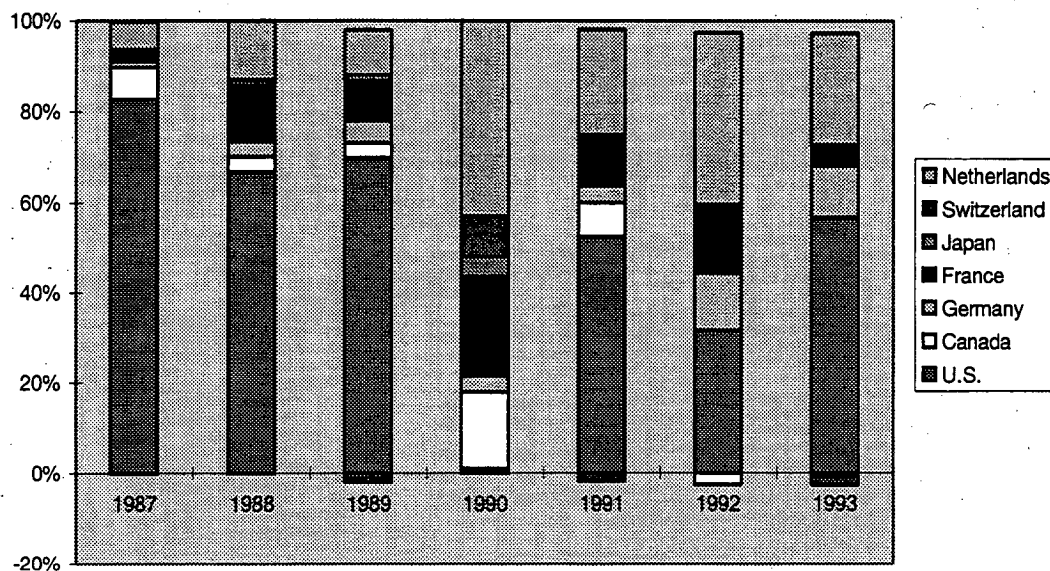


The data obtained from the Government Statistical Service in the United Kingdom on UK DIA broken down by country illustrate that UK DIA to Canada has declined during the study period. In Figure UK-4, Canada appears to be a much more important target for UK DIA in 1990 than in any other year. This was also the year in which UK DIA was the smallest of the study period. Prior to 1990, but particularly since 1990, Canada's share of total UK DIA has been very small, with the bulk of the investment directed at North America going to the United States. UK DIA to Canada actually resulted in a net UK DIA *reduction* in 1992, and was practically non-existent in 1993 (see Figure UK-4). By comparison, UK DIA to the United States has been substantial in every year except for 1990.¹

Figure UK-4 British FDI Flows to Selected Countries
 Source: Government Statistical Service, The Conference Board of Canada



The data obtained from Industry Canada on foreign direct investment in Canada, subject to the Investment Canada Act, support the data obtained from the UK Government Statistical Service on the investment relationship between the United Kingdom and Canada over the study period. In particular, there was a 60 per cent drop in FDI from the United Kingdom to Canada between 1990

¹ Unlike the United States, which invests only 50 per cent of its DIA in the countries selected for the report, almost 100 per cent of UK DIA is targeted at the seven industrialized countries selected for the report.