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Direction générale de la recherche économique
et de l'analyse des politiques
Industrie Canada
10e étage, tour Est
235, rue Queen
Ottawa (Ontario) K1A 0H5

Tél.: (613) 952-6411; Fax.: (613) 991-1261
Courriel: erpa-reap@ic.gc.ca

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Abstract

This paper reviews trends in foreign direct investment (FDI) and multinational production in Canada and Canada's direct investment abroad (CDIA), and provides an assessment of their impact on the Canadian economy. It pulls together a large body of existing literature in Canada and other countries on the pros and cons of FDI. The main conclusion of the paper is that both inward and outward FDI provide significant net long-term economic benefits to both home and host countries, provided they have competitive and dynamic product and factor markets as well as a good business climate. There is little evidence of hollowing-out in Canada in terms of movement out of Canada key corporate headquarter functions of MNEs operating in Canada.

Key words: *foreign direct investment, FDI, multinationals, MNEs, economic growth, productivity, hollowing-out*

Résumé

Dans le document, nous examinons les tendances de l'investissement direct étranger (IDE) et de la production multinationale au Canada et l'investissement direct canadien à l'étranger (IDCE), et nous évaluons leurs incidences sur l'économie canadienne. Pour ce faire, nous nous basons sur un large ensemble de littérature existante au Canada et dans d'autres pays sur les avantages et désavantages de l'IDE. Notre conclusion principale, c'est que et les entrées d'IDE et les sorties d'IDE donnent lieu à d'importantes retombées économiques nettes à long terme à la fois dans les pays de provenance et les pays de destination, pourvu qu'ils aient des marchés de produits et de facteurs concurrentiels et dynamiques ainsi qu'un bon climat d'affaires. Il n'y a guère de preuve d'exode des sièges sociaux au Canada, c'est-à-dire d'exode des fonctions clés des sièges sociaux des multinationales en activité au Canada.

Mots clés : investissement direct étranger, IDE, multinationales, croissance économique, productivité, exode des sièges sociaux

1. Introduction

Thanks to multinationals (MNEs), the world economy is much more integrated today than 20 years ago and the pace of globalization is increasing. Dramatic reductions in transportation and communication costs, liberalization of trade and foreign investment regimes in both industrialised and developing economies, rapid improvements in production processes, intense global competition among countries and companies for markets, skilled personnel, capital and innovation activities and the emergence of China and India as major economic players in the world stage have facilitated as well as necessitated the multinationals to organize their economic activities on a global basis, with a view to minimise costs and improve the quality of their products and services.

Currently there are over 70 thousand MNEs, with over 700 thousand foreign affiliates, operating all over the world, more than a four-fold increase since 1990. Global foreign direct investment (FDI) inflows increased from US$ 59 billion in 1982 to over US$ 1.3 trillion in 2006. During this period, the global inward FDI stock rose from US$ 637 billion to US$ 12 trillion. Mergers and acquisitions activity has been the preferred MNE strategy of gaining entry into foreign markets. In 2006, MNEs employed close to 73 million people around the globe. They account for over one-third of global trade, primarily through intra-company trade. In addition, their foreign affiliate sales in 2006 were over US$ 25 trillion.

Canada also participated actively in the globalization process by increasing its foreign investment linkages with other countries. Canada's inward and outward orientations are higher than in many OECD countries. Since 1996 Canada has been a net exporter capital, a dramatic shift from a large net importer in the 70s and 80s. Canada's inward FDI stock increased from US$ 112.8 billion in 1990 to US$ 385.2 billion in 2006. During this period, Canada's outward FDI stock also increased from US$ 84.8 billion to US$ 449.0 billion.

The main objective of this synthesis paper is to analyse the recent trends in Canadian FDI inflows and outflows and provide an assessment of their impact on the Canadian economy. It mainly pulls together a large body of existing literature in Canada and other countries on the pros and cons of foreign direct investment. The main conclusion of the paper is that both inward and outward FDI provide significant net long-term economic benefits to both home and host countries, provided they have competitive and dynamic product and factor markets as well as a good business climate. There is little evidence of hollowing-out in Canada in terms of movement out of Canada key corporate headquarter functions of MNEs operating in Canada.

The paper is organised in the following way. Section 2 provides an analysis of recent trends in global FDI trends. We review the recent trends in Canada's inward and outward FDI as well as activities of foreign multinationals in Canada in the next section, section 3. The economic impact of inward and outward FDI on trade, employment, productivity and economic growth are discussed in sections 4 and 5. Empirical studies on whether

corporate Canada is hollowed-out are reviewed in section 6. The last section, section 7, pulls together the main findings of the paper and examines their policy implications.

2. Global Trends in FDI

Inward flows and stocks:

As shown in Table 1, global inflows of foreign direct investment increased from a mere US$ 59.4 billion in 1982 to over US$ 1.3 trillion in 2006, a twenty-two fold increase in just 24 years! Although developed economies still represent over 70 % of total FDI inflows in the world, their share declined by more than 11 percentage points since 1990. Canada's share in global inward FDI inflows, on the other hand, increased from 3.8 % in 1990 to 5.3 % in 2006. The BRIC countries (Brazil, Russia, India and China) currently account for over one-third of all inward FDI inflows to developing economies, compared to only 13 % in 1990.

The major sources of FDI inflows in any country are: green field investments; mergers and acquisitions and re-investment of retained earnings. In developed economies, mergers and acquisitions (M&As) are the dominant drivers of FDI inflows --- their share in FDI inflows in 2006 was close to 85 % (Table 2). On the other hand, green field investment and retained earnings were the dominant players in developing economies. In these countries, M&As accounted for less than one-third of total FDI inflows. The difference in the importance of mergers and acquisitions between the two groups of countries perhaps reflects the difference in their attitudes and regulations towards mergers and takeovers by foreign multinationals.

The importance of FDI inflows for capital formation increased substantially in both developed and developing economies. In developed economies their contribution to investment increased from less than 2 % in 1982 to a high of 22 % in 2000, but declined a great deal there after (Table 3). Developing economies experienced similar trends. Canada too experienced a dramatic reduction in the contribution of FDI inflows to capital formation after 2000 --- its share in domestic investment averaged 25.3 % in 2006, compared to the peak value of over 48 % in 2000.

Global inward FDI stock, accumulation of past inflows, increased from US$ 637 billion in 1982 to close to US$ 12 trillion by 2006 (Table 4). Developed economies accounted for 70 % of the world inward FDI stock in 2006, down from 79% in 1990. On the other hand, during this period, the share of developing economies increased by 6 percentage points, reaching 26 % in 2006. The BRIC countries in 2006 accounted for a quarter of the inward FDI stock in developing economies. Canada's share of global inward FDI stock fell from 6.3 % in 1990 to 3.2% in 2006. Canada's share in the developed countries' inward stock also declined dramatically during this period, from 8% to 4.6%.

Outward flows and stocks:

Developed economies represented close to 85% of global outward FDI flows in 2006, compared to 91% in 1990. FDI outflows from developing economies increased fifteen-fold since 1990 (Table 5), suggesting that they have become major foreign investors. M&As are major drivers of FDI outflows in both developed and developing economies, accounting for over 70 % in 2006 (Table 6). The share of developing economies in global FDI outflows rose from 8.5% in 1990 to 14.3% in 2006. Like inward flows, the BRIC countries are also the major players in terms of outflows of FDI among developing economies. In 2006, they represented over 40% of total FDI outflows from developing economies, up from less than 7% in 1990. Unlike inflows, Canada's share in global FDI outflows increased from 2.3% in 1990 to 3.7% in 2006.

The stock of outward FDI stock in developing economies rose from about US$ 146 billion in 1990 to US$ 1.6 trillion in 2006, a 5 percentage point increase in their share of global outward FDI stock (Table 7). Canada's outward FDI stock increased 430% during this period, reaching US$ 449 billion. However, surprisingly its share in global outward FDI stock fell from 4.7% in 1990 to 3.6% in 2006, perhaps largely a reflection of the depreciation of Canadian dollar vis-à-vis the US currency.

3. Inward and Outward FDI and Multinational Activities in Canada

Inward and outward FDI flows

Figure 1 shows both Canada's FDI inflows and outflows for the last 15 years. The value of FDI flows in Canada increased from a meagre CA$ 6.1 billion in 1993 to CA$ 99.2 billion in 2000, and then declined substantially until 2004 where there was a net repatriation of assets of foreign-owned companies operating in Canada. FDI inflows increased over the last three years, reaching CA$ 116.7 billion in 2007, the highest level in any year since 1993. As for the Canadian direct investment abroad (CDIA), it declined from a peak in 2000 (CA$ 66.4 billion), but has also increased in recent years and was valued at nearly CA$ 58 billion in 2007.

The Canadian inward FDI flows mainly originate in the United States (U.S.), which accounted for 64.1 % of the total in 2003, compared with about 90% in 2001. FDI outflows are relatively more diversified, with the U.S.tates receiving about 26% of the total in 2003, down from 50% in 2001 (Table 8).

Table 9 shows the evolution in Canada's FDI inflows and outflows by industry. Since 1998, the finance and insurance industry has emerged as a significant destination of Canadian direct investment abroad, with a 2007 year-end value of about CA$ 35 billion (or 60% of the total), significantly up from CA$ 13.3 billion (or 26% of the total) in 1998. Over the same period, the energy and metallic minerals industry was the next largest component of Canadian investment flows abroad, with a 2007 year-end value of CA$ 13.8 billion, or 24% of the total. However, between 1993 and 1997, the energy and metallic minerals industry was the dominant recipient of CDIA. As for FDI inflows to

Canada, the energy and minerals industry dominates with a value of CA$ 65.1 billion (56% of the total) in 2007, up from CA$ 3.2 billion (about 25% of the total) in 1996. Furthermore, it is worth noting that the 2004 net repatriation of assets by foreign-owned companies operating in Canada mainly occurred in finance and insurance industry, followed by machinery and transportation equipment and wood and paper industries.

Inward and Outward stocks

As shown in Figure 2, both Canada's inward and outward FDI stocks have increased steadily over the past 20 years. However, with an increase by about 7 times during 1987-2007, outward FDI stock from Canada grew faster than inward stock (increasing by about 5 times). Since 1997, Canada has been a net outward investor. In 2007, the net direct investment position (the difference between CDIA and FDI in Canada) was about CA$ 14 billion, significantly down from CA$ 92 billion a year earlier.

The United States continues to be the dominant foreign investor in Canada (Figure 3). In 2007, the U.S. accounted for 58% of Canada's inward FDI stock (down from 67.2% in 1995). The United Kingdom was the second highest source of FDI in Canada with about 11% (which is slightly up from 8.4% in 1995). These two countries combined with the Netherlands, France, and Switzerland held just over 81% of FDI in Canada in 2007. Other European countries, Japan and Brazil were also among the top 10 sources.

Similarly, Figure 4 shows that the U.S. is also the major recipient of Canadian direct investment abroad (CDIA), but to a lesser extent than its contribution into Canada's inward FDI stock. The U.S. share of Canada's outward FDI stock declined from 52.4% in 1995 to 44% in 2007. Over the same period, the share of United Kingdom, which is also the second highest destination of CDIA, remained stable at about 10%. Two Caribbean countries, Barbados and Bermuda, known for their tax incentives, have experienced an increase in their shares. Other European countries, Australia and Brazil made up the rest of the top 10 destinations for CDIA in 2007.

The industrial distribution of Canadian inward FDI stock in Figure 5 indicates that in 2007, three industries (finance and insurance, energy, and metallic minerals & metal products) accounted for about 51% of the total stock of FDI in Canada. This proportion is up from 35% in 1995 and 42% in 2002. Between 2002 and 2007, the highest decline in share is observed in food, beverage and tobacco and transportation equipment, falling about 5 and 4 percentage points, respectively.

The evolution in the stock of CDIA by industry is shown in Figure 6. Between 1995 and 2007, the emergence of the finance and insurance industry as the leading recipient of CDIA is notable, with its share increasing by 18 percentage points to reach 48.4% in 2007. Services and retailing was the second largest component with approximately 13% of the total in 2007. Energy is the next highest industry, at about 12% of the total CDIA stock.

Multinational Activities in Canada

Activities of multinational enterprises play important roles in Canadian economy. The production of foreign affiliates in Canada accounted for a significant part of the total non-agriculture business production in Canada, see Table 10 and Table 11. In 2005, the gross output of foreign affiliates in Canada was CA$ 851.3 billion, or about 30% of the gross output of the Canadian total non-agriculture business sector. In the Canadian manufacturing sector, the gross output of foreign affiliates was CA$ 375.5 billion in 2005, accounting for about 44% of total production of foreign affiliates in Canada and more than 51% of Canadian manufacturing production. The importance of the production of foreign affiliates varies considerably across industry in Canada. Its production shares were as high as more than 85% in motor vehicle manufacturing and 76% in pharmaceuticals, and as low as 15.6% in utilities and construction.

Over the period 1988 to 2005, the nominal production of foreign affiliates in Canada grew at an annual rate of 6.5% per year and its share in the Canadian total non-agriculture business production remained more or less constant around 30%. In the meantime, the average annual growth rate of nominal production of foreign affiliates in manufacturing sector was about 4.7%, lower that that for the total non-agriculture business sector. However, the share of the production of foreign affiliates in Canadian manufacturing sector increased from 45.8% in 1988 to 51.2% in 2005.

Foreign affiliates in Canada experienced strong growth in gross operating surplus. Their gross operating surplus increased from CA$ 13.2 billion for the manufacturing sector and CA$ 24.4 billion for the non-agriculture business sector in 1988 to CA$ 25.3 billion and CA$ 76.2 billion in 2005 for the two sectors respectively (see Table 12). The corresponding average annual growth rates over the period of 1988 to 2005 were 3.9% for the manufacturing sector and 6.9% for the total non-agriculture business sector. As shown in Table 13, the shares of the gross operating surplus of foreign affiliates in national total increased from 27.8% in 1988 to 30.5% in 2005 for the total non-agriculture business sector, and from 45.4% in 1988 to 55.2% in 2005 for the manufacturing sector, indicating higher growth of gross operating surplus for foreign affiliates than for domestic firms. Also, foreign affiliates in Canada became more profitable in 2005 from less profitable in 1988 than domestic firms. The 2005 profit ratios (defined as the gross operating surplus to gross output ratio) of foreign affiliates in Canada were 9.0% for the total non-agriculture business sector and 6.7% for the manufacturing sector, higher than those of domestic firms (8.7% and 5.7%, respectively), while the 1988 profit ratios of foreign affiliates for the two sectors were 8.4% and 7.7%, respectively, lower than those of domestic firms (9.0% and 7.9%).

Research and development (R&D) spending and production of foreign affiliates in Canada grew at similar pace over the period 1990 to 2004. Their R&D spending increased from CA$ 1920 million in 1990 to CA$ 4375 million in 2004 for the total non-agriculture business sector, and from CA$ 1599 million in 1990 to CA$ 2891 million in 2004 for the manufacturing sector (see Table 14). The corresponding average annual growth rates were 6.1% and 4.3%, respectively, slightly lower than the average annual

growth rates of production. The share of R&D spending of foreign affiliates in Canada, as shown in Table 15, was 34.9% in 2004 for the total non-agriculture business sector, which is significantly higher than their production share in national total (30%). This indicates that foreign affiliates in Canada tend to spend more on R&D than domestic firms. However, the situation is opposite in the manufacturing sector. The foreign affiliates' share of R&D spending was only 38.3% in 2004, far less than their share of production (51%). In addition, the foreign affiliates' share of national total R&D spending declined by 2.2 percentage points in the total non-agriculture business sector and 7.0 percentage points in the manufacturing sector over the 1990-2004 period. A possible reason of such decline may be the increasing degree of centralization of R&D activities of foreign multinationals in their head offices. Table 16 and Table 17 give number of researchers of foreign affiliates in Canada and their share in national total, respectively. The tables show that foreign affiliates' share of researchers was lower than their shares of R&D spending and production, indicating that foreign affiliates in Canada use relatively less researchers to conduct R&D.

4. Home Country Effects of Outward FDI

Generally there are two types of FDI, namely vertical FDI and horizontal FDI, that are widely discussed in the literature. Vertical FDI occurs when a firm locates vertically integrated production stages in different countries due to differences of relative factor proportions across countries (Helpman (1984)). For example, a firm can locate its labour-intensive activities in a country with relatively abundant labour supply and its capital-intensive activities in a country with relatively abundant capital supply. The vertical FDI is usually related to moderate to low trade costs and significant differences in relative factor endowments such that the saving from lower cost of production net of extra trade cost is substantial. A vertical multinational firm may continue to use materials from its home country and ship its products back to the home country. As a result, vertical FDI may increase home country demand for skilled workers, material exports and final products imports, and decrease home country demand for unskilled workers.

