

Trade Commissioner Service

CANADA: YOUR TRADE AND INVESTMENT PARTNER

Riga Chamber of Commerce

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Regional Senior Trade Commissioner - Baltics

May 2024

Do business
with Canada

Faites affaire
avec le Canada



AGENDA

- Canada in the Baltics
- Canada-Latvia commercial relations
- CETA: Comprehensive Economic and Trade Agreement
- Why Canada is your best business partner



An aerial view of the Toronto skyline, featuring the CN Tower and various skyscrapers, is shown through a semi-transparent red overlay. The red overlay is a large, solid-colored shape that covers most of the image, with a white diagonal line running from the top-left corner to the bottom-right corner. The text "Canada in the Baltics" is centered in white on the red background.

Canada in the Baltics

DEEP AND STRONG BILATERAL RELATION WITH LATVIA

- ❑ Canada and Latvia enjoy excellent bilateral relations, **founded on strong people-to-people ties; shared fundamental values, including support for democracy, human rights, and the rules-based international system;** and cooperation across various multilateral platforms.
- ❑ Canada was **the first G7 country to recognize the restoration of Latvia's independence in 1991, and one of the first countries to ratify Latvia's accession to the North Atlantic Treaty Organization (NATO) in 2004.**
- ❑ In 2017, the bilateral relationship was significantly strengthened as **Canada assumed a leadership role on the NATO “enhanced Forward Presence” (eFP) battle group, deployed at Ādaži, just outside Riga.**
- ❑ In July 2023, **Prime Minister Justin Trudeau traveled to Latvia for a bilateral visit and met with the President and Prime Minister of Latvia. Focus on developing stronger economic ties.**

CANADA: unequivocally supports the Baltics

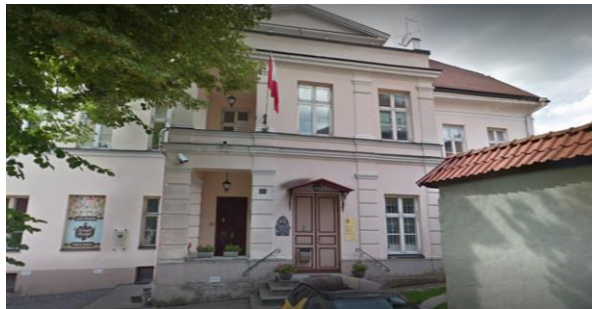
- NATO Framework Nation: around 1000 soldiers deployed at Camp Ādaži, Latvia
- Canadian Armed Forces OpREASSURANCE has been renewed
- Expected total presence 2200+ soldiers + capabilities, upgrading to a Brigade



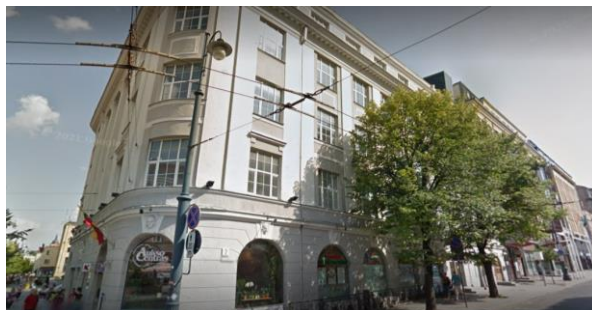
CANADA IN THE BALTICS



RIGA



TALLINN



VILNIUS

New Embassies, New Ambassadors

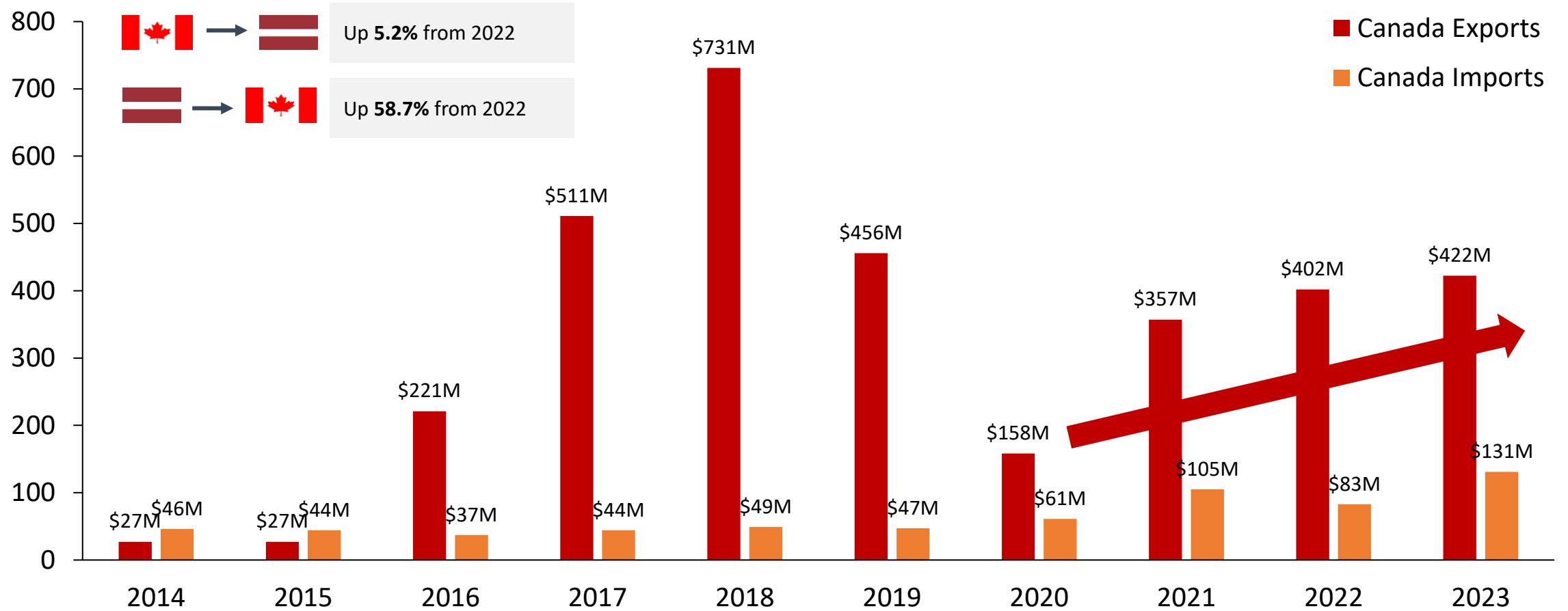
- New Embassy in Vilnius with new Ambassador since July 2023
- New Embassy in Tallin with new Ambassador since September 2023

New dedicated Trade team

- New Regional Senior trade commissioner since October 2023, based in Riga, Latvia. Supported by a dedicated local team.
- First Canada-based diplomatic staff, accredited to all three countries dedicated to trade
- Regional mandate: responsible for commercial bilateral relations with Lithuania, Latvia and Estonia

