

Partners

Traditionally, Australia's strongest ties – both in trade and investment – were with the United Kingdom and other countries of the Commonwealth. Today, however, Japan and the United States dominate Australia's trading relationship. In investment, the U.K., the U.S. and Japan are the most important sources and the most important targets of Australian foreign direct investment. Together, they account for more than half the total of both incoming and outgoing investment. However, Australia's investment relations with the other countries in the Asia-Pacific region are growing. By the end of the 1980s, about one quarter of foreign direct investment in Australia originated from this region, and a similar proportion of outbound investment from Australia remained in the region.

Major Sources of Foreign Investment in Australia (1988) (in percent)

United Kingdom	23.1
United States	20.6
Japan	13.9
Switzerland	3.9
Singapore	3.6
Germany	3.4
New Zealand	2.8
Hong Kong	2.3
Netherlands	2.2
Canada	1.3
Other	22.9
Total	100.0

Source: Australian Federal Investment Review Board.

Canadian-Australian Trade Relations

Canadian-Australian economic relations have historically been based on trade in mining and agricultural commodities. Today, Canada is one of Australia's fastest-growing export markets. Between 1984 and 1990, Australian exports to Canada rose from \$381 million to \$767 million, an increase of 101%. Over the same period, Canada's exports to Australia grew from \$617 to \$847 million, an increase of 37%.

Destinations of Australian Foreign Direct Investment (1987)

(in percent)

United States	40.8
United Kingdom	14.1
Japan	6.5
New Zealand	5.9
Hong Kong	4.2
Papua New Guinea	2.6
Germany	2.2
Netherlands	2.1
Taiwan	1.5
Singapore	1.4
Canada	1.1
Other	17.6
Total	100.0

Source: Australian Trade Commission in Canada.

Australian Investment in Canada

Until recently, Australia has been a relatively minor investor in Canada. In 1986, Australian investments in this country represented only about 0.2% of the total stock value of foreign investment in Canada. This percentage, however, represented a doubling of the share Australia held in 1980. Since the mid 1980s, Australian investment in Canada has grown significantly. The Canadian government estimates current Australian investment in Canada at \$1.4 billion. Most of this investment is located in Ontario with smaller shares going to British Columbia and Quebec.