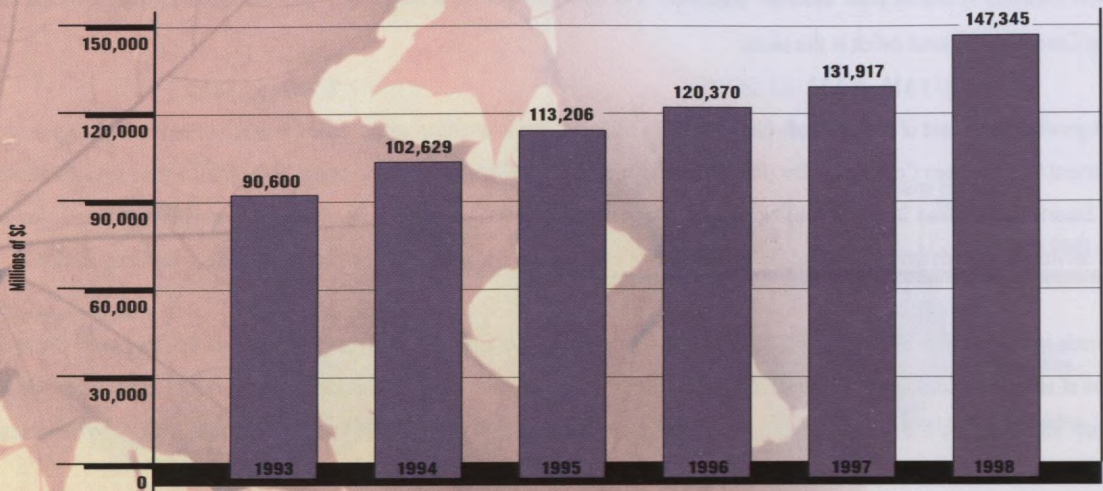




U.S. Investment in Canada



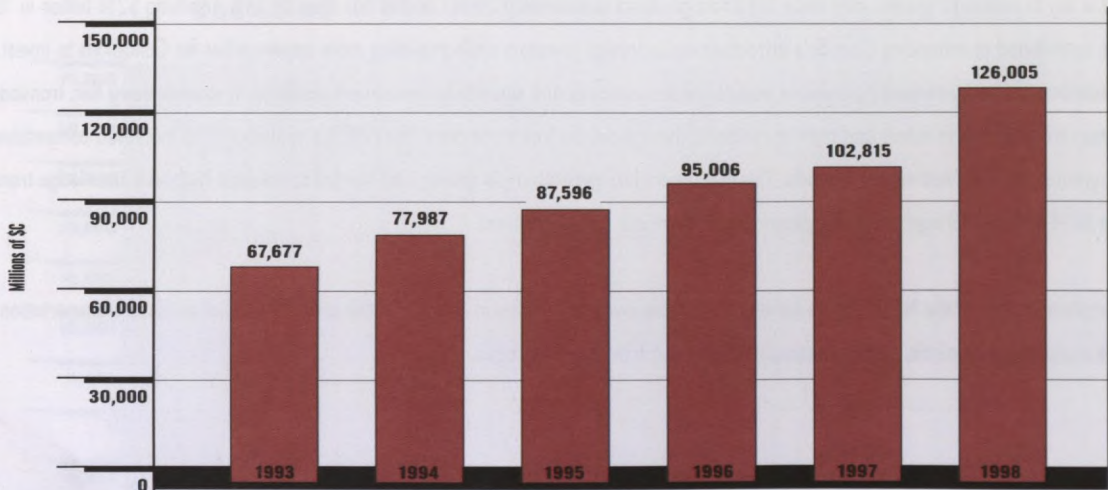
Stock of FDI, Statistics Canada

The increased flows of FDI into Canada since the early 1990s have also had an important effect on the renewal of plants and equipment. FDI in machinery and transportation equipment alone increased 26% between 1990 and 1998.

The United States remains the largest foreign investor in Canada. The stock of direct investment from the United States increased for the fifth straight year since the implementation of the NAFTA, growing by 12% between 1997 and 1998 to \$147.3 billion, representing more than two-thirds of total foreign direct investment in Canada. In the five years since the NAFTA was implemented, U.S. investment in Canada increased by 63%, from \$90.6 billion in 1993.

The United States also remains the largest destination for Canadian foreign direct investment. In 1998, the stock of Canadian investment in the United States reached \$126 billion, up 23% over 1997 and 86% during the NAFTA's first five years. Canadian companies are increasingly using outward investment (through mergers, acquisitions, partnerships, joint ventures, strategic alliances or new investment) to strengthen their operations, penetrate new markets and acquire new technologies, resources and skills. Such investment abroad brings concrete benefits to Canada in terms of R&D activities, growth and export opportunities, leading to job creation back in Canada.

Canadian Investment in the United States



Stock of FDI, Statistics Canada