

However, it is a minor player relative to global *investment flows*. Current investment flows are relatively less important than flows to and from other industrialized countries. As time passes, and if the Canadian investment flows do not increase significantly, Canada will become a less important investor, and more importantly, a less important target for investments from other countries.

This argues for a re-examination of Canada's investment strategies, with a view to becoming more effective at positioning Canadian industries and companies (and other investment opportunities) in a more favorable light relative to those of other industrialized countries such as the United States and France.

The available data also suggest that Canada was a more important target in 1993 for investment flowing out of the Netherlands, France and Switzerland (in 1992), and relatively less important for Germany and the United Kingdom. In addition, the importance of its investment inflows from the United States also declined over the period, not because of a decrease in investment levels to Canada, but because more important investments were being made in other countries.

The important point to note here is that none of the more important providers of investment to Canada in 1993 is currently a large holder of Canadian investment stocks. In fact, the investment flows emanating from countries which currently hold a significant portion of total Canadian investment stocks such as the United Kingdom and the United States are currently declining. This suggests that the countries targeted for investment promotion by Canada will have to be substantially different from the ones targeted in the past.

The constant which unites the above findings is that the global investment environment is changing very rapidly. Some of the changes can be characterized