The annual reports of Canadian companies active in the region provide an alternative means of determining levels of investment. This method suggests that CDIA in 2004 was $1.3 billion for oil and gas exploration companies and $5.9 billion for mineral extraction and exploration firms. Moreover, estimates from Natural Resources Canada indicate that, with the increased demand for commodities from emerging economies (such as China, India and Brazil), new Canadian investment in the mining sector alone could surpass $14.1 billion.

Mining is the face of Canada in many African countries, with Canadian investors making up the largest foreign and most important non-African investors in the continent's mining sector. Resource-based investments are the driving force behind the value-added components of the merchandise trade and services accounts. Much of the exploration and production technology, as well as the consulting engineering expertise that these operations employ, originates in Canada.

Middle East and North Africa

The Middle East and North Africa (MENA) region has a population of more than 300 million. The region holds about 56% of the world's total known reserves of conventional oil and about 27% of its total natural gas. Two-way merchandise trade with the region totalled $13.8 billion during 2006, a 16% increase over 2005. Merchandise exports during 2006 were $3.7 billion, an increase of 14% over the previous year.

The Gulf Cooperation Council (GCC)–Saudi Arabia, United Arab Emirates (UAE), Kuwait, Qatar, Oman and Bahrain–is the most prosperous grouping in the MENA region and includes our first (UAE) and second (Kingdom of Saudi Arabia) export markets. The GCC has the third-largest GDP per capita of any region, plus very high GDP growth and nearly 50% of the world's proven oil reserves. With a rapidly growing population of 36 million, the area represents the 17th-largest economy in the world with a GDP of US$536 billion. It has more than $3 trillion of available liquidity. The resulting economic boom has doubled the size of the regional economy over the last five years. The GCC is increasingly focused on economic diversification to reduce oil dependency. An unprecedented boom in construction and infrastructure projects is providing major business opportunities for Canada.

Another important grouping in North Africa–known collectively as *"The Maghreb"* –includes Mauritania, Morocco, Algeria, Tunisia and Libya. With a population of 85 million, a GDP of US $218 billion, forecasted growth of 5.8%, total imports of US$78 billion, the region also offers great opportunities for Canada. Both Algeria and Libya are oil and gas exporting countries and currently enjoy huge increases in revenues that will allow them to invest heavily in their development. Total Canadian imports from the region continued to increase in 2006 and consisted mainly of crude oil from Algeria. Algeria was Canada's second-largest source of foreign crude oil during 2006, with imports valued at nearly $5 billion. Morocco was our second-largest export market for Canadian durum wheat during 2006, while Algeria was the fourth-largest. Together with Tunisia, they accounted for slightly more than 25% of total Canadian exports of this commodity.

Thanks in large measure to the Canada-Israel Free Trade Agreement (CIFTA), bilateral trade with Israel totalled a record $1.3 billion during 2006 ($445.7 million Canadian exports to Israel; $872.6 million imports from Israel). Since its establishment in 1994 and its subsequent renewal in March 2006 by Canada and Israel, the Canada-Israel Industrial Research and Development Foundation (CIIRDF), has become a key vehicle for increasing bilateral and sub-national industrial cooperation and business partnerships at the cutting edge of innovation.