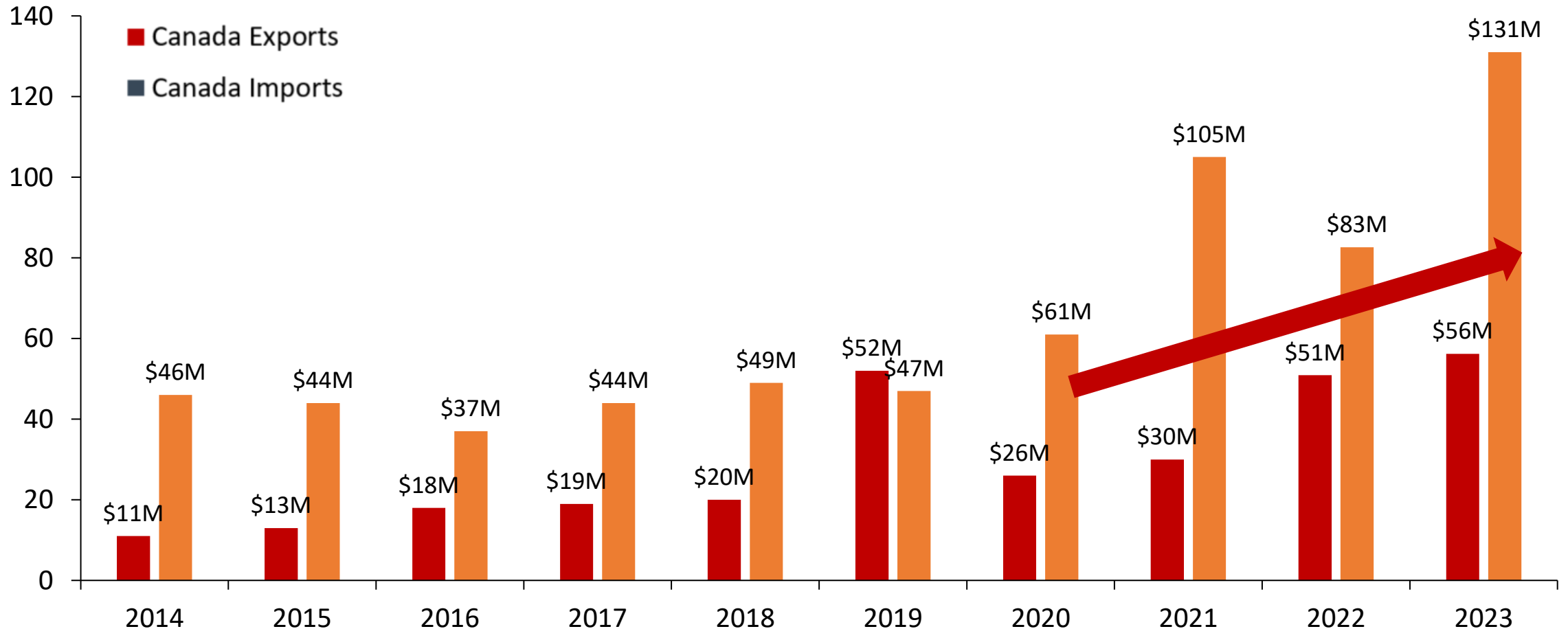
Canada-Latvia Commercial Relations

COMMERCIAL RELATIONS: merchandise trade



COMMERCIAL RELATIONS: merchandise trade

Excluding Aircraft...



MOST TRADED PRODUCTS IN 2023

Canadian Imports

- Oilseeds
- Industrial machinery
- Beverages
- Wood
- Electronic and electrical equipment and parts

Canadian Exports

- Aircraft and parts
- Industrial machinery
- Copper
- Electronic and electrical equipment and parts
- Motor vehicles and parts

STRONG COMMERCIAL PRESENCE



OUR COMMERCIAL PRIORITIES

We are part of an ecosystem of various actors with different mandates, but together we strive to cover the full spectrum of Canada-Baltics trade and investment.



Supporting Canadian companies seeking to export to Baltics (including finding local partners and distributors)



Supporting Canadian companies seeking to invest in the Baltics



Supporting Baltic companies seeking to invest in Canada, & advising them on the Canadian market

Sectors of Proactive Focus for the Baltics

Energy transition & Energy security



Digital/ Innovation (AI, Cyber, Quantum)



Agri-Food (including Technology and Machinery)



Defence and Security



Academic Partnerships





CETA: Canada – EU Comprehensive Economic and Trade Agreement

CETA: Comprehensive Economic and Trade Agreement

What CETA covers

CETA covers virtually all sectors and aspects of Canada-EU trade in order to eliminate or reduce barriers:

Regulatory cooperation
and conformity
assessment

Trade in goods

Rules of origin

Customs and trade
facilitation

Government procurement

Trade in services and
labour mobility

Investment

Sustainable development,
labour and the
environment

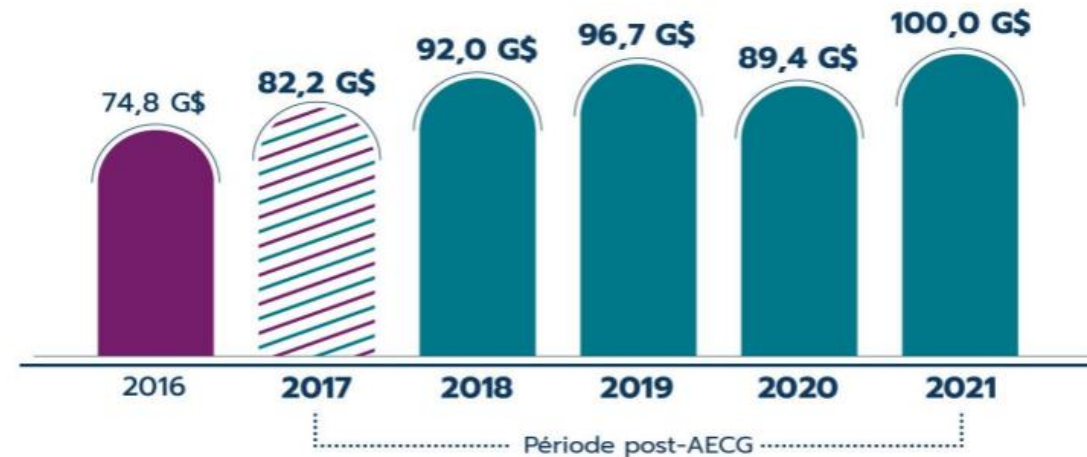
How CETA helps businesses

- **Competitiveness:** Gives Canadian businesses preferential access to the EU and vice-versa
- **Access to new clients:** Allows Canadian/EU businesses to supply goods and services to all levels of Canadian/EU governments
- **Market transparency and stability:** Sets requirements for product standards, investment, professional certification and other areas of activity
- **Reduced barriers to trade:** Makes it easier to move goods across borders and for business people to get to the right place at the right time

RECORD GROWTH SINCE CETA ENTRY INTO FORCE

- LE COMMERCE BILATÉRAL ENTRE LE CANADA ET L'UE A ATTEINT UN NIVEAU RECORD EN 2021, FRANCHISSANT POUR LA PREMIÈRE FOIS 100 MILLIARDS DE DOLLARS.

