies to review and comment on proposed foreign technical regulations to influence them before they become final.

Under the [WTO Agreement on Technical Barriers to Trade](#), members are required to notify proposed technical regulations to the WTO TBT Committee and allow for a proper notice and comment period for international stakeholders. WTO TBT Inquiry Points are the official channels for submitting comments. The U.S. WTO TBT Inquiry Point at NIST submits comments on WTO Member notifications of technical regulations to a member country's WTO TBT Inquiry Point on behalf of U.S. industry.

In addition to submitting proposed technical regulations to the WTO TBT Committee, 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 the changes 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 Center for Standards and Certification \(NCSCI\)](#) for guidance. If there is insufficient time to review and comment on the regulation, NCSCI staff will request an extension of the comment period.

The Office of Trade Agreements Negotiations and Compliance (TANC) 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, such as a technical barrier to trade that is limiting their ability to export or compete internationally:

U.S. Department of Commerce

[Office of Trade Agreements Negotiations and Compliance \(TANC\)](#)

Phone: (202) 482-1191

Email: tanc@trade.gov

Contact Information

The [U.S. Commercial Service Canada](#) point of contact on standards matters is:

Shakir Farsakh
Deputy Principal Commercial Officer
U.S. Commercial Service
U.S. Consulate General Toronto
Phone: (416) 595-5412, Ext. 236
Fax: (416) 595-5419
Email: Shakir.Farsakh@trade.gov

Trade Agreements

The North American Free Trade Agreement (NAFTA) – NAFTA signed by the United States, Canada, and Mexico (the Parties), entered force on January 1, 1994. 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 the environment. On May 18, 2017, the U.S. Administration formally notified Congress of its intent to renegotiate the NAFTA.

Licensing Requirements for Professional Services

To do business in Canada, and to comply with government regulations, you may need a variety of licenses and/or permits from different levels of government. The permits and licenses search tool can assist you in finding which licensing requirements may apply to your business. You should check with the local government about requirements for new businesses in your planned area of operation. For more information, please see [Canada Business Network's "Permits and Licenses" webpage](#).

Web Resources

[Canada Border Services Agency \(CBSA\) – Importing Commercial Goods into Canada](#)

[Canada Border Services Agency \(CBSA\) – Registering Your Business](#)

[Export.gov – Logistics Overview](#)

[U.S. Department of Commerce Bureau of Industry and Security \(BIS\) – Commerce Control List \(CCL\) Export License](#)

[U.S. Customs and Border Protection \(CBP\) – Automated Export System Technical Information](#)

[Canada Border Services Agency \(CBSA\) – Memorandum D8-1-1 Temporary Import Regulations](#)

[Canada Border Services Agency \(CBSA\) – Step-by-Step Guide to Importing Commercial Goods into Canada](#)

[Global Affairs Canada – Export and Import Controls](#)

[Global Affairs Canada – Importing](#)

[U.S. Department of State – Canada](#)

[Office Québécois de la Langue Franchise \(OQLF\)](#)

[Canada Border Services Agency \(CBSA\)](#)

[Canadian Standards Association \(CSA Group\)](#)

[Underwriters Laboratories of Canada \(ULC\)](#)

[Public Services and Procurement Canada – Canadian General Standards Board](#)

[Bureau de Normalisation du Québec \(BNQ\)](#)

[NIST Notify U.S.](#)

[Standards Council of Canada \(SCC\)](#)

[Standards Council of Canada \(SCC\) – Standards Alerts](#)

[World Trade Organization \(WTO\) – Technical Barriers to Trade](#)

[Canada Gazette](#)

[U.S. National Centre for Standards and Certification \(NCSCI\) Policy](#)

[U.S. Department of Commerce – Trade Compliance Center](#)

[Consumer Packaging and Labeling Act](#)

[Competition Bureau](#)

[Canadian Food Inspection Agency \(CFIA\) – Food Labelling for Industry](#)

Investment Climate Statement

Executive Summary

Canada and the United States have one of the largest and most comprehensive investment relationships in the world. U.S. investors are attracted to Canada's strong economic fundamentals, its proximity to the U.S. market, its highly skilled work force, and abundant resources. The United States accounts for over 50 percent of Canada's total stock of foreign direct investment (FDI). U.S. stock of foreign direct investment in Canada reached USD 291 billion in 2015; while Canada's foreign direct investment stock in the United States totaled USD 337 billion. The stock of global foreign direct investment in Canada stood at USD 578 billion at the end of 2015.

U.S. foreign direct investment in Canada is subject to the provisions of the Investment Canada Act (ICA), the World Trade Organization (WTO), and the 1994 North American Free Trade Agreement (NAFTA). Chapter 11 of NAFTA contains provisions such as "national treatment" designed to protect cross-border investors and facilitate the settlement of investment disputes. NAFTA does not exempt American investors from review under the ICA, which has guided foreign investment policy in Canada since its implementation in 1985. The ICA provides for review of large acquisitions by non-Canadian investors and includes the requirement that these investments be of "net benefit" to Canada. Fewer than 10 percent of foreign acquisitions are subject to ICA review, and the Canadian government has blocked investments on only three occasions.

Although foreign investment is a key component of Canada's economic development, restrictions remain in key sectors. Under the *Telecommunications Act*, Canada maintains a 46.7 percent limit on foreign ownership of voting shares for a Canadian telecom services provider. However, a 2012 amendment exempts foreign telecom carriers with less than 10 percent market share from ownership restrictions to increase competition in the sector. While the government announced a plan in November 2016 to allow 49 percent foreign ownership of Canadian carriers, current law limits foreign ownership of Canadian air carriers to 25 percent of voting equity. Investment in cultural industries also carries restrictions, including a provision under the ICA that foreign investment in book publishing and distribution must be compatible with Canada's national cultural policies and be of net benefit to Canada. Canada is open to investment in the financial sector, but barriers remain in retail banking.

Table – Canada Investment Climate Data

Measure	Year	Index/Rank
TI Corruption Perceptions Index	2016	9 of 167
World Bank’s Doing Business Report “Ease of Doing Business”	2016	22 of 190
Global Innovation Index	2016	15 of 128
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$352,928
World Bank GNI per capita	2015	\$47,540

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards 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). Foreign investment is prohibited or restricted in several sectors of the economy. The United States and Canada agree on important foreign investment principles, including right of establishment and national treatment.

