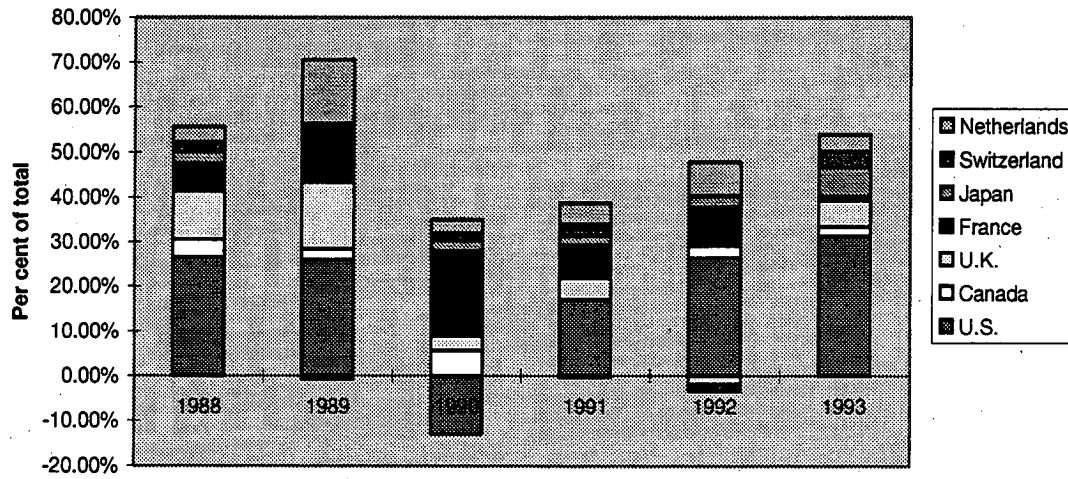


**Figure G-3 German DIA to Selected Countries**

Source: International Monetary Fund, The Conference Board of Canada



In the aggregate, the data provide additional evidence of the impact of German unification on German investment levels. With massive investments required within the unified Germany, German investors have tended not to invest as much in other industrialized countries, such as those selected for this report (see Figure G-3). The data analyzed in the compendium report indicated that while global investment levels recovered rapidly in most industrialized countries following the 1990 global recession and starting in 1992 and 1993, in Germany, post-recession investment outflow levels increased more slowly. This results in a somewhat lagging investment trend when German investment levels are compared directly with those of other countries selected for this report (see Section 2 of the compendium report). Once the important internal economic matters related to unification are settled, Germany will again likely seek additional investment opportunities abroad. At the same time, foreign investors interested in investing in Germany will resume efforts to find investment opportunities in Germany. In fact, preliminary data indicate a healthy growth in both investment inflows and outflows for 1994.

Figure G-3 also illustrates that Canada was not an important target for German investment over the period from 1988 to 1993. Except for 1990 when Canada received a relatively larger share of a comparatively smaller German DIA, Canada has consistently received less than 3 per cent of total