

# TRADE AND INVESTMENT

## DIRECT INVESTMENT BETWEEN CANADA AND THE WORLD



### NOTES

*The Library of Parliament Trade and Investment series provides information on Canada's trade and investment relationship with the world and with selected countries. It also describes the trade relationship of each of Canada's 10 provinces and three territories with the world.*

*All figures were prepared using Statistics Canada data available in summer 2016, with one exception: figures comparing Canada with the world. Those figures were prepared using data from the United Nations Conference on Trade and Development.*

*To see the data tables used to generate the figures, view the HTML version of this paper at [Trade and Investment Series 2015](#).*

*The foreign direct investment and foreign affiliate sales data are balance of payments-based.*

*Numbers in this paper have been rounded.*

*Definitions appear at the end of this paper.*

*All dollar amounts are in Canadian dollars unless otherwise noted.*

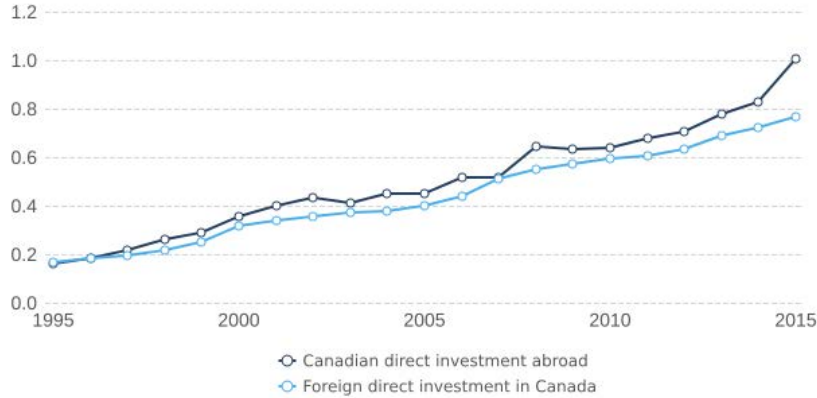
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## CANADA'S FOREIGN DIRECT INVESTMENT WITH THE WORLD

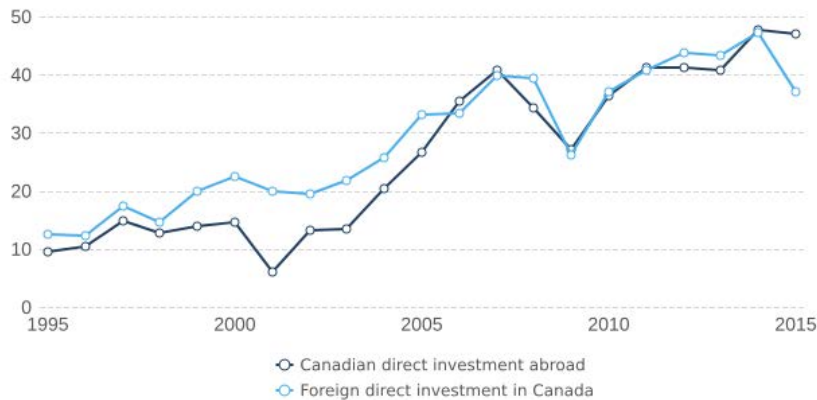
**Stock of Foreign Direct Investment**  
(\$ trillions)



Stock of Canadian direct investment abroad in 2015: \$1.0 trillion, a 21.8% increase from 2014

Stock of foreign direct investment in Canada in 2015: \$768.5 billion, a 6.8% increase from 2014

**Profits Generated by Foreign Direct Investment**  
(\$ billions)



Profits generated by Canadian-held assets abroad in 2015: \$46.9 billion, a 1.6% decrease from 2014

Profits generated by foreign-held assets in Canada in 2015: \$37.0 billion, a 21.8% decrease from 2014

**Share of Global Investment Stocks**  
(% of global foreign direct investment)

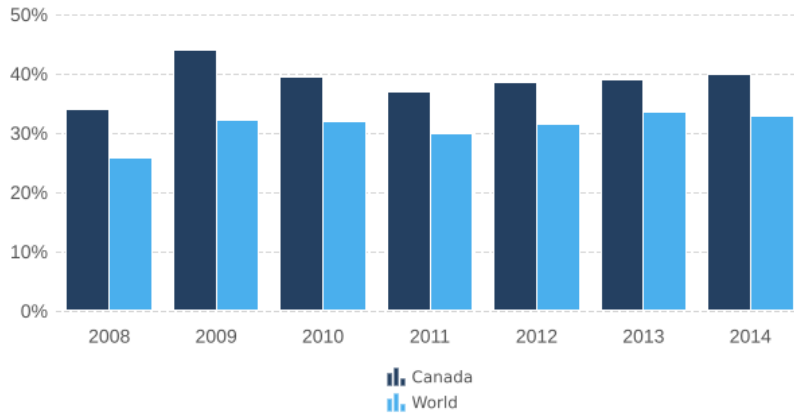


Share of global foreign direct investment stocks that were of Canadian origin in 2014: 2.9%, unchanged from 2013