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

Over 50 percent of Canada's foreign direct investment comes from the United States. At the end of 2015, the most recent year available, Canada's stock of U.S. FDI was USD 291 billion. The United States' share of FDI Canada has declined considerably since 2005 when it was 63.2 percent of Canada's total FDI stock. U.S. investors with large direct investments in Canada include major automakers (GM, Ford, Fiat-Chrysler), integrated energy, chemical and mineral producers (e.g., ExxonMobil, ChevronTexaco, ConocoPhillips), financial services firms (e.g., Citibank), and retailers (e.g., Wal-Mart). U.S. retailers have recently had poor results in Canada with Best Buy closing its Future Shop outlets; Target closing all of their 133 stores in Canada in early 2015; and Sears being forced to close stores and consolidate locations. However, high-end retailers like Nordstrom and Whole Foods have seen positive results from their expansion into the Canadian market and Lowe's Home Improvement recently purchased Canada's Rona home improvement stores. Per the United Nations Conference on Trade and Development (UNCTAD), Canada attracted 3.3 percent of the world's FDI in 2015.

Canadian residents have become increasingly active as worldwide investors. The United States is the top destination for Canadian Direct Investment Abroad (CDIA). CDIA stocks in the United States rose 9 percent (USD 28 billion) in 2015 to USD 337 billion. The United States' share of CDIA in 2015 increased to 44.6 percent from 42 percent in 2014.

Other major destinations for Canadian FDI are the United Kingdom, Barbados, Luxembourg, the Cayman Islands, and other European Union countries.

Limits on Foreign Control and Right to Private Ownership and Establishment

Commercial Aviation: Canada limits foreign ownership of Canadian air carriers to 25 percent. In addition, foreign interests may not control a Canadian air carrier. One Canadian airline has put a special procedure in place for foreign share-transfers which reclassifies its stock as variable voting shares. This allows non-Canadians to own more than 25 percent of the equity while reducing foreign voting rights and allowing the airline to remain Canadian with at least 75 percent of its voting interests owned and controlled by Canadians. The Canada-EU Aviation Agreement, signed in December 2009, envisions changes to Canadian legislation that will allow up to a 49 percent foreign stake in Canadian airlines, but they have yet to take place. A government review of the Canada Transport Act released in February 2015 recommended that foreign ownership limits for commercial airlines be increased to 49 percent to foster competition. Canada also passed an amendment to the Canada Transportation Act in March 2009 that provides the Governor in Council (appointed by the Governor General) with authority to increase foreign ownership of Canadian airlines to a maximum of 49 percent. The current government has not taken action on the recommendations of the review panel and the Governor in Council has not exercised his power to raise ownership limits to date.

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.

A wind power company owned by a New York-based investment group filed a NAFTA Chapter 11 notice of arbitration against Canada in January 2013 in response to Ontario's February 2011 moratorium on all new offshore wind projects. The company maintains that the moratorium breached Canada's obligations under NAFTA to protect U.S. investors from expropriation without compensation and violates NAFTA's minimum standard of treatment provision.

For more information, please see [Global Affairs Canada's "NAFTA Chapter 11 Cases Filed Against the Government of Canada" webpage](#).

Energy: Canada continues to encourage additional foreign investment in its energy sector to develop its vast oil and gas resources. In Quebec, calls for tender for energy projects vary between 30 and 60 percent of local content. (See paragraph 7 for more information on SOE's in the energy sector.)

Canada has faced several investment disputes involving energy in recent years. U.S. oil and gas company filed a notice of arbitration under NAFTA Chapter 11 in September 2013, following the Government of Quebec's announced suspension of oil and gas exploration beneath the Saint Lawrence River in June 2011. The U.S. company filed an additional Memorial in April 2015 stating that Quebec's provincial legislation effectively destroyed the economic potential of its investment and deprived it of the ability to real any economic benefit from the investment. The USD 118.9 million damages claim case is still active and the government of Canada filed a counter-memorial in January 2016. Further, the company claims the suspension breached NAFTA expropriation and minimum standard of treatment provisions.)

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

Financial Services: 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. The limit for single, non-NAFTA shareholders is 20 percent. 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 in Canada;
- shareholders' meetings are required to be held in Canada;
- two-thirds of the directors must be resident Canadians;

- the chief executive officer of the bank must ordinarily be resident in Canada;
- important corporate and transactional documents must be kept in Canada;
- certain administrative changes require ministerial approval.

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. On March 17th, 2015, the NAFTA tribunal found Canada liable for having breached its obligations under Articles 1105 and 1102 to Bilcon of Delaware, the parent company of Bilcon of Nova Scotia, for rejecting a project in part because it didn't meet "community core values." The company argued it was treated unfairly when it was forced to go before a federal-provincial environmental review panel that ultimately recommended rejecting the company's planned basalt quarry and marine terminal development project in White Point (near Digby Nova Scotia). On June 16, 2015, Canada filed a notice of application in the Federal Court of Canada for the set aside of the Tribunal's award. Arbitration has moved on to the damages phase where Bilcon is seeking damages of as much as C300 million.

Real Estate: Primary responsibility for property law rests with the provinces. Prince Edward Island and Saskatchewan put limitations on real estate sales to out-of-province parties. Government authorities can expropriate property after paying appropriate compensation. British Columbia began a 15 percent tax on foreign buyers of residential real estate in the Metro Vancouver area in August 2016. In early 2017, the province announced that foreign buyers with work permits would be exempt from the tax.

Telecommunications: Under provisions of Canada's Telecommunications Act, foreign ownership of transmission facilities is limited to 20 percent direct ownership and 33 percent through a holding company, for an effective limit of 46.7 percent total foreign ownership. Canada also requires that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian citizens.

Canada amended the Telecommunications Act in June 2012 to rescind foreign ownership restrictions on carriers with less than 10 percent share of the total Canadian telecommunications market. Foreign-owned carriers are permitted to continue operating if their market share grows beyond 10 percent provided the increase does not result from the acquisition or merger with another Canadian carrier. The policy change was part of the Canadian government's strategy to facilitate more competition in the telecom sector. Canada's three largest telecom providers acquired

most spectrum licenses sold at its 700 MHz spectrum auction in February 2014, and the auction did not feature any new foreign buyers. In March 2015, Canada announced results of an AWS-3 spectrum auction in which 60 percent of the spectrum was set aside for new entrants. No foreign companies received spectrum in this auction. Canada held a 2500MHz spectrum auction on April 14, 2015 with Canadian companies winning all the licenses offered.

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 broadcast service is licensed in a format competitive with that of an authorized non-Canadian service, the commission can drop the non-Canadian service if a new Canadian applicant requests it to do so. Licenses will not be granted or renewed to firms that do not have at least 80 percent Canadian control, represented both by shareholding and by representation on the firms' board of directors.

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

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.

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.

Other Investment Policy Reviews

Canada has not conducted an Investment Policy Review through the Organization for Economic Co-operation and Development (OECD), WTO, or UNCTAD in the past three years.

