at labour-intensive and technology-intensive industries. Prior to 1990, and for 1992, more than half of the Japanese investment flows subject to the Investment Canada Act occurred in technology-intensive industries. This was primarily the result of investments in so-called "transplants" (e.g., the automobile market from assembly plants based in Canada), which service the North American market.

Data obtained from the Japanese Ministry of Finance suggest that Japanese foreign direct investment in Canada represents only about 2 per cent of total Japanese investment abroad. This is consistent with data obtained from other sources regarding Japanese investment in Canada. The main target for Japanese investment abroad is the United States, which received almost 50 per cent of total Japanese outflows during the period. The United Kingdom is another significant target for Japanese investment outflows, receiving more than 8 per cent of total Japanese investment in 1991. Other countries covered by the report received a relatively small proportion of Japanese investment outflows, with most of the remaining investment flowing to Asian countries.

Germany is the third largest country in the world in terms of GDP, after the United States and Japan, with a GDP of more than U.S. $1,646 billion in 1993. Like Japan, German investment stocks abroad are relatively modest.

The data obtained for this report suggest that it is likely that the global recession (1990), German unification (1991) and the creation of a European Common Market (1992) have largely distracted Germany from the global investment scene and seriously affected German investment levels. In particular, the necessity for massive German investments within the unified Germany, as well as foreign investment to what used to be East Germany, have resulted in sharply reduced investment flows to and from the former West Germany (for which there are data). This was particularly apparent post 1991 when global