

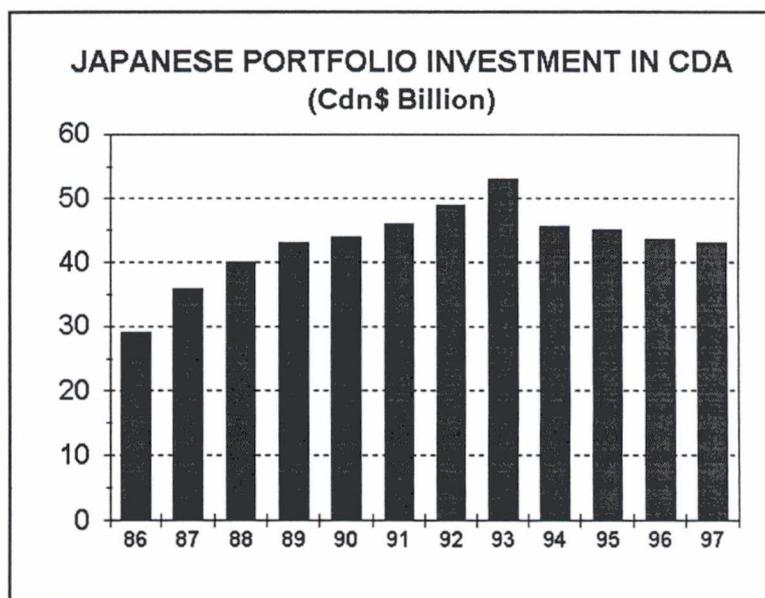
1997 SURVEY OF JAPANESE PORTFOLIO INVESTMENT IN CANADA

SUMMARY: 1997 SURVEY RESULTS

The total value of Canadian securities (bonds, treasury bills and equities) held by Japanese institutional investors and loans extended to Canadian entities, as of March 31, 1997 amounted to some \$37.19 billion Canadian dollars. The 1997 Survey is based on replies from 99 out of 103 Japanese institutional investors¹. In terms of investment instruments, the total value of all bonds (federal, crown corporation, provincial, municipal and corporate) held by responding institutions was approximately \$27.16 billion, equity holdings \$1.10 billion and direct loans \$8.93 billion.

In addition to traditional institutional investors purchasing Canadian securities, during the period covered by the 1997 Survey, individuals in the retail sector became a major factor. Consequently, they have been included in the survey results as a separate category for the first time.² There were at least 12 retail-targeted dual-currency issues launched by various provinces, the Export Development Corporation and Ontario Hydro which had not matured as of March 31, 1997. The total value of these issues was approximately \$3.97 billion, of which approximately \$3.64 billion was issued between April 1, 1996 and March 31, 1997.

As in previous years, in order to provide some indication of the total value of all Canadian securities and loan holdings within Japanese institutional portfolios, including holdings that are not or cannot be captured by the Survey, the Embassy calculates an overall estimate. Examples of additional



¹ A complete breakdown of the 103 Japanese institutions surveyed and their response rate (96.1%) is contained in Annex 1 of this report. The bankruptcy of Nissan Mutual Life Insurance reduced the total survey pool by one compared to the 1996 survey. Unless otherwise noted, all figures are in Canadian dollars (see note to Table 1 in Annex II for exchange rates utilized). Due to differences in survey coverage, the Embassy survey results differ from those provided by Statistics Canada in its publication, "Canada's International Transactions in Securities".

² In order to facilitate a comparison with previous Surveys, where appropriate, two sets of Tables are provided in Annex II excluding and including "individual" holdings.