

## Introduction

The Department of Foreign Affairs (DFAIT) has, as part of its overall strategic direction, a mandate to support and promote foreign investment in Canada and Canadian investment abroad. To assist in this task, the department has engaged the services of The Conference Board of Canada to prepare a research report that will illustrate the trends and draw on international studies to deduce implications for Canada. The aim of the information provided is to focus on investment activities, trends and tendencies for the 1986 to 1993 period. In particular, the Department is looking for information that will allow it to better understand which jurisdictions Canada is competing with (and for which type of investment), and which countries and types of companies Canada should be targeting in its investment promotion efforts.

Global investment levels are growing very rapidly. The "rate of growth of worldwide outflows of foreign direct investment in the period 1986 to 1990 was three times that of worldwide gross domestic product."<sup>1</sup> Globally, the United Nations is keenly interested in documenting the importance of investment to global trade and development, and is actively promoting the benefits of increased worldwide investment. It has undertaken to publish a number of compendium reports on investment such as the *World Investment Directory* and the *World Investment Report on Transnational Corporations, Employment and the Workplace*.

The United Nations' studies done to date suggest that investment is beneficial for both the investing and the host economy. Greenfield investments are thought to bring the largest economic benefit. Greenfield refers to investments where

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<sup>1</sup>Please see United Nations, *World Investment Directory*, 1992, Volume III, Developed Countries, Transnational Corporation and Management Division Department of Economic and Social Development (New York) 1993, p. V.