

Foreign Direct Investment in Canada from Hong Kong

	Amount (\$ millions)	Growth Over Previous Year (%)
1981	87	71
1982	117	34
1983	98	-16
1984	166	69
1985	168	1
1986	227	35
1987	500	120
1988	950	90
1989	2,150 (est.)	126
1990	4,150 (est.)	93

Source: Investment Canada.

Where Does the Investment Go?

Initially, investors from Hong Kong have been cautious, focusing on areas such as electronics, garments and real estate where they had domestic expertise. The availability of real estate is especially important to Hong Kong business people who initially look for security. Once that is gained, they diversify into other ventures. Recently, for example, Hong Kong investment in Canada has flowed into other types of manufacturing and financial services. As the labour shortage worsens in Hong Kong, some manufacturers are investing in Canada to take advantage of the relative availability of skilled labour. Today, Hong Kong investors can be found across a wide spectrum of the Canadian economy including chemicals, resource extraction, information technologies, and business services.

Structure of Investment in Canada

Hong Kong investors are wary of partnership agreements. Most of the partnerships that they enter into are based on a long prior history of trade or supply arrangements. Since Canada is a relatively new area of economic activity for Hong Kong's business people, most of their direct investment here has taken the form of acquisitions or new business establishments. The single most popular Canadian destination for Hong Kong investment is British Columbia, with Ontario a close second.

Recent Hong Kong Investments in Canada

The following list offers examples of the more significant recent Hong Kong investments in Canada. The list does not include all investments from Hong Kong and it is intended only to convey an impression of the range and diversity of this investment activity.

- chemicals and related products
- resource-based
- financial
- consumer goods
- manufacturing
- information technologies
- real estate and property
- automotive
- food and beverages
- services

Source: Investment Canada.

The Hong Kong View of Canada

Hong Kong investors who are uncertain about the direction of Chinese policy after 1997 are interested in establishing business linkages in other parts of the world. They see Canada as an attractive location because of its political stability, quality of life, openness to foreign investment, and commitment to multiculturalism.