

# Foreign control in the Canadian economy, 2020

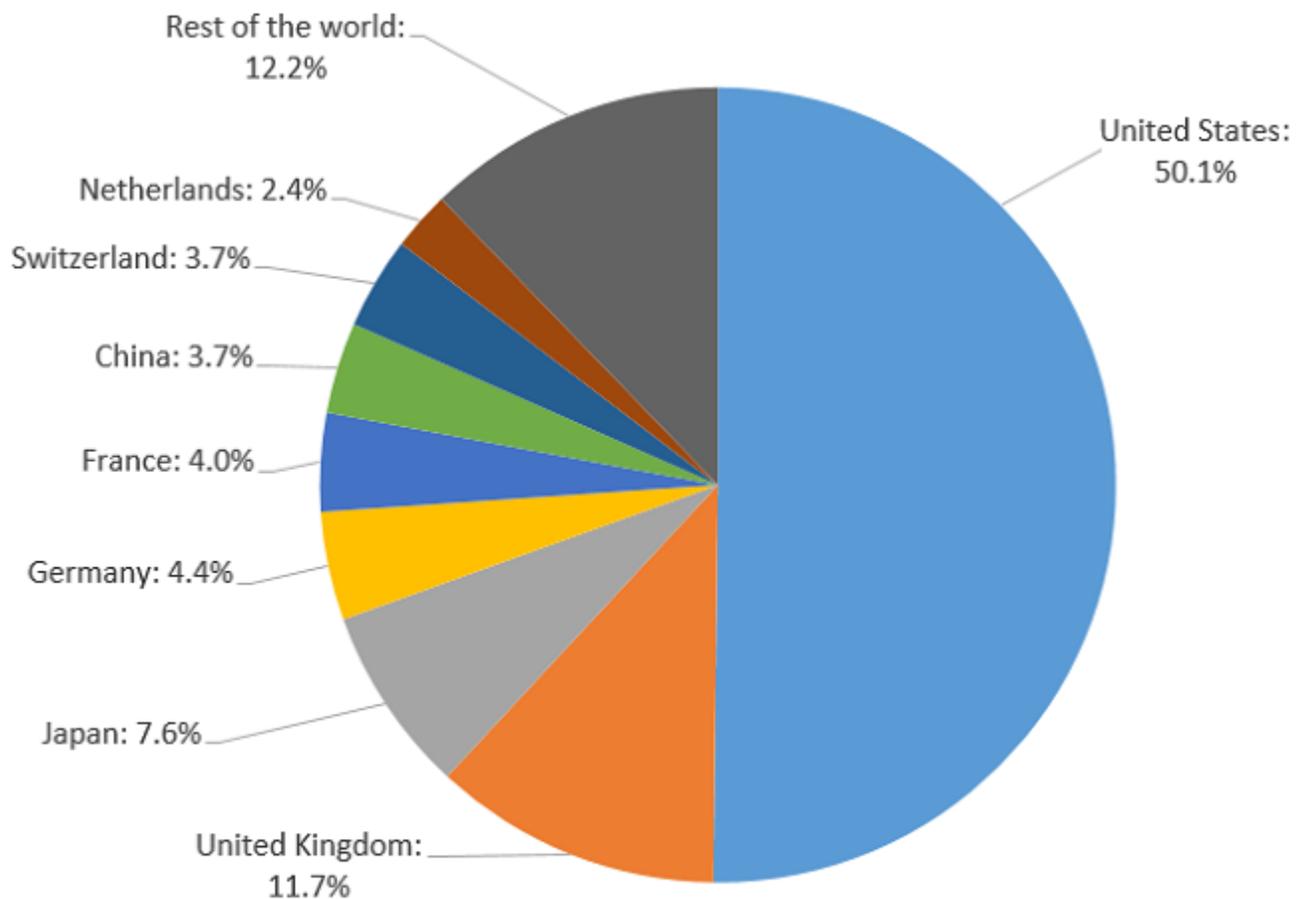
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Foreign-controlled total asset values were \$2.2 trillion while Canadian-controlled assets were valued at \$12.6 trillion, resulting in a foreign-controlled asset share of 15.1% in 2020.

To provide additional geographic-level detail on foreign control in Canada, data have been compiled by macro-region and by country. In 2020, more than half of all assets under foreign control belonged to enterprises from the Americas macro region, followed by Europe at 31.7% and Asia at 14.9%.

Returns collected under the *Corporations Returns Act* show that enterprises in Canada are controlled by entities from over 80 countries. However, only eight countries account for 87.6% of these foreign-owned assets. Enterprises controlled from the United States maintained the largest overall share of foreign-controlled assets in Canada (50.1%), followed by the United Kingdom (11.7%) and Japan (7.6%).

