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#CanadaResilient Bulletin

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GREEN ECONOMY INITIATIVES KEY TO LONG-TERM GROWTH

I believe constructive change can emerge from crisis—and Canada's extensive plan to emerge from the pandemic with a cleaner economy is reinforcing my belief.

The Canadian government has presented a roadmap to help lead Canada into a sustainable long-term recovery from COVID-19, as outlined in the recently proposed budget for fiscal year 2021-22. It's a recovery predicated on a green, ESG-focused economy that sees Canada achieving even bolder emission targets by 2030.

The central themes of this plan can be expressed in three words: Accelerate. Innovate. Educate.

First, Canada is presenting tremendous opportunities for investors to *accelerate* the economic advantages of creating a cleaner, low-carbon world. The new Net Zero Accelerator fund is a cornerstone for this foundational change.

Second, in building a better, greener economy, Canada fully recognizes the need to *innovate* in every sector. National strategies in hydrogen, quantum technology, AI, IP, and genomics support a vibrant research and commercialization environment in Canada for innovators and entrepreneurs.

And third, to maintain its talent advantage, Canada is showing a commitment to *educate* its current and future workforce. Extending well beyond the classroom and into R&D, skills development, retraining, immigration programs, and hiring and rehiring, initiatives here put Canada's strategies into action.

By seizing the opportunities emerging from this worldwide crisis, global investors can position themselves for long-term success in Canada.

Please do not hesitate to reach out and discuss aligning your investment plans with Canada's opportunities. We are ready to help you make the next move.

Ian G. McKay
Chief Executive Officer, Invest in Canada

CANADA PRESENTS EXCITING NEW OPPORTUNITIES

The Government of Canada's proposed budget for fiscal year 2021-22 takes great strides to build the kind of sustainable green economy the world wants—and needs.

Among the numerous initiatives to support the success of global companies investing in Canada are the following highlights:

Strategic Innovation Fund (SIF)

SIF, which supports R&D, commercialization, and collaboration activities for large projects, has \$7.2 billion of new funding proposed in the budget. Funding comprises up to \$5 billion (on top of \$3 billion announced in 2020) through the Net Zero Accelerator fund for decarbonizing large emitters and adoption of clean technology. Additional support for innovative projects across all sectors includes \$1.75 billion to aerospace and \$1 billion to bio-manufacturing, plus \$1 billion, on a cash basis, to support private sector investment in cleantech projects.

Clean Fuels Fund

A proposed \$1.5 billion to support hydrogen and biofuels —plus a new tax credit for capital invested in Carbon Capture, Utilization and Storage (CCUS) projects and for hydrogen production— will be important to achieving net-zero emissions by 2050.

Talent Initiatives

With Canada already having the most educated workforce in the OECD, \$2.2 billion will help build Canada's talent pipeline, research systems and support for life sciences firms, as will \$1.4 billion to provide access to skills, training, and advisory services. What's more, \$708 million to create at least 85,000 work-integrated learning placements will build further opportunities.

Infrastructure Investments

The budget proposes \$1.9 billion to recapitalize the National Trade Corridors Fund in support of transportation infrastructure investments, plus \$1 billion in support for the rapid rollout of broadband projects.

Taxation Incentives

A 50% reduction in income tax rates for businesses that manufacture zero-emission technologies has been proposed.

EV Battery Supply Chain

A proposed \$9.5 million for creation of a Critical Battery Minerals Centre of Excellence, \$36.8 million for R&D to advance critical battery mineral processing and refining expertise, and \$56.1 million to support zero-emission vehicle (ZEV) charging and fueling stations are all part of Canada's strategic EV initiatives.

To learn more about investment opportunities, contact an Invest in Canada Investor Services team member.

CANADA'S BUDGET SUPPORTS NATIONAL STRATEGIES

For the **Pan-Canadian Artificial Intelligence Strategy**, which was the world's first, \$443.8 million in support includes \$185 million for commercialization of AI innovations and research, and \$48 million to renew and enhance research, training, and knowledge mobilization.

To launch a **National Quantum Strategy** for Canada's leading-edge quantum technologies, \$360 million is being proposed.

In support of the **Innovative Superclusters Initiative**, which focuses on five strategic ecosystems across Canada, \$60 million is being proposed.



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