6. The Canadian Experience

6.1 Foreign Direct Investment in Canada

In 1992, the stock of Foreign Direct Investment[26] in Canada was $136.6 billion, a 3.8 percent increase over 1991 levels (see Chart 4). As shown below in Table 8, the rate of growth in FDI in Canada has slowed since 1987 when it peaked at 10.2 percent. Over the eighties, the average annual growth in FDI in Canada was 7.6 percent, as compared to 8.5 percent in the seventies, 7.3 percent in the sixties and 12.9 percent in fifties.

Table 8

Foreign Direct Investment in Canada, Selected Years

Year	Foreign Direct Investment In Canada ($ Billions)	Annual Percentage Change (%)
1930	2.4	–
1945	2.8	–
1950	4.1	10.8
1960	13.6	8.8
1970	27.4	8.7
1980	64.7	13.9
1981	70.3	8.7
1982	72.8	3.4
1983	77.4	6.3
1984	83.4	7.8
1985	87.2	4.6
1986	92.4	6.0
1987	101.8	10.2
1988	110.5	8.5
1989	119.0	7.7
1990	126.6	6.4
1991	131.6	3.9
1992	136.6	3.8

Source: Statistics Canada

[26] *Direct investment, as defined by Statistics Canada, represents the investment which allows an investor to influence or to have a voice in the management of an enterprise. For operational purposes, a direct investor usually has an ownership of at least 10 percent of the equity in an enterprise; all long-term claims of the enterprise with the direct investor are classified as direct investment. Direct investment reflects the values measured from the books of the issuing companies.*