

be a net exporter of direct investment. This increase was in large part as a result of valuation changes such as from exchange rates. Canada had a positive net direct investment position with the majority of its partners, including the Caribbean countries and the U.K.; however, it did post a negative position with several notable countries including the U.S. (-\$50.5 billion), France, the Netherlands, Switzerland, and Japan.

Foreign direct investment in Canada

The stock of FDI in Canada continues to be heavily dominated by the U.S., which was responsible for \$273.7 billion in 2006, or 61.0 per cent of the total. This was up \$14.7 billion from 2005, although the percentage accounted for was down slightly from 64.1 per cent in 2005. European countries (the

U.K., France, the Netherlands, and Switzerland) made up the next four largest investors, with direct investment from the U.K. rising 30 per cent due mostly to acquisitions in Canada. Also notable was the increase in FDI from Brazil, which more than tripled to \$9.4 billion, with acquisitions again being the driver. Of the top ten countries with investments in Canada, Brazil is also the one to have experienced the highest average annual growth rate over the past five years (2002-2006) at 86.7 per cent: its FDI in Canada has increased twelve-fold from \$774 million to \$9.4 billion.

Overall, 55 per cent of FDI in Canada was in goods industries at the end of 2006, down slightly from 59 per cent in 2000. The energy and metallic minerals industry continued its recent growth, increasing its share of FDI stocks in Canada from 25.2 per cent

TABLE 5-2
Foreign Direct Investment in Canada by Region and by Top-10 Sources
(billions CAD)

Region	1995	2005	2006	per cent			
				Share in 1995	Share in 2006	Change 2006/2005	Growth ^a 1995-2006
World	168.2	407.6	448.9	100.0	100.0	10.1	9.3
North America	115.3	263.3	279.4	68.5	62.2	6.1	8.4
South and Central America	0.4	3.2	9.5	0.2	2.1	199.1	34.1
Europe	40.1	119.2	134.0	23.9	29.9	12.4	11.6
EU-25	35.9	101.4	104.4	21.3	26.4	25.6	11.5
Africa	0.0	1.2	1.6	0.0	0.3	25.3	44.6
Asia/Oceania	12.4	20.7	24.4	7.4	5.4	18.0	6.4
World	168.2	407.6	448.9	100.0	100.0	10.1	9.3
United States	112.9	259.0	273.7	67.2	61.0	5.7	8.4
United Kingdom	14.1	30.0	39.0	8.4	8.7	29.9	9.7
France	5.7	28.4	29.5	3.4	6.6	4.1	16.1
Netherlands	6.3	22.1	22.6	3.7	5.0	2.3	12.4
Switzerland	3.4	13.2	14.1	2.0	3.1	6.8	13.8
Japan	7.0	10.5	11.3	4.2	2.5	7.5	4.5
Germany	5.0	9.6	9.9	3.0	2.2	2.9	6.4
Hong Kong	2.8	6.0	n.a.	1.7	n.a.	n.a.	n.a.
Brazil	0.3	3.1	9.4	0.2	2.1	206.4	38.9
Luxembourg	0.1	3.7	5.8	0.1	1.3	58.1	40.5

Data: Statistics Canada, stocks.

a Growth refers to the compound average annual growth rate over the period indicated.