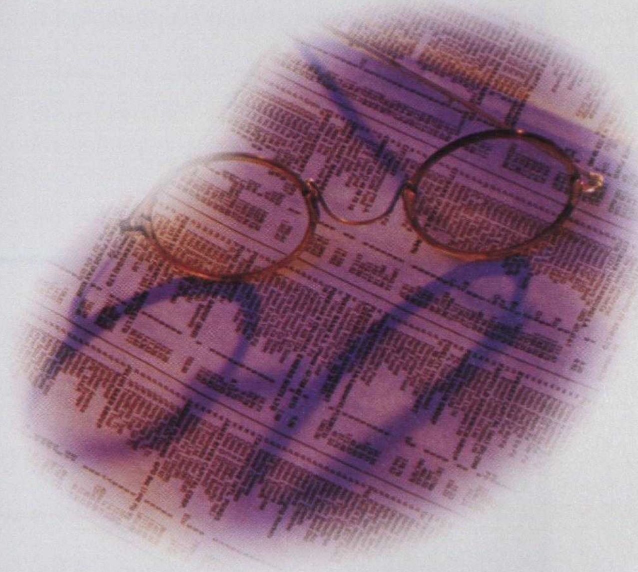
# NAFTA stimulates

## investment...

NAFTA has increased opportunities for investors. Since 1994, investment in Canada, the United States and Mexico has been dynamic and growing:

- NAFTA partners have invested $262 billion (US$189 billion) in one another's economies, while total foreign direct investment in NAFTA countries has reached $1.2 trillion (US$864 billion).
- Total foreign direct investment in Canada through 1997 totalled $187 billion (US$135 billion), nearly 70 percent of which came from the United States and Mexico. Since NAFTA came into effect, investment from the United States and Mexico has increased more than 43 percent.
- The flow of foreign investment into Mexico between 1994 and 1997 reached $65 billion (US$47 billion), with more than 60 percent coming from Canada and the United States.
- Total foreign direct investment in the United States through 1997 totalled almost $944 billion (US$682 billion), 9.6 percent of which came from Canada and Mexico. Since NAFTA came into effect, investment from Canada and Mexico has increased 58 percent.

While NAFTA's success is usually linked with opening markets to goods and services, its ability to attract foreign investment within the region may prove to be one of the Agreement's most powerful and enduring legacies.



## ...while creating productive partnerships

**Bilateral Trade Between NAFTA Partners in Key Sectors, 1998** (billions of dollars)


*Source: USDOC and SECOFI*

NAFTA has helped create a more integrated North American market. The Agreement strengthens trade by reducing barriers and guaranteeing access to each country's market. This frees businesses to make decisions based on the most efficient use of resources and fosters production-sharing partnerships in which different parts of the manufacturing process are performed throughout the region.

In an integrated market, a company can design a product in one NAFTA country, manufacture parts in a second NAFTA country, assemble the goods in a third NAFTA country and sell the finished items in the region and around the world. Production partnerships in the electronics, automotive and textile industries have helped spark strong growth in these sectors, boosting exports around the world of North American-made goods.