Share of global foreign direct investment stocks that were located in Canada in 2014: 2.6%, a decrease from 2.7% in 2013

**DIRECT INVESTMENT BETWEEN CANADA AND THE WORLD**

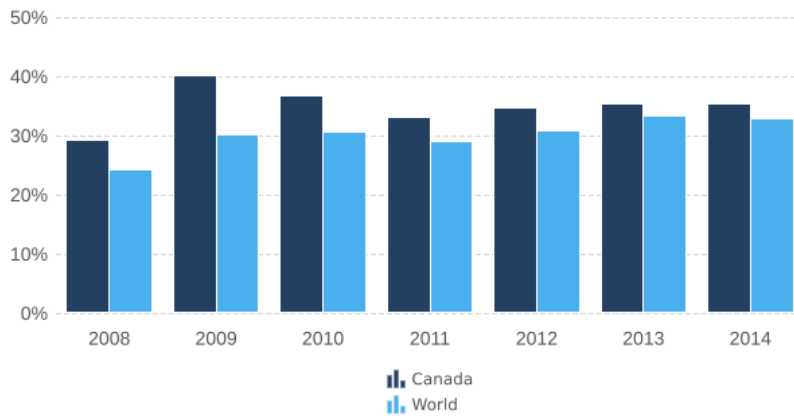
**Stock of Outward Direct Investment as a Share of Gross Domestic Product**



Canada's stock of direct investment abroad as a share of Canadian gross domestic product (GDP) in 2014: 40.0%, an increase from 38.9% in 2013

Global stock of outward foreign direct investment as a share of global GDP in 2014: 32.9%, a decrease from 33.6% in 2013

**Stock of Inward Direct Investment as a Share of Gross Domestic Product**

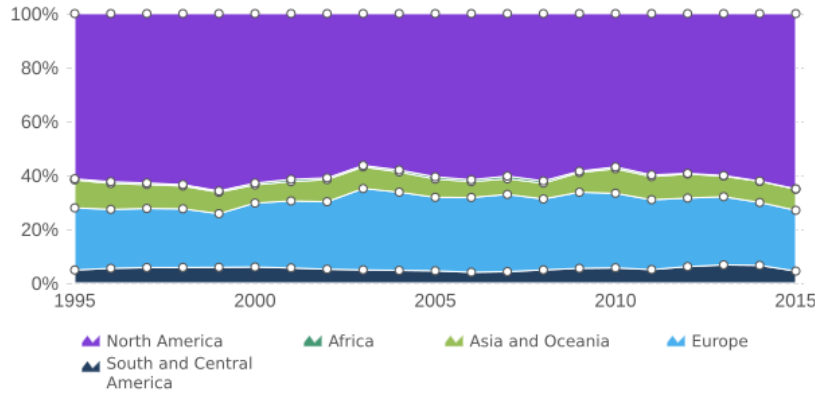


Stock of foreign direct investment in Canada as a share of Canadian GDP in 2014: 35.3%, a decrease from 35.4% in 2013

Global stock of inward foreign direct investment as a share of global GDP in 2014: 32.8%, a decrease from 33.3% in 2013

## CANADA'S FOREIGN DIRECT INVESTMENT DESTINATIONS AND SOURCES

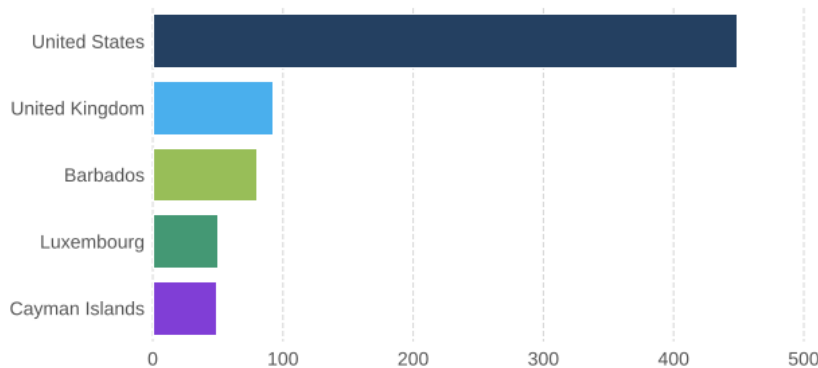
**Destinations for Canadian Direct Investment Abroad by Region**  
(% of total stock)