## Infographic 1 – Assets under foreign control by country, 2020, all industries



Source(s): Table 33-10-0570-01.

## Government Business Enterprises in Canada

Government business enterprises (GBEs) are organizations that are owned by federal and provincial governments and operate in the Canadian business sector.

### Government business enterprise data no longer included in foreign control totals

The *Corporations Returns Act* (CRA) program combines country of control data derived from ownership schedules with financial data compiled from the Financial and Taxation Statistics for Enterprises (AFTS) program. The AFTS has implemented a new methodology that excludes GBEs and therefore they have also been removed from the aggregate data used to calculate foreign control in Canada, beginning with the 2020 reference year. As GBEs are Canadian-owned, their exclusion does not affect the year-to-year analysis of share of assets under foreign control at the country level. However, the value of Canadian assets held by GBEs affects the percentage share of total assets for all countries, rendering it incomparable to previous reference years.

### Size and scope

From 2010 to 2019, GBEs represented 8.0% of the total asset value in all industries on average, with 10.0% in financial industries and 5.5% in non-financial industries. In 2019, the GBE proportion of total corporate assets was valued at \$1.2 trillion. In terms of individual industries, GBEs contributed the most to utilities, accounting for 61.8% of their average asset value over the past 10 years. GBEs also had a significant presence in arts, entertainment and recreation (15.9%), and transportation and warehousing (9.9%).

The median number of GBEs during this period was 113 and remained consistent over time. This number indicates that although there may not be many GBEs, those that exist tend to have a notable contribution in terms of asset value in highly regulated industries such as transportation, utilities, finance, and gaming. Because the number and relative asset share of the GBEs are consistent over time, the removal of the GBE values from the prior years' data will allow a reliable back casting of the foreign-ownership trends. A back-casting exercise is underway and will be published in a future release.

### Impact on foreign control

The CRA primarily evaluates the extent of foreign control in the Canadian economy. Removing GBEs from the prior years' data is necessary for a clearer understanding of the real change of foreign control over time. Overall, the recalculated data shows there was a decline in foreign control, from 16.1% in 2019 to 15.1% in 2020. This corresponds with the historic trend of declining foreign control in Canada over the past decade.

Looking at specific industries, mining and quarrying posted the largest year-over-year drop in foreign control, moving from 40.2% in 2019 to 30.2% in 2020. Non-depository credit intermediation (-4.3 percentage points) and arts, entertainment and recreation (-3.9 percentage points) also lowered their foreign control share in 2020. Conversely, shares of foreign control increased in repair, maintenance and personal services (+2.9 percentage points), professional, scientific and technical services (+2.4 percentage points) and transportation and warehousing (+2.3 percentage points). All other industries changed by less than 2 percentage points from 2019 to 2020.

The industries with high asset valued GBEs naturally saw their baseline levels of foreign control impacted the most, specifically the non-depository credit intermediation industry and the utilities industry. However, regardless of the levels, the ongoing trends with respect to share of foreign control over time did not change.

A complete dataset with industry totals recalculated to remove the GBE values will be published in the future covering a minimum 10-year period.

### Note to readers

Under the authority of the Minister of Innovation, Science and Industry, Statistics Canada administers the Corporations Returns Act, which requires the collection of financial and ownership information on corporations conducting business in Canada. This information is used to evaluate the extent of non-resident control of the Canadian corporate economy.

The Corporations Returns Act requires that an annual report be submitted to Parliament summarizing the extent of foreign control in Canada.

The financial information on foreign control in the Canadian economy is derived from administrative data received from the Canada Revenue Agency. This information is based on financial statements filed with corporate annual income tax returns. Therefore, the reference period has a lag of two years.

These statistics are compiled from enterprise-level data. An enterprise can be a single corporation or a family of corporations under common ownership or control, for which consolidated financial statements are produced.

This report focuses mainly on ownership of assets as a basis for measuring foreign control because assets provide a longer-term perspective. They are a stock item, reflecting economic decisions and market conditions that evolve more slowly over time. Statistics Canada also tracks revenues and profits under foreign control for the same time periods.

**Available tables:** [33-10-0005-01](#) and [33-10-0570-01](#).

**Definitions, data sources and methods:** survey number [2503](#).

The report [Corporations Returns Act, 2020 \(61-220-X\)](#), is now available.

The 2021 issue of [Inter-corporate Ownership \(61-517-X\)](#), is now available.

The data visualization product [Foreign control in the Canadian economy: Visualization tool \(71-607-X\)](#), is now available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).