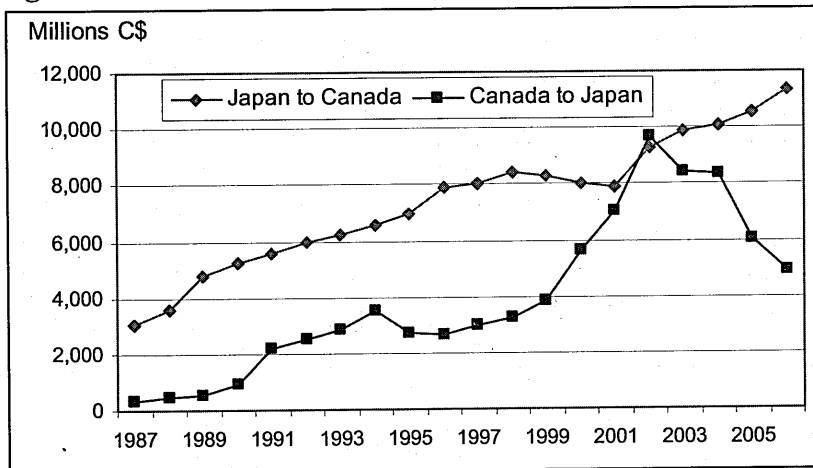


3.3 Trends in Investment

3.3.1 Overview

The value of foreign direct investment (FDI) has in the past been such that FDI flows and stocks from Japan to Canada have tended to be larger than investment in the other direction, although FDI stocks from Canada to Japan exceeded FDI stocks from Japan to Canada in 2002. While FDI stocks from Japan to Canada have been a growth trend recently, FDI stocks from Canada to Japan have been falling since 2002, when the FDI stocks were at their peak (See Figure 3.3).

Figure 3.3: FDI between Canada and Japan (stocks)



Source: Statistics Canada.

The compound annual growth rate in the value of direct investment (stocks) from Japan to other countries since 1996 has been 5.7%, while the growth rate in the value of direct investment from Japan to Canada has been 6.8%. On the other hand, whereas the growth rate in the value of direct investment (stocks) from foreign countries to Japan has been 13.7%, the