Screening of FDI

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

In April 2015, the Act was amended to introduce the concept of “enterprise value” as compared to “asset value.” Asset value is based on the value of the assets per the business' financial statements (book value) where enterprise value considers market value, debt and cash. Because of the amendments, direct investments resulting in the acquisition of control of a Canadian business by non-state-owned, WTO investors are measured by enterprise value. In contrast, establishments of new businesses, direct investments resulting in the acquisition of control of a Canadian business by state-owned or non-WTO investors, and indirect investments by any investor are measured in asset value.

In fiscal year 2015–16, there were 641 investments processed under the Act with a total value of C30.51 billion in asset value plus C26.20 billion in enterprise value. Investors from the United States made 386 investments, totaling C19.86 billion in asset value plus C18.69 billion in enterprise value.

Canada has only turned down investment offers three times since the ICA came into force 25 years ago. Canada blocked a Cairo-based investment and management company's proposed USD 520 million acquisition of Manitoba Telecom Services' Allstream Division under the national security provisions of the ICA in October 2013. The Canadian government did not elaborate on the reasons behind its decision. Canada blocked a proposed USD 38.6 billion purchase of a potash producer in Saskatchewan by an Australian-based company in November 2010, claiming the hostile takeover failed to be of "net benefit" to Canada under the ICA. The third instance occurred in April 2008 when Canada denied the sale of Canadian communications company MacDonald Dettwiler's satellite operations to a U.S. buyer over security concerns.

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

Business Facilitation

ISED works with Global Affairs Canada (GAC) to encourage foreign companies to invest in Canada and to promote an open, rules-based global investment regime. The [Canadian Trade Commissioner Service's "Invest in Canada" website](#) serves as a comprehensive destination with the needed information for starting and registering a business in Canada. The process is complete, and while the website is available in several languages, navigation can be complex. In addition to Federal registration, [businesses may also be required to register](#) with the provincial, territorial, municipal and revenue agencies Canada ranks 22nd on the 2016 World Bank's Doing Business Scale. For more general information on the Canadian business climate, see the [World Bank's "Investing Across Borders" webpage](#), the [Global Enterprise Registration's website](#), and the [World Bank's Doing Business – "Starting a Business" webpage](#).

Canada defines business enterprises as follows:

Table: Canada Enterprise Classification Information

Type	Number of Employees
Micro	1-4 employees
Small	5-99 employees
Medium	100-499 employees
Large	500 + employees

Outward Investment

Canada does not restrict domestic investors from investing abroad. Canadian companies are encouraged to invest abroad through the Export Development Canada (EDC), which created the Canadian Direct Investment Abroad (CDIA) program. CDIA offers Canadian businesses a range of solutions to obtain financing and research international markets in support of long-term business objectives.

Bilateral Investment Agreements and Taxation Treaties

Bilateral Taxation Treaties

The 1989 Canada-US Free Trade Agreement (CUSFTA) and the 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 obligations based on the same principles found in the NAFTA. Canada has 30 FIPAs in force with countries in Central Europe, Latin America, Africa, and Asia. Canada is actively pursuing FIPAs with ten countries including India, Pakistan, and Kosovo. Canada views China as an increasingly important trade and investment partner and ratified a FIPA with China in September 2014. Canada signed a FIPA with Hong Kong in February 2016 and with Burkina Faso and Guinea in 2015. In February 2016 Canada and the EU completed the legal review of the Comprehensive Economic and Trade Agreement (CETA). CETA was signed in October 2016 and ratified by the Canadian House of Commons and EU Parliament in February 2017. It is currently in the Canadian Senate for final ratification. The final text included changes to the investment chapter that significantly modified the investment dispute settlement mechanism by creating a permanent 15-person tribunal to hear disputes. The permanent dispute body differs from Canada's previous trade agreements, including NAFTA.

Legal Regime

Transparency of the Regulatory System

The transparency of Canada's regulatory system is like that of the United States and legal, regulatory, and accounting systems are transparent and consistent with international norms. 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. This regulatory cooperation does not encompass all regulatory activities within all agencies. Rather, the RCC is focused on areas where benefits can be realized by regulated parties, consumers, and/or regulators without sacrificing outcomes such as protecting public health, safety and the environment. The initial RCC Joint Action Plan set out 29 initiatives where Canada and the United States sought greater regulatory alignment. On May 28, 2015, the United States and Canada released Regulatory Partnership Statements and Work Plans that, collectively, outline major objectives for bilateral cooperation over the next three to five years in specific areas of regulatory activity. The U.S. Department of Agriculture and the Canadian Food Inspection Agency are working together on changes and updates to their slaughter and processed meat inspection policies and procedures to achieve closer alignment between inspection system requirements and eliminate unnecessary or duplicative requirements. On May 4, 2016, the U.S. Food and Drug Administration and Health Canada's Canadian Food Inspection Agency signed an U.S.-Canada Food Safety Systems Recognition Arrangement. Through this arrangement, the countries intend to better align their food safety regulatory systems, reduce unnecessary duplication, enhance information sharing, and to the extent possible, leverage resources so that the agencies can better meet their public health objectives. The countries will also work together to identify areas of mutual interest and collaboration based on the best available science and technological advances in our respective meat inspection systems and modernization approaches. On plant health, the Canadian Food Inspection Agency and U.S. Department of Agriculture's Animal and Plant Health Inspection Service are collaborating to facilitate safe bilateral trade and protect Canada and the United States from risks posed by plants and plant products arriving from third countries. This will include aligning phytosanitary import requirements and allow countries to utilize information from phytosanitary inspections conducted by one country to the other.

Other areas of engagement include efforts to develop a common approach to marine safety and security; energy efficiency standards and labeling; natural gas transportation; locomotive, vehicle, and engine emissions; chemicals management; crop protection products (pesticides); food safety; pharmaceutical and biological products; aquaculture; connected (self-driven) vehicles; dangerous goods transportation; developing joint rail, aviation, and motor vehicle safety standards; 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.

The World Bank published in-depth information on regulatory transparency for 185 economies. For information on Canada, please see the [World Bank's "Global Indicators of Regulatory Governance – Canada" webpage](#).

International Regulatory Considerations

Canada is not part of a regional economic block and does not incorporate regional standards into its economic system. However, Canada and the United States work together through the RCC to develop like standards and streamline product certification on both sides of the border. Canada, with the United States and Mexico, is a member of the NAFTA.

Canada is a member of the WTO and notifies draft technical regulations to the WTO Committee on Technical Barriers to Trade (TBT).

