

COUNTRY PROFILE



Canada

GLOBAL RANK: 14th= of 104



Canada ranks 14th overall, tying with the UK, Norway, Belgium and France. Its Comparative Liveability rank of 9th is significantly higher than its Economic Competitiveness rank of 18th, primarily due to its poor entrepreneurship rates, contrasted with its high average incomes and excellent freedom of choice results.

● BACKGROUND

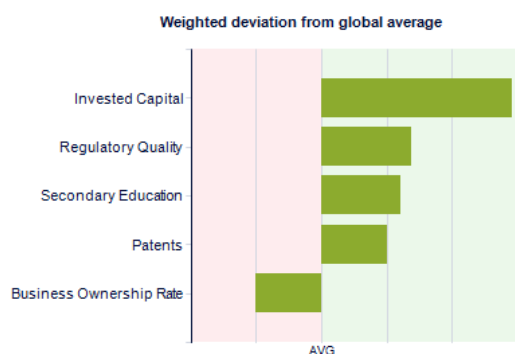
This highly racially and culturally diverse North American democracy enjoys political stability and an extremely high standard of living. Canada is the second largest country in the world, and its sparsely-populated tracts of land are rich in natural resources, including petroleum, lumber, and foodstuffs. Political debate continues on whether to increase oil and gas exploration as a response to the current commodities boom. Like the USA, with which it enjoys close financial and cultural ties, Canada is an affluent free-market economy. However, it differs from its neighbour in its overall higher levels of taxation, which support a publicly-funded healthcare system.

FAST FACTS

Population:	33.21 million (2008 est.)	FDI (net inflow):	3.12% (2006 est.)
Life Today	7.4 (2007 est.)	Exports	30.54% (2006 est.)
GDP (PPP)	\$1.3 trillion (2007 est.)	Imports	28.04% (2006 est.)
GDP (Growth)	2.7% (2007 est.)	Unemployment:	6% (2007 est.)
GDP (per Capita)	\$38,400 (2007 est.)	Life Expectancy	81.16 years (2008 est.)
Political System:	Constitutional Monarchy that is also a Parliamentary Democracy and a Federation		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

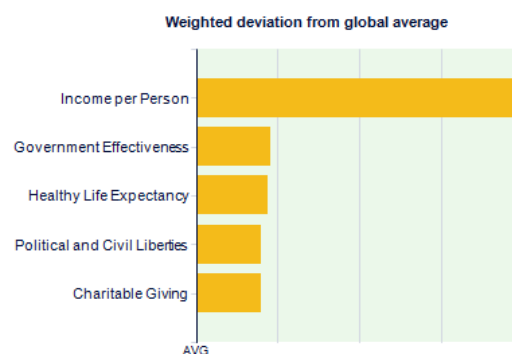
ECONOMIC COMPETITIVENESS



Canada's well-regulated economy is highly integrated with that of the United States, which absorbs 79% of exports and sources 65% of imports. Canada is the biggest foreign supplier of U.S. energy, including oil, gas, uranium and electricity. Integration has intensified through various regional trade agreements, culminating in the 1994 North American Free Trade Agreement (NAFTA), which includes Mexico.

Widespread public support for continuing close ties with the U.S. economy is occasionally dampened by economic nationalism, and Canada's otherwise good levels of openness are reduced by state and federal restrictions on foreign ownership. For example, there are

COMPARATIVE LIVEABILITY



Most Canadians enjoy an excellent standard of living and high incomes. Most of Canada's indigenous population, which constitutes 3.8% of the total population, live in approximately 900 small communities. According to Statistics Canada, social indicators are significantly depressed in these communities: employment, for instance, is only 60% of the national average.

Canada's healthcare system, which is based on public provision and private top-ups, provides excellent standards of healthcare at a far cheaper cost (9.5% of GDP) than that of the United States (16%), with health-adjusted life expectancy at 72 years.

