

Recent Canadian experience relative to US DIA suggests that other countries may currently represent a greater opportunity for U.S. investors. However, Canada's investment importance vis à vis the United States is quite large, and it will take some time for this overall investment position to erode. More importantly, Canada benefits from its geographical proximity to the United States and from the similarities that exist between the United States and the Canadian business environments. As such, Canada should be seen as an investment of choice for American investors, and investment promotion efforts in the United States should attempt to raise the profile of Canada in the United States, particularly post-NAFTA. Investors focus on many factors in making investment decisions, for example, the Canadian economic outlook, environmental regulations and the Canada/U.S. exchange rate. These factors make Canadian investment targets in certain industries more or less attractive than other global investment targets for the United States. These many factors need to be systematically reviewed and promoted if Canada is to continue to be an investment target of choice for U.S. investors now that trade barriers have largely been removed from the North American business environment.