



# DOING BUSINESS IN CANADA

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## Market profile

Canada is a vibrant and competitive economy with transparent regulatory framework, which enable dynamic business creation and operation. Scoring highly on the World Bank's scale for ease of doing business and ranking highly on the Index of Economic Freedom, Canadians enjoy a high standard of living whilst foreign investors have unrestricted access to Canada's fair legal system and enjoy little interference from governmental policies.

Canada is particularly prosperous in the mining, insurance, telecommunications and automotive industries, rich in natural resources, especially oil, and a member of the Organization for Economic Co-operation and Development (OECD) and G7, have all helped cement Canada's position as one of the world's top ten trading nations. In short, doing business in Canada is a smart strategic choice.

Canada is ranked 23 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Canada deteriorated to 23 in 2022 from 22 in 2021. Ease of Doing Business in Canada averaged 15.64 from 2008 until 2018, reaching an all time high of 22 in 2016 and a record low of 8 in 2009. See more info in details: <https://tradingeconomics.com/canada/ease-of-doing-business>

Nearly 90% of the nation's population is located within 200 km of the border with America. The trade relationship between the US and Canada is a by-product of this close proximity and the largest relationship of its kind between any two nations in the world. Although Canada could not survive without this crucial bi-lateral trade with its southern neighbors, professionals doing business in Canada would do well to remember that Canadians vary considerably from their American counterparts. Marked differences can be seen in Canada's business meetings which although democratic in approach, tend to be more formal than meetings in the States. While American businesspeople usually use an extremely direct communication style, Canadians are generally more reserved and understated with high value being placed on polite courtesy.

### FACTS

- Merchandise exports: €1.368 million
- Service exports: € 319 million
- Capital: Ottawa
- Official language: English & French
- Area: 9,984,670 sq km
- Population: 38.5 million

## Economy and business structure

Canada is a high-tech industrial society with a market-oriented economic system and high living standards. Manufacturing, mining and service industries have grown giving it a primarily industrial and urban economy. On July 1, 2020 the new Canada-United States-Mexico Agreement (CUSMA) agreement entered into force, replacing NAFTA.

The EU-Canada Comprehensive Economic and Trade Agreement (CETA) provisionally came into force in 2017. Some of the CETA benefits, include duties elimination on 99% of all tariff lines, of which 98% were scrapped when it provisionally entered into force; it defends the EU's Geographical Indications, and it improves and secures EU companies' access to the Canadian services market.

Canada has the third largest proven oil reserves in the world and is the world's fifth-largest oil producer thanks to Alberta's oil sands and offshore oil reserves in Newfoundland.

Canada's abundant natural resources, highly skilled and educated labor force, and modern capital plants have facilitated economic growth such that it became the world's eighth largest economy (by GDP) and GDP per capita stood at \$51,987 USD in 2021. Canada is a member of the Organization for Economic Co-operation and Development (OECD) and the Group of Eight (G8) and is one of the world's top ten trading nations, with a highly globalized economy. According to the World Bank's 'Ease of Doing Business' report 2022, Canada ranked 23<sup>rd</sup>.

## Key industries and their trends

Key consumer behavior in Canada is affected by the impact of the pandemic in how daily work and shopping is conducted, the aging Canadian population and consequently the reliance on immigration and the effects of climate change. Some of the key trends, include:

- Services are increasing and it is the biggest industry in Canada
- Consumer behavior is changing
- Digitalization
- Increasing Viability of Remote Working

**Energy** in Canada is dynamic; it's continually being shaped by new sources of supply, changing demand, and evolving energy systems. The vast Canadian landscape means that the energy sector is variable and unique across different regions.

**Biocircular:** The accelerated adoption of the circular bioeconomy is integral to Canada's net-zero economy future with a projected \$240 billion market size in Canada alone by 2030. Environmental regulation, the promise of a net-zero economy and the rising power of the eco-conscious consumer are moving corporations like IKEA, Ford Motor Company, Lafarge Canada and many others to include renewable based materials in their products.

**Cleantech:** Canada has committed to net zero emissions by 2050 and the adoption of technologies that address climate change and contributes to the energy transition is on the spotlight. To do so, Canada has launched the \$8 billion [net zero accelerator fund](#), together with challenges, such as the [smart cities challenge](#) and each municipality has launched a dedicated office and program towards this goal.

**Fintech:** Canada's Fintech Ecosystem is evolving. In 2020 there were indications that ecosystem shifts in the broader industry are taking root in Canada. As such, there has been an increase of fintech-incumbent partnerships.

**Advanced Mining & Green Mining Innovation:** Canada is a mining jurisdiction, and it is home to over 1,500 exploration and producing companies, which operate in worldwide, including in Finland, and also domestically. Mining companies are open on adopting cutting-edge disruptive technologies to increase production and address sustainability.

## Important things to consider when doing business in Canada

Canadian Provinces differ in terms of business behavior and industrial segmentation. Toronto (Ontario) and Montreal (Quebec) in the East as well as Vancouver (British Columbia) in the West are the most important trade centres in Canada. Toronto is the financial centre of Canada and the second largest in North America, Montreal is a hub for aerospace, pharmaceuticals, software engineering and telecommunications and Vancouver is an important Pacific port.

Every province except for Quebec uses a legal system based on British common law. Quebec's legal system is unique as it is based on French civil law. Canada Business Corporation Act: [Canada Business Corporations Act \(justice.gc.ca\)](https://www.justice.gc.ca).

Canada has two official languages: English and French. The Province of Quebec is primarily French speaking and therefore, when doing business in Quebec French language skills is essential. Official documents are in both languages.

## Annual main trade shows and events

Check the exact dates from our office

- <https://10times.com/top100/canada>

## Market data sources and other useful links

- [Finland abroad Canada](#)
- [Starting a business](#)
- [Immigrating to or Investing in Canada](#)
- [Canada Business Corporation Act](#)
- [Investment Canada Act](#)
- [Export and Import Controls](#)
- [Canada Finland Chamber of Commerce](#)
- [Embassy of Finland, Ottawa](#)

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