Horizontal FDI occurs when a firm splits up its production into small units across countries to serve local markets due to large benefits of proximity to markets (see Krugman (1983) and Markusen (1984)). Usually large size of local markets, high trade costs, similar ratio of factor endowments across countries, low set-up cost and plant-level economies of scale are associated with horizontal FDI such that trade cost savings are significant[1]. Therefore, horizontal FDI may decrease home country exports and demand for labour.

We next will briefly review findings in the literature on the home country effect of outward FDI on factor demand and exports. As, to our knowledge, there is no empirical studies investigating those effects for Canada, the review is fully based on findings for other countries, especially for the U.S.

[1] See Brainard (1993), Horstmann and Markusen (1992) for detailed discussion on the emergence of horizontal MNEs.

Outward FDI and Home Country Factor Demand

There is no consensus among views as well as empirical studies on the impact of outward FDI on home country factor demand as discussed in Baldwin (1994). Some argue that there will be a loss of actual or potential jobs when firms invest abroad. Others argued that firms' investment decision is based on the efficient use of production factors and much of their investment abroad is induced by the growing competitiveness of foreign producers. Therefore, on the one hand, direct job loss can not be avoided even if firms do not invest abroad, and on the other hand, outward FDI may increase home country exports of intermediate products and capital goods and thus create more jobs at home.

Glickman and Woodward (1989) estimate the employment impact of foreign direct investment in the U.S. and conclude that there was a net average annual loss of US jobs between 1977 and 1986 of 274 000 as a consequence of the U.S. investment abroad or 0.5% of the average total of the U.S. employment over these years. Andersen and Hainaut (1998) investigate the relationship between outward FDI and home country employment using a panel of 21 countries over 1985-95 as well as time series for the U.S., Japan, Germany and the United Kingdom (U.K). They find only limited evidence that outward FDI lead to job losses in the source countries. Brainard and Riker (1997a and 1997b) also estimate substitution elasticities between employees in parent companies and their foreign affiliates based on panel data for the U.S. multinationals and their affiliates in 90 countries. They find a very low degree of substitution between parent and affiliate employment. Slaughter (1995) uses data on the U.S. manufacturing multinationals in the 1980s and finds that home and foreign production workers at best seem to be weak price substitutes and in fact may be price complements. Hatzius (1997) obtains similar results using data on Swedish MNEs. The weak substitution between employees in parent companies and their foreign affiliates indicate that the displacement of home country workers via foreign investment (if any) is likely to have been very moderate.

FDI may influence home country factor demand and factor prices through allocating more labour-intensive production to affiliates in labour abundant countries and concentrating more capital-intensive or skill-intensive operations at home. Lipsey (2002) argues that larger affiliate output relative to parent output should be associated with lower labour intensity in home production. The argument is supported by the empirical evidences based on the U.S. multinationals, but not by the experience of Swedish and Japanese firms[2] that tended to use more labour per unit of output at home if they produced more abroad. However, there is no strong evidence indicating that FDI led to skill upgrading in home countries. For example, Kravis and Lipsey (1988) did not find a consistent correlation between affiliates output and skill intensity (measured as hourly wages) of parent firms for the U.S. multinationals. Using data on the U.S. manufacturing industries, Slaughter (2000) did not find significant impact of affiliate activities on skill upgrading at home. Analysis at industry level for Japanese firms in Head and Ries (2002) reached similar conclusions, but their analysis at firm level suggested that affiliate

[2] See Kravis and Lipsey (1988) and Lipsey (1995) for the U.S. firms, Blomström, Fors, and Lipsey (1997) for the comparisons of the U.S. and Swedish firms, and Lipsey, Ramstetter, and Blomström (2000) for the comparisons of the U.S., Swedish and Japanese firms.

activities in low-wage countries tends to raise parent firms' demand at home for skilled workers relative to the demand for unskilled workers.

Outward FDI and Home Country Exports

One of the key determinants of a firm to be multinational is the relative cost of trade and foreign production. A firm can take the advantage of the differences in factor proportions across countries and choose to become a vertical multinational; or it can choose to locate its production activities close to markets and become a horizontal multinational. Both types of multinational firms reduce home country exports of their products, and in the mean time, stimulate home country exports of their upstream products. Therefore, it remains an empirical question whether home country exports and outward FDI are substitutes or complements.

There are some studies that find evidence to support the substitutive relationship, while more studies support the complementary relationship[3]. As reviewed in Head and Ries (2004), the substitutive relationship is found in Head and Ries (2001) for some Japanese manufacturing firms over 1965-1989, Belderbos and Sleuwaegen (1998) for Japanese specific electronic products in Europe, and Blonigen (2001) for Japanese specific auto parts in the U.S. In the meantime, a large body of studies detects the complementary relationship between home country exports and outward FDI in many countries. For example, Head and Ries (2004) emphasized that the three studies mentioned above also detected the complementary relationship when the use of upstream products was considered. Other studies that showed the complementary relationship for many countries include Lipsey and Weiss (1981) for the U.S. industries, Lipsey and Weiss (1984), Brainard (1997) and Brainard and Riker (1997a) for the U.S. firms, Head, Ries and Spencer (2004) for the U.S. auto industry, Blomström, Lipsey and Kulchycky (1988) for Swedish firms, and Fontagné and Pajot (2002) for French industries. In addition, there are some studies that found no clear association in either direction, such as Lipsey and Weiss (1984) for some U.S. industries.

Lipsey (2002) pointed out that "there are circumstances in which foreign production tends to add to exports and circumstances in which it tends to reduce exports. The effect may depend on whether the foreign operations' relation to home operations is 'horizontal' or 'vertical', …, whether the foreign operations are in goods industries or in service industries, are in developed or developing countries, or are in industries with plant level or firm level economies of scale" (page 13). Head and Ries (2004) pointed out that the two relationships do not contradict to each other. Studies with focus on narrow product lines can detect the substitutive relationship, while the complementarity can be found upstream products of home countries are still attractive to their downstream affiliates abroad.

[3] Head and Ries (2004) provide good reviews and arguments for both possible relationships between the outward FDI and home country exports.

5. Host Country Effects of Inward FDI

Attracting FDI has become an integral part of national development strategies in many economies as they believe the benefits from FDI outweigh its drawbacks. The UNCTAD in its World Investment Report (2006) highlights that there were 205 FDI related policy changes across the world in 2005, and most of these changes made conditions more favourable for foreign companies to enter and operate. The host country benefits of FDI may come from its contribution to the increase in investment, to the improvement of foreign technology absorptive capacity, to the innovation and technology transfers (including management skills), to the international trade integration and to the strength of competitive environment. On the other hand, FDI may deteriorate the balance of payments position of the host economy through increased imports, crowd out domestic investment and displace domestic firms resulting in increased unemployment. In this section we will focus on empirical findings on the impact of FDI on host country exports, productivity and economic growth.

Inward FDI and Host Country Exports

Vertical FDI may add its production to export in host countries, while horizontal FDI may or may not have such impact, relying on whether host countries are used as platforms to serve their surrounding areas. Empirical studies suggest that vertical FDI dominates when FDI flows from developed countries to developing countries (for example, see Waldkirch (2003) for Mexico) and horizontal FDI prevails when FDI flows among developed countries (see Markusen and Maskus (2002) for the U.S. and Gao (2003) for the OECD countries). Findings from developing countries show the positive correlation between FDI and host country exports, for example, see Johnson (2005) for East Asian countries.

The U.S. is the dominant source of FDI to Canada and labour cost is relatively lower in Canada than in the U.S. As a result, FDI to Canada is much of vertical though Canada is a developed economy. Based on the study by Olineck and McMechan (1996) cited in Baldwin and Gellatly (2007), "… Cross-border transactions between Canadian-based affiliates and their parent companies accounted for a large share of total exports. In the aggregate, related-party transactions accounted for 57% of Canadian exports to the United States. Among U.S.-controlled firms based in Canada, related-party transactions made up 72% of exports". The finding is consistent with the vertical FDI model and indicates that inward FDI raised Canadian exports.

Vertical FDI will be promoted by lower trade cost as predicted by the standard theory of multinationals. There are a few studies that provide supportive evidences using Canadian data. Cameron and Cross (1999) and Cross (2002) detected a sharp increase in the import content of Canadian exports following the implementation of the FTA. Baldwin, Beckstead and Caves (2002) found evidence of increased commodity-level specialization subsequent to the implementation of the FTA. Baldwin, Caves and Gu (2005) found that specialization is most apparent in industries with the largest declines in tariff rates.

Inward FDI and Host Country Productivity

Lipsey (2003) summarized possible channels through which FDI impacts on host country productivity. The first channel is that foreign-controlled firms have higher productivity than domestic firms, through which productivity performance of host countries may be improved. There is a large body of literature comparing productivity between foreign-controlled and domestic firms and most of them have been for the manufacturing sectors in developing countries. For example, for developing countries, foreign-controlled firms are found to have higher labour and/or multifactor productivity in Blomström and Wolff (1994) for Mexico, Kokko, Zejan, and Tansini (2001) for Uruguay, Haddad and Harrison (1993) for Morocco, Okamoto and Sjöholm (1999) for Indonesia, Chuang and Lin (1999) for Taiwan, Ramstetter (1999) for five East Asian countries (Hong Kong, Indonesia, Malaysia, Singapore and Taiwan), Erdilek (2002) for Turkey. Evidences are also found in developed countries such as Doms and Jensen (1998) for the U.S. and Girma *et al.* (2001) for the U.K. In Canada, the higher productivity of foreign-controlled firms has been detected in Globerman, Ries and Vertinsky (1994), Baldwin and Dhaliwal (2001), Rao and Tang (2005) and Baldwin and Gu (2005). Most of the studies comparing labour productivity between foreign-controlled and domestic firms showed that higher capital intensity, larger size, more outsourcing of inputs and the use of advanced technologies are possible reasons for foreign-controlled firms to have higher productivity.

The second channel is productivity spillover from foreign-controlled firms to domestic firms. The productivity spillover may occur through technical connections, business model copying, and enhanced competition. A possible negative effect may be that domestic firms are forced into less efficient scales of production. It is wildly assumed that foreign-controlled firms have more advanced technology and the associated technological knowledge will spill over to host countries, mainly within the same industry. However, the spillovers rely on absorptive capacity, competitive business environment and investment in learning and imitation by competing host country firms. Empirical studies give a mixed result along the line. For example, the positive FDI spillover within the same industry was found in Blomström (1983) and Kokko (1994) for Mexico, Kathuria (2000) for Indian "scientific" manufacturing sector, Haddad and Harrison (1993) for Morocco and Chuang and Lin (1999) for Taiwan, and the negative effect was found in Aitken and Harrigan (1999) for Venezuela and Indonesia.

A more recent paper by Wooster and Diebel (2006) reviewed 32 empirical studies that model the contribution of FDI presence to local productivity in the host country through spillover effects such as those associated with technology transfer and superior managerial know-how and suggested that spillover effects are more pronounced when studies measure the effect of FDI spillovers on output, and are more likely to be significant and positive for Asian countries. Gu and Wang (2008) explained that the effect of knowledge spillover and the effect of market-share competition offset each other and hence the net effect might be positive or negative. Using data on Canadian industries over the period of 1973-1992, Gera, Gu and Lee (1999) found that inward FDI had positive and significant impact on TFP growth of most Canadian industries, mainly

through the reduction of production cost, technology transfer and international R&D spillover.

Foreign-controlled firms in one industry may also influence (positively) the productivity performance of their suppliers (upstream industries) and users (downstream industries) in host countries through inter-industry linkages. As discussed in Gu and Wang (2008), domestic firms in the downstream industries of FDI may benefit from foreign-controlled firms as suppliers of intermediate inputs in terms of more varieties, better quality and lower cost of the intermediate inputs provided and better customer service, while domestic firms in the upstream industries of FDI may receive management training and technical assistance from the foreign-controlled firms as their product users and raise their product quality. Accordingly, spillovers occur when foreign-controlled firms are unable to extract the full value of the resulting productivity improvement. Blomström and Kokko (1998) pointed out that spillovers may also come from the competition among local firms to become the suppliers to the multinationals. There are not many studies in the literature that empirically investigate the issue. Using data on the Canadian manufacturing industries from 1973 to 1997, Gu and Wang (2008) found growth strong and significant spillover effects of FDI on TFP growth through both forward and backward production linkages. Lileeva (2006) also found significant spillovers of FDI in the Canadian manufacturing sector through forward linkages. For evidences from other countries, Javorcik (2004) found substantial FDI spillovers to Lithuanian firms through backward linkages, and Aitken and Harrison (1991)[4] reported negative effects of FDI on upstream industries and positive effects of FDI on downstream industries in Venezuela.

A more general question is whether FDI can raise productivity in host countries at aggregate industry or country level. Even foreign-controlled firms are more productive than domestic firms and the superior productivity spills over locally, the overall productivity effect may still an empirical question because inward FDI might take over more efficient domestic firms and induce higher demand for foreign-produced inputs, leaving domestic firms either being less efficient or producing at lower side of value chain. The issue is rarely explored. Aitken and Harrison (1999) found that the overall effect of FDI on host country productivity was slightly positive for Venezuela and more positive for Indonesia. A panel study by Baldwin, Braconier and Forslid (1999) for nine OECD countries found a positive linkage between FDI penetration and labour productivity growth at industry level. A panel study at country level by De Mello (1999) found that FDI enhanced labour productivity growth in developed through the channel of TFP growth and in developing countries through the channel of capital deepening.

Inward FDI and Host Country Economic Growth

This issue is broader than host country productivity effect. The productivity effect is the most important channel through which FDI impacts host country economic growth. Romer (1993) emphasized the role of FDI in technology diffusion and then linked it to economic growth. De Mello (1997) identified two channels through which FDI promotes growth; one is encouraging the adoption of new technology in the production processes

[4] Cited, in Lipsey (2002).

and the other is acquisition of skills and new management practices conducive to growth. However, even with overall positive productivity effect, the economic growth effect may not necessary be positive. Greenfield investments are more likely to have output and growth effects, while M&As are more likely to have productivity effect and associated output effect relies on the corresponding changes in the trade pattern in host countries.

Empirical studies at an aggregate level generally suggested that FDI played a positive role in generating host country economic growth and the host country growth effect of FDI relies on certain characteristics of host countries such as trade policies, openness to trade, human capital, income level and financial market. For example, Bhagwati (1978) suggested that the growth effects of inward FDI is positively related to export promoting policies and negatively related to import substitution policies in host countries, and the statement is supported by the tests in Balasubramanyam, Salisu and Sapsford (1996). Both papers stressed that trade openness is crucial for obtaining the growth effects from FDI. Blomström, Lipsey, and Zejan (1994) found the growth effect of inward FDI was positive for developing countries with higher income, but insignificant for developing countries with lower income. Borensztein, De Gregorio, and Lee (1995) argued that the growth effect of FDI is positive related to the education level of host country workforce. Xu (2000) also found that the positive growth effect of FDI occurs only when the host country has a minimum threshold level of human capital. Alfaro et al (2003), Durham (2004), and Hermes and Lensink (2003) found that countries with well-developed financial markets gain significantly from FDI in terms of economic growth. Khawar (2005) found that FDI had a significant and positive relationship with real income per capita irrespective of any human capital requirements. After resolving many of the statistical problems plaguing past macroeconomic studies, Carkovic and Levine (2005) found that inward FDI do not exert an independent influence on economic growth, suggesting that there are interactions between FDI and other factors. All studies mentioned above are mostly based on experiences of developing countries. Studies explicitly based on experiences of developed and other countries are rare. Campos and Kinoshita (2002) found the positive growth effect of FDI for 25 transition countries and argued that it is purely driven by technology transfer. Using a panel data for 24 OECD countries over 1980-2004, Ghosh and Wang (2007) found a positive and significant growth effect of inward FDI.

6. Is Corporate Canada Hollowing-out?

Hollowing-out refers to the move-out of head offices from an economy. Head offices are important to an economy due to their key functions and activities of management including human resource planning, marketing, R&D, financial management, international operations and information acquisition and filtering. They also generate large concentrations of high-skill and high-wage positions.

There has been a great deal of public discussions and debates in Canada over the recent foreign takeover of large and established Canadian companies and their potential adverse impact on corporate headquarter functions and the Canadian economy. Investigating whether corporate Canada has been hollowing-out has important policy implications.

As stated in Acharya and Rao (2007), the positive effects of head offices are expected to stem largely from R&D activities and the skilled employment associated with head office functions. R&D activities generate and accumulate knowledge capital that benefits the local economy through knowledge transfer and knowledge spillovers. It also attracts foreign firms to come. For example, Kogut and Chang (1991) and Blonigen (1997) showed that FDI by Japanese firms in the U.S. was to access firm-specific assets, and Golub et al (2003) also show that host countries' R&D intensity had positive impact on inward FDI in OECD countries. As overall host country business climate is an important determinant of R&D activities by MNEs and R&D and skills are complements, the availability of skills and competitive market framework policies are crucial for attracting and retaining R&D activities of MNEs.

