of Canadian goods and services in this region and were equivalent to 188.3 percent, or nearly double, the value of direct exports of goods and services from Canada to the ROW in 2008. Partially offsetting the gains were lower sales in the EU and in other OECD countries (including Japan). Sales by Canadian subsidiaries in the EU were 1.2 percent lower in 2008 than in 2007, as they fell by $1.1 billion to $92.0 billion. For other OECD countries, Canadian subsidiaries experienced a 1.4-percent reduction in sales, as sales slipped by $0.6 billion to $40.8 billion in 2008.

Sales by goods producers advanced in 2008, while those for services producers declined. For goods producers, the bulk of the gains came from mining and oil and gas extraction, with the other three major sectors also advancing but by lesser amounts. Sales by Canadian affiliates in mining and oil and gas extraction rose by $22.4 billion to $133.1 billion, a 20.2-percent increase. Supporting the overall increase by goods producers, affiliates in the manufacturing sector reported a $6.5-billion (3.3 percent) increase in sales, followed by utilities and construction at $0.4 billion (2.6 percent), and agriculture, forestry, fishing and hunting at $0.2 billion (6.6 percent).

Declines were registered for five of the eight major services producers. Sales by affiliates in management of companies and enterprises services posted the largest decline at $3.7 billion (20.0 percent). Finance and insurance was down $2.4 billion (4.2 percent), retail trade was down $1.8 billion (8.1 percent), and information and cultural industries was down $1.1 billion (6.0 percent), all notable declines. Partially offsetting the declines were particularly strong increases in transportation and warehousing, up $3.5 billion (30.9 percent), and professional, scientific and technical services, up $2.2 billion (25.6 percent).

With the gains, goods producers accounted for 69.2 percent of all sales by foreign affiliates in 2008, up from 66.9 percent in 2007. Over the longer term, the share held by the goods-producing affiliates has been on the rise, up considerably from the 61.7-percent share held in 2000.

Employment in Canadian-owned Foreign Affiliates

As the global recession took hold and economic activity weakened, firms across the globe shed jobs. Canadian multinationals were no exception, as they reduced their overseas labour force by 17,000 persons in 2008 to 1,141,000, a decline of 1.5 percent. The losses were widespread, with all regions posting lower employment levels, except for the other OECD countries where employment was unchanged in 2008 from 2007. However, losses were more heavily concentrated in the United States and the United Kingdom. Canadian companies shed some 11,000 jobs in the United States (64.7 percent of all jobs losses) and another 3,000 jobs in the United Kingdom (17.6 percent of all job losses). However, the United States only accounted for between 53 to 54 percent of total employment by Canadian affiliates, while the share was only 5 percent for affiliates located in the United Kingdom.

By sector, losses came primarily from the goods-producing industries, which reduced payrolls by some 21,000 employees. In particular, Canadian subsidiaries in manufacturing shed 26,000 positions, while mining and oil and gas extraction added 6,000 positions. Services-producing