

Canada top destination for business: Forbes

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The Chrysler Canada headquarters sign is displayed in Windsor, Ontario, Canada on October 3, 2011.

Photograph by: Jason Kryk, The Windsor Star

Canada is the top global destination for business, according to a new Forbes ranking that touts this country's economic resilience as much of the world battles major financial woes.

The top ranking marks a jump for Canada from fourth place in the ranking last year, which was due in large part to scoring higher in the tax category.

Tax burden for this year's index in Canada has this country in ninth place, a stark contrast to 2010, when Canada placed 23rd in that category. The report noted the adoption of the HST in Ontario and British Columbia, which has since voted to eliminate the new tax structure.

Canada was among the top tier of countries when it came to protecting investors and dealing with red tape, with the report saying it is relatively easy to start a new business in Canada.

The Forbes ranking described Canada as "an affluent, high-tech industrial society in the trillion-dollar class," and said Canada and the U.S. had many similarities, including its "market-oriented economic system, pattern of production and affluent living standards."

It stressed "while the U.S. is paralyzed by fears of a double-dip recession and Europe struggles with sovereign-debt issues," Canada has stayed cool in terms of its economy, with a jump of 3.1 per cent in 2010 and more growth — at 2.4 per cent as forecast by the Royal Bank of Canada — expected in 2011.

The Forbes ranking of business destinations factored in 11 criteria for more than 130 countries. Among them were: technology; corruption; personal and financial freedom; stock performance; property rights; and taxes.

The United States was in 10th place.

However, another report, released in September, stated Canada had a less rosy projection on the international business scale.

The World Economic Forum said in a report Canada had fallen out of the top 10 rankings of global competitiveness as the country loses ground to fiercer Asian rivals.

Canada dropped two places over the previous year in that report to 12th spot of 142 competitor nations. It is the third straight year Canada has slipped in the rankings, having held ninth spot in the 2009 review.

Emerging economies, particularly in Asia, are closing the gap between the traditional "rich" and "poor" countries, as the world's advanced economies stagnate, said the Conference Board of Canada, a partner institute in preparing the report.

A further sign of stagnation in the developed world shows the U.S. falling from fourth to fifth place in the 2011 survey, having slipped from the No. 1 spot in 2009 when it was usurped by Switzerland, which still holds the top ranking.

But it is not that Canada's competitiveness has weakened, the report said.

The problem is Canada's relative performance, the report said.

Canada's drop came as a result of improvements in the scores of competitor nations — most notably the United Kingdom and Hong Kong.

Forbes' top 10 countries for business:

1. Canada
2. New Zealand
3. Hong Kong
4. Ireland
5. Denmark
6. Singapore
7. Sweden
8. Norway
9. United Kingdom
10. United States

Source: Forbes

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