To understand the extent and nature of hollowing-out in corporate Canada, empirical attempts are needed to investigate the long-term trend and dynamics of head office activities and employment in Canada.

Baldwin, Beckstead and Brown (2003) found little evidence that head office functions were being scaled down during the late 1990s and early 2000s. The authors actually found that the number of head office units increased from 3,936 to 3,969 over 1999-2002, and employment in head offices increased at an annualised rate of about 1% during the same period. Baldwin and Brown (2005) examine the long-run trends of head office employment in the Canadian manufacturing sector over the last three decades and again little evidence of hollowing-out was found. A more recent paper by Beckstead and Brown (2006) achieved the same conclusion that hollowing-out is not happening in corporate Canada through explicitly examining the head-office characteristics of foreign multinationals over the period 1999 to 2005. In contrast, the authors found that both units and employment of head offices continue to grow in Canada, with total growth over 1999-2005 of 4.2% and 11%, respectively.

An interesting question might be whether management functions of those Canadian firms that are taken over by foreign firms is moving abroad and leads to the loss of head offices and head office employment. Beckstead and Brown (2006) investigated the dynamics of head offices in Canada and found that foreign-controlled firms are the main force driving growth in the number of head offices and head office employment in Canada over 1999-2005, accounting for six out of ten new head-office jobs created during the period. Over this period, the number of head offices of Canadian-controlled firms fell slightly, while counts of head offices in foreign-controlled firms rose. In addition, head office employment of foreign-controlled firms increased by 21%, while the corresponding figure for Canadian-controlled firms is only 6%.

Above evidences show that the effect of foreign takeovers has not been to reduce the number of head offices in Canada nor head-office employment. As a result of foreign takeovers, more new head offices were created than lost and aggregate employment in head offices was just as high after the takeovers had occurred as before.

Finance Canada (2002) showed that U.S. multinationals actually increased employment and assets in Canadian subsidiaries following trade liberalization, rather than shifting Canadian operations to the U.S. Further, data on the number of new plants and expansions announced by firms operating in Canada do not support the hypothesis of a shift of R&D facilities to the U.S.

Using a detailed survey of senior managers of 62 MNEs operating in Canada during the post-NAFTA period, including both foreign-owned and Canadian-owned, the Conference Board of Canada (2007) concludes that many foreign-owned subsidiaries in Canada have become strategic leaders in their company's global network, in contrast to the fear that they might move out of Canada making Canada a "warehouse economy".

7. Conclusions

This paper presents global developments in FDI and M&A activity as well as describes inward and outward FDI trends and multinational activities in Canada. As a small open economy, Canada has been influenced by FDI a great deal. Canada has become a net exporter of capital since 1996 and multinational production accounted for about 30% of total business output and more than 50% of total manufacturing sales.

To understand better the impact of FDI on Canadian economy, this paper reviews available empirical evidence on the home and host country effects, with focus on the Canadian experience. The empirical literature on the home country effects of FDI are largely dealt with as to how employment and exports in source countries have been influenced by FDI going outside the country. Unfortunately we could not find any studies on Canada along these lines. Studies on other countries showed that outward FDI mainly complements home country employment and exports, indicating that "job loss" associated with direct investment abroad should not be a concern for the governments of source countries. However, since the issue is mainly an empirical question, studies based on Canadian experiences are needed for drawing out similar policy conclusions for Canada.

There are a few empirical studies for Canada on the host country economic effects of inward FDI. Main results from these studies are: (1) inward FDI expands Canadian exports and the impact is increasing with reductions in trade and investment barriers worldwide; (2) foreign-controlled firms, on average, have higher productivity than Canadian-owned firms, mainly because of their higher outward orientation; (3) inter-industry productivity spillovers from FDI are significant in Canada through both backward and forward linkages; (4) inward FDI raises productivity and economic growth in Canada through technology transfer and knowledge spillovers.

An important recent policy issue is the concern about the hollowing-out of corporate Canada. A few studies examined this issue and found no evidence of hollowing-out of corporate headquarter functions in Canada. Instead, these studies show that the head office functions in Canada have actually strengthened over time.

On balance, the available empirical evidence indicates that FDI provides significant net economic benefits to Canada by stimulating competition, innovation, increasing specialization, expanding trade and improving productivity performance. The policy implication of this important finding is that Canada could benefit further by liberalizing both formal and informal barriers to FDI. For instance, research done at the OECD and Industry Canada suggest that the removal of FDI restrictions in Canada to the low levels in the U.K. could increase the inward FDI stock in Canada by over 50 percent over 5 to 10 years, and raise productivity between 3 to 5 percent.

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Table 1: FDI Inward Flow, in current US$, billions

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	59.4	50.7	59.0	58.0	88.6	140.6	164.9	192.9	201.6	154.8	170.5	224.1	254.3	342.6	392.7	489.2	709.3	1098.9	1411.4	832.6	622.0	564.1	742.1	945.8	1305.9
Developed economies	32.9	33.0	41.2	43.7	72.9	119.3	134.6	162.3	165.6	114.6	115.5	143.3	148.2	222.0	239.4	286.6	509.1	860.2	1146.2	609.0	442.3	361.2	418.9	590.3	857.5
Developing economies	26.5	17.7	17.7	14.2	15.7	21.4	30.3	30.6	35.9	40.0	53.2	77.6	103.5	116.0	147.0	190.6	189.6	228.5	256.1	212.0	166.3	178.7	283.0	314.3	379.1
South-East Europe and the CIS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	1.8	3.3	2.5	4.6	6.3	12.0	10.6	10.3	9.0	11.5	13.4	24.2	40.3	41.2	69.3
Canada	0.1	2.0	4.8	1.4	2.9	8.1	6.1	6.0	7.6	2.9	4.7	4.7	8.2	9.3	9.6	11.5	22.8	24.7	66.8	27.7	22.2	7.5	-0.4	28.9	69.0
United States	13.8	11.5	25.6	20.5	36.1	59.6	58.6	69.0	48.4	22.8	19.2	50.7	45.1	58.8	84.5	103.4	174.4	283.4	314.0	159.5	74.5	53.1	135.8	101.0	175.4
France	1.6	1.6	2.2	2.2	2.7	4.6	7.2	9.6	9.0	11.1	15.9	12.1	11.0	23.7	22.0	23.2	31.0	46.5	43.3	50.5	49.0	42.5	32.6	81.1	81.1
Germany	0.8	1.7	0.5	0.9	2.3	2.1	1.2	6.9	3.0	4.7	-2.1	0.4	7.1	12.0	6.6	12.2	24.6	56.1	198.3	26.4	53.5	32.4	-9.2	35.9	42.9
Italy	0.6	1.2	1.3	1.1	-0.2	4.2	6.8	2.5	6.3	2.5	3.2	3.7	2.2	4.8	3.5	5.0	4.3	6.9	13.4	14.9	14.5	16.4	16.8	20.0	39.2
United Kingdom	5.4	5.2	-0.3	5.7	8.3	14.7	20.6	28.5	30.5	14.8	15.5	14.8	9.3	20.0	24.4	33.2	74.3	88.0	118.8	52.6	24.0	16.8	56.0	193.7	139.5
Australia	2.3	3.0	0.4	2.1	5.4	5.2	7.3	7.2	8.1	4.3	5.7	4.3	5.0	12.0	6.1	7.7	6.0	3.3	14.0	8.3	17.0	8.0	36.0	-35.2	24.0
Japan	0.4	0.4	0.0	0.6	0.2	1.2	-0.5	-1.1	1.8	1.3	2.8	0.2	0.9	0.0	0.2	3.2	3.2	12.7	8.3	6.2	9.2	6.3	7.8	2.8	-6.5
Brazil	3.1	1.3	1.5	1.4	0.3	1.2	2.8	1.1	1.0	1.1	2.1	1.3	2.1	4.4	10.8	19.0	28.9	28.6	32.8	22.5	16.6	10.1	18.1	15.1	18.8
China	0.4	0.9	1.4	2.0	2.2	2.3	3.2	3.4	3.5	4.4	11.0	27.5	33.8	37.5	41.7	45.3	45.5	40.3	40.7	46.9	52.7	53.5	60.6	72.4	69.5
India	0.1	0.0	0.0	0.1	0.1	0.2	0.1	0.3	0.2	0.1	0.3	0.5	1.0	2.2	2.5	3.6	2.6	2.2	3.6	5.5	5.6	4.3	5.8	6.7	16.9
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.2	0.7	2.1	2.6	4.9	2.8	3.3	2.7	2.7	3.5	8.0	15.4	12.8	28.7

Source: UNCTAD FDI database.

Table 2: The Ratio of M&A sales to FDI inflows (%)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	53.0	70.1	72.8	74.7	52.1	46.5	37.1	50.0	54.5	57.8	62.3	75.0	69.7	81.0	71.3	59.5	52.7	51.3	75.7	67.4
Developed economies	61.9	83.7	83.5	82.0	64.9	60.7	47.7	75.3	76.4	80.3	83.6	90.0	79.9	93.7	83.0	73.0	68.1	75.8	102.5	84.9
Developing economies	3.0	9.5	15.8	41.1	14.4	15.4	18.3	14.5	13.6	21.2	31.0	37.4	32.0	26.1	40.1	26.6	21.7	18.8	29.9	33.6
South-East Europe and the CIS	0.0	0.0	0.0	78.8	229.6	53.0	16.7	17.4	21.7	57.1	50.0	16.1	30.9	26.6	28.4	21.5	51.2	25.0	42.1	36.3
Canada	75.8	142.6	173.2	75.6	127.0	54.1	48.9	53.2	125.0	112.5	73.8	72.1	96.8	115.4	151.5	73.6	68.9	-5389.9	93.4	102.1
United States	86.9	109.1	99.7	113.0	123.8	82.4	39.4	99.2	90.6	80.6	79.0	120.1	88.9	103.3	115.9	98.4	131.1	60.3	104.5	98.2
France	30.9	41.9	34.9	90.5	23.7	57.5	70.0	148.7	31.8	61.8	76.6	54.5	51.2	81.0	28.6	61.4	41.2	61.8	39.7	49.3
Germany	50.6	111.7	62.1	210.0	72.1	-264.2	620.5	62.6	62.3	181.4	96.8	77.4	70.5	124.6	184.1	87.1	77.7	-390.1	176.0	128.9
Italy	14.9	45.5	118.8	34.1	155.7	114.4	100.2	309.0	85.2	78.2	67.8	104.7	162.6	141.1	61.2	79.8	93.0	65.1	205.7	90.6
United Kingdom	37.7	96.8	93.1	95.5	87.7	50.8	65.5	127.6	182.2	128.0	119.5	122.6	150.6	151.6	130.3	220.4	187.1	103.8	88.6	107.9
Australia	29.8	59.9	65.3	31.3	60.2	42.7	74.5	59.1	145.0	214.4	193.2	245.0	367.0	154.8	203.0	62.6	121.1	42.0	-34.3	68.2
Japan	2.3	-5.9	-152.9	8.4	13.9	8.3	44.0	84.4	1304.3	753.9	95.6	126.0	129.0	186.7	243.3	61.6	173.1	113.6	90.5	-39.9
Brazil	16.7	10.2	0.2	22.0	14.3	8.4	48.3	17.1	40.0	60.6	63.5	101.8	32.7	70.2	31.2	35.5	52.0	36.6	38.5	53.4
China	0.0	0.0	0.0	0.2	2.9	2.0	2.0	2.1	1.1	4.6	4.1	1.8	5.9	5.5	5.0	3.9	7.1	11.2	11.4	9.7
India	0.0	0.0	0.0	2.1	0.0	13.8	18.0	39.5	12.8	8.2	42.0	13.7	48.2	34.0	19.0	30.2	21.9	30.5	63.1	39.8
Russia						2.8	25.5	9.2	4.8	3.7	55.1	5.3	5.4	27.9	74.2	36.2	99.0	26.3	22.1	30.2

Source: Authors' calculations based on data from UNCTAD FDI database.

Table 3: FDI Inward Flows as Percentage of Capital Formation (%)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	2.5	2.1	2.4	2.3	2.9	4.0	4.0	4.5	4.2	3.1	3.2	4.1	4.4	5.3	6.0	7.5	11.1	16.5	20.6	12.5	9.3	7.5	8.5	10.4	12.6
Developed economies	1.9	1.8	2.2	2.2	3.0	4.2	4.0	4.6	4.3	2.9	2.8	3.5	3.3	4.5	4.9	6.0	10.5	16.7	22.0	12.2	8.9	6.5	6.6	9.3	11.8
Developing economies	4.0	2.7	3.0	2.6	2.7	3.4	4.1	3.8	4.1	4.3	5.1	6.5	8.2	8.0	9.4	11.8	12.9	15.8	16.2	13.7	10.4	9.8	12.9	12.6	13.8
South-East Europe and the CIS	0.0	0.2	-0.1	0.2	-0.2	0.1	0.2	0.1	0.3	1.1	1.1	2.3	1.9	3.6	5.1	9.7	12.2	15.7	11.3	11.5	11.8	16.2	20.7	16.1	20.8
Canada	0.2	2.9	7.0	1.9	3.8	8.9	5.5	4.8	6.1	2.5	4.4	4.7	7.7	8.9	8.8	9.1	18.6	18.9	48.1	19.7	15.4	4.4	-0.2	12.3	25.3
United States	2.2	1.7	3.3	2.5	4.2	6.7	6.2	6.9	4.8	2.3	1.9	4.6	3.7	4.5	6.0	6.7	10.4	15.6	16.1	8.2	4.0	2.7	6.2	4.9	6.8
France	1.3	1.5	2.2	2.1	1.9	2.5	3.5	4.5	3.4	4.2	5.8	5.0	4.4	8.3	7.8	9.3	11.7	17.0	16.7	19.3	17.9	12.5	8.2	19.4	17.9
Germany	0.5	1.0	0.4	0.6	1.1	0.8	0.4	2.3	0.8	1.1	-0.4	0.1	1.5	2.2	1.3	2.7	5.3	12.3	48.6	7.0	14.5	7.5	-1.9	7.5	8.3
Italy	0.6	1.2	1.4	1.1	-0.1	2.5	3.6	1.3	2.5	1.0	1.2	1.9	1.1	2.2	1.5	2.2	1.8	2.9	6.0	6.5	5.7	5.4	4.7	5.5	10.2
United Kingdom	6.5	6.6	-0.4	6.9	8.2	11.4	12.0	15.6	15.0	8.0	8.8	9.8	5.6	10.8	12.4	15.2	29.7	35.0	48.5	22.1	9.3	5.8	16.1	52.9	33.9
Australia	5.0	6.7	0.9	4.6	11.4	9.2	9.9	9.1	11.5	6.5	8.5	6.0	5.9	13.6	6.3	7.5	6.5	3.2	16.0	9.5	16.2	5.8	21.6	-19.2	11.9
Japan	0.1	0.1	0.0	0.2	0.0	0.2	-0.1	-0.1	0.2	0.1	0.2	0.0	0.1	0.0	0.0	0.3	0.3	1.1	0.7	0.6	1.0	0.7	0.7	0.3	-0.6
Brazil	5.1	3.6	4.3	3.8	0.6	1.8	3.7	1.0	1.0	1.5	2.9	1.5	1.9	3.0	7.2	11.8	18.6	28.2	27.9	22.6	20.2	11.6	16.0	10.7	10.5
China	0.6	1.1	1.5	2.2	2.5	2.3	2.6	2.9	3.5	3.9	7.3	12.2	17.3	15.4	14.9	14.9	13.6	11.3	10.3	10.5	10.4	8.6	8.0	8.8	8.0
India	0.2	0.0	0.0	0.2	0.2	0.4	0.1	0.4	0.3	0.1	0.4	0.9	1.4	2.4	2.9	4.0	2.9	2.2	3.5	5.1	5.0	3.2	3.2	3.6	8.7
Russia											1.0	1.3	0.8	2.5	3.3	6.6	6.3	11.7	6.2	4.7	5.6	10.0	14.3	9.2	16.3

Source: UNCTAD FDI database.