Legal System and Judicial Independence

Canada's legal system is based on English common law, except for Quebec, which follows civil law. Canada has both a federal parliament which makes laws for all of Canada and a legislature in each of the provinces and territories that deals with laws in their areas. When Parliament or a provincial or territorial legislature passes a statute, it takes the place of common law or precedents dealing with the same subject. The judicial branch of government is independent of the executive branch and the current judicial process is considered procedurally competent, fair, and reliable. The provinces administer justice in their jurisdictions. This includes organizing and maintaining the civil and criminal provincial courts and civil procedure in those courts.

Canada has both written commercial law and contractual law and specialized commercial and civil courts. Canada's Commercial Law Directorate provides advisory and litigation services to federal departments and agencies whose mandate includes a commercial component and has legal counsel in Montréal and Ottawa.

Parliament and provincial and territorial legislatures give government organizations the authority to make specific regulations. As of June 1, 2009, all consolidated Acts and regulations on the [Justice Laws' Website](#) are "official", meaning they can be used for evidentiary purposes.

Laws and Regulations on Foreign Direct Investment

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 imposes a requirement that these investments be of "net benefit" to Canada. For most 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 2016 is C600 million for WTO Members. (Indirect control acquisitions by WTO Members do not have to be reviewed.) New regulations that come into effect on April 24, 2017 will implement revised review thresholds for WTO investors, other than SOEs, and will increase the review threshold to C800 million, and ultimately to C1 billion in 2019. Thereafter the review amount will be subject to indexation. Additionally, the time periods for the security review process will be increased from 130 days to 200 days. For non-WTO Members, the threshold remains at USD 5 million for direct control and USD 50 million for indirect control acquisitions.

In 2015, Canada amended its National Security Review of Investment Regulations to provide the government with the flexibility to extend time periods for the review of investments that could be injurious to national security.

Canada announced new SOE guidelines in December 2012, which included the statement that future SOE bids to acquire control of a Canadian oil-sands business will only be approved on an "exceptional basis." Canada altered the definition of an SOE in its 2013 Budget Implementation Bill to an entity or individual that is *influenced directly or indirectly* by a foreign government. The Bill also established a separate threshold review for SOE acquisitions of control, and allows Canada's Industry Minister to review minority SOE investments for the first time. SOE investments from WTO member countries over USD 375 million are subject to review.

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

[The Canadian Trade Commissioner Service's "Invest in Canada" website](#) serves as a has a comprehensive destination with the needed information for starting and registering a business in Canada.

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 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 ICA, the WTO, and the NAFTA. Chapter 11 of the NAFTA ensures that 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 if 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.

Under the NAFTA, Canada is 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 Canadian government retains some flexibility in the application of national treatment obligations and need not extend identical treatment, if the treatment is "equivalent."

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 USD 54 billion in 2016, while Canada's services exports to the United States totaled over USD 54 billion. The NAFTA ensured that restrictions on bilateral services trade would not be applied following the agreement. 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 several 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.

Competition and Anti-Trust Laws

The Bureau of Competition Policy and the Competition Tribunal, a quasi-judicial body, enforce Canada's antitrust legislation.

Expropriation and Compensation

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, after reaching agreement with the former owners.

Dispute Settlement

ICSID Convention and New York Convention

Canada ratified the International Centre for Settlement of Investment Disputes (ICSID) Convention on December 1, 2013 and is a signatory to the 1958 New York Convention, ratified on 12 May 1986. Canada signed the United Nations Convention on Transparency in Treaty-based Investor-State Arbitration (known as the Mauritius Convention on Transparency) in March 2015.

Investor-State Dispute Settlement

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. Canada does not have a history of extrajudicial action against foreign investors.

A list of current NAFTA Chapter 11 Arbitrations is below:

- [Resolute Forest Products Inc. v. Government of Canada](#)
- [CEN Biotech Inc. v. Government of Canada](#)
- [Lone Pine Resources Inc. v. Government of Canada](#)
- [Windstream Energy LLC v. Government of Canada](#)
- [Clayton/Bilcon v. Government of Canada](#)
- [Mercer International Inc. v. Government of Canada](#)
- [Mesa Power Group LLC v. Government of Canada](#)
- [Murphy Oil Corporation vs Government of Canada](#)
- [Mobil Investments Canada Inc. vs Government of Canada](#)

International Commercial Arbitration and Foreign Courts

The CUFTA and 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 U.S. 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.

Bankruptcy Regulations

Bankruptcy in Canada is governed by the Bankruptcy and Insolvency Act (BIA) and is not criminalized. Creditors must deliver claims to the trustee and the trustee must examine every proof of claim. The trustee may disallow, in whole or in part, any claim of right to a priority under the BIA or security. Generally, the test of proving the claim before the trustee in bankruptcy is very low and a claim is proved unless it is too "remote and speculative." Provision is also made for dealing with cross-border insolvencies and the recognition of foreign proceedings. Canada is ranked number 15 for ease of "resolving insolvency" by the World Bank.

Industrial Policies

The Canadian Trade Commissioner Service manages the Advanced Manufacturing Fund (AMF) and the Industrial Research Assistance Program (IRAP). The AMF promotes continued growth of Ontario's advanced manufacturing sector by supporting efforts to develop cutting-edge technologies and large-scale activities that will improve processes and increase productivity, establish clusters or global

supply chains and collaborate with private sector, and research and post-secondary institutions. The IRAP program assists firms to develop, adopt and adapt technologies and incorporate them into competitive products and services to be commercialized in the global marketplace. IRAP provides advisory services and funding to help SMEs undertake innovation projects.

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 offer an array of incentive programs and services aimed at attracting foreign investment that lower corporate taxes and incentivize research and development. The Province of Quebec officially re-launched its “Plan Nord” (Northern Plan) in April 2015, a 20-year sustainable development investment initiative that is intended to harness the economic, mineral, energy, and tourism potential of Quebec’s northern territory. Quebec’s government created the “Société du Plan Nord” (Northern Plan Company) to attract investors and work with local communities to implement the plan. Thus far, Plan Nord has helped finance mining projects in northern Quebec and began building the necessary infrastructure to link remote mines with ports. The provincial government is actively seeking other foreign investors who desire to take advantage of these opportunities. Quebec holds an annual meeting of mining industry stakeholders, known as “Quebec Mines,” every year in November where it is possible to get more information about potential claims and the mining investment climate. Per the Fraser Institute, a Canadian public policy think tank, Quebec is ranked as the number 8 jurisdiction worldwide for mining investments.

Quebec also seeks to attract foreign investment through its Maritime Strategy. The province has designated 16 ports where maritime industrial zones will be developed or improved. The provincial government has pledged to invest C\$300 million annually for the next five years and intends to pursue this strategy until 2030. The plan aims to develop the St. Lawrence valley region and coastal Quebec by developing industrial

zones near ports, supporting shipyards, modernizing maritime tourism, and protecting the environment.

