

CANADA

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The top choice for global businesses

From its dynamic startup scene to its well-established industries, Canada stands out as a heavyweight in the global business arena.



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Québec 

The top choice for global businesses

By IVANA POPCHEV
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Canada's business ecosystem ranks among the most versatile and thriving in the world. The country has emerged as a premier investment destination for global companies, trailing only the US in foreign direct investment (FDI), according to many international rankings.

The right geography, the right economy

Canada boasts a resilient and diversified economy that has weathered numerous global economic downturns. With a robust banking system, controlled inflation, and prudent fiscal management, the environment is conducive to business investment. Consistent GDP growth, a transparent regulatory framework, and some of the most competitive tax advantages globally inspire confidence among investors, positioning Canada as a safe haven amidst global uncertainties.

"Canadians are among the most fortunate people in the world, given our abundant natural resources, the diversity of our population, and the strength of our democracy," says Perrin Beatty, President and CEO of the Canadian Chamber of Commerce.

Situated between the economic powerhouses of the US and Asia, Canada enjoys a strategic geographical location that facilitates trade and investment opportunities. With access to markets under the USMCA (United States-Mexico-Canada Agreement) and CETA (Comprehensive Economic and Trade Agreement), Canadian businesses benefit from preferential trade agreements that enhance their competitiveness on the global stage.

From its dynamic startup scene to its well-established industries, Canada stands out as a heavyweight in the global business arena.



Among the G7 countries, Canada has the highest per capita immigration rate.

A culture of innovation

Canada's reputation as a leader in innovation is well-deserved. The country ranks 15th among 132 economies on the Global Innovation Index 2023 and 16th out of 177 countries on the 2023 Index of Economic Freedom. Home to world-class research institutions, Canada fosters a culture of creativity and collaboration. The country invests significantly in research and development, particularly in key sectors like technology, biotechnology, artificial intelligence, and clean energy. Government initiatives such as the Strategic Innovation Fund

“We are one of the very few countries in the world where the public sees immigration as a net benefit.”



PERRIN BEATTY
President and CEO of the
Canadian Chamber of Commerce

and the Scientific Research and Experimental Development Tax Incentive Program incentivize innovation and provide crucial support to businesses at every stage of development.

One of Canada's most significant assets is its highly skilled and diverse workforce. Its robust education system produces a steady stream of talent equipped with the skills to drive innovation. "Canada is one of the most attractive locations in the world for international students. This is a great advantage because many international students choose to stay," Beatty underlines. Canada's immigration policies also attract skilled professionals from around the world. "Among the G7 countries, Canada has the highest per capita immigration rate," Beatty explains. The Chamber's CEO also underscores the importance of diversity. "Multiculturalism thrives in Canada. We are one of the very few countries in the world where the public sees immigration as a net benefit."

Fostering green innovation

Building on its rich natural resources, Canada is focusing on green innovation in emerging clean energy sectors, including battery technologies, carbon capture, and clean hydrogen. The country has secured historic manufacturing deals for electric vehicles, batteries, and hybrids, including a deal with General Motors, which is investing over \$2 billion in launching Canada's first full-scale commercial electric vehicle production facility.

"We remain committed to building a Canada that is more modern, diverse, and hopefully more prosperous," Beatty concludes, underlining the country's efforts towards a low-carbon future.



PIERRE FITZGIBBON
Minister of Economy, Innovation
and Energy of Québec

*“Talent drives
our industrial
strategy”*

By PEDRO AMARAL
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Pierre Fitzgibbon, Minister of Economy, Innovation and Energy, shares his thoughts on the province's advantages and focus areas.

What are your strategies to enhance Québec's competitiveness?

With 8.6 million inhabitants, Québec may be the second-largest province in Canada, but in comparison to Canada and the US, our primary trade markets, we are still relatively small. Consequently, we've had to forge an economic development pathway distinct from our past approaches, focusing our efforts on leveraging our strengths – niche sectors where Québec has a competitive edge.

Which areas do you prioritize for improvement?

Our foremost objectives revolve around narrowing the productivity gap between Québec and the rest of Canada and the US, and elevating the productivity levels of our businesses. Achieving these goals hinges on integrating innovation across all economy sectors.

How can you enhance talent attraction and retention?

Talent is a driver of our industrial strategy. We boast 18 universities offering specialized education, directing talent towards sectors vital for Québec's development. Additionally, Québec's multiculturalism attracts numerous foreign students and workers who opt to settle here for the abundant opportunities and the high quality of life.



Montréal is ranked as the world's third-largest aerospace hub.

Foreign investment surge in Québec

With its diversified economy and abundant natural resources, Québec is a magnet for foreign investment.