Table 4: FDI Inward Stock, in current US$, billions

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	637.0	670.7	709.8	804.2	936.7	1140.0	1298.8	1511.7	1779.2	1939.4	2006.6	2182.6	2421.2	2761.3	3083.1	3522.1	4168.2	4939.4	5810.2	6210.8	6789.2	8185.4	9570.5	10048.0	11998.8
Developed economies	453.4	473.5	501.0	581.6	698.1	874.2	1010.6	1193.6	1414.4	1536.6	1552.4	1648.5	1817.2	2073.3	2262.1	2378.2	2905.7	3330.6	4031.3	4324.4	4934.2	6034.7	7054.9	7121.5	8453.9
Developing economies	183.6	197.2	208.8	222.6	238.6	265.9	288.2	318.0	364.7	403.4	453.3	531.2	596.4	675.2	802.0	1111.5	1224.1	1558.7	1707.6	1786.9	1727.5	1978.1	2287.7	2621.6	3155.9
South-East Europe and the CIS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	-0.6	0.9	3.0	7.6	12.7	19.0	32.4	38.5	50.2	71.2	99.4	127.5	172.6	228.0	304.9	389.1
Canada	59.2	64.0	65.1	64.7	69.6	81.5	95.7	105.9	112.8	117.0	108.5	106.9	110.2	123.2	133.0	135.9	143.3	175.0	212.7	213.8	225.9	289.1	318.6	350.0	385.2
United States	124.7	137.1	164.6	184.6	220.4	263.4	314.8	368.9	394.9	419.1	423.1	467.4	480.7	535.6	598.0	681.8	778.4	955.7	1256.9	1344.0	1327.2	1395.2	1520.3	1594.5	1789.1
France	30.7	32.3	34.5	36.7	39.5	44.1	51.3	60.8	86.8	97.9	127.9	135.1	163.4	191.4	200.1	195.9	246.2	244.7	259.8	295.3	385.2	527.7	641.8	628.0	782.8
Germany	32.1	29.8	26.9	36.9	49.3	64.7	61.5	84.2	111.2	124.0	120.0	116.1	139.2	165.9	162.5	158.8	206.8	235.3	271.6	272.2	297.8	394.5	512.1	459.5	502.4
Italy	7.4	7.3	11.6	19.0	25.6	31.4	36.9	49.4	60.0	61.6	50.0	53.9	60.4	65.3	74.6	85.5	108.8	108.6	121.2	113.4	130.8	180.9	220.7	224.1	294.8
United Kingdom	52.1	54.0	46.4	64.0	76.3	109.4	129.7	150.2	203.9	208.3	173.0	179.2	189.6	199.8	228.6	253.0	337.4	385.1	438.6	506.7	523.3	606.2	701.9	831.4	1135.3
Australia	26.3	26.5	26.4	26.6	27.3	43.0	62.1	70.2	73.6	77.1	75.7	82.9	95.5	104.1	116.7	101.0	105.9	120.6	111.1	111.7	141.1	198.4	259.1	205.9	246.2
Japan	4.0	4.4	4.5	4.7	6.5	9.0	10.4	9.2	9.9	12.3	15.5	16.9	19.2	33.5	29.9	27.1	26.1	46.1	50.3	50.3	78.1	89.7	97.0	100.9	107.6
Brazil	21.2	22.3	22.8	25.7	27.9	31.5	32.1	34.3	37.2	38.6	40.0	47.0	56.5	41.7	50.2	65.5	88.8	86.5	103.0	121.9	100.8	132.8	161.3	195.6	221.9
China	1.8	2.7	4.1	6.1	8.3	10.6	13.8	17.2	20.7	25.1	36.1	63.6	74.2	101.1	128.1	154.0	175.2	186.2	193.3	203.1	216.5	228.4	245.5	272.1	292.6
India	0.6	0.6	0.6	0.7	0.9	1.1	1.2	1.4	1.7	1.7	2.0	2.5	3.5	5.6	8.2	10.6	14.1	15.4	17.5	20.3	25.4	30.8	38.7	44.0	50.7
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.1	0.1	0.2	3.3	5.6	8.1	13.6	12.9	18.3	32.2	52.9	70.9	96.7	122.3	169.0	197.7

Source: UNCTAD FDI database.

Table 5: FDI outward Flow, in current US$, billions

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	27.6	36.8	50.4	62.6	97.5	141.4	180.3	230.5	229.6	195.5	192.2	237.6	275.2	363.3	397.7	483.1	697.1	1108.4	1239.2	745.5	540.7	560.1	877.3	837.2	1215.8
Developed economies	25.0	34.8	48.0	58.7	92.3	134.7	168.2	210.7	217.6	182.0	167.4	197.2	227.3	307.5	332.7	405.8	645.0	1037.4	1102.7	662.2	488.2	504.0	746.0	706.7	1022.7
Developing economies	2.5	1.9	2.4	3.9	5.1	6.7	12.0	19.7	11.9	13.5	23.2	39.4	47.5	55.1	64.1	73.8	50.7	68.6	133.3	80.6	47.9	45.4	117.3	115.9	174.4
South-East Europe and the CIS						0.0	0.0	0.0	0.0	0.0	1.6	1.1	0.3	0.6	1.0	3.4	1.4	2.3	3.2	2.7	4.7	10.7	14.0	14.6	18.7
Canada	2.4	2.6	3.7	3.9	3.5	7.1	6.2	5.3	5.2	5.8	3.6	5.7	9.3	11.5	13.1	23.1	34.4	17.2	44.7	36.0	26.8	22.9	43.7	33.5	45.2
United States	1.1	9.5	13.0	13.4	19.6	30.2	18.6	37.6	31.0	32.7	42.6	77.2	73.3	92.1	84.4	95.8	131.0	209.4	142.6	124.9	134.9	129.4	258.0	-27.7	216.6
France	3.1	1.8	2.1	2.2	5.2	8.7	12.8	18.1	26.9	20.5	19.1	12.2	10.9	15.8	30.4	35.6	48.6	126.9	177.4	86.8	50.4	53.1	56.7	121.0	115.0
Germany	3.0	3.7	4.7	5.7	10.1	8.7	14.5	15.1	24.2	22.9	18.6	17.2	18.9	39.0	50.8	41.8	88.8	108.7	56.6	39.7	18.9	5.8	14.8	55.5	79.4
Italy	1.0	2.0	1.9	1.7	2.5	2.1	4.7	2.0	7.6	7.3	5.9	7.2	5.1	5.7	6.5	12.2	16.1	6.7	12.3	21.5	17.1	9.1	19.3	41.8	42.0
United Kingdom	3.7	5.3	7.7	11.1	17.3	31.3	37.2	35.2	17.9	16.4	17.7	26.0	32.2	43.6	34.0	61.6	122.8	201.5	233.4	58.9	50.3	62.2	91.0	83.7	79.5
Australia	0.7	0.5	1.4	1.9	3.4	5.1	5.9	2.8	1.0	1.2	5.3	1.9	2.8	3.3	7.1	6.4	3.4	-0.4	3.2	12.0	7.9	16.3	10.8	-33.2	22.3
Japan	4.5	3.6	6.0	6.5	14.5	19.5	34.2	44.1	48.0	31.6	17.3	13.9	18.1	22.6	23.4	26.0	24.2	22.7	31.6	38.3	32.3	28.8	31.0	45.8	50.3
Brazil	0.4	0.2	0.0	0.1	0.1	0.1	0.2	0.5	0.6	1.0	0.1	0.5	0.7	1.1	-0.5	1.1	2.9	1.7	2.3	-2.3	2.5	0.2	9.8	2.5	28.2
China	0.0	0.1	0.1	0.6	0.5	0.6	0.9	0.8	0.8	0.9	4.0	4.4	2.0	2.0	2.1	2.6	2.6	1.8	0.9	6.9	2.5	2.9	5.5	12.3	16.1
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.0	0.1	0.5	1.4	1.7	1.9	2.2	2.5	9.7
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.0	0.3	0.6	0.9	3.2	1.3	2.2	3.2	2.5	3.5	9.7	13.8	12.8	18.0

Source: UNCTAD FDI database.

Table 6: The Ratio of M&A Purchases to FDI Outflows (%)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	52.7	64.1	60.9	65.6	41.3	41.2	35.0	46.2	51.4	57.1	63.1	76.3	69.1	92.3	79.7	68.4	53.0	43.4	85.6	72.4
Developed economies	53.1	67.4	64.5	66.0	42.6	43.7	36.7	49.6	56.3	59.4	67.1	79.3	71.0	99.8	84.1	70.3	51.1	45.8	88.7	73.6
Developing economies	43.6	18.3	20.1	56.2	23.3	26.4	27.1	29.8	23.4	45.1	43.5	38.6	41.1	27.7	43.3	53.9	67.5	32.3	71.1	70.5
South-East Europe and the CIS	130.7	0.0	0.0	0.0	0.0	1.4	2.4	80.6	70.9	26.9	4.8	24.1	36.7	12.3	15.7	14.8	83.7	7.1	46.6	26.9
Canada	52.3	231.3	170.9	59.9	70.4	60.0	72.4	54.7	109.0	66.9	81.7	103.7	107.7	88.7	108.2	48.5	70.0	77.9	67.1	81.8
United States	94.2	130.0	103.3	89.2	50.8	35.3	27.7	38.9	62.3	71.9	84.4	104.9	57.5	111.7	76.9	58.1	63.7	42.6	-532.0	79.1
France	37.3	43.0	97.0	81.1	50.6	64.9	54.2	61.6	56.7	48.5	59.4	63.6	69.9	95.1	68.2	67.1	16.5	26.4	38.3	64.1
Germany	18.7	12.8	23.0	28.0	30.1	23.7	25.7	40.3	47.4	35.4	31.6	75.1	78.7	103.7	143.7	238.1	337.9	125.5	74.9	59.8
Italy	158.9	29.2	97.9	69.8	11.1	86.9	11.3	31.7	81.8	25.2	34.3	94.5	190.4	137.5	51.9	48.1	51.4	26.8	82.2	29.6
United Kingdom	62.7	65.4	108.7	144.2	51.8	68.1	76.5	82.8	68.0	106.1	94.8	77.4	106.3	163.9	189.9	137.6	91.6	52.0	108.2	115.4
Australia	49.3	157.9	197.6	383.3	122.7	12.8	95.0	56.8	187.1	131.0	182.2	243.1	-2409.1	342.0	271.2	111.9	89.5	97.0	-97.3	140.3
Japan	16.2	39.5	17.1	29.3	37.5	25.4	7.9	5.8	17.4	24.2	10.6	5.3	46.2	66.1	42.1	26.8	29.3	12.2	17.8	28.8
Brazil	0.0	1.3	0.4	0.0	4.4	46.1	89.1	22.9	34.6	-248.8	211.3	123.2	112.9	18.8	-122.9	52.5	1229.3	93.0	152.9	72.5
China	0.0	1.9	25.9	7.3	0.4	14.3	11.0	15.4	12.5	21.4	31.2	48.5	5.7	51.3	6.6	41.6	57.7	20.5	43.1	92.4
India	0.0	197.3	108.0	0.0	-6.4	10.8	62542.8	133.2	23.9	33.3	1139.2	22.8	157.5	178.8	157.1	16.1	72.5	39.6	106.2	49.0
Russia						1.2	0.6	87.0	0.0	26.3	0.1	23.7	2.4	7.1	14.6	17.1	90.1	6.9	49.9	18.8

Source: Authors' calculations based on data from UNCTAD FDI database.

Table 7: FDI outward Stock, in current US$, billions

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
World	627.3	643.9	674.8	780.0	925.8	1139.9	1290.5	1507.4	1815.2	2011.0	2099.5	2309.9	2631.3	2973.1	3307.2	3732.8	4347.8	5204.8	6209.5	6642.4	7433.9	8779.5	10151.8	10578.8	12474.3
Developed economies	549.9	564.8	593.7	694.2	834.5	1039.9	1180.5	1377.7	1669.2	1851.1	1914.0	2083.2	2352.3	2638.9	2917.8	3168.3	3762.1	4465.2	5328.9	5740.2	6506.5	7741.6	8933.9	9149.3	10710.2
Developing economies	77.4	79.1	81.1	85.8	91.3	99.9	109.8	129.6	145.8	159.8	184.6	223.3	275.2	329.6	383.7	555.3	575.3	728.7	858.9	856.5	862.0	942.7	1106.3	1284.9	1600.3
South-East Europe and the CIS						0.1	0.1	0.1	0.2	0.2	0.9	3.3	3.8	4.6	5.7	9.1	10.4	10.9	21.6	45.7	65.4	95.2	111.6	144.6	163.8
Canada	30.5	35.8	39.9	43.1	46.9	57.0	66.9	77.6	84.8	94.4	87.9	92.5	104.3	118.1	132.3	153.0	171.8	201.4	237.6	250.7	275.7	319.0	373.0	394.7	449.0
United States	207.8	212.2	218.1	238.4	270.5	326.3	347.2	381.8	430.5	467.8	502.1	564.3	612.9	699.0	795.2	871.3	1000.7	1216.0	1316.2	1460.4	1616.5	1769.6	2124.8	2135.5	2384.0
France	31.6	33.4	35.5	37.8	43.0	51.7	51.5	75.4	110.1	129.9	140.6	158.8	182.3	204.4	231.1	237.2	288.0	334.1	445.1	508.8	586.3	724.5	845.5	882.3	1080.2
Germany	46.0	45.3	46.3	59.9	78.1	99.1	104.2	121.1	151.6	173.3	178.4	186.2	225.7	268.4	290.8	308.8	372.5	413.4	541.9	617.8	695.8	830.7	925.1	925.7	1005.1
Italy	8.4	8.7	13.1	16.6	26.1	32.3	36.9	42.8	60.2	70.4	70.4	81.1	89.6	106.3	117.3	139.5	177.0	181.9	180.3	182.4	194.5	238.9	280.5	293.5	375.8
United Kingdom	84.0	83.9	86.9	100.3	118.9	152.6	185.0	194.2	229.3	232.1	221.7	245.6	276.7	304.9	330.4	360.8	488.4	686.4	897.8	869.7	994.1	1187.0	1247.2	1228.3	1486.9
Australia	5.7	5.9	6.3	6.7	8.7	14.9	28.5	29.0	30.5	30.9	34.5	40.5	47.8	53.0	66.8	71.9	78.6	89.6	85.4	109.6	114.9	161.9	204.2	178.3	226.8
Japan	29.0	32.2	37.9	44.0	58.1	77.0	110.8	154.4	201.4	231.8	248.1	259.8	275.6	238.5	258.6	271.9	270.0	248.8	278.4	300.1	304.2	335.5	370.5	386.6	449.6
Brazil	39.1	39.3	39.4	39.4	39.6	39.7	39.9	40.4	41.0	42.1	42.2	42.7	43.4	44.5	44.0	45.1	48.0	49.7	51.9	49.7	54.4	54.9	69.2	79.3	87.0
China	0.0	0.1	0.3	0.9	1.4	2.0	2.8	3.6	4.5	5.4	9.4	13.8	15.8	17.8	19.9	22.4	25.1	26.9	27.8	34.7	37.2	33.2	44.8	57.2	73.3
India	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.4	0.5	0.7	0.6	0.7	1.7	1.9	2.6	4.0	5.8	7.8	10.0	13.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	2.6	3.3	4.4	7.6	8.9	9.6	20.1	44.2	62.4	90.9	107.3	138.8	156.8

Source: UNCTAD FDI database.

Table 8: Origin and Destination of Canada's Inward and Outward FDI Flows (1989-2003, in current CA$, billions)

FDI	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
World	7.1	8.8	3.3	5.7	6.1	11.2	12.7	13.1	16.0	33.8	36.3	99.2	42.6	33.0	9.2
European Union	1.8	4.0	-0.2	1.2	0.3	-1.2	3.8	1.9	2.8	6.6	2.9	76.8	1.5	3.0	1.5
United Kingdom	-0.4	2.0	-0.7	0.4	0.3	-2.2	-0.3	0.2	1.0	0.8	-1.6	9.7	9.4	0.4	-0.6
United States	3.4	3.5	2.0	3.2	5.1	10.9	8.0	9.3	11.7	25.1	36.0	17.5	38.5	28.1	5.9
Japan	1.2	0.9	0.3	0.4	0.2	0.6	0.6	0.9	0.6	0.4	-4.3	0.2	0.3	0.8	0.8
Other Countries	0.7	0.6	1.1	0.9	0.5	0.9	0.3	1.0	0.9	1.7	1.7	4.7	2.3	1.1	1.1
CDIA	**1989**	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**
World	6.2	6.1	6.7	4.3	7.4	12.7	15.7	17.9	31.9	51.0	23.2	66.4	55.9	41.5	30.2
European Union	1.0	1.9	1.9	0.8	2.9	2.7	2.7	2.6	6.8	10.3	2.3	16.0	9.0	12.0	14.1
United Kingdom	1.4	1.4	0.9	0.3	1.1	0.8	0.6	0.9	4.3	1.3	2.7	8.6	7.6	-0.1	3.9
United States	4.5	3.0	1.7	1.3	0.7	4.6	9.0	8.3	12.5	26.5	14.2	33.7	28.1	15.4	7.7
Japan	0.0	0.3	0.2	0.3	0.0	0.2	-0.8	0.0	0.7	-0.2	0.9	3.7	1.8	1.8	0.5
Other Countries	0.8	0.9	2.9	1.9	3.8	5.1	4.8	7.0	11.9	14.3	5.9	13.0	16.9	12.3	7.9

Source: Statistics Canada.