Provincial incentives tend to be more investor-specific and are conditioned on applying the funds to an investment in the granting province. For example, Ontario's Jobs and Prosperity Fund provides USD 2.5 billion over 10 years to enhance productivity, bolster innovation and grow Ontario's exports. To qualify, companies must have substantive operations (generally three years) and at least C10 million in eligible project costs. Alberta offers companies a 10 percent refundable provincial tax credit worth up to USD 400,000 annually for scientific research and experimental development encouraging research and development in Alberta as well as Alberta Innovation Vouchers worth C15,000 to C50,000 to help small early-stage technology and knowledge-driven businesses in Alberta get their ideas and products to market faster. Newfoundland and Labrador provide vouchers worth 75 percent of eligible project costs up to C15,000 for R&D, performance testing, field trials, and other projects.

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. Provincial incentive programs for film production in Canada are available to foreign filmmakers.

Foreign Trade Zones/Free Ports/Trade Facilitation

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

Performance and Data Localization Requirements

Data localization is an evolving area in Canada. Privacy rules in two Canadian provinces, British Columbia and Nova Scotia mandate that personal information in the custody of a public body must be stored and accessed only in Canada unless one of a few limited exceptions applies. These laws prevent public bodies such as primary and secondary schools, universities, hospitals, government-owned utilities, and public agencies from using non-Canadian hosting services.

The Canada Revenue Agency stipulates that tax records must be kept at a filer's place of business or residence in Canada. Current regulations were written over 30 years ago, and do not consider current technical realities concerning data storage.

Protection of Property Rights

Real Property

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 recording system for mortgages and liens is reliable. Canada is ranked number 43 for 2017 in the World Bank's "Ease of Registering Property" rankings. About 89 percent of Canada's land area is Crown Land owned by federal (41 percent) or provincial (48 percent) governments; the remaining 11 percent is privately owned.

A 2014 Supreme Court decision recognized the existence of aboriginal title on land in British Columbia, which has ramifications for aboriginal land claims across Canada. While stopping short of giving aboriginals a veto on projects, the decision gives them increased influence on the economic development of any land with a colorable (potentially invalid) aboriginal title claim.

Intellectual Property Rights

Canada remained on USTR's Watch List in 2016. Canada amended its Copyright Act to extend protection for sound recordings to 70 years from the date of the recording and adjusted its Patent Medicine regulations to allow for fixed-dose patent registration. Canada implemented notice and notice procedures for internet service providers and, as part of 2015 anti-Counterfeiting legislation, began accepting requests from rights holders to register with the Canadian Border Services Agency (CBSA). Canada acceded to the WIPO Marrakesh Treaty on June 30, 2016, bringing the treaty into force. Canada has now completed the ratification of the WIPO Internet Treaties. There are ongoing concerns over Canadian courts' strict utility standards that have been used to overturn patents, and broad discretion allowed Canada's Health Ministry to release confidential business information. Industry is concerned with uneven application of new notice and notice regulations requiring ISPs to notify (and address) sites of trademark or copyright infringements. While Canada is working to prevent retail counterfeit goods coming into Canada by encouraging banks to shut down counterfeit retailers' merchant accounts, Canada continues to exclude shipments of goods in-transit to the U.S. from counterfeit inspection.

The Combatting Counterfeit Goods Act came into effect January 1, 2015 and amended the Copyright Act, the Trade-marks Act, and the Customs Act, to give the CBSA and rights-holders new tools to stop counterfeit goods into and out of Canada. As of January 1, 2015, Canadian customs officers have ex officio authority to target and detain counterfeit goods for up to 20 days. Rights holders may formally request CBSA

assistance by filing a Request for Assistance (RFA). RFAs are valid for two years and may be renewed.

The Canadian government does not regularly report on seizures of counterfeit goods. However, the RCMP publishes periodic totals for counterfeit goods seizures. The last report on Feb 20, 2013 noted that “the total retail value of seizures of counterfeit and pirated goods has increased from over USD 24 million in 2010 to over USD 38 million in 2012.” Provided counterfeit goods are not needed to be held as evidence by the government for criminal proceedings, rights holders are responsible for storage, handling, and destruction of counterfeit goods. If a court proceeding finds the counterfeit goods claim to be invalid, the rights holder is also responsible for any damages sustained by the owner of the goods due to continued detention. Counterfeit goods are not prevalent, but are present in Canada.

The United States has expressed strong concerns about the availability of rights of appeal in Canada’s administrative process for reviewing the regulatory approval of pharmaceutical products, and has also expressed concerns regarding the heightened utility requirements for patents that Canadian courts have been adopting recently. One U.S. pharmaceutical company filed a Notice of Intent under NAFTA Chapter 11 in June 2013 after its patent was invalidated on two of its drugs. In September 2013, the company filed a Notice of Arbitration Memorial and the hearing on jurisdiction and the merits took place from May 30 to June 8, 2016. On March 17, 2017, a NAFTA court dismissed the USD 500 million challenge. The firm will likely be required to pay most of the Canadian government’s estimated USD 5 million in legal costs.

Resources for Rights Holders

For additional information about treaty obligations and points of contact at local IP offices, please see [WIPO’s country profiles](#).

Contact Information

[U.S. Embassy in Canada](#)

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Financial Sector

Capital Markets and Portfolio Investment

Canada's capital markets are open, accessible, and without onerous regulatory requirements. Foreign investors can get credit in the local market. Canada has its own stock market, the Toronto Exchange and there is sufficient liquidity in the markets to enter and exit sizeable positions. The World Economic Forum ranked Canada's banking system as the "most sound" in the world from 2008 to 2015, and the third most sound for 2016. Canadian banking stability is linked to high capitalization rates that are well above the norms set by the Bank for International Settlements. The Canadian government and Bank of Canada do not place restrictions on payments and transfers for current international transactions.

Money and Banking System

Canada is open to foreign investment in the banking, insurance, and securities brokerage sectors, but there are barriers to foreign investment in retail banking (see below). 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. 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. Several U.S. financial institutions have established branches in Canada, chiefly targeting commercial lending, investment banking, and niche markets such as credit card issuance.

The Canadian banking industry is dominated by five major domestic banks, but includes a total of 28 domestic banks, 24 foreign bank subsidiaries, 27 full-service foreign bank branches and three foreign bank lending branches operating in Canada. The five largest banks account for approximately 90 percent of total assets among Canada's federally regulated deposit taking institutions. These institutions manage close to USD 4 trillion in assets. The remaining 10 percent of Canadian banks' assets are held by smaller banks with niche focuses such as mortgage lending or credit cards. 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 triggers 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.

