

ECONOMY

Canada ranked second most competitive for business among leading industrial nations

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TORONTO — Accounting giant KPMG says Canada has proven to be second most competitive market in a comparison test of 10 leading industrial countries.

Top 10 competitive countries

Accounting giant KPMG says Canada was the second most competitive market in a comparison of 10 leading industrial countries. Following is the list of countries in order.

1. Mexico
2. Canada
3. The Netherlands
4. Italy
5. Australia
6. France
7. United Kingdom
8. Germany
9. Japan
10. United States

In its report, KPMG says Canada lags only behind Mexico when it comes to how little businesses have to pay for labour, facilities, transportation and taxes.

The report, which compared the competitiveness of a number of western countries along with Australia and Japan, found that a high U.S. dollar has helped Canada stay affordable despite rising office real estate costs and lower federal tax credits.

When it comes to corporate income taxes, it found that Canada, the U.K. and the Netherlands had the lowest rates overall due to tax incentives to support high-tech and research and development.

KPMG also looked at the competitiveness of more than 100 cities worldwide. It ranked Fredericton, N.B., as the most cost-effective city in Canada due to low labour costs and continued low costs for property leases.

Montreal topped the list among 34 major cities in North America, followed by Toronto and Vancouver. The three Canadian cities beat out all U.S. cities.

Although there have been concerns over the impact of a weakening loonie on the economy, having a low Canadian dollar has actually been “a driver in improving Canada’s competitiveness and overall cost advantage,” KPMG said.

As a result, that has made it more attractive for businesses to set up shop north of the border than in the U.S., it said.