Table 9: Canada's Inward and Outward FDI Flows by Industry, in current CA$, billions

FDI	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
All industries	6.1	11.2	12.7	13.1	16.0	33.8	36.8	99.2	42.8	34.8	10.5	-0.6	32.7	71.2	116.7
Wood and paper	-0.2	0.7	0.6	0.0	0.3	2.8	2.3	4.3	0.4	0.9	0.0	-1.0	0.2	1.0	3.0
Energy and metallic minerals	1.2	-0.1	-0.4	3.2	3.6	9.1	4.4	13.5	23.9	16.2	2.8	3.4	21.6	46.8	65.1
Machinery and transportation equipment	2.1	3.5	1.8	0.7	2.3	2.2	1.4	13.7	4.6	6.1	-1.2	-2.5	-4.0	5.1	7.0
Finance and insurance	0.3	-0.4	1.1	2.4	4.1	5.9	12.6	4.1	3.6	1.6	4.2	-6.2	4.6	-3.2	20.9
Services and retailing	0.7	2.9	2.0	2.7	1.6	2.8	3.0	1.8	0.5	3.7	1.0	1.6	3.9	4.7	9.0
Other industries	2.0	4.6	7.6	4.0	4.1	11.0	13.0	61.8	9.7	6.2	3.8	4.2	6.4	16.9	11.7
CDIA	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
All industries	7.4	12.7	15.7	17.9	31.9	51.0	25.6	66.4	55.8	42.0	32.1	56.4	35.9	44.4	57.8
Wood and paper	0.1	1.3	1.2	-0.8	1.1	0.4	0.3	-0.1	2.5	0.6	0.6	-1.3	0.4	1.6	1.1
Energy and metallic minerals	2.2	4.5	5.7	9.1	8.7	4.9	6.0	10.0	10.7	8.7	14.4	16.1	11.6	1.3	13.8
Machinery and transportation equipment	0.6	1.1	0.4	1.2	2.0	3.0	2.0	12.5	5.2	3.9	2.7	5.5	-0.3	-1.9	-0.3
Finance and insurance	1.0	0.9	0.8	3.8	8.3	13.3	11.8	7.3	27.8	26.7	8.8	24.6	23.6	34.4	34.5
Services and retailing	1.5	1.5	1.3	2.3	3.9	7.7	1.2	3.0	3.6	1.6	1.0	8.7	1.9	5.9	1.6
Other industries	2.0	3.4	6.3	2.2	7.9	21.6	4.4	33.6	6.0	0.6	4.7	2.8	-1.3	3.1	7.2

Source: Statistics Canada.

Table 10: Production of Foreign Affiliates in Canada by industry (ISIC REV. 3), in billions of Canadian dollar

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	11.4	9.5	12.8	12.0	12.9	14.1	16.5	17.4	21.6	23.6	23.3	30.9	48.6	54.0	56.3	69.0	71.5	75.0
15/37	Total manufacturing	170.7	176.3	179.1	174.0	178.0	198.6	225.3	254.5	267.8	285.6	293.7	310.4	331.9	339.7	341.6	341.4	361.9	375.5
15/16	Food, beverages and tobacco	15.2	13.9	18.2	18.9	19.2	-	-	-	-	-	-	32.1	32.5	34.7	35.6	38.0	39.5	40.8
17/19	Textiles, wearing apparel, leather, footwear	4.0	4.2	4.5	4.2	4.3	-	-	-	-	-	-	3.8	3.3	3.2	3.0	2.6	2.6	2.4
20/22	Wood and paper products, publishing, printing	12.4	15.2	14.2	13.1	12.8	14.5	18.3	23.3	20.6	18.9	19.4	25.2	27.8	26.6	27.7	26.8	28.8	29.7
20	Wood and wood products, except furniture	7.9	9.9	8.7	7.6	7.5	9.0	10.9	14.0	10.7	9.5	10.5	7.6	6.4	5.6	6.3	6.0	13.0	13.6
21/22	Paper; printing, publishing and recorded media	4.5	5.2	5.5	5.5	5.2	5.5	7.4	9.3	9.9	9.4	8.9	17.6	21.4	21.0	21.4	20.9	15.9	16.1
23/25	All chemical products	39.8	40.3	42.6	39.9	40.2	43.4	46.5	48.5	55.8	60.3	55.9	-	79.9	83.0	78.5	87.6	96.3	108.3
23	Coke, refined petroleum products and nuclear fuel	21.4	22.6	24.3	21.3	20.9	22.6	23.2	23.3	29.1	32.0	26.8	-	31.5	31.3	28.9	34.7	41.6	52.2
24/25	Chemicals, rubber and plastics products	18.4	17.7	18.3	18.5	19.3	20.9	23.3	25.1	26.7	28.3	29.1	41.5	48.4	51.8	49.6	52.9	54.7	56.1
24	Chemical products	14.2	13.3	13.7	13.7	14.4	15.7	17.3	18.5	19.7	20.5	21.0	30.3	34.7	38.1	36.3	38.8	40.2	41.0
2423	Pharmaceuticals	-	-	-	-	-	-	-	-	-	-	-	5.3	6.9	9.1	9.8	10.9	11.4	11.1
25	Rubber and plastics products	4.2	4.4	4.5	4.9	4.8	5.2	6.0	6.7	7.0	7.8	8.1	11.2	13.7	13.7	13.4	14.1	14.5	15.1
26	Non-metallic mineral products	6.6	7.6	6.6	6.6	6.7	7.4	7.9	8.5	9.7	10.7	10.5	7.8	7.6	9.4	8.2	9.4	10.1	10.4
27/28	Basic and fabricated metal products	8.0	9.0	8.5	7.8	7.3	8.3	11.3	13.2	13.5	12.2	14.1	16.8	15.1	14.8	17.7	16.2	18.9	19.3
27	Basic metals	2.6	3.3	3.2	3.0	2.5	3.0	4.7	5.8	6.2	5.3	6.8	9.9	9.2	8.7	11.5	9.8	12.7	13.5
28	Fabricated metal products	5.4	5.7	5.4	4.9	4.8	5.4	6.7	7.4	7.3	6.9	7.3	7.0	5.9	6.1	6.2	6.4	6.2	5.8
29/32	Total machinery and equipment	13.8	14.3	13.7	12.4	13.1	13.5	14.6	15.1	24.7	23.8	24.5	28.0	31.8	41.7	39.3	37.5	37.9	39.4
29/30	Non-electrical machinery and equipment	5.4	5.5	5.4	4.7	4.4	5.0	6.2	7.3	7.4	8.2	8.4	7.5	8.2	7.7	9.4	9.1	8.3	9.8
29	Machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	6.9	7.0	6.8	8.5	8.1	7.3	8.9
30	Office, accounting and computing machinery	-	-	-	-	-	-	-	-	-	-	-	0.5	1.2	0.9	0.9	1.0	1.0	0.9
31/32	Electrical machinery and electronic equipment	8.4	8.8	8.3	7.7	8.6	8.6	8.5	7.8	17.3	15.6	16.1	20.6	23.6	33.9	29.9	28.4	29.6	29.7
31	Electrical machinery and apparatus n.e.c.	5.7	6.1	6.1	5.8	6.4	6.1	6.0	4.6	5.0	4.3	4.9	9.4	10.6	9.9	9.4	8.1	9.7	9.0
32	Radio, TV and communication equipment	2.7	2.6	2.2	1.9	2.2	2.5	2.5	3.2	12.3	11.3	11.2	11.2	13.0	24.0	20.5	20.3	19.9	20.6
33	Medical, precision, opt. instruments; watches	1.5	1.4	1.5	1.7	1.7	1.8	1.9	2.1	2.3	2.2	2.4	1.7	1.7	1.7	2.4	2.9	2.1	2.1
34/35	Transport equipment	60.3	61.5	59.4	59.6	61.9	73.4	85.3	92.5	94.6	108.0	113.6	-	130.8	122.6	126.5	117.9	123.1	120.2
34	Motor vehicles	57.3	57.9	54.8	54.8	57.9	69.9	81.5	88.3	90.2	103.4	108.0	124.5	123.8	115.3	120.9	112.3	115.2	111.4
35	Other transport equipment	3.0	3.7	4.6	4.8	4.1	3.5	3.9	4.1	4.5	4.6	5.6	-	7.1	7.3	5.6	5.6	7.8	8.8
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.0	0.9	1.6	3.1	3.6
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	-	-	5.8	6.3	4.6	4.0	4.7	5.3
36/37	Furniture, manufacturing n.e.c.; recycling	9.0	8.9	10.0	9.8	10.8	10.5	11.8	23.4	15.9	16.3	18.2	1.6	1.5	2.0	2.8	2.5	2.7	2.8
40/45	Electricity, gas and water supply; construction	7.7	8.5	9.6	9.5	8.9	7.8	7.0	9.6	12.0	12.5	17.6	22.1	31.6	40.4	28.5	32.8	33.2	42.9
50/55	Trade, repair; hotels and restaurants	58.4	63.3	66.9	66.3	67.0	78.8	90.7	101.5	115.7	122.3	137.6	150.0	183.0	181.2	187.6	196.1	219.9	237.6
65/74	Finance, insurance, real estate, business act.	35.8	40.8	44.2	46.2	45.5	48.3	51.3	49.5	52.7	54.6	57.5	73.5	80.1	80.8	79.9	85.1	86.1	87.7
	Other activities	6.0	6.1	6.2	6.2	7.0	9.1	10.8	15.2	18.4	21.5	23.6	18.0	19.2	19.1	22.7	23.2	29.7	32.6
01/99	**Total Business Enterprises**	290.0	304.4	318.9	314.2	319.4	356.8	401.5	447.6	488.2	520.1	553.3	604.9	694.5	715.2	716.5	747.8	802.6	851.3

Source: OECD Globalisation database.

Table 11: Production of Foreign Affiliates in Canada by industry (ISIC REV. 3), as % of national total

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	-	-	-	-	-	48.4	47.9	49.0	48.9	49.8	53.2	45.9	48.5	46.5	47.4	54.8	51.6	46.2
15/37	Total manufacturing	45.8	45.5	47.1	48.9	49.9	51.3	51.2	51.2	50.9	49.6	50.3	51.4	49.9	51.9	51.5	51.2	51.0	51.2
15/16	Food, beverages and tobacco	-	-	-	-	-	-	-	-	-	-	-	44.7	41.9	42.2	41.7	42.3	41.9	44.0
17/19	Textiles, wearing apparel, leather, footwear	-	-	-	-	-	-	-	-	-	-	-	21.4	18.9	18.4	17.4	15.8	16.9	17.3
20/22	Wood and paper products, publishing, printing	-	-	-	-	-	25.2	27.3	28.7	26.3	22.8	23.8	27.4	27.6	26.7	26.9	27.2	26.7	27.8
20	Wood and wood products, except furniture	-	-	-	-	-	29.1	30.3	31.5	27.7	23.8	26.9	23.9	20.1	18.4	19.9	18.9	29.4	32.2
21/22	Paper; printing, publishing and recorded media	-	-	-	-	-	20.7	23.9	25.3	25.1	21.8	20.9	29.2	31.0	30.3	30.0	31.1	24.9	25.0
23/25	All chemical products	-	-	-	-	-	60.9	60.5	61.0	62.8	57.6	58.4	-	63.7	64.0	61.3	62.2	62.4	62.3
23	Coke, refined petroleum products and nuclear fuel	-	-	-	-	-	51.0	50.6	51.0	55.2	49.6	49.3	-	64.1	64.3	58.7	60.4	61.5	62.3
24/25	Chemicals, rubber and plastics products	-	-	-	-	-	77.3	75.0	74.5	73.9	70.5	70.5	63.0	63.4	63.9	63.0	63.5	63.1	62.2
24	Chemical products	-	-	-	-	-	85.6	85.3	84.2	84.9	83.8	83.9	69.7	69.9	70.9	70.3	69.5	71.0	69.6
2423	Pharmaceuticals	-	-	-	-	-	-	-	-	-	-	-	70.2	73.1	75.6	79.4	80.0	77.7	76.3
25	Rubber and plastics products	-	-	-	-	-	59.7	55.5	56.5	54.3	49.8	49.9	50.0	51.3	50.0	49.2	51.2	48.3	48.3
26	Non-metallic mineral products	-	-	-	-	-	71.2	65.2	67.6	68.8	68.8	64.2	63.4	59.1	63.8	58.1	61.7	61.9	61.4
27/28	Basic and fabricated metal products	-	-	-	-	-	25.9	28.6	29.1	27.9	25.1	27.7	28.5	25.6	25.5	28.9	26.4	27.2	26.1
27	Basic metals	-	-	-	-	-	17.9	22.0	24.2	24.7	21.2	26.7	33.3	31.2	31.1	37.8	31.0	33.0	33.0
28	Fabricated metal products	-	-	-	-	-	34.3	36.2	34.6	31.4	29.4	28.7	23.8	20.0	20.2	20.2	21.5	20.0	17.6
29/32	Total machinery and equipment	-	-	-	-	-	51.6	49.8	47.7	55.8	47.4	44.4	-	34.9	53.7	53.4	52.8	51.2	50.3
29/30	Non-electrical machinery and equipment	-	-	-	-	-	51.4	53.6	51.5	48.7	45.9	42.0	24.4	23.9	26.3	31.0	30.0	26.8	28.7
29	Machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	27.8	26.4	25.7	30.7	29.0	25.7	28.1
30	Office, accounting and computing machinery	-	-	-	-	-	-	-	-	-	-	-	9.5	15.3	31.6	33.8	41.2	40.2	36.3
31/32	Electrical machinery and electronic equipment	-	-	-	-	-	51.7	47.3	44.5	59.5	48.2	45.8	-	41.7	70.5	69.0	70.0	68.6	67.0
31	Electrical machinery and apparatus n.e.c.	-	-	-	-	-	82.9	80.0	75.2	72.6	67.9	69.0	73.0	72.1	71.0	70.1	70.3	73.2	70.8
32	Radio, TV and communication equipment	-	-	-	-	-	26.9	23.7	28.1	55.5	43.5	40.0	-	31.0	70.4	68.5	69.9	66.5	65.4
33	Medical, precision, opt. instruments; watches	-	-	-	-	-	67.5	64.3	63.5	63.8	54.6	55.2	20.6	20.9	21.7	26.2	28.7	22.1	21.1
34/35	Transport equipment	-	-	-	-	-	81.4	82.4	81.7	80.2	80.9	81.3	-	82.3	80.1	80.1	79.1	79.3	78.9
34	Motor vehicles	-	-	-	-	-	86.0	86.8	86.2	85.2	86.1	85.8	88.1	88.7	88.2	87.9	86.4	85.7	85.3
35	Other transport equipment	-	-	-	-	-	39.5	40.0	38.6	36.7	34.3	40.5	-	36.2	32.4	27.4	29.6	37.9	40.8
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	-	-	45.1	36.2	29.5	43.7	57.0	61.7
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	-	-	34.7	31.9	27.0	26.2	31.1	33.2
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	-	-	-	34.1	32.1	44.7	32.8	32.0	34.8	12.9	11.2	14.3	19.1	17.5	19.5	19.5
40/45	Electricity, gas and water supply; construction	-	-	-	-	-	6.5	5.5	7.1	8.8	8.1	10.4	13.3	16.2	17.7	12.8	13.7	13.5	15.6
50/55	Trade, repair; hotels and restaurants	-	-	-	-	-	18.8	20.1	21.1	22.6	22.3	24.7	23.2	25.6	24.0	24.2	24.5	25.7	26.0
65/74	Finance, insurance, real estate, business act.	-	-	-	-	-	23.7	24.5	22.2	22.6	22.3	23.0	21.3	20.3	19.7	20.1	20.8	19.6	18.8
	Other activities	-	-	-	-	-	9.5	10.2	13.2	13.5	15.3	16.7	8.3	8.1	7.7	9.0	8.9	10.6	11.0
01/99	**Total Business Enterprises**	29.8	29.4	30.3	31.3	32.3	28.4	29.4	30.1	30.8	30.4	31.7	29.6	30.1	29.7	29.5	29.9	30.0	29.9

Source: OECD Globalisation database.