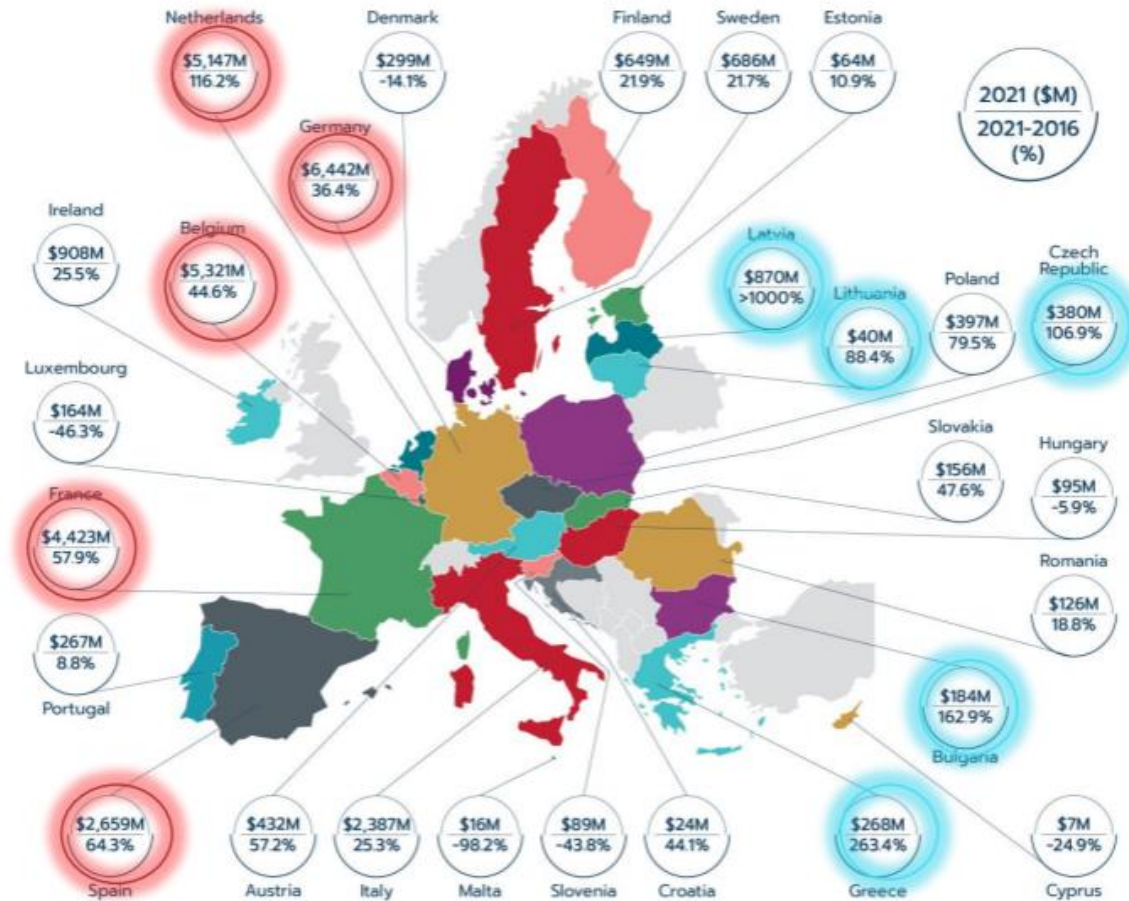
Commerce de marchandises entre le Canada et l'UE



- Les exportations canadiennes ayant bénéficié d'une réduction tarifaire dans le cadre de l'AECG ont augmenté de 24,6 %
- Les importations canadiennes ayant bénéficié d'une réduction tarifaire dans le cadre de l'AECG ont augmenté de 46,2 %.

SMALLER PARTNERS ARE GROWING FAST

Canadian merchandise exports to the EU by country, 2016 - 2021



Data: Eurostat.

Source: Office of the Chief Economist, Global Affairs Canada.

STRONG GROWTH PATH IN MERCHANDISE TRADE

Canada Merchandise Imports from EU, 2016 vs. 2022

Canada goods imports, 2016 (Pre-CETA)		
	EUR € millions	\$ CAD millions
EU-27	35,886.6	52,609.8
Estonia	114.8	168.3
Latvia	24.9	36.6
Lithuania	260.4	381.8

Canada goods imports, 2022			
	EUR € millions	\$ CAD millions	Δ 2016/2022
EU-27	58,317.4	79,871.5	51.8%
Estonia	115.6	158.3	-5.9%
Latvia	60.3	82.6	125.8%
Lithuania	300.9	412.2	8.0%



Canada Merchandise Exports to EU, 2016 vs. 2022

Canada goods exports, 2016 (Pre-CETA)		
	EUR € millions	\$ CAD millions
EU-27	15,617.5	22,895.2
Estonia	13.8	20.2
Latvia	152.9	224.1
Lithuania	34.8	51.0

Canada goods exports, 2022			
	EUR € millions	\$ CAD millions	Δ 2016/2022
EU-27	26,352.1	36,091.9	57.6%
Estonia	21.0	28.8	42.2%
Latvia	293.5	401.9	79.3%
Lithuania	123.6	169.2	231.7%





**Why Canada is your
best business partner?**

LEADING CAPABILITIES IN MANY SECTORS

- Advanced Automotive & EV
- Responsible Mining & Critical Minerals
- Information Communication Technology (AI, Quantum, Cyber)
- Advanced Manufacturing
- Natural Resources (Forestry, LNG, Hydrogen and critical minerals)
- Fintech
- Agribusiness
- Clean Technologies
- Life Sciences
- Defence & Security



CANADA: SOLID REASONS TO PARTNER

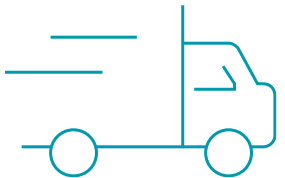
Canada's economic fundamentals and relative cost advantages provide a first-rate business environment.

Canada offers:



Excellent Economic Fundamentals

- One of the strongest economies in the G7
- Lowest debt to GDP ratio in the G7



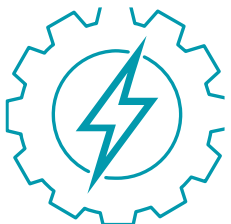
A Highly Competitive Business Environment

- Ease in establishing and operating a new business
- Competitive tax system



A Talented Dynamic Workforce

- One of the world's best-educated internationally-oriented workforces
- High quality management skills
- Readily available engineers



A Promising Venue for Innovation and Investment

- Strong public support for innovation
- World leader in AI ecosystems
- Leader in tech talent



A Greener Economy

- Strong net-zero economic plan to attract FDI
- Enabling environment for green businesses
- Investment in green bonds and Skills for a Net-Zero Economy



Easy Access to Markets

- Geography provides easy access to the world's most prosperous markets
- Highly efficient transportation linkages with Asia and Europe



