

This country report focuses on the investment relationship between Japan and Canada, and particularly on the relatively recent emergence of Japan as a global investor. In particular, the report highlights the extent to which Canada has been able to consistently attract a share of Japanese DIA throughout the study period.

Japan is clearly one of the world's leading economic powers, with the second largest GDP in the world behind the United States. Japan is also a relatively large investor, although it ranks far behind the United States, as well as behind a number of other developed countries, particularly relative to foreign direct investment in Japan, but also relative to Japanese direct investment abroad. Japanese DIA is also differentiated from the outward investments of other countries selected for the report in that most of Japanese global direct investment activities have taken place mostly within the last five years. In fact, the data on Japanese investment performance (as well as trade) support the notion that Japanese investment activities tend to be outwardly oriented as opposed to directed towards Japan. In other words, the Japanese have, at least until fairly recently, clearly favoured trade over investment in their global business dealings. Japanese data relative to GDP is outlined in Figure J-1.