Table 12: Gross Operating Surplus of Foreign Affiliates in Canada by industry (ISIC REV. 3), in billions of Canadian dollar

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	1.41	1.21	1.71	0.70	0.93	1.52	2.00	1.62	3.02	2.48	1.44	4.07	9.39	10.51	7.70	12.70	12.96	16.58
15/37	Total manufacturing	13.21	12.41	9.30	4.94	4.68	7.86	13.54	19.20	17.20	20.57	18.78	26.31	29.25	19.29	19.74	18.47	23.96	25.26
15/16	Food, beverages and tobacco	1.32	1.50	1.86	2.02	2.00	-	-	-	-	-	-	3.76	3.21	3.54	3.45	3.41	3.85	4.23
17/19	Textiles, wearing apparel, leather, footwear	0.43	0.41	0.35	0.31	0.37	-	-	-	-	-	-	0.24	0.22	0.13	0.27	0.11	0.14	0.14
20/22	Wood and paper products, publishing, printing	2.01	1.99	0.85	-0.38	-0.21	0.26	1.96	3.98	1.36	0.91	0.83	2.43	3.36	2.49	1.48	1.08	2.58	1.71
20	Wood and wood products, except furniture	1.43	1.25	0.35	-0.41	-0.27	0.29	1.52	2.65	0.94	0.58	0.46	0.93	0.72	0.41	0.50	0.42	1.75	0.95
21/22	Paper; printing, publishing and recorded media	0.58	0.74	0.50	0.03	0.07	-0.02	0.44	1.32	0.42	0.33	0.36	1.49	2.64	2.08	0.98	0.66	0.83	0.76
23/25	All chemical products	4.71	4.17	3.46	1.77	1.81	2.78	3.79	4.78	4.81	5.30	3.88	-	7.97	7.33	6.89	7.46	10.05	11.64
23	Coke, refined petroleum products and nuclear fuel	2.25	1.95	1.79	0.48	0.38	1.25	1.87	2.08	2.16	2.87	1.89	-	3.71	3.65	2.68	3.98	5.42	6.69
24/25	Chemicals, rubber and plastics products	2.46	2.22	1.67	1.29	1.43	1.53	1.92	2.70	2.66	2.43	1.99	3.48	4.26	3.68	4.21	3.48	4.63	4.95
24	Chemical products	2.08	1.83	1.34	1.12	1.17	1.28	1.56	2.23	2.11	1.84	1.44	2.57	3.26	3.00	3.22	2.63	3.84	4.16
2423	Pharmaceuticals	-	-	-	-	-	-	-	-	-	-	-	0.60	1.07	1.19	1.54	1.49	1.92	1.80
25	Rubber and plastics products	0.38	0.39	0.33	0.16	0.26	0.25	0.36	0.47	0.55	0.59	0.55	0.91	1.00	0.68	0.99	0.85	0.79	0.79
26	Non-metallic mineral products	0.76	0.91	0.57	0.32	0.18	0.49	0.51	0.82	1.00	1.16	0.86	1.07	1.03	0.90	1.01	1.06	1.26	0.96
27/28	Basic and fabricated metal products	0.64	0.82	0.40	0.08	0.07	0.15	0.57	1.13	1.04	0.84	1.13	1.91	1.43	1.01	1.40	0.76	1.98	1.73
27	Basic metals	0.30	0.39	0.11	-0.03	0.00	0.05	0.36	0.80	0.64	0.40	0.72	1.32	0.97	0.55	1.05	0.38	1.53	1.29
28	Fabricated metal products	0.35	0.43	0.30	0.11	0.07	0.10	0.21	0.34	0.39	0.44	0.41	0.59	0.46	0.46	0.35	0.38	0.45	0.44
29/32	Total machinery and equipment	0.80	0.82	0.60	0.22	0.15	0.17	0.56	0.94	1.66	1.86	1.89	2.48	3.36	-1.09	-0.43	1.82	2.04	2.86
29/30	Non-electrical machinery and equipment	0.30	0.32	0.26	0.05	0.11	0.13	0.31	0.45	0.42	0.51	0.57	0.45	0.60	0.37	0.44	0.37	0.42	0.52
29	Machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	0.44	0.54	0.39	0.47	0.40	0.41	0.50
30	Office, accounting and computing machinery	-	-	-	-	-	-	-	-	-	-	-	0.01	0.07	-0.01	-0.03	-0.03	0.00	0.02
31/32	Electrical machinery and electronic equipment	0.50	0.50	0.35	0.17	0.04	0.04	0.24	0.49	1.24	1.35	1.33	2.04	2.75	-1.47	-0.88	1.45	1.63	2.34
31	Electrical machinery and apparatus n.e.c.	0.38	0.34	0.25	0.12	0.01	-0.02	0.13	0.25	0.24	0.29	0.35	0.98	1.37	0.41	0.40	0.43	0.47	0.41
32	Radio, TV and communication equipment	0.12	0.16	0.10	0.05	0.03	0.06	0.11	0.24	0.99	1.06	0.98	1.06	1.38	-1.88	-1.28	1.02	1.16	1.92
33	Medical, precision, opt. instruments; watches	0.17	0.15	0.13	0.13	0.15	0.12	0.12	0.17	0.13	0.17	0.20	0.23	0.12	0.17	0.25	0.26	0.19	0.21
34/35	Transport equipment	1.56	0.96	0.43	0.30	-0.22	1.12	2.62	3.39	3.20	5.57	5.03	-	8.36	4.69	5.22	2.36	1.68	1.65
34	Motor vehicles	1.61	0.96	0.24	0.27	-0.41	0.95	2.44	3.09	2.83	5.08	4.64	7.79	7.54	3.79	4.88	1.88	1.12	1.05
35	Other transport equipment	-0.05	0.01	0.19	0.02	0.19	0.16	0.18	0.30	0.37	0.49	0.40	-	0.82	0.90	0.33	0.47	0.55	0.60
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.02	-0.04	0.01	0.11	0.17
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	-	-	0.76	0.88	0.37	0.46	0.44	0.43
36/37	Furniture, manufacturing n.e.c.; recycling	0.82	0.69	0.66	0.18	0.39	0.26	0.47	1.02	0.84	1.18	1.06	0.23	0.19	0.12	0.21	0.15	0.19	0.12
40/45	Electricity, gas and water supply; construction	0.64	0.86	0.77	0.50	0.46	0.42	0.26	0.15	0.32	0.41	0.36	0.78	0.52	1.26	0.89	1.00	0.70	1.04
50/55	Trade, repair; hotels and restaurants	2.69	2.74	2.24	1.60	1.19	1.02	2.65	2.84	3.67	5.13	5.58	5.70	6.32	6.36	6.58	7.15	8.94	10.22
65/74	Finance, insurance, real estate, business act.	5.68	5.55	8.06	4.92	3.77	4.71	5.77	7.30	8.28	9.35	6.97	9.18	10.83	11.60	11.17	13.45	17.55	18.69
	Other activities	0.79	0.76	0.76	0.84	0.87	0.92	0.90	0.06	1.45	2.03	2.18	2.16	1.70	1.83	2.71	2.81	3.64	4.45
01/99	**Total Business Enterprises**	24.41	23.53	22.84	13.50	11.90	16.45	25.12	31.17	33.94	39.97	35.31	48.20	58.02	50.85	48.78	55.57	67.77	76.24

Source: OECD Globalisation database.

Table 13: Gross Operating Surplus of Foreign Affiliates in Canada by industry (ISIC REV. 3), as % of national total

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	-	-	-	-	-	44.6	41.4	39.6	43.6	39.7	53.8	71.0	44.7	47.8	47.6	55.2	55.5	49.3
15/37	Total manufacturing	45.4	48.0	52.6	59.0	46.6	52.5	50.8	50.2	53.3	53.9	53.0	54.7	54.7	53.3	50.7	54.3	52.0	55.2
15/16	Food, beverages and tobacco	-	-	-	-	-	-	-	-	-	-	-	69.5	61.9	61.2	57.7	57.6	57.9	64.9
17/19	Textiles, wearing apparel, leather, footwear	-	-	-	-	-	-	-	-	-	-	-	27.4	24.8	18.2	33.0	19.9	30.7	34.6
20/22	Wood and paper products, publishing, printing	-	-	-	-	-	12.8	34.1	35.4	26.2	20.1	15.6	30.4	35.7	37.1	24.1	24.3	30.2	31.4
20	Wood and wood products, except furniture	-	-	-	-	-	19.4	35.7	37.1	35.9	35.7	23.1	32.0	28.6	28.5	26.0	31.7	36.3	36.9
21/22	Paper; printing, publishing and recorded media	-	-	-	-	-	-3.7	29.4	32.4	16.4	11.3	11.0	29.4	38.2	39.4	23.2	21.1	22.3	26.5
23/25	All chemical products	-	-	-	-	-	68.9	68.5	69.8	70.1	64.8	64.6	-	64.2	68.3	65.3	64.5	64.6	65.9
23	Coke, refined petroleum products and nuclear fuel	-	-	-	-	-	58.6	62.9	60.9	61.8	59.6	59.2	-	63.6	65.6	58.8	62.1	60.5	60.9
24/25	Chemicals, rubber and plastics products	-	-	-	-	-	80.4	75.2	78.8	78.8	72.2	70.8	62.1	64.7	71.1	70.2	67.4	70.2	74.1
24	Chemical products	-	-	-	-	-	88.4	85.3	87.1	89.9	90.6	88.9	66.1	69.4	80.0	77.3	72.9	74.8	78.0
2423	Pharmaceuticals	-	-	-	-	-	-	-	-	-	-	-	75.2	94.5	82.3	90.9	77.7	91.6	97.1
25	Rubber and plastics products	-	-	-	-	-	55.0	49.7	54.1	53.4	44.3	46.1	52.9	53.1	47.8	54.1	54.6	54.0	58.8
26	Non-metallic mineral products	-	-	-	-	-	77.0	48.4	77.4	78.3	79.7	82.5	77.6	76.5	72.9	68.6	72.3	76.1	69.1
27/28	Basic and fabricated metal products	-	-	-	-	-	19.4	23.8	31.4	30.7	22.4	30.3	39.7	31.3	40.8	35.5	32.9	34.2	30.1
27	Basic metals	-	-	-	-	-	17.5	23.7	31.3	29.9	17.5	33.1	46.8	38.1	83.9	48.6	36.1	37.3	33.7
28	Fabricated metal products	-	-	-	-	-	20.5	24.1	31.5	31.9	29.9	26.4	29.6	22.7	25.2	19.7	30.2	26.4	22.9
29/32	Total machinery and equipment	-	-	-	-	-	24.4	37.8	48.7	64.4	54.0	50.0	-	46.2	-	-	-	-	-
29/30	Non-electrical machinery and equipment	-	-	-	-	-	43.3	53.6	47.9	51.3	52.8	49.0	25.4	29.2	24.8	-	-	34.2	-
29	Machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	28.6	29.8	25.0	29.7	34.1	34.7	32.3
30	Office, accounting and computing machinery	-	-	-	-	-	-	-	-	-	-	-	3.6	25.1	30.4	-	-	5.0	-
31/32	Electrical machinery and electronic equipment	-	-	-	-	-	10.0	27.4	49.5	70.5	54.4	50.4	-	53.0	88.6	-	-	-	78.1
31	Electrical machinery and apparatus n.e.c.	-	-	-	-	-	-129.4	76.2	80.2	78.3	80.7	79.4	84.6	91.2	82.6	-	-	-	99.0
32	Radio, TV and communication equipment	-	-	-	-	-	16.4	15.8	35.3	68.9	50.0	44.7	-	37.4	87.2	89.6	-	74.7	74.7
33	Medical, precision, opt. instruments; watches	-	-	-	-	-	68.2	72.8	79.6	84.3	73.5	49.4	38.8	39.9	72.8	49.4	48.1	37.9	43.8
34/35	Transport equipment	-	-	-	-	-	62.1	69.1	70.0	63.6	74.2	72.6	-	75.2	61.6	63.4	53.4	52.6	53.1
34	Motor vehicles	-	-	-	-	-	64.4	74.9	76.8	73.6	81.2	79.4	85.8	84.8	76.4	75.4	57.8	44.4	46.2
35	Other transport equipment	-	-	-	-	-	51.1	33.6	36.3	31.4	39.0	36.3	-	36.7	33.9	18.9	41.0	83.6	71.8
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	-	-	46.3	21.2	-	11.3	77.4	83.0
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	-	-	36.1	34.3	22.0	43.1	85.1	68.3
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	-	-	-	31.3	19.4	29.0	31.1	32.7	45.1	23.2	19.6	14.3	24.8	25.1	31.3	24.8
40/45	Electricity, gas and water supply; construction	-	-	-	-	-	4.5	1.8	1.0	2.2	2.7	2.1	5.6	3.3	8.1	5.5	5.7	3.8	4.6
50/55	Trade, repair; hotels and restaurants	-	-	-	-	-	8.4	16.2	16.0	19.6	23.8	22.8	27.9	30.3	26.9	26.4	27.1	28.7	29.6
65/74	Finance, insurance, real estate, business act.	-	-	-	-	-	20.9	23.8	22.2	22.3	22.4	17.1	17.1	18.3	21.1	21.5	21.4	24.0	23.1
	Other activities	-	-	-	-	-	11.3	9.0	0.7	13.0	15.5	19.4	10.9	7.8	9.7	12.1	11.9	14.5	13.7
01/99	**Total Business Enterprises**	27.8	26.9	30.0	22.1	22.8	23.3	26.0	26.7	28.1	29.4	26.8	29.8	30.2	29.7	28.6	29.7	31.2	30.5

Source: OECD Globalisation database.

Table 14: R&D expenditure of Foreign Affiliates in Canada by industry (ISIC REV. 3), in millions of Canadian dollar

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	27	-	36	39	39	40	37	35	37	104	66	39	35	63	41	42	43	-
15/37	Total manufacturing	-	-	1599	1604	1578	1621	1749	1826	1913	2235	2336	2356	2614	2874	2866	2837	2891	-
15/16	Food, beverages and tobacco	37	-	44	43	42	48	49	50	45	47	35	51	60	27	19	19	18	-
17/19	Textiles, wearing apparel, leather, footwear	-	-	34	46	42	50	43	46	43	44	43	58	67	68	68	74	78	-
20/22	Wood and paper products, publishing, printing	9	-	8	5	4	6	5	7	10	13	28	26	26	29	97	104	102	-
20	Wood and wood products, except furniture	-	-	1	0	0	-	1	1	0	-	2	0	8	9	7	7	7	-
21/22	Paper; printing, publishing and recorded media	-	-	7	5	4	-	4	6	9	-	25	26	17	20	90	97	95	-
23/25	All chemical products	338	-	529	529	509	551	533	583	617	581	561	644	732	833	954	995	1017	-
23	Coke, refined petroleum products and nuclear fuel	115	-	161	143	102	-	72	65	73	74	62	33	28	33	71	63	61	-
24/25	Chemicals, rubber and plastics products	223	-	367	385	407	-	461	518	544	507	498	611	704	800	883	932	955	-
24	Chemical products	216	-	361	378	398	444	451	506	532	496	486	592	676	780	868	919	942	-
2423	Pharmaceuticals	87	-	220	228	250	304	326	357	421	429	413	404	553	664	764	818	839	-
25	Rubber and plastics products	6	-	5	6	8	-	10	12	12	11	12	18	27	19	14	13	13	-
26	Non-metallic mineral products	15	-	10	7	6	5	4	4	3	3	3	4	3	2	0	0	0	-
27/28	Basic and fabricated metal products	18	-	22	16	12	16	16	12	10	12	25	19	27	32	28	30	30	-
27	Basic metals	3	-	5	3	3	2	2	2	3	4	16	15	21	20	16	17	17	-
28	Fabricated metal products	15	-	16	12	9	14	13	11	8	8	8	3	5	12	11	12	12	-
29/32	Total machinery and equipment	524	-	518	529	579	533	571	602	584	704	867	901	942	1003	800	728	741	-
29/30	Non-electrical machinery and equipment	231	-	249	277	283	240	256	251	225	276	293	333	412	462	436	400	414	-
29	Machinery and equipment n.e.c.	20	-	23	27	18	21	34	49	38	69	64	86	106	92	97	85	91	-
30	Office, accounting and computing machinery	211	-	226	249	265	219	222	201	187	207	228	246	305	369	339	315	322	-
31/32	Electrical machinery and electronic equipment	293	-	268	252	295	293	533	583	617	581	574	568	530	541	364	327	327	-
31	Electrical machinery and apparatus n.e.c.	42	-	34	32	37	33	40	45	39	54	65	75	116	177	78	55	52	-
32	Radio, TV and communication equipment	251	-	233	219	257	260	275	306	320	374	508	493	413	363	285	272	274	-
33	Medical, precision, opt. instruments; watches	-	-	18	21	22	16	17	13	16	18	16	10	92	88	90	88	89	-
34/35	Transport equipment	-	-	411	401	354	389	503	495	568	797	740	632	650	774	793	786	803	-
34	Motor vehicles	52	-	51	65	69	110	170	120	106	157	135	182	185	215	247	214	216	-
35	Other transport equipment	-	-	360	336	284	279	334	374	462	640	605	450	465	558	545	572	587	-
351	Shipbuilding and repairing	-	-	-	-	-	-	1	-	1	-	8	8	7	14	14	14	-	-
353	Aircraft and spacecraft	353	-	359	336	284	277	332	373	461	636	597	442	459	544	541	568	582	-
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	1	2	3	7	8	14	16	15	14	6	10	14	12	7	8	-
40/45	Electricity, gas and water supply; construction	2	-	1	2	4	4	6	6	4	5	4	4	11	4	1	1	1	-
50/55	Trade, repair; hotels and restaurants	82	-	108	99	123	145	169	203	257	351	428	530	304	303	370	403	419	-
65/74	Finance, insurance, real estate, business act.	98	-	148	170	188	181	243	265	277	290	331	349	573	770	803	923	925	-
	Other activities	-	-	25	43	51	51	44	43	55	43	48	48	84	86	87	93	94	-
01/99	**Total Business Enterprises**	1628	-	1920	1960	1987	2041	2247	2377	2544	3028	3215	3329	3622	4103	4170	4301	4375	-

Source: OECD Globalisation database.

