

German DIA. For 1992 and 1993, Canada received about 2 per cent of the growing German DIA, up substantially from 1991, but still less than all of the other countries selected for the report (including Switzerland and the Netherlands, countries that are economically smaller than Canada). While some of this data can be explained by the impact of the unification of Germany on investment levels, the position of Canada relative to the countries selected for the study suggest that Germany invests primarily in countries that are geographically closer than Canada, and that investments directed at North America end up primarily in the United States.

As part of its investment promotion efforts, DFAIT should explore ways of increasing the profile of Canada in Germany so as to capitalize on the expected increase in German DIA over the next few years.

The available data on German direct investment abroad (German DIA) broken down by industry type suggest that Germany has invested primarily in technology-intensive industries since 1991, and particularly in 1991, 1992 and 1994. Between 1992 and 1992, German DIA declined precipitously. However, more than half of the German DIA continued to be channelled towards technology-intensive industries. Over the study period, the remaining German direct investment abroad has been split almost equally between labour-intensive and resource-intensive industries.

Foreign direct investment in Germany (German FDI) has been directed primarily at resource-intensive industries. Except for 1992 when labour-intensive industries were targeted, about 50 per cent of the annual inflow of direct investment to Germany was targeted at resource-intensive industries. Like German DIA, German FDI inflows declined precipitously between 1991 and 1992, with more than U.S. \$25 billion in 1991 and less than U.S. \$8 billion in 1992 (see Table III-9 and Table III-10 in Appendix A).