

Business in Canada

Introduction

Canada is the second largest country in the world with six time zones, ten provinces and three territories. The capital city of Canada is Ottawa which is located in the province of Ontario. Canada has a population of just under 34 million and 90% live within 200km of the United States border. There are two official languages, English and French.

Canada ranks 4th in the world in regards to standard of living (measured according to GDP per capita, e.g. life expectancy, education) which contributes to 'quality of life'. Vancouver, Toronto and Calgary are all within the top five most liveable cities according to the Economic Intelligence Unit (2010).

Strengths of the market

Canada is an important trade and investment partner for British companies of all sizes and across the spectrum of business activity. Canada is one of the world's richest and most developed countries, ranking among the top ten industrial powers and is recognised as having one of the highest standards of living in the world. With the low inflation and positive economic growth, particularly given the recent global economic crisis, Canada offers good trade and investment opportunities for British companies in many sectors e.g. energy, food and drink, aerospace, biotechnology, financial services, defence & security and business services.

A recent study comparing business costs in Canada, Europe and the USA placed Canada ahead of other G8 countries across a broad range of business operating costs. Canada's market economy has maintained a varied structure with both small companies and multinational companies. Natural resources remain a major factor, but the growth of hi-tech industries often involving small dynamic companies, is of increasing significance.

The proximity of the US market to much of Canada's industrial activity (based largely in Ontario and Quebec) is of fundamental importance to Canada with 75% of Canadian exports going to the USA. This therefore offers UK companies NAFTA access to the US and Mexican market from Canada. There are also good opportunities for strategic business partnerships and technology transfers between UK and Canadian companies. The market remains receptive to British products and Canadian business are familiar with UK business practices.

Opportunities in Canada

As Canada is not only a natural resources rich country, there are many opportunities across most sectors of this developed and sophisticated market.

Sectors include:

- Automotive
- Energy and power
- Creative and media
- Aerospace
- Pharmaceuticals
- Organic chemicals
- Healthcare
- Mining
- Advanced engineering
- Information Technology
- Biotechnology
- Financial services
- Defence and Security
- Oil and related products, including environmental technologies.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

View content at:<http://bit.ly/13NPMFu>

Life Sciences sector in Canada

Canada maintains 583 core biotechnology development companies and over 200 public sector institutions in the biotechnology field. It is considered the third largest biotechnology market in the world after the US and the UK.

Market overview

Canada has a predominantly publicly financed, privately delivered healthcare system, (Medicare) managed by ten provincial and three territorial health departments. The Federal Government is the Regulator and provider of (tax) transfer payments to the Provinces. In 2012, Canadian Government estimated C\$207.4 billion would be spent on the publicly funded healthcare system (Medicare) hospitals account for the largest proportion, followed by drugs and physician services. Private insurance and out-of-pocket expenses totalled about \$56.6 billion in 2010. The medical device industry in Canada generates approximately C\$6.6 billion in sales with 52% originating in Ontario, 37% in Quebec and 8% in British Columbia. Imports are largely from the USA. Canada's therapeutic development pipeline includes:

- Research & Pre-Clinical: 488
- Phase I: 87
- Phase II: 185
- Phase III: 30
- Products in the market: 42

Canada's biotechnology sector is primarily concentrated in Ontario 28%, British Columbia 27%, and Quebec 21%, followed by the rest of the regions. Major UK investors in Canada include AstraZeneca and GlaxoSmithKline.

Key opportunities

Healthcare

Several fund trends continue to affect healthcare:

- A major shift towards ambulatory, community-based practice
- Increased focus on primary and secondary prevention
- Providing services/devices for current 'boomers' and projected increase in aged Canadian population.
- Proliferation of co-morbidities and chronic diseases that are stressing the health care system(s)
- Information technology to better link patients with providers and to bring evidence of treatment effectiveness to both
- Innovation adoption to enable faster delivery of healthcare more effectively and efficiently

Biotechnology & Pharmaceuticals

- R&D and Technology Transfer: Partnerships between UK and Canadian firms and academic institutions can be used to leverage these opportunities
- Combined federal and provincial tax credits (such as the Scientific Research and Experimental Development (SRED) tax incentive) can be worth up to 30% of qualifying R&D expenditures for foreign investors
- Commercialisation: Opportunities for UK professional services companies that offers consultancy in commercialisation of R&D, proprietary consultancy, technology licensing, technology transfer, joint ventures and project financing to bridge the gap between the critical areas of academia, research and commerce
- Production and trials: International production and marketing partners, as well as clinical research organisations that are able to design and undertake clinical trials in the UK for Canadian pharmaceutical firms

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)

View content at: <http://bit.ly/13NPmPj>

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