The Ontario Securities Commission extended the set time for a targeted company to answer a take-over proposal/offer in 2016. Under the new regime, bids are generally open for a minimum deposit period of 105 days, the minimum tender is more than 50 percent of the outstanding securities that are subject to the bid and a 10-day extension applies if the minimum tender requirement is met. The change was made to enhance the ability of shareholders to make better informed and coordinated decisions while providing boards with additional time and discretion to respond to takeover bids.

Foreign Exchange and Remittances

Foreign Exchange

The Bank of Canada is the nation's central bank. Its principal role is "to promote the economic and financial welfare of Canada," as defined in the Bank of Canada Act. The Bank's four main areas of responsibility are monetary policy, promoting a safe, sound and efficient financial system, issuing and distributing currency, and being the fiscal agent for Canada.

Remittance Policies

The Canadian dollar is fully convertible and the central bank does not place time restrictions on remittances. Canada provides some incentives for Canadian investment in developing countries through programs offered by Global Affairs Canada.

Sovereign Wealth Funds

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 C19.1 billion on December 31, 2016. It is invested in a globally diversified portfolio of public and private equity, fixed income and real assets. The fund follows the voluntary code of good practices "Santiago Principles" and participates in the IMF-hosted International Working Group of SWFs. Close to 50 percent of the Heritage Fund is currently held in equity investments, 19 percent of which are Canadian equities. The fund is currently heavily invested in the U.S. dollar (16 percent of total currency) with more than USD 2.8 billion in reserves.

State-Owned Enterprises

Canada has more than 40 state-owned enterprises (SOEs) at the federal level, with most assets held by three federal crown corporations: Export Development Canada; Farm Credit Canada; and Business Development Bank of Canada. Canada also has over

100 SOEs at the provincial level that contribute to a variety of sectors including, finance; power, electricity, and utilities; and transportation. The Treasury Board Secretariat provides an annual report to Parliament regarding the governance and performance of Canada's federal crown corporations and other corporate interests.

The [Canadian government list SOEs as “Government Business Enterprises” \(GBE\)](#).

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. 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 is party to the Government Procurement Agreement (GPA) within the framework of the World Trade Organization (WTO). SOEs are not addressed in the agreement.

Privatization Program

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

Responsible Business Conduct

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. Canada's Corporate Social Responsibility strategy, “Doing Business the Canadian Way: A Strategy to Advance Corporate Social Responsibility in Canada's Extractive Sector Abroad” is available on the [Global Affairs Canada's website](#).

Despite the increased level of official attention paid to Responsible Business Conduct, the activities of Canadian mining companies abroad remain the subject of some critical attention and have prompted calls for the government to move beyond voluntary measures. Canada is a supporter of Extractive Industries Transparency Initiative (EITI).

[Canada's National Contact Point for the OECD Guidelines for Multinational Enterprises](#)

International Trade Portfolio Division

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Corruption

On an international scale, corruption in Canada is low and like 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.

Canada's Criminal Code prohibits corruption, bribery, influence peddling, extortion and abuse of office. The 1998 the Corruption of Foreign Public Officials Act prohibits individuals and businesses from bribing foreign-government officials to obtain influence and prohibits destruction or falsification of books and records to conceal corrupt payments. The law's extended jurisdiction permits Canadian courts to prosecute corruption committed by companies and individuals abroad. Canada's anti-corruption legislation is vigorously enforced, and companies and officials guilty of violating Canadian law are being effectively investigated, prosecuted and convicted of corruption-related crimes. In March 2014, Public Works and Government Services Canada revised its Integrity Framework for government procurement to ban companies or their foreign affiliates for 10 years from winning government contracts if they have been convicted of corruption. In August 2015, the Canadian government revised the Framework to allow suppliers to apply to have their ineligibility reduced to five years where the causes of conduct are addressed and no longer penalized a supplier for the actions of an affiliate in which it was not involved. Canadian firms operating abroad must declare whether they or an affiliate are under charge or have been convicted under Canada's anti-corruption laws during the past five years to receive help from the Trade Commissioner Service. U.S. firms have not identified corruption as an obstacle to foreign direct investment in Canada.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Canada signed the UN Anti-Corruption Convention May 21, 2004 and ratified it on October 2, 2007.

The OECD Anti-Bribery Convention went into force in Canada on February 15, 1999.

Resources to Report Corruption

Mary Dawson

Conflict of Interest and Ethics Commissioner

Office of the Conflict of Interest and Ethics Commissioner

Parliament of Canada

66 Slater Street, 22nd Floor

Ottawa, Ontario

Office of the Conflict of Interest and Ethics Commissioner

Parliament of Canada

Centre Block, P.O. Box 16

Ottawa, Ontario K1A 0A6

Lyse Ricard

Office of the Senate Ethics Officer

Thomas D'Arcy McGee Building

Parliament of Canada

90 Sparks St., Room 526

Ottawa, ON K1P 5B4

Political and Security Environment

Political violence occurs in Canada to about the same extent as in the United States. For example, protests over proposed austerity measures in the Quebec budget led to generally peaceful confrontations between police and protesters throughout 2015.

Labor Policies and Practices

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's unemployment rate stood at 6.8 percent in January 2017, a decrease from 6.9 percent twelve months earlier. Analysts note that Canada's labor story varies significantly by province, with resource-dependent provinces affected more adversely

than non-resource dependent provinces because of lower oil and other commodity prices. Still hurt by the 2014–15 decline in oil prices, Canada’s largest oil producing province, Alberta, saw its unemployment rate increase from 8.5 percent in January 2016 to 8.8 percent in January 2017. However, the unemployment rate in Newfoundland & Labrador, another oil dependent province fell from 15.1 percent to 13.8 percent over the same period. In contrast, Ontario’s unemployment remained at 6.4 percent in January 2016 and 2017. Ontario, which is home to much of Canada’s manufacturing sector, continued to benefit from a lower Canadian dollar and increased demand from the United States.

Canada faces a labor shortage in skilled trades professions, such as carpenters, engineers, and electricians. However, the demand for skilled trade labor has diminished in resource dependent provinces, as lower commodity prices have forced many Canadian energy companies to cease hiring and/or cut staff over the course of the past two years. Canada launched several initiatives in past years including the Global Skills Visa, announced in November 2016, to address its skilled labor shortage, including through immigration reform, the inclusion of labor mobility provisions in free trade agreements, including the Canada–EU CETA agreement, and the Temporary Foreign Worker Program (TFWP).