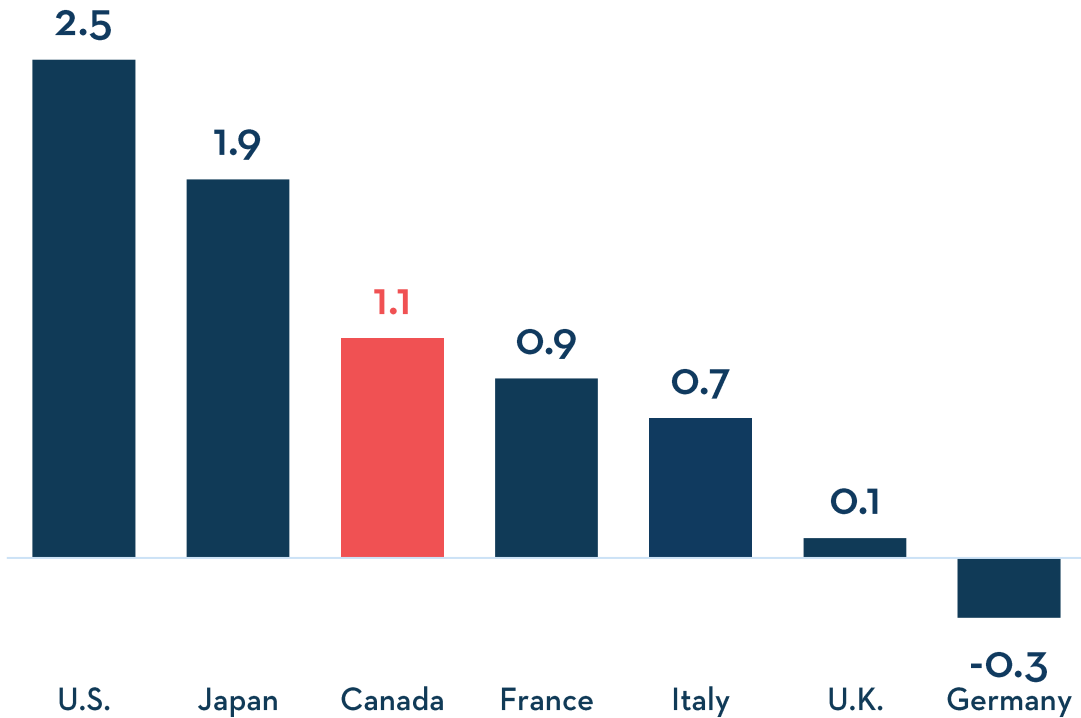
An Excellent Place to Live

- Superb overall quality of life
- Society rich in multiculturalism

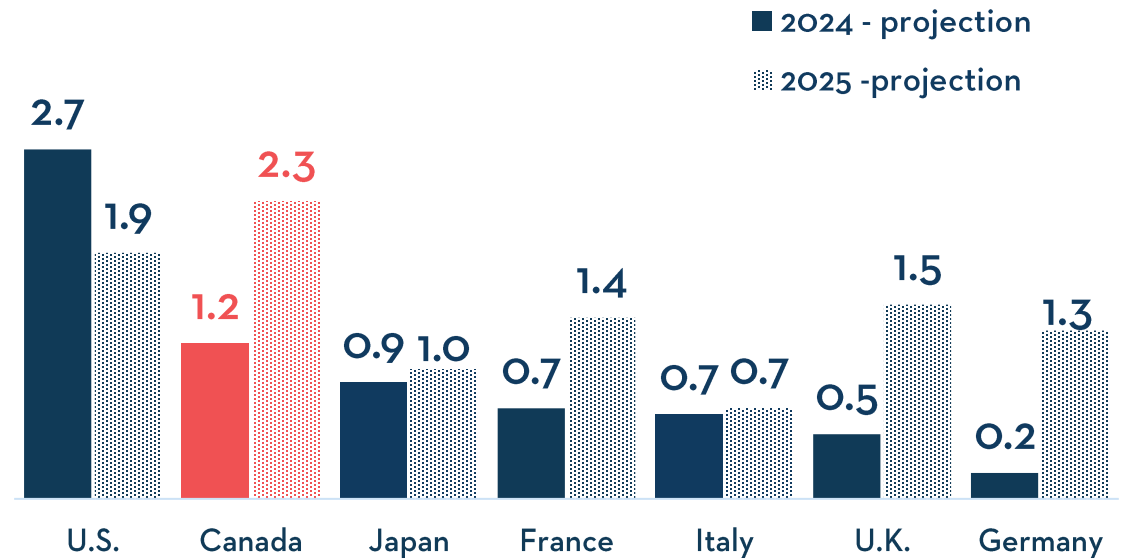


CANADA IS EXPECTED TO HAVE AMONG THE STRONGEST ECONOMIC GROWTH IN THE G7 IN 2024 AND 2025...

Real GDP Growth¹ (%), 2023
G7 Countries



Projected Real GDP Growth (%)
G7 Countries



¹ Real GDP (gross domestic product) is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year.

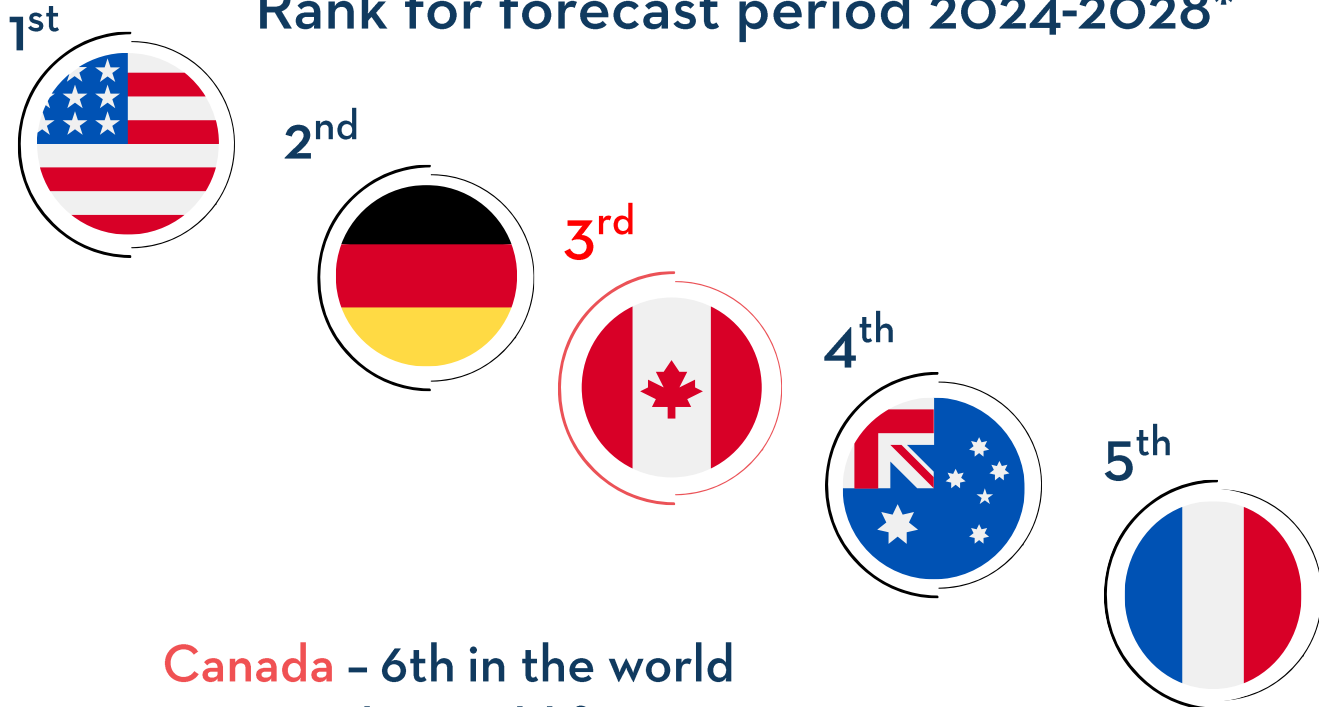
Source: IMF, World Economic Outlook update, April 2024

