

from Figure 2.5.7, the rate of return on U.S. portfolio investment in Canada has consistently been two to three percentage points higher than that on Canadian investment in the U.S.¹³ This could be the result of a number of factors, such as a premium required for investments in Canada to compensate for currency fluctuations or other forms of risk.

Table 2.5.3									
Income - Financial Investment, Canada-U.S.									
	Millions of current dollars			CAGR*, %			Share of World, %		
	1989	1994	2002	1989-94	1994-02	1989-02	1989	1994	2002
Financial Receipts	6,627	8,890	11,757	6.05	3.56	4.51	50.02	57.35	51.86
Portfolio Investments	1,360	2,438	3,884	12.38	5.99	8.41	82.62	76.28	49.52
Other Investments	3,579	4,410	3,550	4.26	-2.68	-0.06	39.92	50.57	43.54
Transfers	1,688	2,042	4,323	3.88	9.83	7.50	63.99	56.98	64.75
Financial Payments	12,239	18,119	25,133	8.16	4.18	5.69	36.45	42.69	57.96
Portfolio Investments	6,366	12,649	19,233	14.72	5.38	8.88	34.52	45.57	64.90
Other Investments	5,285	4,881	4,871	-1.58	-0.03	-0.63	46.59	45.90	57.85
Transfers	588	589	1,029	0.03	7.22	4.40	15.52	14.52	19.40
* Compound annual growth rate									
Source: Statistics Canada, Balance of Payments									

¹³ This also holds for Canadian investment in the rest of the world.