By PEDRO AMARAL
pedro@the-businessreport.com

In a riveting dialogue with key influencers shaping Québec's economic landscape, The Business Report unveils the dynamic journey towards redefining global competitiveness. From government-driven innovation zones to attracting international talent and securing investments, Québec is scripting a compelling tale of economic appeal.

Québec's economy has undergone significant diversification in recent years, expanding beyond its traditional domains of natural resources and manufacturing. The province has made notable strides in sectors such as aerospace, information technology, biotechnology, and clean energy. As a testament to this evolution, foreign direct investment (FDI) in Québec soared to a record \$6 billion in 2022-23, marking a 30% surge from the previous year and nearly tripling the figures from 2018-19.

“To triple FDI from \$2 to \$6 billion is a quite an accomplishment, and the figures are expected to rise even further next year,” Hubert Bolduc, President of Investissement Québec International says confidently. Established in 1998, Investissement Québec has emerged as the premier partner for both foreign and local businesses eyeing opportunities in the province. “Our aim was to establish Investissement Québec as the primary driver of economic development in the region,” remarks Pierre Fitzgibbon, Minister of Economy, Innovation, and Energy. While attracting FDI remains crucial, he underscores the importance of leveraging the province's core strengths. “We aspire to excel in specific sectors,” he asserts.

Innovation at the heart of economic vision

Innovation lies at the heart of Québec's economic vision. The 2022-2027 Québec Research and Innovation Investment Strategy outlines an ambitious roadmap

for sustainable and inclusive research and innovation, aimed at global competitiveness and socio-economic prosperity. The strategy prioritizes excellence in research, science, and technology; fostering an innovation-friendly ecosystem; supporting in-company investments and commercialization efforts; nurturing talent and fostering a culture of innovation; and focusing on promising sectors and catalytic projects.

Third largest aerospace center in the world

Québec boasts a robust aerospace industry, with major players engaged in aircraft manufacturing, maintenance, and innovation. Montréal, now ranked as the world's third-largest aerospace hub, stands shoulder to shoulder with Toulouse and Seattle.

“Québec is a prime destination for foreign aerospace investment. Airbus, Bombardier, but also Bell, Pratt & Whitney, and CAE, five of the Original Equipment Manufacturers (OEMs) from the sector are present here,” stresses Bolduc. “Québec is undeniably an aerospace powerhouse,” he affirms. Québec's aerospace clusters and industrial parks foster collaboration, innovation, and sectoral growth, complemented by specialized training and education initiatives. With 60,000 workers, and annual sales exceeding \$15 billion, aerospace emerges as Québec's largest export sector.

Emerging battery hub

Lithium-ion battery cells are one of the key areas that Québec is targeting as the province seeks to build an industrial base in electric propulsion systems. The province has significant lithium deposits, and other strategic minerals such as copper and graphite, in addition to comparatively cheap hydroelectric power, electric vehicle assembly, and proximity to the US and Ontario carmakers.

“Electric batteries have already attracted over \$15 billion in investments, with projections exceeding \$30 billion by 2030,” highlights Fitzgibbon. Québec beat Ontario and some US states to land the \$7-billion facility from the Swedish company Northvolt. “For the first time, we will use lithium graphite and nickel to produce batteries and export them as a finished product,” he explains.

Pioneering clean energy initiatives

Known for its hydroelectric abundance, Québec has embarked on a journey towards clean and renewable energy. Planned investments in wind power, solar energy, and sustainable technologies underscore the province's commitment to a greener future. “We envision energy transition as a catalyst for social and economic progress, leveraging our natural resources,” emphasizes Fitzgibbon. With over 97% of electricity sourced from hydroelectricity, Québec boasts one of the world's cleanest energy portfolios.

Leading the charge in innovation

In addition to aerospace and clean energy, Québec positions itself as a frontrunner in innovative domains such as artificial intelligence (AI) and life sciences. The province's tech-friendly ecosystem and strategic initiatives have attracted domestic and international players alike. “The first quantum computer in Canada was built here last year, reinforcing Québec's position as a force in the rapidly advancing field of quantum computing,” says Fitzgibbon. The minister also underscores the rising position of the province when it comes to life sciences. Hubert Bolduc shares this sentiment, pointing out that “Québec succeeded in attracting Moderna's \$278-million vaccine plant.”

With its unwavering commitment to innovation and a rich resource base and supportive ecosystem, Québec is poised for continued growth, prosperity, and leadership in the years to come.



