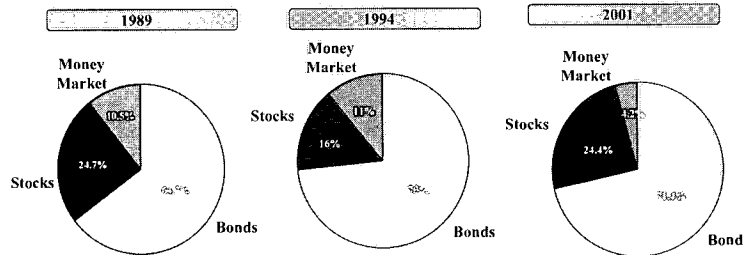


**Figure 2.5.6**
**Composition of U.S. Portfolio Investment in Canada**


Source: Trade and Economic Analysis Division (EET), DFAIT  
Data: Statistics Canada, Canada's International Investment Position

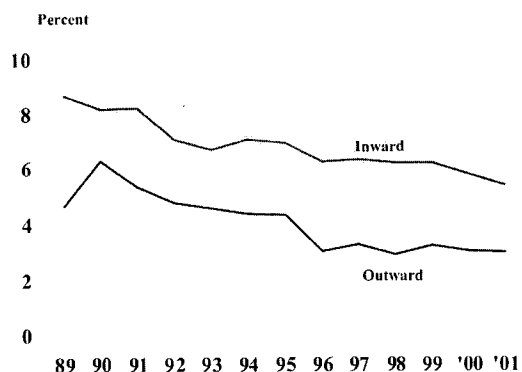
**Table 2.5.2**
**Stocks - Financial Investment, Canada-U.S.**

	Millions of current dollars			CAGR*, %			Share of World, %		
	1989	1994	2001	1989-94	1994-01	1989-01	1989	1994	2001
<b>Financial Assets</b>	78,561	139,242	266,084	12.13	9.69	10.70	45.52	45.49	45.90
Portfolio Investments	29,321	56,567	130,558	14.05	12.69	13.25	81.35	70.27	56.47
Other Investments	40,709	64,830	112,142	9.75	8.14	8.81	36.32	38.70	39.50
Other Assets	8,531	17,845	23,384	15.91	3.94	8.77	34.90	30.75	36.19
<b>Financial Liabilities</b>	133,351	258,199	468,667	14.13	8.89	11.04	36.93	43.54	57.95
Portfolio Investments	73,898	180,417	338,183	19.54	9.39	13.51	35.00	45.64	64.16
Other Investments	54,238	70,671	120,270	5.44	7.89	6.86	39.81	39.23	46.27
Other Liabilities	5,215	7,111	10,214	6.40	5.31	5.76	38.09	40.42	47.05

\* Compound annual growth rate

Source: Statistics Canada, Balance of Payments

Canadians receive income from their foreign financial investments and must make payments to foreigners on their investments in Canada. Canada continues to pay much more on U.S. investments in Canada than Canadians receive from investments in the U.S. In fact, Canada paid slightly more than double what it received in income in 2002. One of the primary reasons for this is that Canadians pay roughly 5 times more on U.S. portfolio investments in Canada than Canadian's receive from their portfolio investments in the U.S. And while some of this has to do with the fact that Canada has much less investment in the U.S., Canadians also make a significantly lower rate of return on their investments. As can be seen

**Figure 2.5.7**
**Return on Canadian Portfolio Investment with the U.S.**


Source: Trade and Economic Analysis Division (EET), DFAIT  
Data: Statistics Canada, Balance of Payments