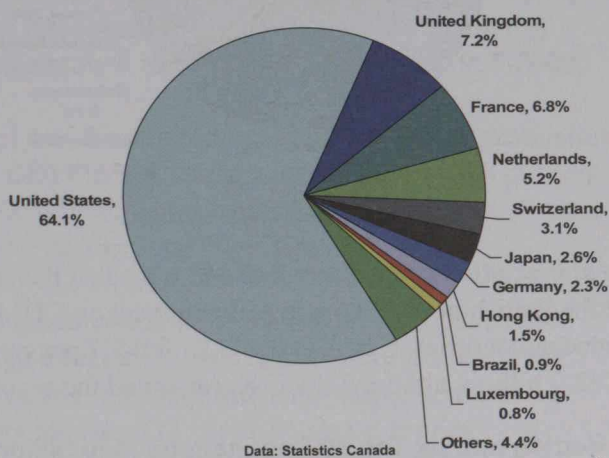




whereas 18 per cent went to the machinery and transportation equipment sector. As can be seen in Figure 5-3 and Table 5-2, FDI from the U.S. accounted for 64.1 per cent of total FDI in Canada, followed by the U.K. (7.2 per cent), France (6.8 per cent), the Netherlands (5.2 per cent) and Switzerland (3.1 per cent). While the U.S. and the U.K. shares in total inward FDI declined over the period 1995-2005, that of the other major European investors increased over the same period.

Figure 5-3  
FDI Stock in Canada by Country (2005)



Among the 10 largest investor countries, developed economies accounted for over 92 per cent of total inward FDI in Canada. Brazil was the only exception as well as newest country to join the top 10 list of Canada's major sources for direct investment.

Turning to the expansion of inward FDI over the 1995-2005 period, Luxembourg (37.9 per cent), Brazil (30.7 per cent), France (17.4 per cent), Switzerland (14.4 per cent) and the Netherlands (13.2 per cent) witnessed the highest average annual growth rates among the top ten investors in Canada.

With respect to sectors, finance and insurance captured 21 per cent of all foreign direct investment in Canada at the end of 2005, followed by energy at 20 per cent, machinery and transportation equipment at 12 per cent, and services and retailing at 10 per cent. Of these sectors, energy and finance and insurance experienced the highest growth rates in FDI over the 1995-2005 period, at 15.4 per cent and 11.8 per cent, respectively.

Table 5-2: Foreign Direct Investment in Canada by Region and by Top 10 Sources (\$ in billion)

Region	1995	2004	2005	Share in 1995	Share in 2005	Percentage Change 2005/2004	Compound average annual growth 1995-2005
World	168.2	381.0	415.6	100.0	100.0	9.1	9.5
North America	115.3	252.8	270.8	68.5	65.2	7.1	8.9
South and Central America	0.4	2.8	n.a.	0.2	n.a.	n.a.	n.a.
Europe	40.1	106.1	119.4	23.9	28.7	12.5	11.5
Africa	0.0	0.5	n.a.	0.0	n.a.	n.a.	n.a.
Asia/Oceania	12.4	18.7	21.5	7.4	5.2	15.1	5.7
World	168.2	381.0	415.6	100.0	100.0	9.1	9.5
United States	112.9	248.5	266.5	67.2	64.1	7.3	9.0
United Kingdom	14.1	27.5	29.9	8.4	7.2	8.8	7.8
France	5.7	27.8	28.4	3.4	6.8	2.4	17.4
Netherlands	6.3	19.4	21.7	3.7	5.2	11.8	13.2
Switzerland	3.4	7.7	13.0	2.0	3.1	68.7	14.4
Japan	7.0	10.2	10.8	4.2	2.6	5.4	4.5
Germany	5.0	7.6	9.4	3.0	2.3	22.9	6.4
Hong Kong	2.8	5.2	6.3	1.7	1.5	20.9	8.4
Brazil	0.3	2.7	3.7	0.2	0.9	34.3	30.7
Luxembourg	0.1	2.9	3.4	0.1	0.8	17.4	37.9

Source: statistics Canada