CANADA IS ONE OF THE BEST G20 COUNTRIES FOR DOING BUSINESS...

Canada's business environment is simple to navigate

- Canada ranked 5th among G20 countries for the least complex jurisdiction for conducting business**.
- Canada ranks 2nd out of the 25 countries for its likelihood of attracting investment in the next 3 years (2024 Kearney FDI Confidence Index).

Favourable Business Environment, top G20 countries Rank for forecast period 2024-2028*



Canada – 6th in the world
Among top 10 in the world for over 15 years

* [Business environment rankings](#) are based on policies related to competition, private enterprise, foreign investment, trade and exchange controls, taxes financing, the labour market, infrastructure and technological readiness.

** The TMF Group's *Global Business Complexity Index 2023* is based on 292 different indicators relating to business complexity and compile a global ranking of the 78 jurisdictions, based on the complexity of their business environments and covering legislation, compliance, accounting procedures, tax regimes, human resources (HR) rules and payroll processes (June 2023).

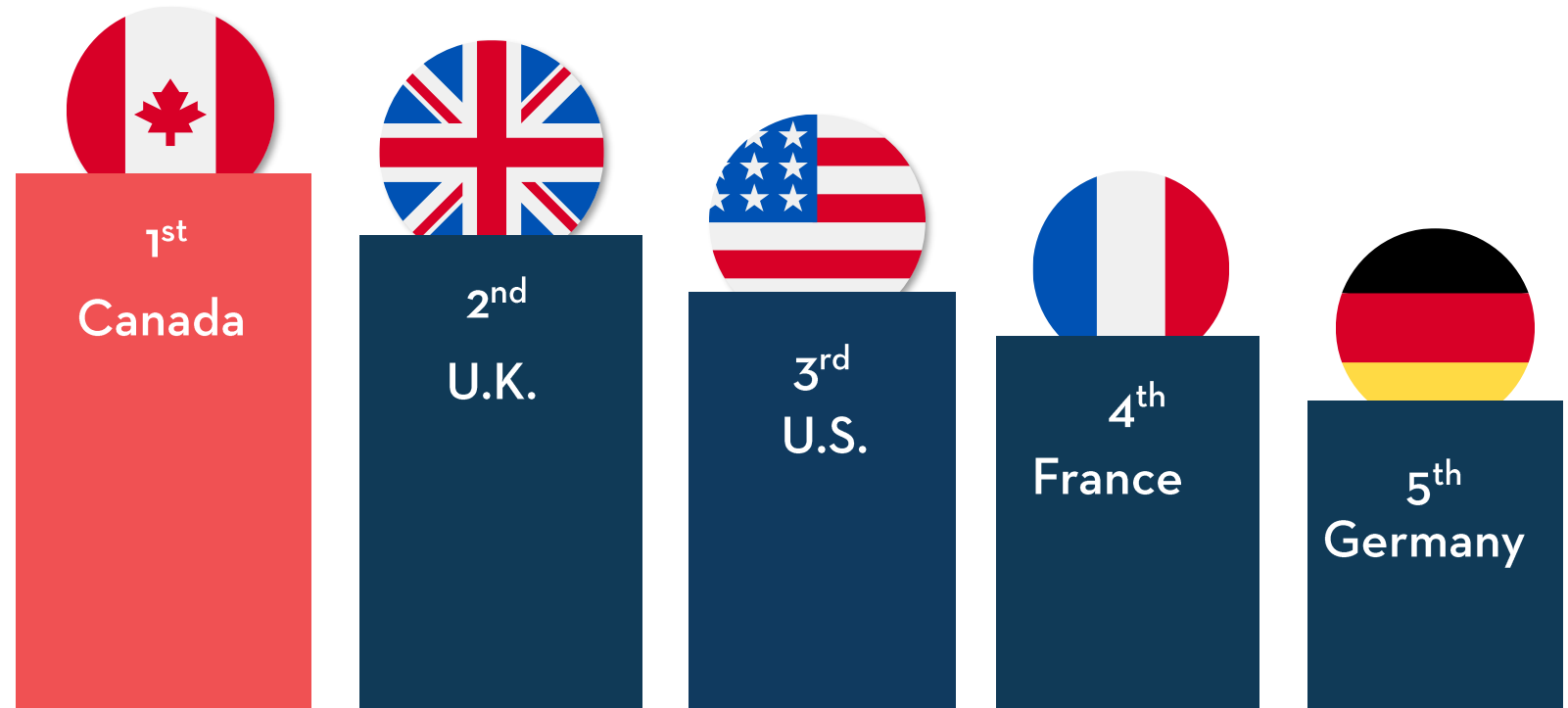
Source: The Economist Intelligence Unit, April 2024; the global ranking includes 82 countries; Kearney: <https://www.kenarney.com/foreign-direct-investment-confidence-index>

... WITH GREAT EASE TO START A BUSINESS

Ranking based on the easiness to start a business 2023
(G7 countries)

Canada ranks 3rd among G20 countries

- The ease of starting a business is measured by the proportions of adults in each economy who strongly agree that it is easy to start a business.



CANADA HAS SOUND FINANCIAL INSTITUTIONS...



Canada's financial system is sound and safe

- **2nd in G20 and 9th out of 64 countries***
- **6 of Canada's banks are among the world's top 35 safest commercial banks****

* Ranking based on different financial sub-indicators (Banking and financial services, Regulatory compliance (banking laws), Stock markets, etc.). Source: The IMD World Competitiveness Center, 2023

** Banks were selected through an evaluation of long-term foreign currency ratings—from Moody's, Standard & Poor's and Fitch—of the 500 largest banks worldwide.

