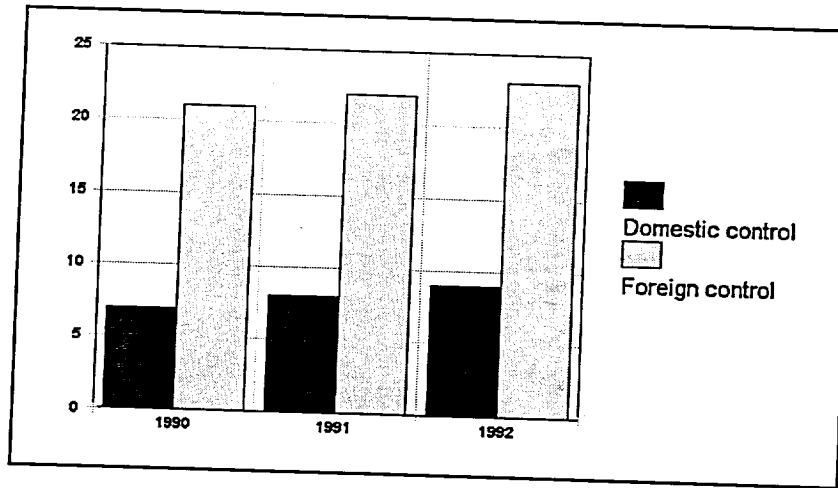


Chart III

*The Degree of Import Orientation : Foreign vs Domestic Firms*



*Source: Cameron, Industry Canada Paper, 1997*

Chart IV reflects the export and import propensities of US affiliates in Canada and underscores the importance of FDI for Canadian trade. Chart IV, Figure 1, demonstrates that 70% of total exports of US affiliates in Canada are intra-firm, while 68% of their imports are intra-firm. Overall, the data presented in this section indicate that FDI plays an important role in Canada's economy, as judged by the proportion of FDI in Canada's GDP, gross capital formation, and trade.