

Industry Canada to the data obtained from the DealWatch report, Canada appears to have become a slightly more important target for Dutch DIA over the study period.

The investment data on the Netherlands are important in two respects. First, the Netherlands represents a small economy that has succeeded in attracting and providing considerable foreign direct investment over the study period. While it is true that the investment performance of the Netherlands relative to both inflows and outflows of investment has declined in 1993 and 1994, the way in which they have achieved this status in the past is remarkable and might be a model for Canada to follow as investment promotion activities are devised and implemented.

Second, the data on the Netherlands highlight what can be referred to as the small economy effect. This effect, which will also be illustrated by the investment data collected on Switzerland, occurs when relatively large investments are made in particular years, in particular industries and in particular countries. In a large country such as the United States, even large investments pale in comparison to the total investments being made in the country. In a small country such as the Netherlands, the large investment results in wide data fluctuations (such as the ones illustrated in Figure S-3), which suggest a particular focus on a particular type of industry, whereas in reality, it is a particular investment which affected the results. This suggests that the interpretation of investment data and investment trends relating to smaller economies needs to be made with caution.

Switzerland

Switzerland is the last and smallest economy being reviewed in detail as part of this study. The 1993 GDP for Switzerland was U.S. \$233 billion, or about one half of the corresponding Canadian figure. The stocks of Swiss investment abroad represented only U.S. \$84 billion in 1993, which is considerably less than the stock of Canadian DIA. Stocks of foreign direct investment in Switzerland are also relatively small, totalling U.S. \$47 billion in 1993 (compared to U.S. \$110 billion for Canada).