Although it is evident that, in general, intra-European direct investment plays an important part in strong European economic inter-linkages, Table 8 shows that the proportion of FDI to GDP for our sample countries varies widely. In the Netherlands, it is close to 30 per cent. In Canada and the UK, it is 20 per cent. Germany, the U.S. and France show significantly lower ratios of around 7 per cent and Japan's ratio is virtually zero. Therefore, even though it can be seen in Table 3 above that 44 per cent of Japan's FDI stock comes from the U.S., it cannot be considered that Japan and the U.S. are economically integrated, based on this measure. FDI simply is not a large enough part of the Japanese economy. For the U.S. also, FDI is a small proportion of GDP. Table 9 shows the ratio of FDI to GDP for several Asian countries. Although there is again a variance, the ratio is generally higher than those for the above OECD countries, indicating the FDI is a more important factor in the Asian countries, relative to the overall size of these countries' economies. FDI as a measure of economic integration, therefore, can more realistically be applied to countries such as Canada and the smaller Asian and European economies, whose FDI to GDP ratios are higher, signalling the more internationally dependent nature of these economies.

Table 8
Foreign Direct Investment as a Percentage of GDP[70]

	1987		1992[71]	
	FDI/GDP	DIA/GDP	FDI/GDP	DIA/GDP
Canada	19.32	12.75	20.18	15.48
France	n.a.	5.17	7.49	9.99
Germany	5.14	7.88	6.90	10.32
Japan	0.40	5.80	0.75	10.85
Netherlands	18.39	29.12	27.20	41.19
UK	13.80	91.26	19.25	24.58
U.S.	5.80	6.92	7.33	8.50

[70]Sources: IMF, *International Financial Statistics Yearbook 1994* and UNCTC, *World Investment Report 1994.*

[71]Data for France is for 1991.