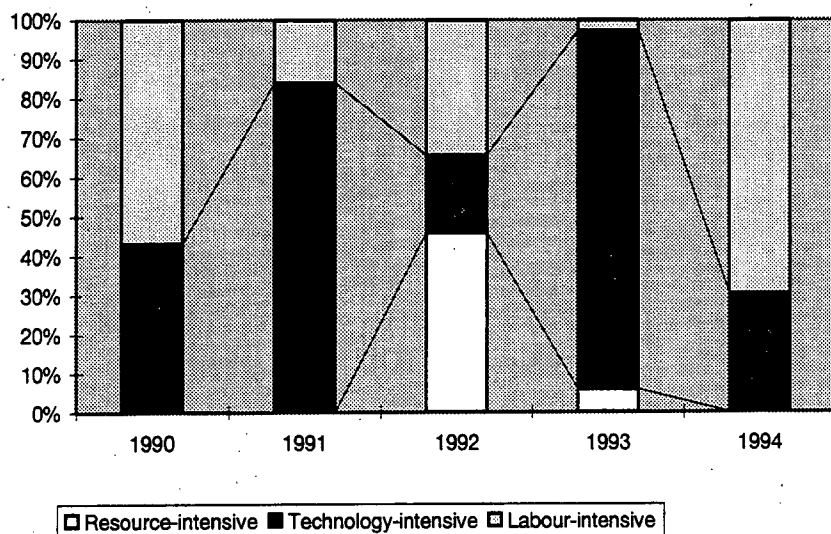


Figure G-4 Foreign Investment from Germany to Canada

Source: Industry Canada, The Conference Board of Canada



Thus, the data collected for the study suggest that the industry focus of German investment to Canada is similar to that of German investment globally. Similarly, the smaller German investment flows received by Canada since 1990 mirror overall global German direct investment trends. This suggests that, as German outflows of investment to other countries increase (as Germany emerges from the shock of German unification), so will investments directed at Canada.

However, the proportion of total German DIA directed at Canada is quite small, and could be increased if German investors can begin to see Canada as an effective gateway to the North American market. Data obtained from the Bundesbank and from other sources suggest that German investments to Canada represented less than 5 per cent of the total investment outflows of Germany in 1993. This investment level appears to have declined since 1990 when the Canadian proportion represented more than 5 per cent of the total.

The data reviewed for this country report suggest that Germany is an effective target for investment promotion activities. Such activities may help target areas where investment occurs in Canada, and in particular, influence new German FDI as the shock of German unification subsides over the coming years.