Destinations for Canadian direct investment abroad, by region, in 2015:

- North America – 65.0%, with a stock of \$653.7 billion
- Europe – 22.6%, with a stock of \$226.7 billion
- Asia and Oceania – 7.9%, with a stock of \$78.9 billion
- South and Central America – 4.5%, with a stock of \$44.9 billion
- Africa – 0.1%, with a stock of \$762.0 million

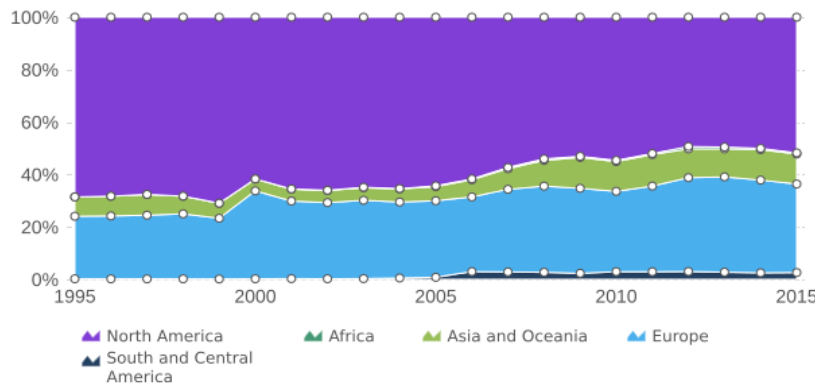
**Major Destinations for Canadian Direct Investment Abroad by Country**  
(\$ billions)



Major destinations for Canadian direct investment abroad, by country, in 2015:

- United States – 44.6%
- United Kingdom – 9.2%
- Barbados – 7.9%
- Luxembourg – 5.0%
- Cayman Islands – 4.8%

**Sources of Foreign Direct Investment in Canada by Region**  
(% of total stock)



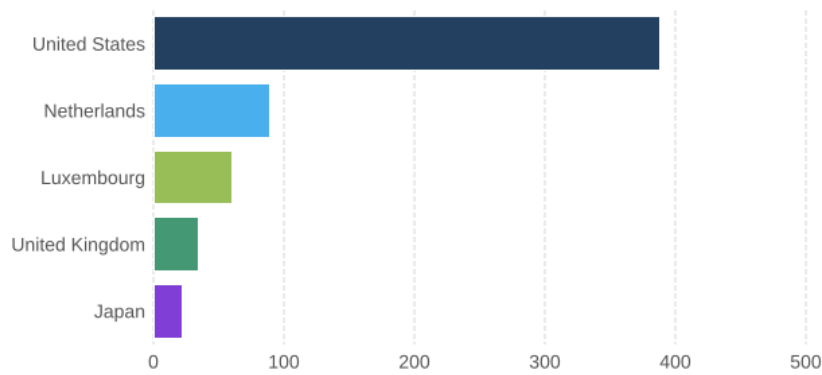
Sources of foreign direct investment in Canada, by region, in 2015:

- North America – 51.7%, with a stock of \$397.5 billion
- Europe – 33.8%, with a stock of \$259.4 billion
- Asia and Oceania – 11.4%, with a stock of \$88.0 billion
- South and Central America – 2.6%, with a stock of \$20.1 billion
- Africa – 0.4%, with a stock of \$3.3 billion

## DIRECT INVESTMENT BETWEEN CANADA AND THE WORLD

### Major Sources of Foreign Direct Investment in Canada by Country

(\$ billions)

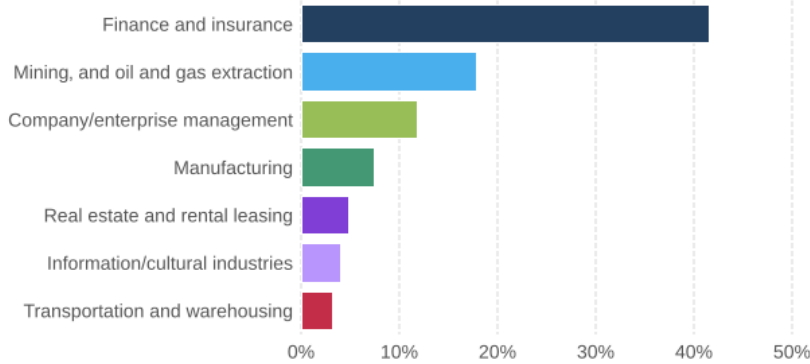


Major sources of foreign direct investment in Canada, by country, in 2015:

