

Section 2: - A Comparison of Global and Canadian Investment Trends

The first section of the compendium report (as well as the country reports) reviewed the global trends associated with investment, as well as investment trends associated with the major industrialized economies selected for the study and their investment relationship with Canada. This section will compare the available data on Canada with corresponding data on foreign countries. The purpose of this section is to better understand which jurisdictions Canada is most directly competing with for investment, and which countries or types of industries Canada should be targeting for investment promotion.

As outlined in Appendix A, the analysis conducted for the report was limited by the availability of comparable sources of data on investment by country and by industry. This section relies primarily on data obtained from the International Monetary Fund in its publication entitled *Balance of Payments Statistics*, and is supplemented with industry-specific data collected by the KPMG Finance Network for its publication entitled *DealWatch*.

The data analysed in this section are primarily related to investment flows for the selected countries (denominated in U.S. dollars). This section compares Canadian direct investment abroad to foreign direct investment in the selected countries, and foreign direct investment in Canada to direct investment abroad for each of the selected countries.¹⁷ In effect, the section compares investment inflows and outflows of selected countries to the corresponding Canadian outflows and inflows, assessing in the process Canada's relative share of each country's investment flows.

¹⁷ This is based on the assumption that some of the investment outflows from other countries are targeted at Canada, and result in foreign direct investment inflows to Canada, and that Canadian direct investment outflows to other countries are part of the foreign direct investment inflows of other countries.