Source: Global Finance Magazine, November 2023



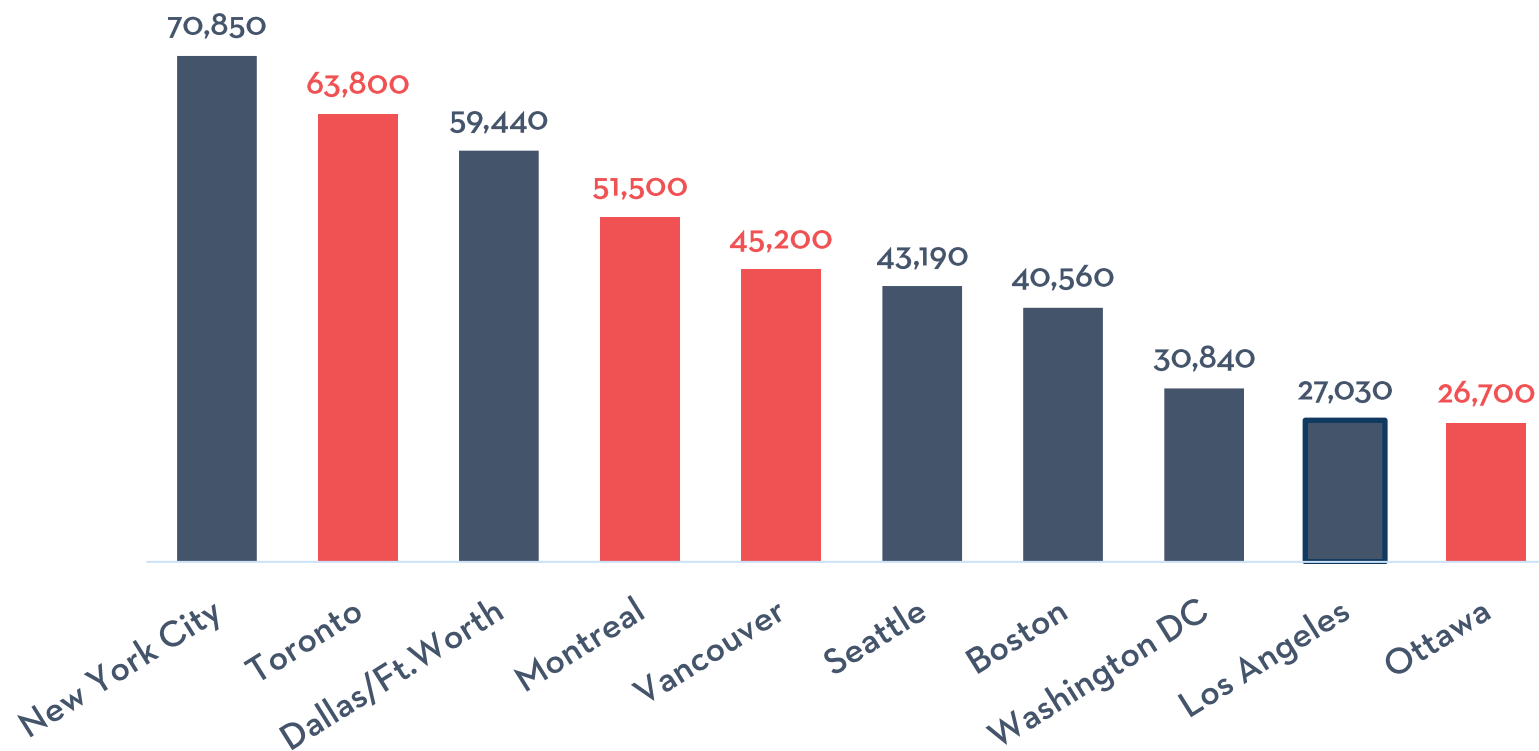
CANADA IS A LEADER IN TECH TALENT IN NORTH AMERICA

Canada: a leader in tech talent

- Toronto, Vancouver, Montreal and Ottawa rank among top 10 cities with dynamic tech sector.
- Toronto added 63,800 tech jobs between 2018 and 2022, ranking 2nd among North American cities.
- These cities, along with Calgary, Waterloo, Edmonton and Quebec City offer highly qualified tech talent and the lowest total costs (wages and rent) out of 50 North American cities.

Top 10 Cities for Growing Tech Sector in North America*

Net increase of jobs in each city between 2018 and 2022



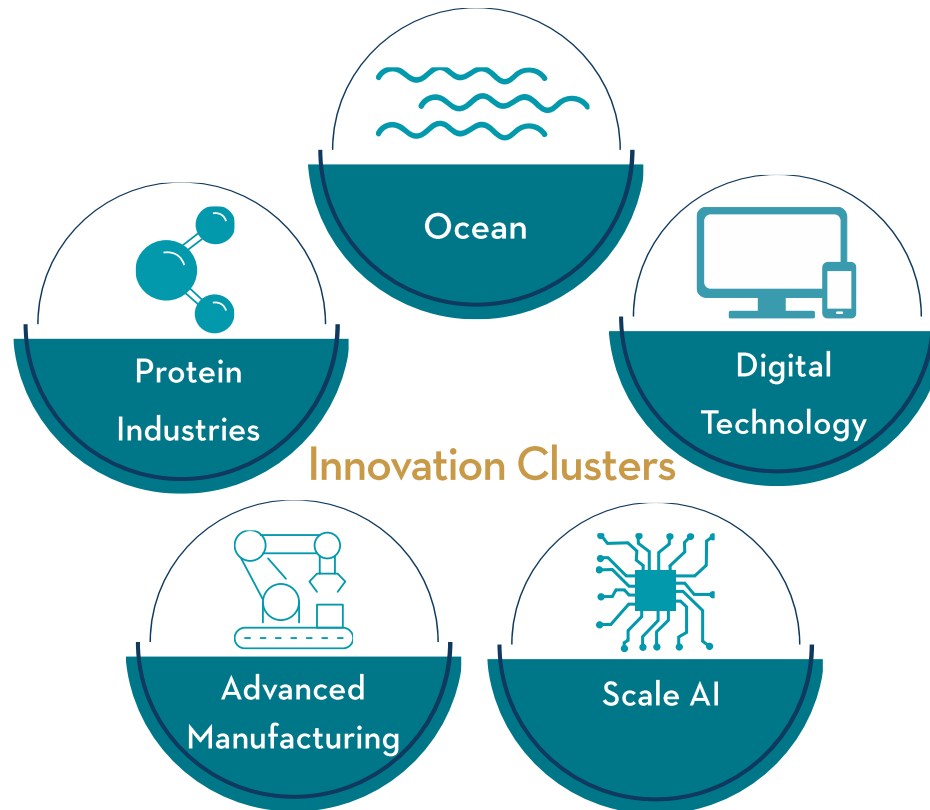
* Rank among 50 North American cities.

Source: 2022 Scoring Tech Talent, CBRE Group Inc., July 2023



CANADA ALSO FOSTERS INNOVATION BY SUPPORTING PRIVATE-PUBLIC COLLABORATION ...

in 5 industry-led areas



Approximately
\$750 million
invested
between 2023
and 2028

CANADA'S ARTIFICIAL INTELLIGENCE (AI) ECOSYSTEM IS AMONG THE BEST IN THE WORLD

Canada's AI sector is top-notch:

- It's **ranked first** in the G7 for year-over-year growth of AI talent
- It has the world's highest growth of **women in AI**
- Since 2019, Canada has published yearly **the most AI-related papers**, per capita, in the G7.
- Canadian AI firms are filing patents **at 3 times** the average rate in the G7 and are attracting **nearly 1/3** of all venture capital in Canada.

