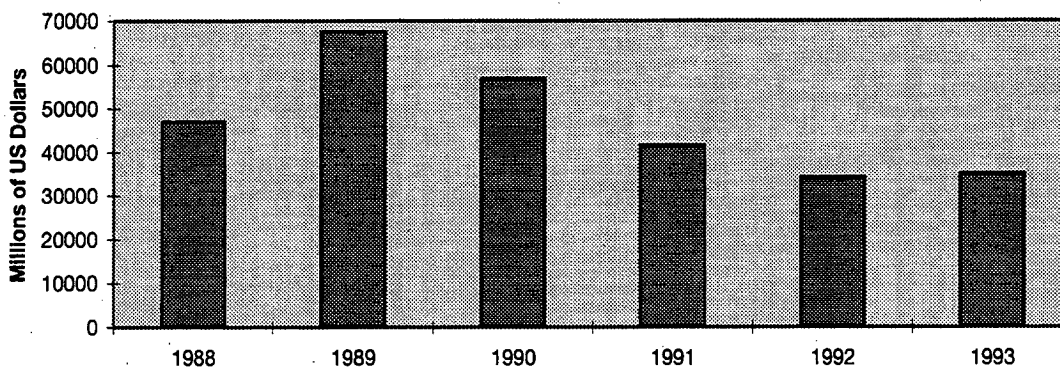


reflected in the data obtained from the Japanese Ministry of Finance on total Japanese DIA over the period (see Figure J-2).

This data suggest that the global recession which affected Japan starting in 1991, had an effect on total Japanese DIA, but that the effect was less sudden than in some of the countries covered by the report, in particular, the United Kingdom where the impact was immediate and substantial. The data on total Japanese DIA are illustrated by Figure J-3.

**Figure J-2 Total Japanese DIA**  
Source: Japanese Ministry of Finance



The Japanese ministry of finance also provided data on the investment relationship between Canada and Japan, and between Canada and the countries selected for the report. Like the United States, Japan spends a large proportion of its DIA in countries other than those selected for the report. This is reflected in Figure J-3 by the percentage of the total outlined by each bar. Thus for 1993, for example, 40 per cent of total Japanese DIA flowed to countries other than those that were targeted for the study. Japan, in particular, targets investment opportunities in the Asia Pacific region, and a large part of its investment portfolio is invested there.

The data on Japanese DIA confirm that the United States is the most important target for Japanese investment abroad. In fact, United States received almost 50 per cent of total Japanese DIA during most of the study period. The United Kingdom is another significant target for Japanese investment outflows, receiving more than 8 per cent of total Japanese investment over the period from 1988 to 1993. The Netherlands received almost 5 per cent of the total. Other countries received a relatively