

advances were led by a \$7.7 billion increase in stock levels to Ireland and a \$5.5 billion increase in stock levels to the U.K. Germany (up \$3.1 billion) and the Netherlands (up \$2.1 billion) also registered notable increases in their levels of CDIA in 2002.

Outside of the EU, there are sizeable Canadian direct investment holdings in Hungary (\$11.4 billion) and Switzerland (\$6.5 billion). CDIA in Hungary climbed a further 25.6 per cent in 2002 after having more than doubled the previous year.

The Asia/Oceania region is the next largest region for CDIA at 8.5 per cent of the total outward stock of investment. Investment holdings jumped 31.1 per cent in 2002, from \$27.9 billion to \$36.6 billion. Japan, at \$9.2 billion, is the principal destination of CDIA to the region followed by Australia at \$8.5 billion and Singapore at \$4.5 billion. CDIA in Australia rocketed 87.6 per cent last year, coming on the heels of a 45.9 per cent increase a year earlier.

South and Central America was the destination of slightly over \$15.0 billion of CDIA in 2002. Chile and Brazil are the chief destinations for CDIA in this region, accounting for \$5.8 billion and \$4.3 billion, respectively. Peru and Argentina account for almost two-thirds of the remaining \$5.0-or-so billion after accounting for Chile and Brazil, with CDIA levels of \$2.0 billion and \$1.4 billion, respectively, in 2002.

At \$3.6 billion in 2002, Canadian direct investment in Africa was again the smallest of any region. This amounts to less than one per cent of total CDIA. Because investment levels are not high, much of the data on CDIA in Africa is considered confidential by Statistics Canada. Public data on CDIA is available for only 9 African nations, and cover only 20 per cent of the total. Consequently, little of any specific nature can be said about CDIA in Africa.

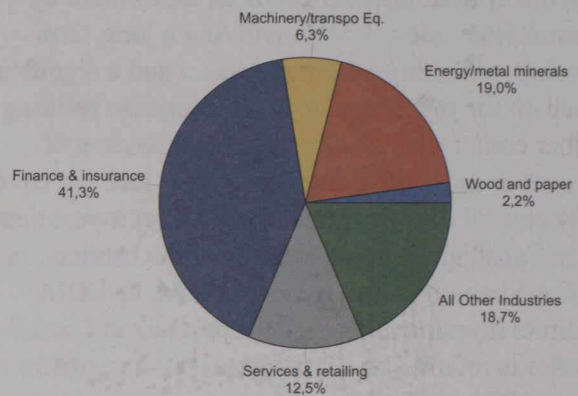
Investment by sector

Direct investment data are available for six industrial groupings and three major regions — the United States, the European Union, and Japan-and-the-rest-of-the-world. Canadian direct investment abroad (CDIA) is concentrated in the financial and insurance sector, which accounted for 41.3 per cent of the stock of CDIA.

Investment in the energy and metallic minerals sector is next in importance at 19.0 per cent of CDIA, closely followed by miscellaneous industries at 18.7 per cent. Services and retail is the fourth most important sector for CDIA, accounting for 12.5 per cent of the total stock of investment abroad. Machinery and transportation equipment (6.3 per cent) and wood and paper (2.2 per cent) are the last two sectors for which data are available.

Figure 5-3

Distribution of CDIA by sector, 2002



In total, just under half of all CDIA (46.7 per cent) has gone to the United States. Canadian investment is most heavily placed, relatively speaking, in the U.S. services and retailing sector, with 71.6 per cent of total sectoral CDIA (or \$38.6 billion). U.S. wood and paper (\$5.5 billion) and miscellaneous industries (\$45.7 billion) accounted for 56.7 per cent of CDIA each in their respective sectors while the U.S. energy and metallic minerals sector has absorbed \$35.4 billion of Canadian direct investment, about 43.1 per cent of the total sectoral CDIA. U.S.-placed CDIA in the machinery and transportation equipment sector stood at \$7.0 billion in 2002, about one-quarter of the total CDIA in this sector.

CDIA in the machinery and transportation equipment sector in the EU was \$10.1 billion in 2002, the only sector in which CDIA in the EU exceeds that in the U.S. Elsewhere in the EU, CDIA levels are notable in finance and insurance (\$41.8 billion), miscellaneous industries (\$18.5 billion), and energy and metallic minerals (\$17.0 billion). The stocks of CDIA in the EU are below \$10 billion in services and retailing (\$9.9 billion) and wood and paper (\$2.5 billion).