

Global Business Plan

Summary of Findings from Previous Research

Throughout all of our research, we Santech Power Holding Co has come to find that even though we are successful there are various different factors to consider when stepping out our boundary, to do business in another country. In Canada the political, legal, and regulatory risks would be low ("Ambest.com," 2012). Which would give us all the more reason to want to start a business down there, Canada is a high income country with compelling natural resources and a well-known legal system. Canada's economy is similar to that of the United States, due to the cultural similarities, economic size, and the geographic proximity.

Taxation and double taxation is something that is always going to be needed to be looked at. Canada double taxes corporate profits first at the corporate level and then again when the company pays out its after-tax profits as dividends to shareholders. When a Canadian public company earns \$100, it will pay approximately \$27 in tax. When it pays the remaining \$73 of its after-tax income as a dividend to its shareholders, a top marginal rate individual Ontario will pay an additional \$24 net of dividend tax credits in personal tax. Then, depending upon province of residence, the total tax bill is about 52% (Vern Krishna, 2012, p.3).

Physical and environmental challenges Canada is also known for the acid rain in Western Canada; acid rain is not a serious problem yet but could always become one if future generations are not careful. Two common air pollutants acidify rain: sulphur dioxide (SO₂) and nitrogen oxide (NO_x). When these substances are released into the atmosphere, they can be carried over long distances by prevailing winds and return to earth as acidic rain, snow, fog or dust. When the environment cannot neutralize the acid being deposited, damage occurs.