Since 2017, Canada has invested over \$2 billion towards AI.



In 2022-23, there were over 140K actively engaged AI professionals in Canada, an increase of 29% compared to 2021-22.

To secure Canada's AI advantage, Budget 2024 announced a significant increase in targeted AI support of \$2.4 billion, including:

\$2B
Over 5 years*

To launch a new AI Compute Access Fund and Canadian AI Sovereign Compute Strategy

\$200K
Over 5 years*

To boost AI start-ups to bring new technologies to market, and accelerate AI adoption in critical sectors

CANADA HAS ABUNDANT AND RELIABLE CLEAN ENERGY..

68% of Canada's energy generation comes from renewable sources (2021)

Hydro: 60%



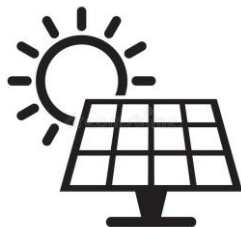
Wind: 5.5%



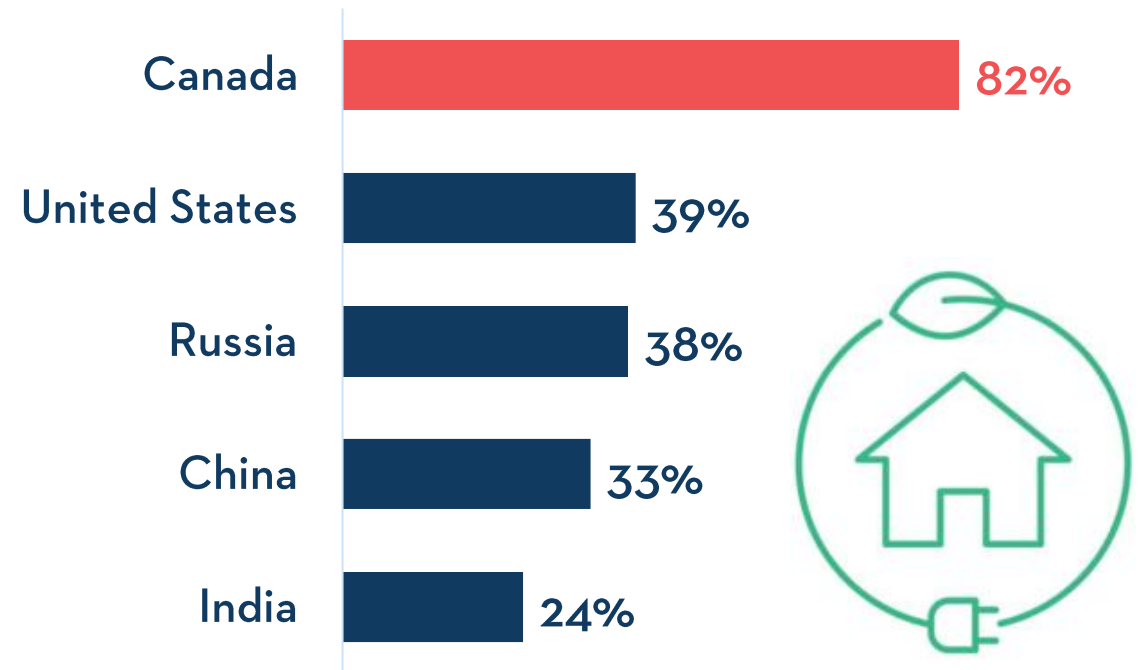
Biomass: 1.6%



Solar: 0.8%



Percentage of total electricity from non-emitting sources for the top four electricity-generating countries and Canada (2021)





BUSINESSES IN CANADA HAVE EXCELLENT MARKET ACCESS TO **61%** OF GLOBAL ECONOMY...

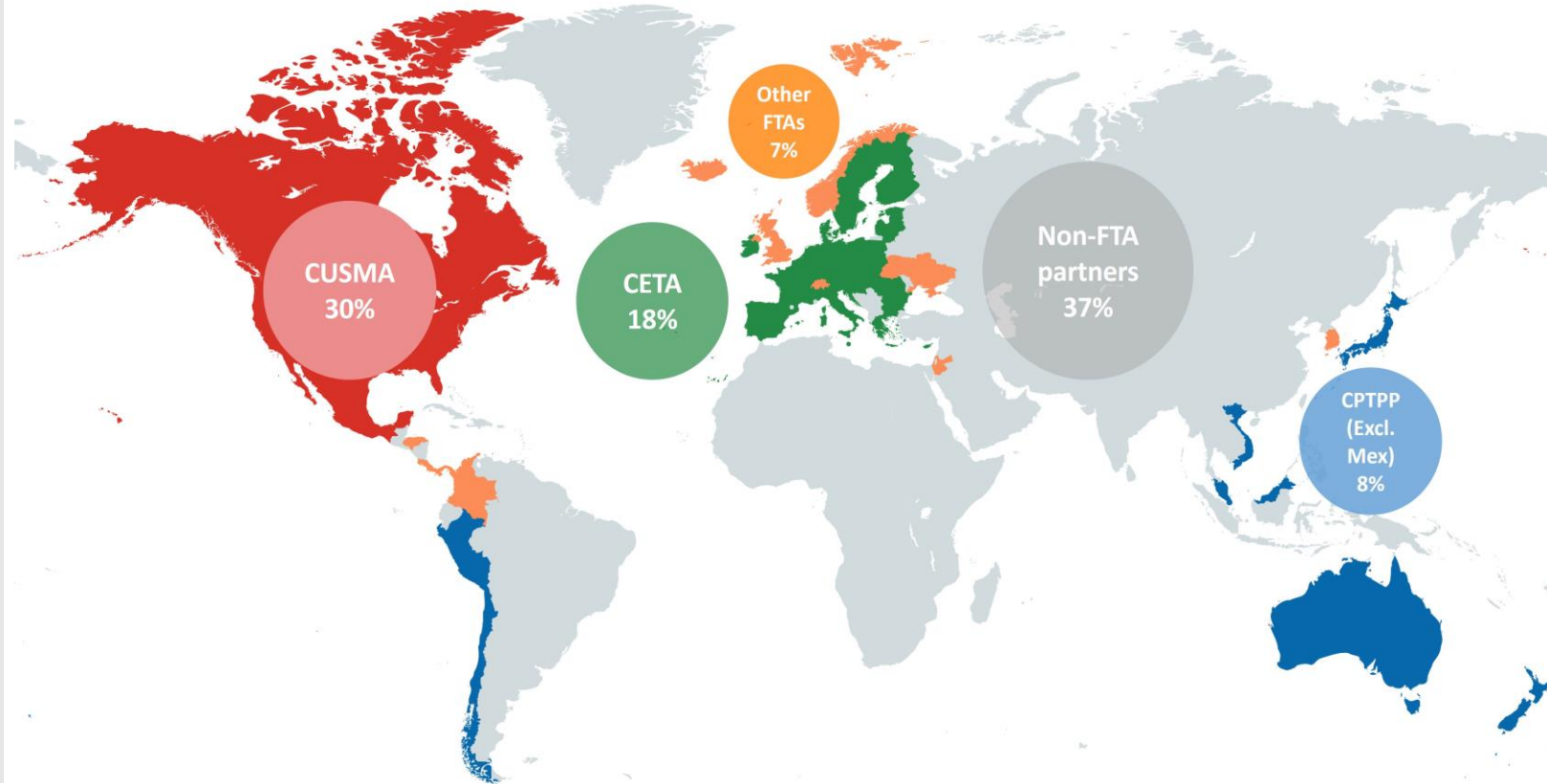
Canada's 15 free trade agreements provide for preferred market access to:

- 51 partner countries
- **1.5 billion consumers**
- over US\$63 trillion of global GDP

Canadian businesses & consumers benefit from lower product prices through tariff savings :

- For example, under CETA, an estimated \$890 million were saved through reduced tariffs in 2021 alone, of which \$223 million came from tariff savings on Canadian exports to the EU and \$668 million from Canadian imports from the EU.