The TFWP is jointly managed by Human Resources and Skills Development Canada (HRSDC) and Citizenship and Immigration Canada (CIC) and is divided into two categories: The International Mobility Program (IMP), which primarily includes high skill\high wage professions, and the TFWP which refers to primarily low skilled workers. Most U.S. temporary workers fall under the more highly skilled IMP stream. The number of temporary foreign workers a business can employ is limited. For more information, please see the [Government of Canada’s “Temporary Foreign Worker Program Fact Sheet” webpage](#).

Canadian labor unions are independent of the government. Canada has labor dispute mechanisms in place and unions practice collective bargaining. In Canada, less than one in three employees belonged to a union or was covered by a collective agreement in 2015, the most recent year available. In 2015, there were 776 unions in Canada. Eight of those unions – five of which were national and three international – represented 100,000 or more workers each and comprised over 45 percent of all unionized workers in Canada. While the number of dues-paying union workers rose in 2015 to 31.8 percent, overall union membership down from 37.6 percent in 1981.

Canada’s labor unions have clashed with the federal government on several occasions in recent years. Eighteen unions and labor organizations announced their intention in December 2013 to take legal action against the Canadian federal government over provisions included in the government’s 2013 budget bill (Bill C-4). The unions

maintained that Bill C-4 undermined their right to collective bargaining by allowing the federal government to determine which federal workers will be permitted to strike and which collective agreements will be settled through arbitration. Canada passed “back-to-work” legislation in March 2012 and May 2012 to end labor disputes involving a Canadian airline and rail companies. Canada justified introducing the legislation on both occasions as a necessary action to protect the Canadian economy. When railroad unions threatened a work stoppage during December 2014 contract negotiations, parliament pre-emptively introduced back to work legislation; however, an agreement was reached before the bill was required.

OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation does not operate in Canada.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table: Key Macroeconomic Data, U.S. FDI in Canada

Economic Data	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$1,494	2015	\$1,551	World Bank
Foreign Direct Investment	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in Partner Country (\$M USD, stock positions)	2015	\$291,716	2015	\$352,928	
Host Country's FDI in the United States (\$M USD, stock positions)	2015	\$337,481	2015	\$341,948	BEA
Total Inbound Stock of FDI as Percent host GDP	2015	\$578,229	2015	39%	N/A

Table: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	578,229	100 %	Total Outward	756,378	100 %
United States	291,716	50 %	United States	337,481	45 %
Netherlands	67,012	12 %	United Kingdom	69,928	9 %
Luxembourg	43,948	8 %	Barbados	60,118	8 %
United Kingdom	24,759	4 %	Luxembourg	37,752	5 %
Japan	15,896	3 %	Cayman Islands	36,644	5 %

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

Sources: Office of the Chief Economist, 2015 FDI Stats, Global Affairs Canada & U.S. BEA

Note: Data converted to U.S. dollars using yearly average currency conversions from IRS

Table: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	1,265,636	100 %	All Countries	974,225	100 %	All Countries	291,410	100 %
U.S.	779,498	62 %	U.S.	580,240	60 %	U.S.	199,258	68 %
U.K.	80,835	6 %	U.K.	63,240	6 %	U.K.	17,595	8 %
Japan	55,507	4 %	Japan	53,604	6 %	Australia	13,133	5 %
France	36,724	3 %	France	29,442	3 %	Germany	11,754	4 %
Germany	30,643	2 %	Switzerland	25,572	3 %	France	7,282	3%

Source: Statistics Canada, 2015 figures

Note: Data converted to U.S. dollars using yearly average currency conversions from IRS

Contact for More Information on the Investment Climate Statement

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Trade and Project Financing

Methods of Payment

Methods of payment in Canada are like those 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 10 days. U.S. firms exporting to retailers (mainly to department stores) tend to offer a higher discount for settlement within 10 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.

The U.S. Commercial Service Canada offers the International Company Profile as a tool to evaluate the creditworthiness of potential customers or partners. 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.

Banking Systems

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 than the United States. Although federal agencies control most of Canada's financial sector, loan and trust companies, as well as life insurance providers, may also be governed by either federal or provincial regulations. For example, the cooperative 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. OSFI also regulates and oversees 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 cooperative credit movement, life insurance companies, and securities dealers. There are approximately 29 domestic banks, 24 foreign bank subsidiaries, 27 full service foreign bank branches, and three foreign bank lending branches. Combined, these institutions manage more than C\$4.6 trillion in assets. Banks account for more than 70 percent of the total assets of the Canadian financial services sector, with the six largest domestic banks accounting for more than 90 percent of the banking

industry's assets. The 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 more than 6,205 branches and 18,303 automated banking machines (ABMs) across the country. Canada has one of the highest numbers of ABMs per capita in the world and benefits from very high penetration levels of electronic channels such as debit cards, internet banking, and telephone banking. Nearly 26% of Canadians report that they perform much of their banking transactions using ABMs.

Foreign Exchange Controls

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

Under NAFTA, U.S. banks have a right of establishment and a guarantee of national treatment in Canada. All major banks in Canada can 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

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, 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 federal, 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 develop infrastructure or energy projects through public-private partnerships in which the Canadian side offers rights, loan guarantees, and/or partial financing to leverage needed additional project financing from private sector partners.

Multilateral Development Banks

The U.S. Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks worldwide such as the World Bank, the Inter-American Bank for Reconstruction and Development, and others. Canada does not qualify for project financing from any such bank, nor from the Overseas Private Investment Corporation (OPIC).

Financing Web Resources

[Bank of Canada](#)

[Canadian Bankers Association \(CBA\)](#)

[Export.gov - Trade Finance Guide](#)

[Export-Import Bank of the United States - Country Limitation Schedule](#)

[Export-Import Bank of the United States \(Ex-Im Bank\)](#)

[Infrastructure Canada](#)

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

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

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

[U.S. Small Business Administration \(SBA\) - Office of International Trade](#)

[U.S. Trade and Development Agency \(USTDA\)](#)

Business Travel

Business Customs

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

Travel Advisory

The Department of State reports on the latest Country Specific Information for Canada with information on such matters as health conditions, crime, customs regulations, entry requirements, and the location of the nearest U.S. Embassy or Consulate. For more information, please see the [U.S. Department of State's Canada webpage](#).

In addition, the U.S. Department of State issues travel alerts and warnings, advising Americans about conditions that may warrant changes to their travel plans, or to avoid certain countries or areas of a country. For more information, please see the [U.S. Department of State's "Alerts and Warnings" webpage](#).

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

Visa Requirements

Entry into Canada is determined solely by [Canadian Border Services Agency \(CBSA\)](#) officials, in accordance with Canadian law. 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 satisfies these requirements for U.S. citizens.

