

- * The United States is the principal source of foreign direct investment in Canada. It accounted for approximately 75 per cent of foreign direct investment in this country. The United Kingdom is the second largest source, with nine per cent of the total. Other major sources are Germany with three per cent, the Netherlands with 2.4 per cent, Japan with 2.1 per cent, France with 1.7 per cent, and Switzerland with 1.6 per cent.
- * The greatest growth of foreign direct investment now comes from non-traditional sources in Europe and the Pacific Rim.
- * Foreign direct investment signals more than the movement of capital into a country. It also represents the arrival in Canada of new technology, new research capabilities, new technological and managerial expertise, and new jobs.
- * The Canada-U.S. Free Trade Agreement (FTA) is an attractive incentive for foreign investors. The Agreement ensured that they will have access to a market of 275 million consumers. The Department of Finance has forecast that by 1993, business investments in plants and equipment will increase by more than 4 per cent beyond that expected without the FTA. This growth will come as firms rationalize and upgrade their productive capacity to take advantage of improved access to the North American market.

For further information on the Investment Development Program, please contact:

Tammy Davies
External Affairs and International Trade Canada
(613) 996-1328

Alison Tait
External Affairs and International Trade Canada
(613) 996-7164