Similarly, global outflows of direct investment to other countries declined from a high of U.S. $231 billion in 1990 to U.S. $141 billion in 1993 (see Table 1).[12] Again, this is reflected in each of the country reports associated with this compendium report.

In Canada, the stock of foreign direct investment (FDI) has increased dramatically during much of the 1980s and early 1990s, to a large extent following global trends. At the same time, the stock of Canadian direct investments abroad (CDIA) has been increasing at an even greater rate than foreign direct investment levels in Canada. Thus, Canada appears to be firmly entrenched among an increasing number of outwardly oriented countries relative to investment stocks.

Foreign investors look at the size of the market when considering investments, but more importantly, they take into account the investment climate.[13] Studies have shown that Canada's investment climate compares favourably with that of many other countries internationally, and that this may largely explain Canada's success at attracting investment from abroad.

The stock of foreign direct investment (FDI) in Canada increased by 72 per cent from 1984 to 1994, or slightly less than 7 per cent per year on average. In 1994, FDI stock stood at U.S. $148 billion, an increase of 5.7 per cent from the previous year. Inflows of foreign direct investment have increased steadily from 1992 to 1994, after falling substantially in 1991. The 1991 decline was likely the result of

---

[12] The apparent statistical difference between global inflows and outflows stems from lost data on investments made from countries that maintain statistics on investment to countries that do not maintain statistics on investments. Thus, the originating economy includes the investment outflow, whereas the host economy does not, creating a gap between the official outflow and inflow statistics.

[13] Alan Nymark and Emmy Verdun, *Canadian Investment and NAFTA*, Alan M. Rugman, *Foreign Investment and NAFTA*, 1994