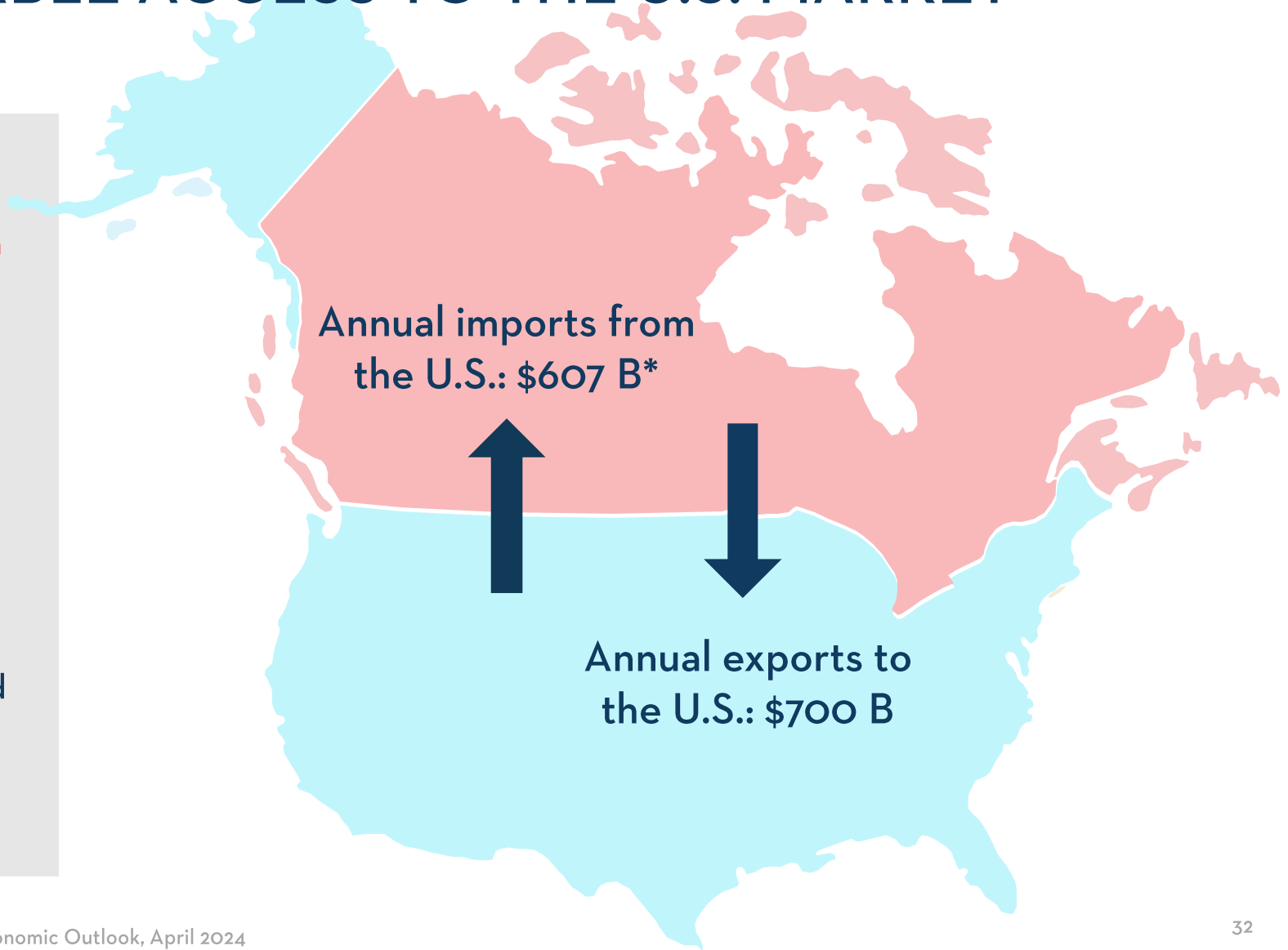
Share of Global GDP of Canada's FTA Partners in 2023





... AND INCOMPARABLE ACCESS TO THE U.S. MARKET

- With CUSMA in force, Canadian-based businesses have virtually tariff free market **access to over 500 million consumers** and a combined real GDP of more than **US\$30 trillion**.
- Many Canadian production hubs are very close to U.S. markets with **16 of Canada's 20 largest cities** within a 1.5-hour drive of the U.S. border.
- Canada's border is one of the **world's most efficient** as it is part of a well-integrated North American transportation system with Automated permit ports, Transponder-identification systems and Joint processing centres.



* Import and export statistics are for 2023

Source: Statistics Canada, Table 36-10-0014 and IMF World Economic Outlook, April 2024



CANADA IS ALSO A SAFE AND JUST SOCIETY AND A LAND OF EQUAL OPPORTUNITY

Top Five G20 Countries



For Justice and Equal Opportunity, Canada ranked among the top 5 G20 countries since at least 2019.

*Justice is fairly administered

**Equal opportunity legislation in the economy encourages economic development

Source: IMD World Competitiveness Yearbook, 2023; rank among 64 economies.

Doing business with Canada can be rewarding, but it's essential to understand its unique business environment and cultural nuances

Understand Cultural Differences

Canadians value politeness, punctuality, and respect for diversity. It's essential to be courteous and respectful in all communications.

Networking is Crucial

Building relationships is key in Canadian business culture. Attend networking events, trade shows, and industry conferences to connect with potential partners and clients.

Know the Market

Research the Canadian market thoroughly to understand consumer preferences, regulatory requirements, and competition. Each province may have its own regulations and market dynamics.

Legal and Regulatory Compliance

Ensure compliance with Canadian laws and regulations, including taxation, employment standards, and product standards. Consider consulting legal and financial experts familiar with Canadian regulations.

Quality Products and Services

Canadians value quality and reliability. Focus on delivering high-quality products or services to build trust and reputation in the market.

Pricing and Currency

Be mindful of currency fluctuations when pricing your products or services. Offering competitive pricing can be advantageous, but ensure profitability.



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Canada 