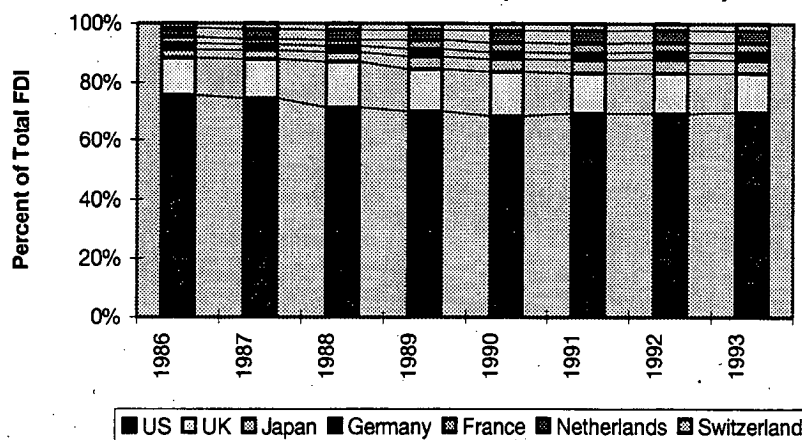


Clearly, Canada is most affected by the actions of its closest neighbour, the United States. This is apparent in Figure 4 which outlines the relative importance of foreign direct investment received by Canada from the seven industrialized countries selected for this report.

The United States accounts for almost 80 per cent of all foreign direct investment flows to Canada. Foreign direct investment inflows to Canada from the United Kingdom are a distant second at about 10 per cent of the total for much of the study period. The remaining five countries are relatively minor contributors to foreign direct investment levels in Canada (with Japan and the Netherlands leading the way).<sup>18</sup> Thus, the size of the investment stocks originating in the United States tends to dwarf the investment stocks held by other countries. Nevertheless, the United States, the United Kingdom, Japan, Germany, France, the Netherlands and Switzerland collectively represent Canada's most important investors.

**Figure 4 Stocks of Foreign Direct Investment in Canada from Selected Countries (Source: CANSIM)**



<sup>18</sup> The investment data and ranking of countries by relative importance of investment levels are not always consistent across data sources. Comparisons of investment data across data sources should consequently be done with caution.