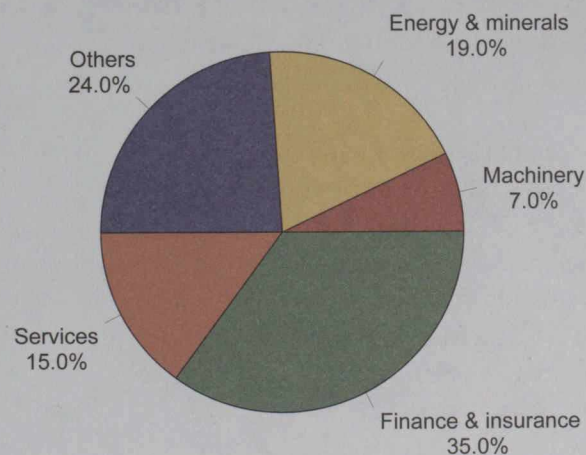


The structure

With respect to the industrial distribution of CDIA, by far the largest share of CDIA was concentrated in finance and insurance, followed by energy and metallic minerals, services, as well as machinery and transport equipment. The figures below present the sectoral breakdowns of CDIA separately for developed and developing countries. CDIA in industrial countries was more diversified than in developing countries. Nonetheless, 50 per cent of CDIA into industrial economies was in services (35 per cent in finance and insurance and 15 per cent in other services). According to top figure, 24 per cent of CDIA into industrial countries was in "other" sectors and 19 per cent was in energy and metallic minerals; with 7 per cent in machinery and transportation equipment. CDIA in developing countries, on the other hand, was more concentrated in services making up 60 per cent of CDIA going to these countries (with 53 per cent in finance and insurance sector and a further 7 per cent in other services). Within developing countries, 27 per cent of CDIA was in energy and metallic minerals while machinery and transport equipment (representing most of manufacturing activities) accounted for only 2 per cent of total CDIA in developing countries.

Canadian investment abroad is a large and growing component of Canadian activity in the global economy (and is what is increasingly being referred to as global supply chains). Similar to the pattern of international trade, most CDIA activity is with the United States but also occurs across a broad cross section of countries. Also, as is the case with respect to international trade, the main determinants of CDIA activity are host country income levels, geographic proximity, and whether the two countries share a common language. Most CDIA is in other industrialized countries but the fastest growing destination of CDIA is in developing countries. Although the rapid growth in CDIA in developing countries and emerging markets occurred on a very small base, the share of CDIA going to these countries increased to a quarter of total CDIA in recent years. Canadian direct investment abroad is heavily concentrated in the services sector and to a lesser extent in the energy and minerals sector.

Canadian Direct Investment Abroad by Sector
Industrial countries (1999-2003)



Canadian Direct Investment Abroad by Sector
Less Developed countries (1999-2003)