Table 15: R&D expenditure of Foreign Affiliates in Canada by industry (ISIC REV. 3), as % of national total

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	27.3	-	29.4	32.2	27.6	24.2	19.3	17.0	17.5	52.3	42.9	27.9	19.6	29.9	21.7	21.4	22.4	
15/37	Total manufacturing	-	-	45.3	44.9	43.1	40.4	38.7	37.2	37.8	39.0	36.2	34.3	31.0	32.2	38.0	38.2	38.3	
15/16	Food, beverages and tobacco	50.0	-	61.3	64.2	57.7	56.5	47.1	43.5	42.1	45.2	33.9	40.6	47.8	28.7	22.4	22.2	22.1	
17/19	Textiles, wearing apparel, leather, footwear	-	-	83.8	87.7	84.9	84.7	72.9	70.8	74.1	71.0	63.1	70.2	67.8	71.5	78.5	78.7	78.9	
20/22	Wood and paper products, publishing, printing	5.3	-	5.0	4.4	3.8	4.4	3.3	3.8	6.0	7.1	13.9	15.1	12.9	9.2	29.9	31.1	30.4	
20	Wood and wood products, except furniture	-	-	2.4	1.8	3.0	-	3.2	3.1	0.0	-	6.5	0.5	17.8	18.3	15.8	16.6	16.1	
21/22	Paper; printing, publishing and recorded media	-	-	5.9	4.9	4.0	-	3.3	4.0	6.5	-	15.5	20.4	11.4	7.5	32.2	33.4	32.7	
23/25	All chemical products	69.7	-	84.5	84.4	82.8	81.6	75.5	74.3	73.4	71.9	67.9	67.9	69.5	71.0	71.9	73.0	71.7	
23	Coke, refined petroleum products and nuclear fuel	88.5	-	89.1	88.2	90.7	-	80.0	73.9	64.6	72.5	80.8	59.0	69.6	61.6	81.9	83.5	83.8	
24/25	Chemicals, rubber and plastics products	62.8	-	82.7	83.1	81.0	-	74.8	74.3	74.7	71.7	66.5	68.5	69.5	71.5	71.2	72.4	71.0	
24	Chemical products	65.5	-	85.2	86.4	84.8	84.3	79.7	78.6	78.8	75.5	70.8	71.6	72.8	74.9	73.2	74.4	73.0	
2423	Pharmaceuticals	64.9	-	86.2	88.5	85.1	86.4	84.9	81.0	81.6	78.6	72.9	68.8	78.2	80.9	77.6	77.2	75.3	
25	Rubber and plastics products	25.0	-	28.4	26.5	27.1	-	20.0	22.6	22.6	22.0	19.7	28.6	32.5	25.8	26.6	25.0	25.0	
26	Non-metallic mineral products	75.0	-	63.9	52.0	50.0	41.7	25.0	30.8	25.0	25.0	22.1	27.0	15.7	14.0	7.4	7.5	7.5	
27/28	Basic and fabricated metal products	9.0	-	10.0	7.2	5.4	6.4	5.8	4.7	4.1	4.6	8.6	6.2	8.5	8.6	7.5	8.0	7.9	
27	Basic metals	1.9	-	3.2	2.0	1.8	1.1	1.2	1.3	2.1	2.7	10.1	9.9	13.0	10.6	8.2	8.7	8.7	
28	Fabricated metal products	38.5	-	42.8	29.6	18.3	20.3	11.8	10.6	8.0	7.3	6.7	2.5	3.6	6.5	6.7	7.1	7.1	
29/32	Total machinery and equipment	35.0	-	32.2	31.8	34.2	28.3	25.6	24.8	23.2	24.8	25.5	25.0	18.9	19.5	21.5	20.2	20.3	
29/30	Non-electrical machinery and equipment	61.4	-	63.6	65.3	64.3	54.2	49.4	46.5	44.6	47.9	45.8	45.8	51.3	55.9	58.0	55.7	55.8	
29	Machinery and equipment n.e.c.	23.0	-	24.5	28.8	19.4	15.7	18.3	24.4	20.9	30.9	26.5	31.2	30.9	26.7	31.7	28.7	29.2	
30	Office, accounting and computing machinery	73.0	-	75.9	75.9	76.9	70.9	67.1	59.5	58.1	58.6	57.6	54.7	66.6	77.1	76.0	74.8	75.1	
31/32	Electrical machinery and electronic equipment	26.1	-	22.1	20.3	23.6	20.4	31.2	30.9	30.7	25.7	20.8	19.7	12.7	12.5	12.2	11.3	11.2	
31	Electrical machinery and apparatus n.e.c.	64.6	-	58.2	60.7	58.7	53.2	48.8	51.1	42.4	47.4	49.0	43.9	50.1	58.3	43.2	35.2	33.9	
32	Radio, TV and communication equipment	23.8	-	20.2	18.5	21.7	18.9	16.9	17.0	16.7	17.4	19.3	18.2	10.5	9.0	10.2	10.0	10.0	
33	Medical, precision, opt. instruments; watches	-	-	27.0	33.7	33.0	22.5	18.3	12.3	15.1	16.1	11.7	8.1	37.9	32.6	36.4	34.4	35.9	
34/35	Transport equipment	-	-	60.4	57.8	47.5	48.7	60.8	54.8	60.3	62.8	55.6	45.5	50.0	58.2	61.8	64.3	64.5	
34	Motor vehicles	67.5	-	74.0	84.8	83.6	88.0	80.6	65.2	63.9	77.3	73.5	77.0	47.3	60.8	68.8	67.8	67.0	
35	Other transport equipment	-	-	58.8	54.5	43.0	41.5	54.2	52.0	59.5	60.0	52.8	39.0	51.2	57.2	59.1	63.1	63.6	
351	Shipbuilding and repairing	-	-	-	-	-	-	25.0	-	-	-	-	-	-	-	-	-	-	
353	Aircraft and spacecraft	83.8	-	59.0	54.6	43.2	41.3	54.2	52.2	59.8	60.5	52.8	38.7	51.7	57.2	59.4	63.5	64.0	
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	6.4	8.2	9.5	14.9	12.5	21.5	23.5	19.2	20.7	9.1	16.4	18.0	19.8	13.6	13.9	
40/45	Electricity, gas and water supply; construction	0.8	-	0.6	1.1	1.7	1.6	2.4	2.6	1.5	2.2	2.1	2.0	4.8	2.0	0.8	0.9	0.9	
50/55	Trade, repair; hotels and restaurants	55.8	-	57.6	46.9	49.5	46.6	38.1	36.6	45.3	52.9	61.5	60.5	40.3	46.7	63.4	64.3	64.8	
65/74	Finance, insurance, real estate, business act.	12.6	-	18.0	19.1	17.1	14.4	14.6	14.8	16.7	17.0	18.8	18.0	26.1	25.4	26.2	30.0	29.8	
	Other activities	-	-	9.9	14.4	15.4	11.7	9.0	14.4	23.1	19.5	13.2	14.0	15.1	10.5	10.7	11.2	11.1	
01/99	**Total Business Enterprise**	35.4	-	37.1	36.6	34.6	31.8	29.7	29.7	31.8	34.6	33.2	32.0	29.3	29.6	33.7	34.8	34.9	

Source: OECD Globalisation database.

Table 16: Number of Researchers of Foreign Affiliates in Canada by industry (ISIC REV. 3)

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	-	-	-	-	-	107	96	125	147	148	104	89	75	135	131	-	-	-
15/37	Total manufacturing	-	-	-	-	-	-	7874	7776	7833	8428	8859	9296	9512	9827	9457	-	-	-
15/16	Food, beverages and tobacco	-	-	-	-	-	236	241	271	230	280	198	182	177	134	95	-	-	-
17/19	Textiles, wearing apparel, leather, footwear	-	-	-	-	-	183	144	144	148	142	133	182	202	163	155	-	-	-
20/22	Wood and paper products, publishing, printing	-	-	-	-	-	20	19	30	45	71	128	97	92	81	53	-	-	-
20	Wood and wood products, except furniture	-	-	-	-	-	-	-	8	5	-	-	-	-	-	0	-	-	-
21/22	Paper; printing, publishing and recorded media	-	-	-	-	-	-	-	22	40	-	-	-	-	-	53	-	-	-
23/25	All chemical products	-	-	-	-	-	2075	1993	1921	1853	1800	1841	1730	1905	2108	-	-	-	-
23	Coke, refined petroleum products and nuclear fuel	-	-	-	-	-	-	168	147	112	84	71	70	64	58	-	-	-	-
24/25	Chemicals, rubber and plastics products	-	-	-	-	-	-	1825	1774	1741	1716	1770	1660	1841	2050	-	-	-	-
24	Chemical products	-	-	-	-	-	1829	1771	1722	1682	1654	1704	1569	1701	1915	1893	-	-	-
2423	Pharmaceuticals	-	-	-	-	-	1096	1183	1102	1129	1235	1260	1161	1305	1491	1529	-	-	-
25	Rubber and plastics products	-	-	-	-	-	-	54	52	59	62	66	91	140	135	120	-	-	-
26	Non-metallic mineral products	-	-	-	-	-	47	19	24	18	28	22	28	16	17	-	-	-	-
27/28	Basic and fabricated metal products	-	-	-	-	-	70	61	75	58	73	101	74	102	134	-	-	-	-
27	Basic metals	-	-	-	-	-	9	13	16	17	24	48	42	56	61	-	-	-	-
28	Fabricated metal products	-	-	-	-	-	61	48	59	41	49	53	32	46	73	-	-	-	-
29/32	Total machinery and equipment	-	-	-	-	-	3453	3911	3711	3628	3838	4225	5102	4371	4642	4455	-	-	-
29/30	Non-electrical machinery and equipment	-	-	-	-	-	1702	1860	1686	1320	1496	1373	1395	1808	1998	1931	-	-	-
29	Machinery and equipment n.e.c.	-	-	-	-	-	111	143	186	210	328	234	260	249	296	258	-	-	-
30	Office, accounting and computing machinery	-	-	-	-	-	1591	1717	1500	1110	1168	1139	1135	1559	1702	1673	-	-	-
31/32	Electrical machinery and electronic equipment	-	-	-	-	-	1751	2051	2025	2308	2342	2852	3707	2563	2644	2524	-	-	-
31	Electrical machinery and apparatus n.e.c.	-	-	-	-	-	183	226	227	213	275	433	539	593	589	572	-	-	-
32	Radio, TV and communication equipment	-	-	-	-	-	1568	1825	1798	2095	2067	2419	3168	1970	2055	1952	-	-	-
33	Medical, precision, opt. instruments; watches	-	-	-	-	-	111	89	80	109	115	102	110	656	587	570	-	-	-
34/35	Transport equipment	-	-	-	-	-	1197	1318	1408	1621	1982	1996	1746	1939	1886	1873	-	-	-
34	Motor vehicles	-	-	-	-	-	230	248	300	281	448	475	409	691	623	597	-	-	-
35	Other transport equipment	-	-	-	-	-	967	1070	1108	1340	1534	1521	1337	1248	1263	1276	-	-	-
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	54	64	64	55	54	-	-	-
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	1467	1273	1184	1208	1222	-	-	-
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	-	-	-	55	79	112	123	99	113	45	52	75	46	-	-	-
40/45	Electricity, gas and water supply; construction	-	-	-	-	-	28	46	54	43	37	24	19	-	-	-	-	-	-
50/55	Trade, repair; hotels and restaurants	-	-	-	-	-	737	832	1091	1233	1445	1916	2361	1185	1144	1063	-	-	-
65/74	Finance, insurance, real estate, business act.	-	-	-	-	-	910	1470	2005	1846	1879	2097	2090	3816	4264	4130	-	-	-
	Other activities	-	-	-	-	-	167	158	131	225	309	260	283	426	415	413	-	-	-
01/99	**Total Business Enterprises**	-	-	-	-	-	9396	10476	11182	11327	12246	13260	14138	15046	15848	15257	-	-	-

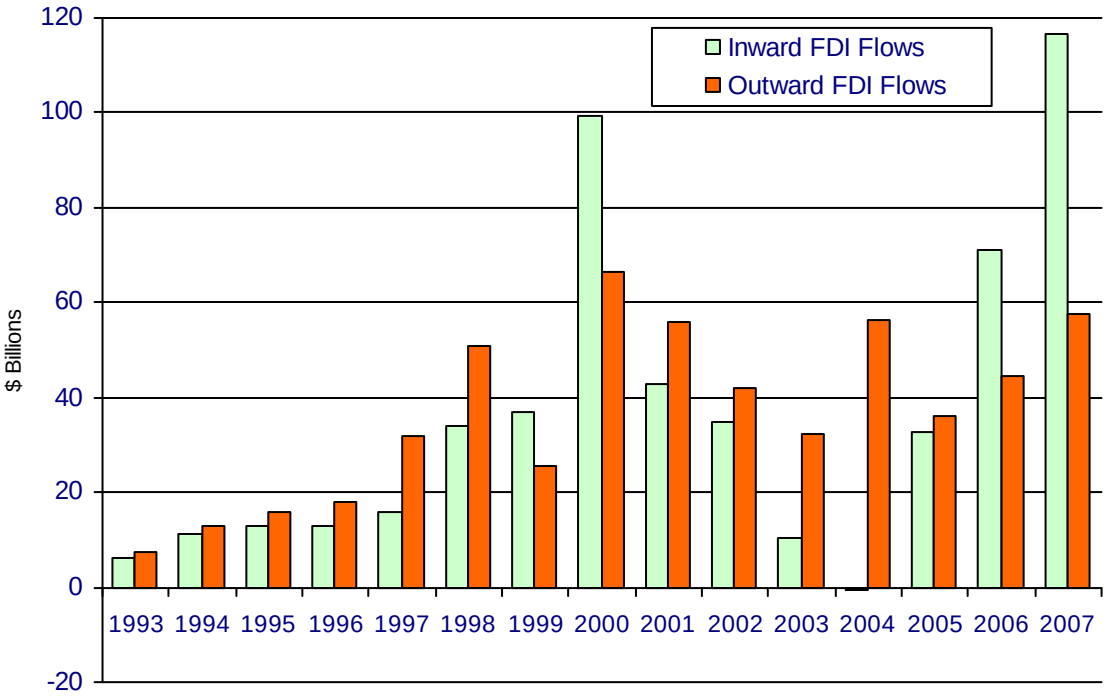
Source: OECD Globalisation database.

