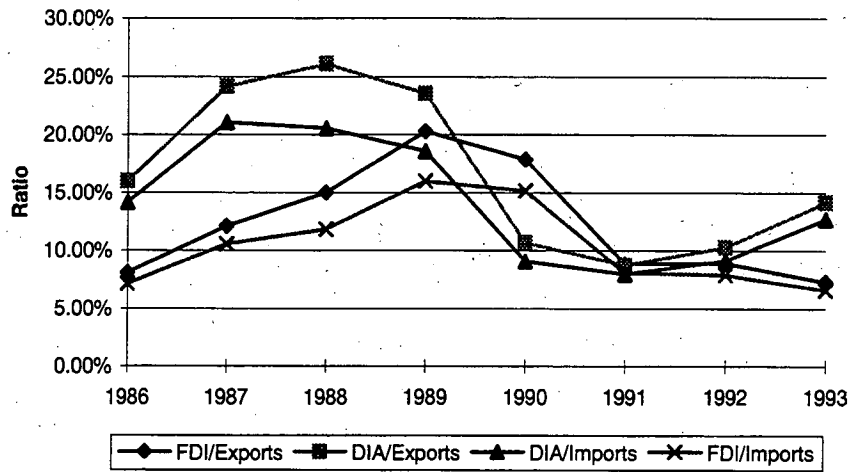


**Figure UK-1 Relationship between Trade & Investment  
United Kingdom**

Source: International Monetary Fund, The Conference Board of Canada



Foreign direct investment inflows to the United Kingdom tend to be primarily focused on labour-intensive industries, with more than half of the investment flowing to these industry types in 1991 and 1992, and about 40 per cent in 1993 and 1994. UK direct investment abroad focused primarily on resource-intensive industries in 1991 and 1993, and on labour-intensive industries (almost 50 per cent of the total) in 1992 and 1994.

The United Kingdom is a relatively important investor abroad. However, UK direct investment abroad (UK DIA) was affected by economic conditions over the study period. Data obtained from the Government Statistical Service in the United Kingdom illustrate, in absolute terms, the size of the decline in UK DIA over the study period (see Figure UK-2). In particular, the data illustrate the extent to which investment levels have recovered following the global recession of 1990.