- United States – 50.4%
- Netherlands – 11.6%
- Luxembourg – 7.9%
- United Kingdom – 4.5%
- Japan – 2.9%

## CANADA'S FOREIGN DIRECT INVESTMENT BY SECTOR

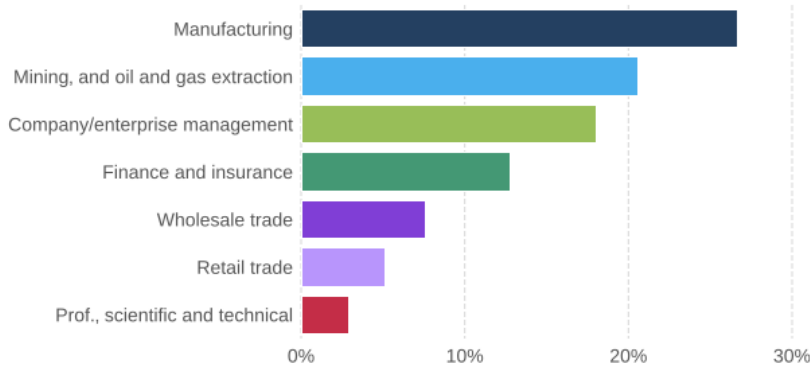
**Canadian Direct Investment Abroad by Selected Sectors**  
(% of total stock)



Largest components of Canadian direct investment abroad, by sector, in 2015:

- Finance and insurance – \$417.3 billion
- Mining, and oil and gas extraction – \$179.2 billion
- Management of companies and enterprises – \$119.3 billion

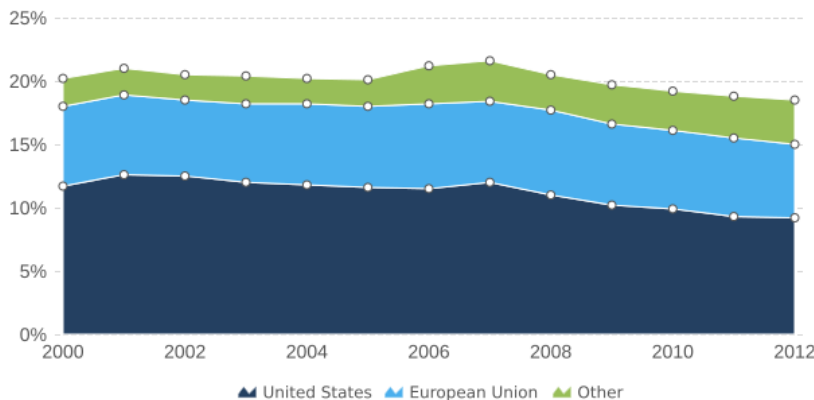
**Foreign Direct Investment in Canada by Selected Sectors**  
(% of total stock)



Largest components of foreign direct investment in Canada, by sector, in 2015:

- Manufacturing – \$205.0 billion
- Mining, and oil and gas extraction – \$158.0 billion
- Management of companies and enterprises – \$138.3 billion

**Foreign-Controlled Assets by Origin of Control**  
(% of total assets)



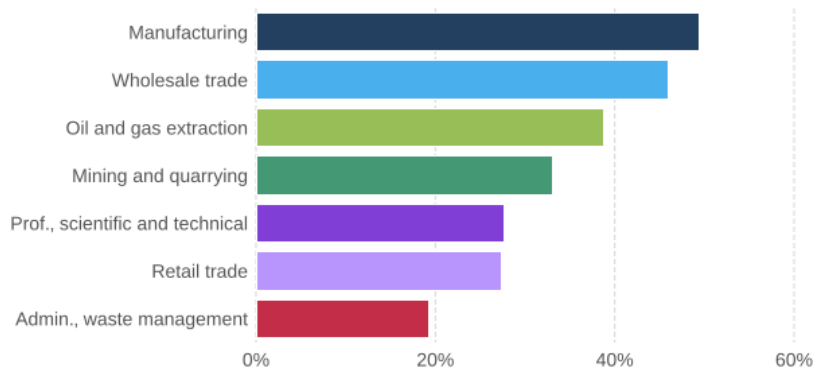
Share of foreign-controlled assets in the Canadian economy in 2013: 18.2%