HUBERT BOLDUC
President of Investissement
Québec International

*“We succeeded
in tripling
FDI”*

By PEDRO AMARAL
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Hubert Bolduc, President of Investissement Québec International, speaks about FDI, projects, and initiatives that foster the province's economic growth.

What is the prevailing sentiment in the province?

Foreign investor interest toward Québec remains healthy. We successfully tripled FDI from \$2 to \$6 billion, and we anticipate further growth in the years ahead. Unemployment rates are at historic lows, and we have initiatives in place to facilitate immigration, attracting talent to our region.

Which projects are you undertaking to foster economic growth?

Québec's economy, much like others, is largely comprised of SMEs. Our ‘Productivity Innovation’ initiative aims to assist businesses in enhancing their competitiveness and accelerating their growth through innovation. We are encouraging the adoption of technologies and processes such as automation, digitization, robotization, and artificial intelligence.

How do you assess the relationship with the US?

Our economies are deeply intertwined. Québec maintains a network of delegations globally, including six in the US. We collaborate closely with governors, state representatives, and senators to ensure a positive relationship. Additionally, Québec was among the first jurisdictions to advocate for free trade, having signed agreements with both Europe and Asia.

Agility and acumen boost business in Alberta

As Alberta strategically adapts to the shifting global economic landscape, the convergence of resource wealth and proactive governance makes for an enticing prospect for international stakeholders seeking long-term viability and resilience.

By CAROLINE VIEIRA LIMA
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When chemical giant Dow sought the best location for a first-of-its-kind net zero petrochemicals facility, Canadian province Alberta won the race through a remarkable instance of agility. Following a meeting with Dow's leadership, Alberta was given six months to enact the regulatory changes to secure the contract. They succeeded in less than a week.

Premier Danielle Smith emphasizes the significance of this achievement. "This project is one of the largest private sector investments in our history." The Premier is excited to share Alberta's incredible story. "Our province boasts the most investment-friendly environment in Canada, a competitive tax system, a highly educated workforce, an abundance of energy products such as hydrogen and ammonia, a world-class education system and a robust research and development pipeline."

Rick Christiaanse, CEO of Invest Alberta, also underscores the province's distinctive competitive edge. "Alberta has all the ingredients investors are looking for: competitive cost, skilled labor, smart regulations, and space to grow. But our secret sauce is that we make things happen and enable companies to move things through," he adds, pointing out that Invest Alberta is dedicated to showcasing the province as a stable base for global investors.

“Our secret sauce at the end of the day is that we make things happen and enable companies to move things through.”



RICK CHRISTIAANSE
CEO of Invest Alberta

At the forefront of attracting international investments

It seems that the province's effort to draw in foreign investments is bearing fruit. Alberta accounts for 10% of Canada's overall inbound FDI annually. "We have new investors from Japan, the US, UK, India, Ireland, and other countries," Rick Christiaanse points out.

Global giants such as Amazon, GoodLeaf Farms, and De Havilland are all proud to call Alberta home. Recent investors include ExxonMobil and Huawei, among others. "We are seeing major domestic and foreign investments across a variety of sectors. WestJet has made their headquarters in Alberta and De Havilland is moving their headquarters here." says Danielle Smith.

A powerhouse in the global energy transition

Alberta is home to the third-largest proven oil reserves in the world, making it a significant player in the global energy market. With a wealth of oil sands and conventional oil and gas deposits, "Alberta is a leader on all energy fronts," Danielle Smith points out, adding that the energy sector is a powerhouse, contributing significantly to the province's GDP. With advancements in technology and a commitment to sustainable practices, Alberta is poised to retain a leadership role in the global energy landscape and transition.

In line with a global pivot to best sustainability practices, Alberta has also been making strides in renewable energy production. The province boasts substantial wind and solar potential, providing opportunities for investors in the clean energy sector. Government incentives and a growing focus on sustainability are quickly turning Alberta into a hub for renewable energy projects.

"Making it clear that we're transitioning from emissions, and not from oil and natural gas, we want to be the greenest consumer of electricity, power, and heating. We want to have the greenest technology. We want to be on the forefront of emissions capture and developing hydrogen, as well as carbon capture utilization and storage and other emerging technologies of the future," says Premier Smith. "We can be a model on developing new technologies that are going to make us increasingly zero carbon, but also a responsible provider for the world."

The fastest growing economy in Canada

"It is a good time to be in Alberta. We're the fastest growing economy in Canada and one of the fastest growing economies in North America," Rick Christiaanse points out, adding that the government's efforts towards cutting taxes and cutting red tape has led to an increase in new business as well as drawing in new talent.

