

As mentioned above, the degree of variability apparent in both investment inflows and outflows for Switzerland (illustrated in Figure S-4) are likely the result of relatively large individual investment deals affecting the investment statistics for this relatively small economy. On a larger base, such as GDP (see Figure S-5), only the more fundamental trends are apparent, indicating that after an unusually large outflow of Swiss DIA in 1988, Swiss DIA returned to more normal levels at approximately 3 per cent of GDP.

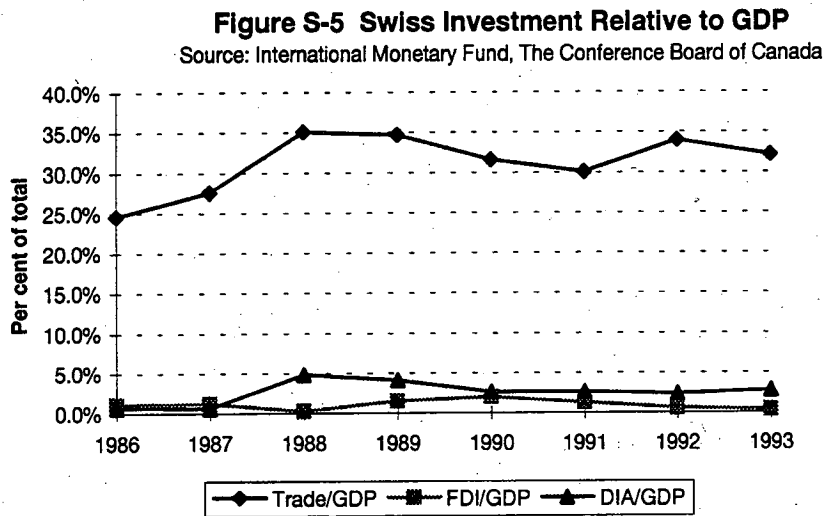


Figure S-5 also relates other data on investment and trade for Switzerland to GDP over the study period. Foreign direct investment in Switzerland declined to less than 0.23 per cent of GDP in 1988 and remained relatively low during the study period, ranging from as high as 2 per cent of GDP in 1990, to 0.35 per cent of GDP in 1993. The importance of Swiss direct investment abroad relative to GDP has been higher, reaching almost 5 per cent of GDP in 1988, but stabilized around 3 per cent of GDP after 1990.

Data obtained from Industry Canada on investments subject to the Investment Canada Act suggest that Swiss investors target technology-intensive and labour-intensive industries in Canada. However, investment levels were quite low during the period, under \$150 million every year except for 1994, and under \$100 million for 1990 and 1993. Because of the restrictions associated with the