



Target Market: Canada for European Based Companies

Canada finds itself in an enviable financial position due to the diversity of its business community and abundant natural resources. It is well placed to be the EU's gateway into the North American market. This is well confirmed by the following:

- The IMF named Canada the G7 economic growth leader during the period 1998-04 and recent years have followed this trend;
- KPMG named Canada the most cost-effective place to do business in the world;
- Harvard University says Canada is the least costly and easiest place to start a small business;
- The Economic Intelligence Unit says Canada has the second most business-friendly environment in the world;
- The World Bank ranks Canada first among the G7 in terms of ease of business start-ups;
- The IMD called Canada is one of the most wired nations in the world, second only to the United States for IT infrastructure;
- And according to the IMF, Canada has the lowest ratio of net debt-to-GDP among the G7, and the strongest government budget position among large industrial countries—a surplus in fact.

Canada has also developed a vast communications and information technology (IT) infrastructure, giving rise in recent years to global champions like Nortel, Research In Motion (creators of the acclaimed BlackBerry technology), and Sierra Wireless. Demographics include:

- 32,000 IT firms.
- 545,000 employees, more than 40 percent of them with university degrees.
- 9.2 per cent growth exceeding Canada's 3.7 percent annual growth in GDP.
- \$5 billion R&D spending.
- About 70 per cent of IT products manufactured in Canada are exported.
- Seamless access to the North American Market.

Incentives and Taxes

The World Trade Magazine has ranked Canada in the Top 3 for Investment and Trade Opportunities. Today, Canada can guarantee investors the overall lowest tax rate among developed countries and the most preferable R&D tax credit program among G8 countries. To truly welcome foreign investment, Canada has introduced many incentives to ensure new businesses will be successful:











- Taxation
- National Incentives
- Provincial Incentives

Canada offers businesses low tax rates. Today, Canada has the lowest payroll taxes among the G7 countries and by 2010 Canadian-based firms are expected to average a corporate tax advantage of more than 4.5 percentage points over U.S. based firms.

To be eligible for most incentives, a company must be established in Canada.

Foreign Currency

The Canadian dollar provides a competitive advantage for business selling products and services into the North American market place due to the following exchange rate advantages:

	 USD	 GBP	 CAD	 EUR	 AUD
	1	2.00729	1.01553	1.5356	0.931697
	0.498182	1	0.505922	0.765008	0.464154
	0.9847	1.97658	1	1.5121	0.917442
	0.651211	1.30717	0.661329	1	0.606731
	1.07331	2.15445	1.08998	1.64817	1

Source www.x-rates.com. Table data as of March 6, 2008.

Gailforce Ventures Inc.
 9 Marsilea Place, Ottawa, ON
 Canada, K2R 1A6
 Tel (613) 825-3660 Fax (613) 823-9538

Gailforce Ventures Ltd.
 96 Huddersfield Road, Brighouse,
 Yorkshire, UK, HD6 3RD
 Tel ++ 44 7711 519205