For investors seeking opportunities in diverse sectors, Alberta presents a compelling case with its abundant natural resources, robust industries, and a government committed to fostering economic growth. Beyond energy, Alberta is emerging as a promising frontier in agriculture, aviation and logistics, financial services, life sciences, etc. "Over the last two years, Alberta created about 250,000 jobs, 85% of which are in non-traditional sectors. We want to continue to diversify and grow these key sectors," Christiaanse adds.

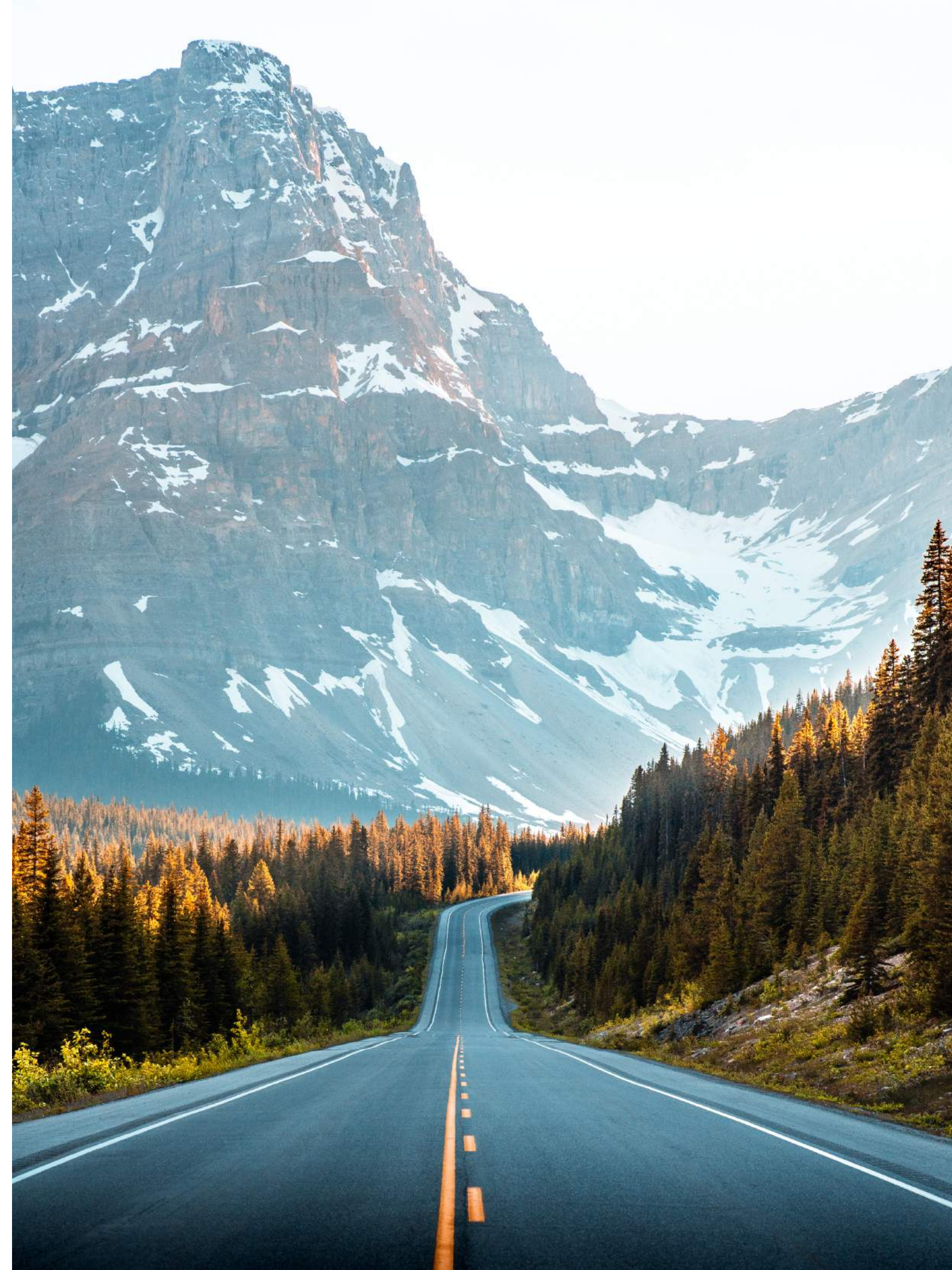
“We want to be at the forefront not only with the energy transition, but also in other emerging sectors.”



