

6. THE REACTIONS OF CANADIAN COMPANIES

6.1 A Limited Response from Canadian Companies

Canadian direct investment stock in the EC stagnated in the early 1980s, but increased by 66 per cent from 1984 to 1988. The share of total Canadian foreign investments allocated to the EC also increased, from 6.7 to 8 per cent. This illustrates that interest in the EC

on the part of Canadian companies has been greater than their interest in the rest of the world.

This increase of Canadian investments in the EC was somewhat weaker than American investments in the EC, which have also increased relative to total American foreign investments (see Table 6).

TABLE 6

Direct Investment from Canada and the U.S. in the EC — 1984-1988

Canada (C\$ billion)						
<u>Destination</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>*1987</u>	<u>*1988</u>	Growth 1984 - 1988 (%)
EC	5.3	6.6	7.1	8.0	8.8	66
All countries	78.8	82.0	90.7	100.4	110.3	40
EC/Total (%)	11.9	13.1	13.4	14.1	14.5	
* Estimates						

Source: Statistics Canada.

United States (US\$ billion)						
<u>Destination</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	Growth 1988 - 1984 (%)
EC	72.1	83.9	98.6	120.1	126.5	75
All countries	211.5	230.3	259.8	308.0	326.9	55
EC/Total (%)	34.1	36.4	38.0	39.0	38.7	

Source: Survey of Current Businesses, U.S. Department of Commerce.