

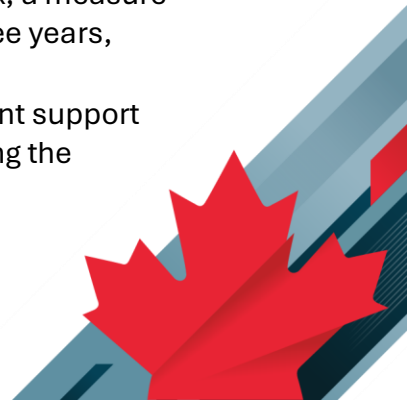


### **If asked about investment in Canada, in light of 25% tariff**

- President Trump has threatened various tariffs since his inauguration, including calling for consideration of a “global supplemental tariff”. Clearly, Canada is not the only potential target for tariffs.
- Canada has faced similar challenges in the past and managed them successfully. For example, Canada renegotiated NAFTA during the first Trump administration and resolved the U.S. Section 232 tariffs on steel and aluminum.
- Canada and the United States share one of the world’s most successful partnerships, built on a foundation of shared history, common values, and strong ties between our peoples. We are also each other’s largest trading partners, with deeply integrated economies.
- Rest assured, safeguarding the strength and success of this partnership remains a top priority for Canada.

### **If pressed further on investment**

- Continuous threat of tariffs by the U.S could discourage investments in the US, as investors could grow hesitant to allocate more capital into an unpredictable US market.
- Canada remains a stable and preferred destination for investment, consistently ranked by the Economist Intelligence Unit as 2<sup>nd</sup> best country in the G20 for doing business over the next five years (2025-2029).
- Among G20 nations, Canada holds the 3<sup>rd</sup> spot for ease of starting a business.
- Canada is also ranked 5<sup>th</sup> in the G20 for being one of the least complex jurisdictions for conducting business.
- Additionally, Canada boasts the most educated talent pool among OECD countries, with 63% of its population aged 25 to 64 having completed tertiary level education.
- With a Global Skills Strategy in place, Canada ensures businesses can attract highly skilled global talent.
- Foreign investors continue to choose Canada: Canada had the second-largest foreign direct investment (FDI) stock to GDP ratio among G20 countries in 2023.
- Of the 25 countries included in the Kearney FDI Confidence Index, a measure of the likelihood of a market attracting investment in the next three years, Canada ranks 2<sup>nd</sup> overall after the United States.
- The Trump Administration has immediately withdrawn government support of programs with climate/clean energy-related priorities, including the





*Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA), which presents opportunities in Canada.*

- Canada's commitment to cleantech and the uncertainty of US government support to the sector positions Canada as a prime destination for foreign direct investment.
- Its proven track record and welcoming, transparent investment environment with clear and predictable investment tax credits supporting clean technology manufacturing, clean hydrogen, zero-emission technologies, and carbon capture and storage, make it an ideal choice for international investors.
- Strengths in renewable energy, water and wastewater management, energy storage, energy efficiency, smart grids, hydrogen technologies, carbon capture, utilization and storage (CCUS), and waste-to-energy/value solutions highlight key areas for collaboration with partner countries.
- Canada ranks 2nd out of 21 countries and is home to 13 of the world's top 100 cleantech companies poised for significant market impact in the next five to ten years, as recognized by the Global Cleantech Group 100.
- Canada generates 70% of its electricity from renewable sources and 82% from non-GHG emitting sources, positioning the country as a global leader in collaborative research and development in this sector. It ranks 6th in the G20 in both the Sustainable Development Goal Index 2024 and the Environmental Performance Index 2024.
- Canada has the lowest statutory corporate income tax rate (17.9%) for zero-emission technology manufacturing and processing in the G7.
- Canada also offers a full tax deduction in the first year of investments for the entire cost of machinery and equipment used for the manufacturing of goods and certain clean energy equipment.
- Additionally, Canada offers one of the most generous R&D tax incentives to businesses in the G7.

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