DANIELLE SMITH
Premier of Alberta

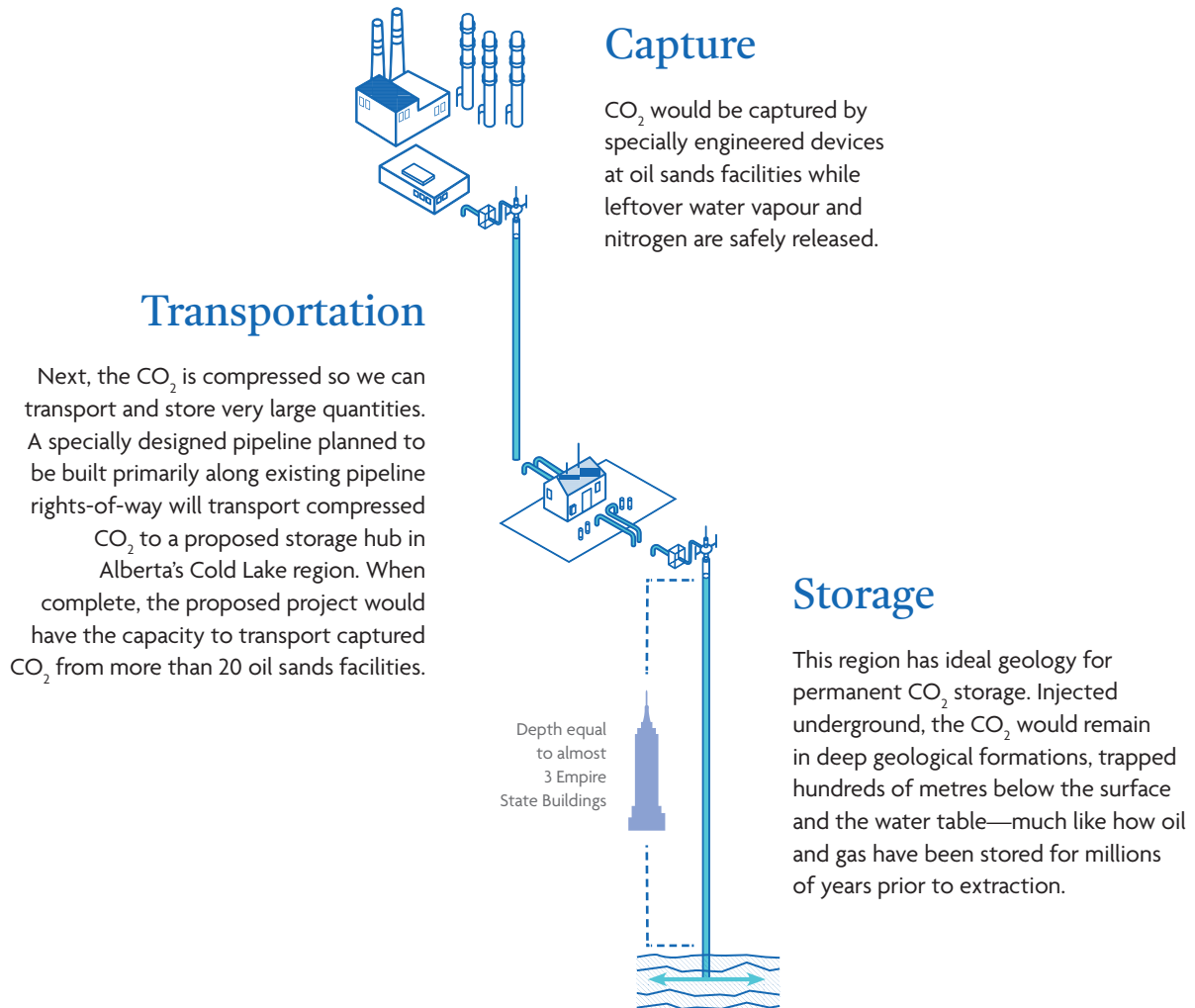
The government is committed to fostering innovation through incentives and supportive policies. Alberta continues to focus on reducing red tape and providing support for businesses and entrepreneurs to thrive. "We've cut red tape by over 33%, saving businesses over \$2.75 billion," Danielle Smith explains.

Alberta's pursuit of economic diversification reflects a proactive approach. "We want to be at the forefront not only when it comes to the energy transition, but also in other emerging sectors, such as virtual reality, AI, robotics. Venture capital numbers are growing, and Alberta's economic evolution will enable us to stay on top of our progress and remain Canada's economic engine," the Premier concludes.



Most Canadians believe we need to reduce emissions. Here is one path to get there.

Oil sands operations contribute significant CO₂ emissions, so we're working together and with governments on a proposed large-scale carbon capture and storage (CCS) network. It's one of many paths we're exploring to reduce our emissions. Here's how it would work.



Learn more at PathwaysAlliance.ca