Table 17: Number of Researchers of Foreign Affiliates in Canada by industry (ISIC REV. 3), as % of national total

Code	Industry	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
10/14	Mining and quarrying	-	-	-	-	-	21.8	15.0	16.8	21.4	28.2	23.7	19.5	20.4	32.4	38.1	-	-	-
15/37	Total manufacturing	-	-	-	-	-	-	30.5	29.2	28.4	27.4	27.6	28.6	24.7	27.6	34.1	-	-	-
15/16	Food, beverages and tobacco	-	-	-	-	-	52.4	36.1	39.0	33.9	39.7	29.9	28.2	26.8	23.1	29.1	-	-	-
17/19	Textiles, wearing apparel, leather, footwear	-	-	-	-	-	81.3	60.0	52.0	60.4	56.3	57.6	63.0	60.8	57.2	82.9	-	-	-
20/22	Wood and paper products, publishing, printing	-	-	-	-	-	3.3	2.3	3.8	6.6	10.1	15.8	12.2	13.4	12.9	12.6	-	-	-
20	Wood and wood products, except furniture	-	-	-	-	-	-	-	4.3	2.8	-	-	-	-	-	-	-	-	-
21/22	Paper; printing, publishing and recorded media	-	-	-	-	-	-	-	3.6	7.9	-	-	-	-	-	19.1	-	-	-
23/25	All chemical products	-	-	-	-	-	75.1	64.9	62.4	62.9	59.7	58.9	55.8	51.9	57.0	-	-	-	-
23	Coke, refined petroleum products and nuclear fuel	-	-	-	-	-	-	76.4	72.1	63.6	57.1	56.8	60.3	54.2	50.9	-	-	-	-
24/25	Chemicals, rubber and plastics products	-	-	-	-	-	-	64.0	61.7	62.9	59.9	59.0	55.7	51.8	57.2	-	-	-	-
24	Chemical products	-	-	-	-	-	77.9	70.0	67.3	69.4	66.0	65.7	60.1	55.1	60.6	68.4	-	-	-
2423	Pharmaceuticals	-	-	-	-	-	84.4	82.4	77.9	79.3	76.0	74.4	67.0	62.4	66.3	68.1	-	-	-
25	Rubber and plastics products	-	-	-	-	-	-	16.8	16.4	17.1	17.2	16.3	24.5	30.2	32.1	71.9	-	-	-
26	Non-metallic mineral products	-	-	-	-	-	49.0	13.0	20.5	18.4	25.2	19.5	19.9	10.5	14.4	-	-	-	-
27/28	Basic and fabricated metal products	-	-	-	-	-	6.9	4.0	5.1	4.2	5.4	7.0	4.8	6.7	8.7	-	-	-	-
27	Basic metals	-	-	-	-	-	1.4	1.8	2.4	2.8	4.1	7.8	7.8	9.1	9.8	-	-	-	-
28	Fabricated metal products	-	-	-	-	-	16.9	6.3	7.3	5.5	6.4	6.5	3.2	5.1	7.9	-	-	-	-
29/32	Total machinery and equipment	-	-	-	-	-	26.5	26.2	23.4	21.5	19.8	20.9	24.5	18.1	20.3	24.4	-	-	-
29/30	Non-electrical machinery and equipment	-	-	-	-	-	55.9	50.1	45.4	37.9	37.7	35.4	33.6	41.8	48.4	59.4	-	-	-
29	Machinery and equipment n.e.c.	-	-	-	-	-	18.3	14.3	17.3	18.6	24.1	17.6	18.5	15.8	18.3	27.9	-	-	-
30	Office, accounting and computing machinery	-	-	-	-	-	65.2	63.4	56.8	47.1	44.8	44.8	41.3	56.6	67.9	72.0	-	-	-
31/32	Electrical machinery and electronic equipment	-	-	-	-	-	17.6	18.2	16.7	17.2	15.2	17.4	22.2	12.9	14.1	16.8	-	-	-
31	Electrical machinery and apparatus n.e.c.	-	-	-	-	-	48.2	39.6	37.5	30.3	33.8	47.5	46.1	40.7	48.8	60.5	-	-	-
32	Radio, TV and communication equipment	-	-	-	-	-	16.4	17.1	15.6	16.5	14.1	15.6	20.4	10.7	11.7	13.9	-	-	-
33	Medical, precision, opt. instruments; watches	-	-	-	-	-	21.6	12.1	9.2	11.9	11.3	8.7	10.6	33.6	33.1	51.9	-	-	-
34/35	Transport equipment	-	-	-	-	-	43.6	42.9	48.4	50.3	54.0	53.1	49.0	40.6	53.1	57.6	-	-	-
34	Motor vehicles	-	-	-	-	-	79.0	44.8	43.8	43.5	56.8	54.9	52.0	45.4	49.7	53.6	-	-	-
35	Other transport equipment	-	-	-	-	-	39.4	42.5	49.8	52.0	53.2	52.6	48.1	38.3	55.0	59.7	-	-	-
351	Shipbuilding and repairing	-	-	-	-	-	-	-	-	-	-	57.4	74.4	51.6	49.5	73.0	-	-	-
353	Aircraft and spacecraft	-	-	-	-	-	-	-	-	-	-	52.4	47.3	37.8	55.3	59.3	-	-	-
36/37	Furniture, manufacturing n.e.c.; recycling	-	-	-	-	-	18.1	14.2	19.3	22.6	17.6	21.2	7.9	10.4	15.2	26.6	-	-	-
40/45	Electricity, gas and water supply; construction	-	-	-	-	-	2.8	4.3	5.3	4.2	4.0	3.0	2.2	-	-	-	-	-	-
50/55	Trade, repair; hotels and restaurants	-	-	-	-	-	36.4	25.4	28.1	31.8	36.0	45.0	44.0	39.6	37.9	55.9	-	-	-
65/74	Finance, insurance, real estate, business act.	-	-	-	-	-	10.4	11.2	14.3	14.1	14.1	14.1	12.8	20.1	19.9	27.0	-	-	-
	Other activities	-	-	-	-	-	7.3	5.2	4.9	10.2	12.9	12.0	12.1	12.5	11.8	16.5	-	-	-
01/99	**Total Business Enterprises**	-	-	-	-	-	25.9	22.4	22.8	23.4	23.6	24.3	24.4	23.1	24.4	31.4	-	-	-

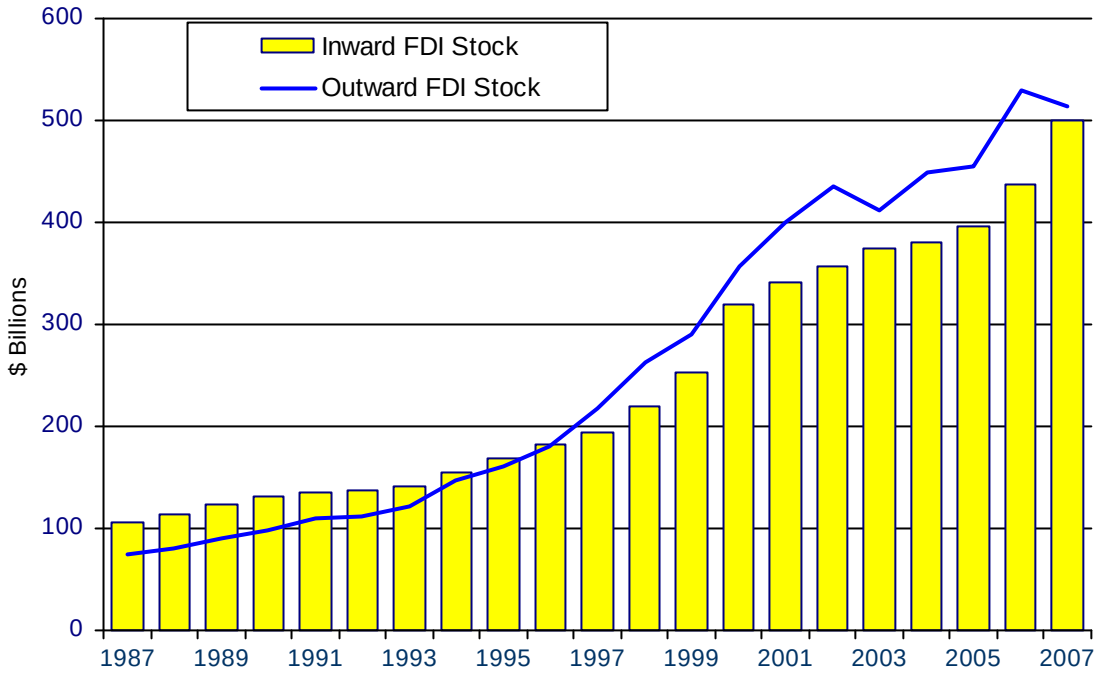
Source: OECD Globalisation database.

Figure 1: FDI Flows into Canada and CDIA, 1993-2007 (Billions CA$)



Source: Statistics Canada.

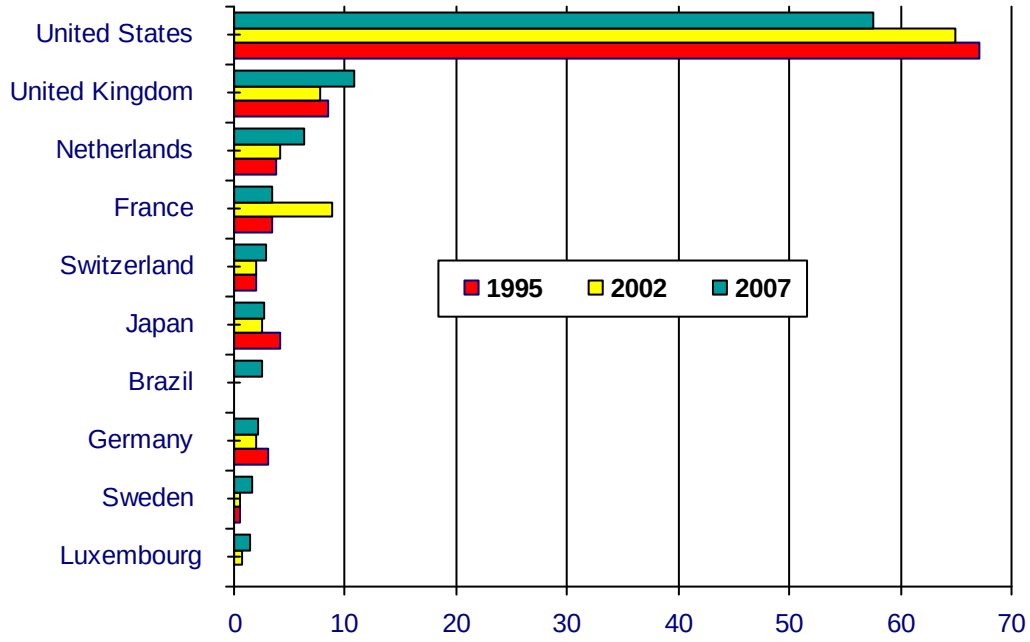
Figure 2: FDI Stocks in Canada and CDIA, 1987-2007 (Billions CAD)



Source: Statistics Canada.

Figure 3: Source of Canada's Inward FDI Stock (percent)

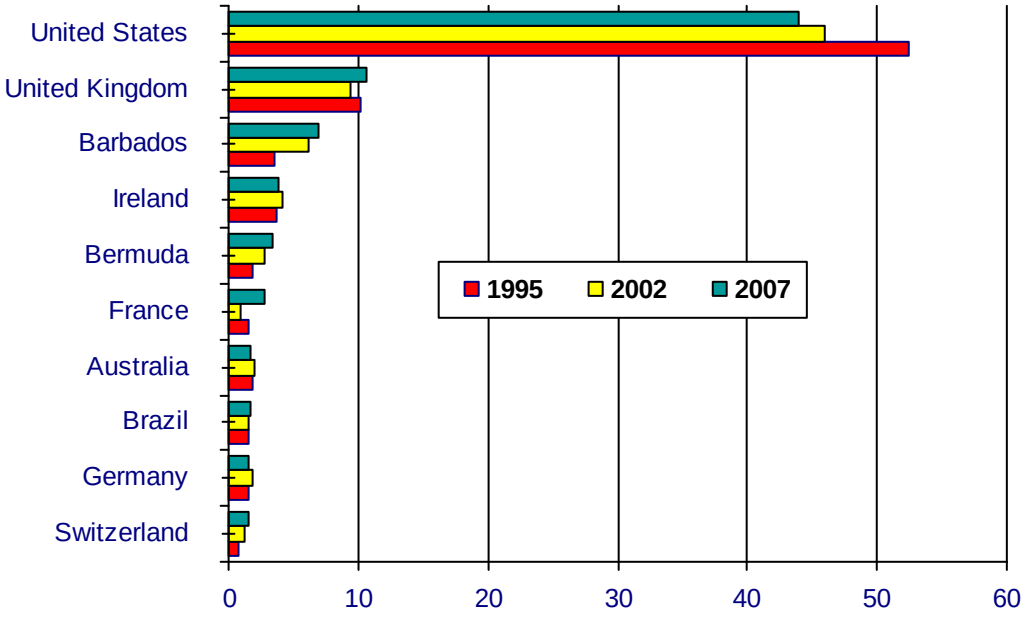
– Ranked by top-10 sources in 2007 –



Source: Statistics Canada.

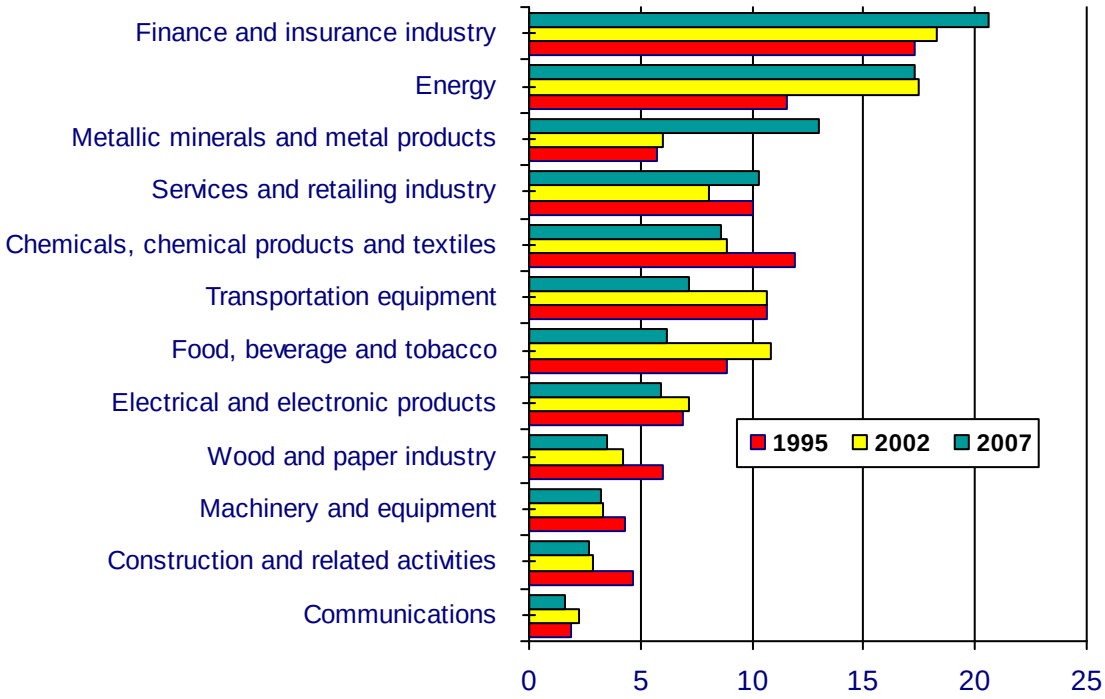
Figure 4: Destination of Canada's outward FDI Stock (percent)

– Ranked by top-10 destinations in 2007 –



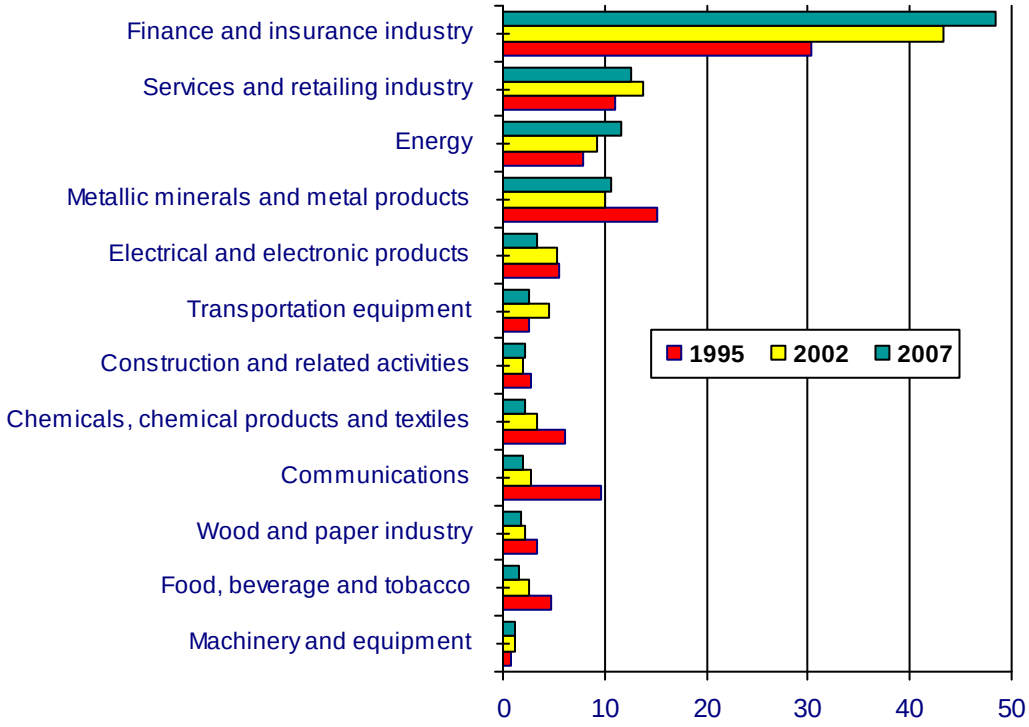
Source: Statistics Canada.

Figure 5: Industry Shares in Canada's Inward FDI Stock (%)



Source: Statistics Canada.

Figure 6: Industry Shares in Canada's Outward FDI Stock (%)



Source: Statistics Canada.