

Porter's Five Forces of competition

- **A supportive business environment**

- Excellent trade opportunities
- Strong ties with Asia, Europe, and North America through imports and exports
- Stable economy

- **A gateway to the world**

- NAFTA and USMCA has created businesses opportunities in North America
- Canada's connections to Asia allow access to Asia's growing economies (especially India and China).

- **An infrastructure advantage**

- Canada has more than 300 commercial ports
- St. Lawrence Seaway allows goods to travel easily from the Atlantic Ocean to the middle of North America.
- CP and CN Railways have a combined rail system of 53,000km.
- The Trans-Canada is one of the world's longest highways
- Smart Border Accord, an agreement between the Canadian and U.S. governments signed in 2001, facilitates the cross-border flow of travellers and goods and co-ordinates enforcement efforts in the two countries.

- **Outstanding employees**

- Canada spends more on education than any other country.
- Has the most highly educated workforce in the world.
- Home to excellent business schools.

- **Cultural diversity**

- Attracts highly educated immigrants.
- Liberal immigration policies.
- One of the most multicultural countries in the world

- **A great place to live**

- United Nations Human Development Index rated Canada as the fourth-best country in which to live.

Rise and fall of General motors

- As the price of oil rose, consumers wanted to avoid driving cars that used a lot of gasoline.
- Japanese automakers Toyota, Nissan, and Honda produced small, efficient vehicles.
- During the financial crisis that began in 2008, consumers cut spending on gas-guzzling vehicles.
- GM filed for bankruptcy.

2008 Financial crisis

- In 2007, the price of houses began to drop. Homeowners who had qualified for subprime mortgages could not keep up with payments and defaulted on their mortgages. Banks foreclosed on these homes, but because there was no market for them, these assets were worthless, and thus, banks stopped lending and many went out of business. Without credit from banks, consumers stopped spending, which manufacturers and retailers began to lose money and lay off workers.
- **Subprime mortgage:** A type of mortgage granted to borrowers with lower credit ratings who would not normally be able to qualify for conventional mortgages.
- **Foreclose:** The legal process through which an owner's right to their property is terminated, usually because they have failed to pay back their mortgage.
 - In this case, the bank usually takes the house back and sells it, using the proceeds to pay off the debt.
- **Collateral:** An asset used to guarantee a loan.

Overall, the financial crisis did not affect Canada as deeply as other countries since Canadian banks did not invest in subprime mortgages. However, Canadian banks that had invested in U.S. banks were affected, and the demand for Canadian goods, especially raw materials like oil and lumber, dropped.