The NEXUS program allows pre-screened travelers expedited processing by U.S. and Canadian officials via dedicated processing lanes at designated northern border ports of entry; at NEXUS kiosks at Canadian preclearance airports; access to TSA Pre✓™ at US airports; and at marine reporting locations. NEXUS – Trusted Travelers

may see the [U.S. Customs and Border Protection's \(USCBP\) "NEXUS" webpage](#) for more information and to learn how to enroll. The Beyond the Border initiative facilitates cross-border movement of business travelers by allowing travelers to submit applications for a TN (Trade NAFTA) visa prior to arriving at the border and by promoting greater consistency in the processing of NAFTA travelers. For more information, please see the [U.S. Customs and Immigration Services' \(USCIS\) "TN NAFTA Professionals" webpage](#).

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

When returning to the United States from Canada, U.S. citizens are required to present a valid U.S. passport if they are re-entering the United States via air. For entry into the United States via land or sea border, U.S. citizens must present either a U.S. passport, passport card, NEXUS card, Enhanced Driver's License, or other identification. The only exception to this requirement is for U.S. citizens younger than 16 (or younger than 19, if traveling with a school, religious group, or other youth group), who need only present evidence of U.S. citizenship, such as a birth certificate, Consular Report of Birth Abroad, or naturalization certificate. U.S. citizen travelers are urged to obtain [WHTI \(Western Hemisphere Travel Initiative\)](#) compliant documents before entering Canada well in advance of their planned travel.

In most cases, Canadian citizens are exempt from visa requirements for travel to the United States. Canadian citizens wishing to enter the United States as a Treaty Trader or Treaty Investor must obtain a visa. Companies applying for an initial E1 Treaty Trader or E2 Treaty Investor visa are processed at the U.S. Consulate General in Toronto; visa renewals and visas for family members are processed in Ottawa, Vancouver, Toronto, Montreal, and Calgary. U.S. companies that require non-Canadian foreign business associates to travel to the United States should be advised that visa processing times can vary and may require additional time for administrative processing.

For more information, please see the [U.S. Embassy in Canada's "Treaty Trader and Investor Visas" webpage](#).

United States Visas

For more information, please see the [U.S. Department of State's "U.S. Visas" webpage](#) or contact Consular Services at any of the U.S. Embassy and Consulates in Canada.

Currency

Canada's official currency is the Canadian dollar (\$). There are 100 cents (¢) in a dollar. Coins have different sizes, shapes, and colors. They have nicknames that Canadians use in everyday life. These include:

Table: Canada Currency Terms

Currency Value	Currency Term
1¢	Penny (removed from circulation in 2012)
5¢	Nickel
10¢	Dime
25¢	Quarter
\$1	Dollar or "loonie"
\$2	Two Dollars or "toonie"

For more information, please see the [Government of Canada's "Money" webpage](#).

As of May 2, 2017, the exchange rate was \$1.37 Canada dollar for one U.S. dollar. From 2011 to 2016, the average value of US\$1 was \$1.12 for every C\$1. The last time the Canada dollar was valued higher than the U.S. dollar was January 2013, at C\$0.99 for US\$1.

Telecommunications/Electric

Telecommunications networks are highly sophisticated in Canada and comparable to those in the United States. Canada is integrated with the U.S. direct-dial long-distance telephone system (dial 1, the area code, and the number). Most U.S. mobile phones work in Canada, although roaming and long distance charges may apply. Some U.S. mobile phone companies offer combined U.S. and Canada coverage plans. All forms of communication and transmission are possible, including voice, text, data and video, over regular phone lines, broadband, and Voice over Internet Protocol (VoIP).

Transportation

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

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

The Trans-Canada Highway is a federal-provincial highway system that links all 10 provinces of Canada. With the main route spanning 8,030 km (4,990 miles), the Trans-Canada Highway is one of the world's longest national highways and is recognizable by its distinctive white-on-green maple leaf route markers.

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

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

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

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

Language

Canada has two official languages: English and French. All Government of Canada services and documents are available in the two languages. English is the official and most commonly spoken language in most provinces, except Quebec, where French is predominant. New Brunswick is the only official bilingual province where both languages are equally used.

Canada has attracted numerous immigrants in recent years, many of whom speak Spanish, Mandarin, Cantonese, and a variety of Arabic dialects. Per Canada's 2006 census, the following are the top 10 languages Canadians speak as a home language and the relative importance in percentage of the country's total population: English 20,584,775 (67.1 %), French 6,608,125 (21.5 %), Chinese 790,035 (2.6 %), Punjabi 500,000 (1.0 %), Spanish 209,955 (0.7 %), Italian 170,330 (0.6 %), Dutch 159,440 (0.6 %), Ukrainian 148,090 (0.5 %), Arabic 144,745 (0.5 %), and German 128,350 (0.4 %).

Health

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

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

Local Time, Business Hours, & Holidays

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. For more information, please see the [National Research Council Canada's \(NRCC\) "Time Zone & Daylight Saving Time" webpage](#).

Daylight Saving Time (DST) is now observed in all Canadian provinces, except for most of Saskatchewan, which observes Central Standard Time year-round even though it is in the Mountain Zone, effectively putting it on DST year-round. Under

the Canadian Constitution, laws related to timekeeping are a purely provincial matter.

Canadian federal and provincial holidays overlap with some, but not all U.S. holidays, and differ by province. A complete list of 2017 national holidays is located at the [Government of Canada's "Public Holiday" webpage](#).

Temporary Entry of Materials and Personal Belongings

Business visitors to Canada may bring certain personal goods into Canada duty- and tax-free, if 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. Department of State at the [U.S. Embassy in Canada's "Entering the U.S." webpage](#).

Business travelers to Canada may also be eligible for an exemption of the GST/HST sales taxes paid for certain expenses in Canada such as hotel accommodations. For more information, please see the [Government of Canada's "RC4022 General Information for GST/HST Registrants" webpage](#).

Travel Related Web Resources

[Canada Border Services Agency \(CBSA\)](#)

[Canadian Embassy: - Washington, D.C.](#)

[Canadian Federal Holidays](#)

[RC4022 General Information for GST/HST Registrants](#)

[U.S. Citizenship and Immigration Services \(USCIS\)](#)

[U.S. Customs and Border Protection \(CBP\)](#)

[U.S. Department of State](#)

[U.S. Department of State – Canada Consular Information Sheet](#)

[U.S. Department of State – Smart Traveler Enrollment Program \(STEP\)](#)

[U.S. Department of State – Traveler's Checklist](#)

[U.S. Department of State – U.S. Visas](#)

[U.S. Embassy and Consulates in Canada](#)