With an average population density of only 3.5 per square kilometre,

some remaining tariffs in agricultural products, usually concentrated in politically-sensitive areas, notably Ontario and Quebec.

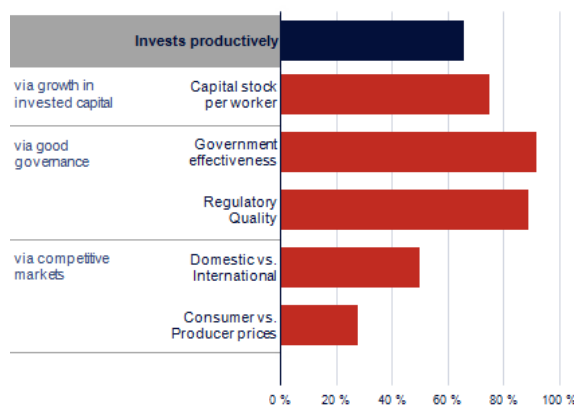
These strong Economic Competitiveness scores are slightly compromised by exceptionally low business ownership rates, indicating a lack of entrepreneurial vitality. Relatively few Canadians take the risk of going into business themselves, which may have a dampening effect on innovation.

Nevertheless, capital investment is substantial, and excellent educational standards have facilitated the diversification of the economy beyond its traditional strengths in commodities and agricultural exports. Canada has the highest rate of adults with post-secondary education in the G8, according to Statistics Canada. The government is trying to improve productivity through skills training, particularly in technology, and the innovation scores testify to good (but not outstanding) performance in research, patents and high-tech exports.

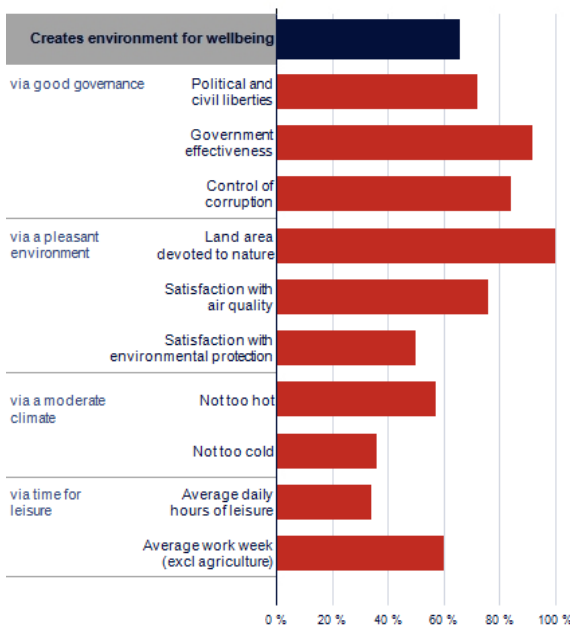
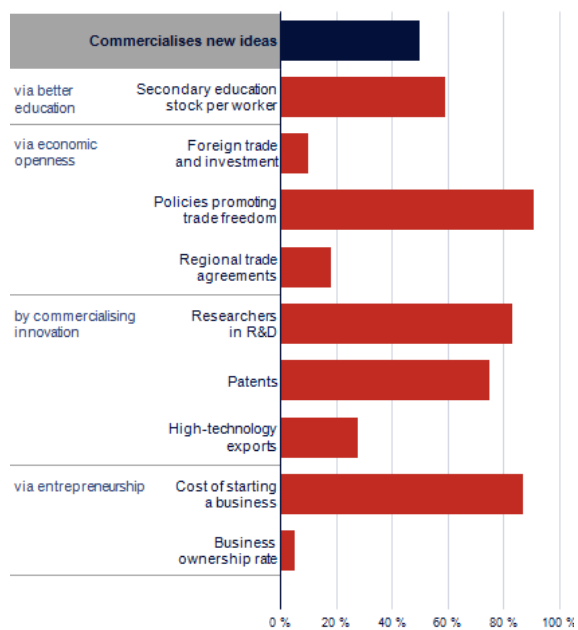
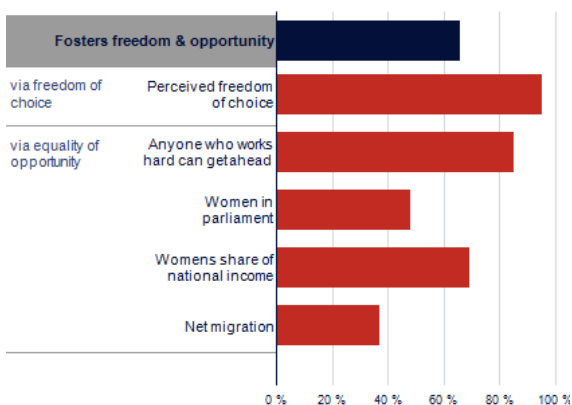
Canadians benefit from a splendid natural inheritance. However, nearly half of Canadians register dissatisfaction with environmental protection, according to the Gallup World Poll. Nonetheless, in general, government effectiveness and democracy score highly.

