

From a North American perspective, it is evident that China has become a more prominent destination for US outward FDI holdings – the share accounted for by China increased from 0.4% in 1995 to 0.8% in 2001. On the other hand, the share of Canada's FDI stock invested in China stayed in the 0.2-0.3% range throughout the same period.

Outward FDI from China

Many economists foresee that the next stage in China's economic development will be as a more prominent provider of outward FDI—not only into neighbouring Asian countries but also into a wide range of sectors in developed and developing non-Asian countries. Despite the fact that outward FDI from China has been more modest than inward FDI, a number of Chinese companies have emerged into trans-national companies (TNC) with substantive overseas investments. Thus, in 2001 twelve of the fifty largest TNCs in developing countries were located in mainland China⁵. Adding approved outward FDI flows from 1979-2002⁶ reveals that Asia was the destination for 58.7% of China's outward FDI. Hong Kong was the preferred Asian destination, accounting for 43.6%, followed by Thailand (2.3%), with every other Asian country accounting for less than 2% each. The United States, which accounted for 8.9% of China's outward FDI, ranked as the

second largest destination country, followed by Canada (4.7%). Thus, North America accounted for a combined share of 13.6% (Mexico did not appear among the top 30 destination countries). Europe accounted for 6.0% of China's FDI position in 2002.

Although not reflected in this data, China appears now to be actively pursuing a course of outward acquisitions, such as the merger in 2003 of the television and DVD operations of TCL (China) and Thomson (France), which resulted

in TCL majority control of the joint company. Similarly, in December 2003 China National Bluestar (Group) Corp. announced its intentions to acquire a 49 percent stake in the Korean Ssangyong Motor Co.⁷, which had been for sale for the last three years since the collapse of its Korean parent company, the Daewoo Group. Most recently, there has been some interest shown by Chinese-based companies in established Canadian-based national resource enterprises, as well as those in several other countries.

Table 5: China's share of total outward FDI position in selected OECD countries

| Reporting OECD country/region | 1990 | 1995 | 2000 | 2001 |
|-------------------------------|------|-------|-------|-------|
| Asia | | | | |
| Australia | 0.0% | 0.1% | 0.2% | 0.2% |
| Japan | 0.9% | n.a. | 3.1% | 3.3% |
| Korea | 0.9% | 18.6% | 17.0% | 15.3% |
| Europe | | | | |
| France | 0.1% | 0.3% | 0.4% | n.a. |
| Germany | 0.1% | 0.4% | 1.1% | n.a. |
| Netherlands | n.a. | 0.2% | 0.4% | n.a. |
| Poland | n.a. | 0.2% | 13.6% | n.a. |
| Switzerland | n.a. | 0.3% | 0.4% | n.a. |
| United Kingdom | 0.0% | 0.1% | 0.3% | n.a. |
| North America | | | | |
| Canada | 0.0% | 0.2% | 0.2% | 0.2% |
| United States | 0.1% | 0.4% | 0.8% | 0.8% |

Source: OECD - International Investment Statistics (on-line electronic database)

5 "China: an emerging FDI outward investor," UNCTAD, Division on Investment, Technology and Enterprise Development; E-brief, December 4, 2003.

6 Ibid; percentage shares calculated from data in Table 2 and Table 3 of the document.

7 "China's Bluestar shifts gears," *Globe and Mail (Wall Street Journal)*, p. B6, December 23, 2003

Reconstruction begins Caribbean region gets back on its feet

In the last two months, the Caribbean region has been ravaged by a series of powerful hurricanes, capping off what some say is the worst season in decades. Hurricanes Charley, Francis, Ivan and Jeanne have collectively accounted for numerous fatalities and millions of dollars worth of damage to homes and infrastructure.

In Haiti, the rains and mudslides caused by Hurricane Jeanne have resulted in a critical shortage of food and clean water. The Dominican Republic and Puerto Rico were also hit hard.

Grand Cayman suffered extensive damage and public services in the capital and tourist area were seriously affected.

Hurricane Ivan also caused considerable damage to housing and infrastructure in Jamaica, with the south and west of the island being the hardest hit. Jamaica has, however, reestablished public services quickly.

With few exceptions, all businesses in Jamaica are now operating normally. Montego Bay, the largest tourist centre, is fully operational. The two other main centres of Negril and Ocho Rios expect to be at full capacity for the tourist season which is to begin at the end of November.

The northern Bahama islands of Grand Bahama and Abaco were affected by both Francis and Jeanne. Public services to these islands have not recovered fully. In fact, its government has declared the two islands disaster areas, although business in the main financial centre of Nassau has returned to normal.

Opportunities

As the countries within the region begin to rebuild, opportunities exist for a variety of Canadian products and services. There will be an increase in

demand for building products such as plywood, roofing material and other housing products.

In the Cayman Islands, for example, a high percentage of the country's housing stock was damaged. Also, the redevelopment of damaged infrastructure such as roads, bridges and sewage systems will also be necessary.

Miami is generally perceived to be a destination of choice for Caribbean building supplies. However, Florida's own reconstruction efforts and demand for building supplies may present opportunities for Canadian suppliers to do business directly with Caribbean countries.

For more information, contact Russell Merifield, Trade Commissioner, Canadian High Commission in Jamaica, tel.: (011-876) 926-1500, ext. 3350, fax: (011-876) 511-3491, e-mail: russell.merifield@international.gc.ca. ✪

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attracts investment and encourages economic partnerships and joint ventures.

The Web site reflects this diversity; VATS is available in seven languages and features a design that makes it easy for visitors to learn what participating businesses and organizations offer. Each listing provides addresses, phone and fax numbers, and Web links.

VATS was launched last spring by the Aboriginal International Business Development (AIBD) Committee, a partnership of 29 federal government departments and agencies that share an interest in Aboriginal export development and access to world markets.

Get involved

The AIBD Committee would like to offer Canadians the opportunity to have their

company profiled on VATS for one year. While there is no fee for participating, there are certain criteria which must be met in order to be considered. Participants must be:

- an Aboriginal entrepreneur offering a product or service;
- in business for at least one year and have a functional Web site where a product or service is available; and,
- be actively exporting, export-ready or preparing to export. If applicants are not sure if they are export-ready, they can take the Export Readiness Diagnostic Test accessible at www.exportsource.gc.ca.

For more information, go to www.vats.ca. ✪

Kuwait to host medical fair

KUWAIT — March 14-17, 2005 — The Kuwait International Fair Company, with the support of the Kuwait Ministry of Health, is organizing KIME 2005, the **Kuwait International Medical Exhibition and Conference**, in response to the strong demand for a specialized exhibition in the medical field. KIME 2005 will allow exhibitors to interact directly with the key buyers and prime decision makers from the markets of the Middle East.

For more information, go to www.kif.net/kime, or contact the Kuwait International Fair Co., Marketing and Public Relations Department, tel.: (011-965) 538-7100, ext. 112, fax: (011-965) 539-8123 or (011-965) 539-3872, e-mail: info@kif.net. ✪