- United States: 9.0%
- European Union: 5.7%
- Other countries: 3.5%

## DIRECT INVESTMENT BETWEEN CANADA AND THE WORLD

### Foreign-Controlled Assets by Selected Canadian Sectors

(% of total assets)



Canadian sectors with the highest share of assets under foreign control in 2013:

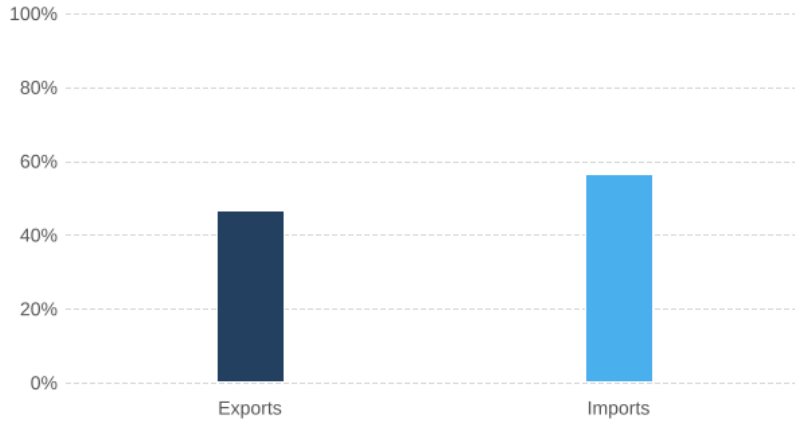
- Manufacturing – \$427.4 billion
- Wholesale trade – \$149.6 billion
- Oil and gas extraction – \$228.5 billion

Canadian sectors with the lowest share of assets under foreign control in 2013:

- Agriculture, forestry, fishing and hunting – \$1.5 billion
- Educational, health care and social assistance services – \$2.0 billion
- Construction – \$20.3 billion

## FOREIGN AFFILIATE ACTIVITIES IN CANADA AND ABROAD

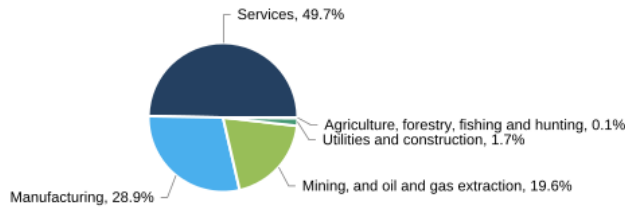
### Share of Total Value of Merchandise Trade by Foreign Majority-Owned Affiliates in Canada



Canadian merchandise exports by foreign majority-owned affiliates in 2013: \$222.6 billion

Canadian merchandise imports by foreign majority-owned affiliates in 2013: \$274.4 billion

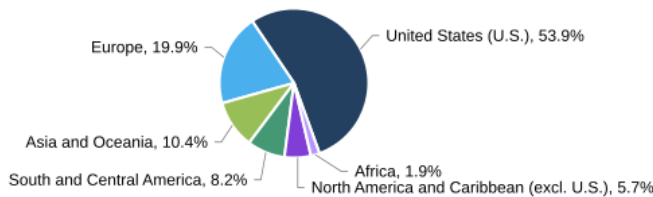
### Share of the Total Value of Canadian Majority-Owned Affiliate Sales Abroad by Sector



Sectors with the highest share of total Canadian majority-owned affiliate sales abroad in 2013:

- Services – \$253.2 billion
- Manufacturing – \$147.4 billion
- Mining, and oil and gas extraction – \$99.9 billion

### Share of the Total Value of Canadian Majority-Owned Affiliate Sales Abroad by Region



Regions with the highest share of total Canadian majority-owned affiliate sales abroad in 2013:

- United States – \$275.0 billion
- Europe – \$101.2 billion
- Asia and Oceania – \$53.0 billion



## DEFINITIONS

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**Balance of payments–based data:** Balance of payments–based data calculate trade flows using surveys of international trade and investment activity of firms and other entities.

**Foreign direct investment (FDI):** FDI occurs when an investor residing in one country holds at least 10% equity in an enterprise resident in another country. The stock of FDI is the value of the accumulated equity owned by investors abroad; the stock changes from year to year based on flows of FDI.

**Foreign majority-owned affiliates:** Enterprises in which a foreign business owns more than 50% of voting shares.

**Gross domestic product (GDP):** GDP measures an economy's total production in a given year. As one entity's income is another entity's spending, GDP is equal to the total value of final sales or to the total value of incomes.