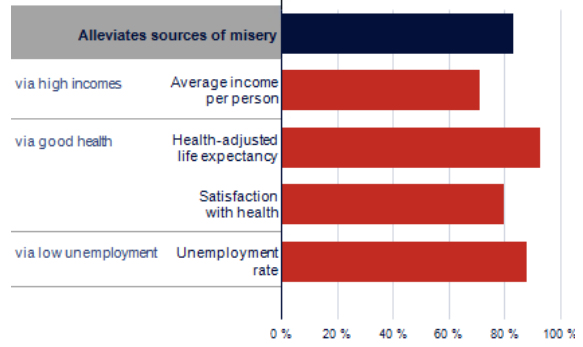
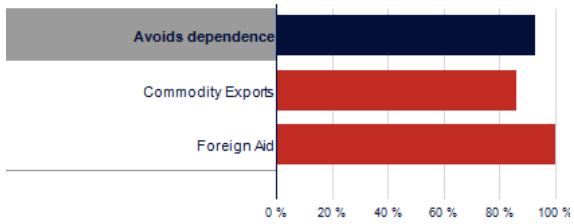
In common with many of the countries at the top end of the table, Canada suffers from a cold climate. However, at such high levels of income the impact on Comparative Liveability is minimal, as most can afford high-quality housing. Similarly, high levels of divorce and low levels of religious faith seem to characterise many of the top 15 countries for Comparative Liveability, but Canada's overall scores for family and religious life remain high, particularly the extent of charitable giving.

ECONOMIC COMPETITIVENESS: SCORECARD

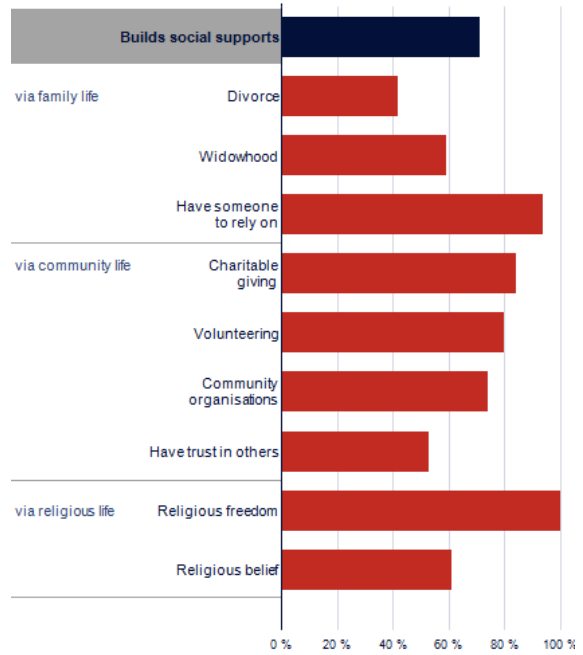


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.