

Unfortunately, there is very little detail available on portfolio investment in Canada.²⁹ Statistics Canada's geographic categories are limited to the U.S., the U.K., the EU, Japan, "other" OECD countries and "all other countries". Portfolio investments are often managed by intermediary institutions, such as banks, in large financial centres. Because of these difficulties, we can only guess at what proportion of portfolio investment in Canada comes from Latin America, the Middle East and Asian countries other than Japan. The share of portfolio bond investment in Canada of the "all other countries" category did grow from 3% in 1983 to 6% in 1993.

4. FOREIGN DIRECT INVESTMENT

Canada is now a relatively less important destination for foreign direct investment than it was ten years ago. In 1982, roughly 14% of the OECD countries' stock of foreign direct investment was invested in Canada. By 1992, Canada's share had declined to roughly 7%.³⁰ During this ten year period, world flows of foreign direct investment increased dramatically. For example, the cumulative direct investment flows of the OECD countries were more than four times greater between 1981 and 1990 than between 1971 and 1980.³¹ Even after taking into account problems with the quality of investment statistics, Canada is clearly attracting a smaller share of world foreign direct investment flows than it did in the past.

Americans have owned the majority of foreign direct investment in Canada since well before the second world war. This continues to be the case. However, the U.S. share of foreign direct investment in Canada has been slowly falling since the 1940s.³² U.S. direct investment was 65% of the total stock in 1993, compared to 75% in 1983 and 82% in 1973. This is not to say that U.S. direct investment in Canada has not been growing in value terms. However, foreign direct investment from other sources, mostly from some European countries and to a certain extent from Japan, has been growing at a faster rate.

Data on foreign control of Canadian industry collected by Statistics Canada under the authority of the Corporations and Labour Unions Returns Act

²⁹ Statistics Canada is working to improve Canadian and world portfolio debt statistics as part of the Task Force on Portfolio Investment Abroad of the IMF's Standing Committee on Balance of Payments.

³⁰ OECD, *International Direct Investment Statistics Yearbook 1994*, p. 16.

³¹ Bank for International Settlements, *63rd Annual Report* (Basle June 1994), p. 90.

³² Unless otherwise noted, statistics in this section are taken from Statistics Canada's StatCan: Cansim Disc 1994-2, Canada's International Investment Position, Matrixes 4180-4187, 2700 and 2705.