NEWS RELEASE

Amount invested abroad by Canadians up more than 73% while amount invested in Canada by foreigners down 55%

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For immediate release

VANCOUVER—Since 2013, the amount invested by Canadians abroad has increased 73.7 per cent while the amount invested by foreigners in Canada has declined by 55 per cent, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Investment by foreign companies and individuals is vital to increasing productivity and improving living standards for Canadian workers, so when the level of investment drops, Canadians suffer,” said Steven Globerman, Fraser Institute senior fellow and author of Canadian Foreign Direct Investment: Recent Patterns and Interpretation.

The study finds that, from 1990 to 2014, the average annual investment by foreigners in Canada—known as inward foreign direct investment or FDI—measured as a share of the Canadian economy was markedly higher than the United States and the OECD.

However, that trend has changed, and from 2014 to 2017, Canada’s level of foreign investment declined while it increased substantially in the U.S. and the OECD more broadly. (See chart below for percentages.) And the drop in foreign investment affected multiple sectors in Canada including manufacturing and utilities. In other words, it’s not just an oil and gas problem.

Moreover, during that same period, Canada’s level of outward FDI (investment in other countries by Canadians) increased.

“When you see less money coming in from foreigners at the same time Canadians are increasingly investing abroad, it’s a strong indication that Canada is not a good place to invest,” Globerman said.

“Unfortunately for Canadian workers, Canada has become a less attractive location for direct foreign investment.”

Annual average inward FDI as a percentage of GDP

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<tr>
<td>Canada</td>
<td>2.76%</td>
<td>2.78%</td>
<td>2.62%</td>
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<td>U.S.</td>
<td>1.56%</td>
<td>1.46%</td>
<td>2.39%</td>
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<td>OECD</td>
<td>2.23%</td>
<td>2.15%</td>
<td>2.91%</td>
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