

Foreign direct investment, 2022

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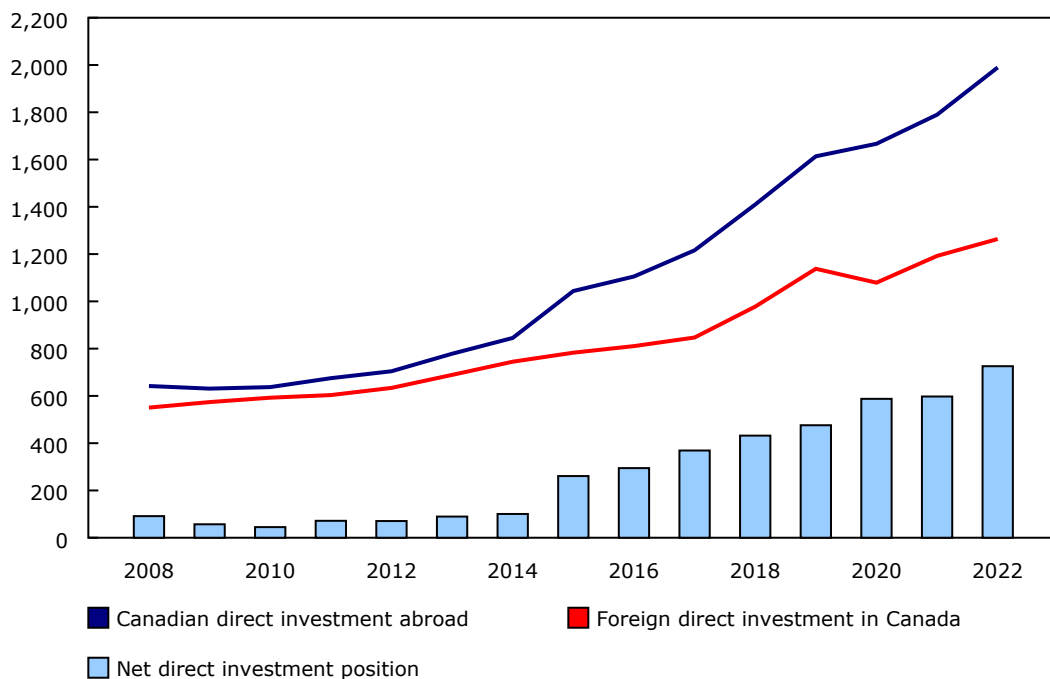
Canada's net direct investment position with the rest of the world reached \$725.7 billion at the end of 2022, up \$128.2 billion from 2021, as growth of Canadian direct investment abroad continued to outpace growth of foreign direct investment in Canada.

The stock of Canadian direct investment abroad increased 11.2% (+\$199.8 billion) to \$1,989.6 billion at the end of 2022, following valuation gains from a weaker Canadian dollar, notably against the US dollar. Equity investments, mainly reinvested earnings by Canadian direct investors in their existing foreign affiliates, also contributed to the increase and reflected record-high profits generated by these firms.

The stock of foreign direct investment in Canada grew 6.0% (+\$71.6 billion), reaching \$1,263.9 billion at the end of 2022. The increase was due to equity investments, primarily reinvested earnings by foreign direct investors in their existing Canadian affiliates as profits of these firms also reached unprecedented levels in 2022.

Chart 1
Canada's foreign direct investment position

billions of dollars



Source(s): Table 36-10-0008-01.

On a geographical basis, Canada's direct investment in the United States amounted to \$1,041.1 billion at the end of 2022, up \$131.1 billion from 2021. This represented 52% of all investments abroad. In comparison, Europe had a share of close to 20%, the United Kingdom, Luxembourg and the Netherlands being the major recipients. Meanwhile, the United States held \$581.0 billion of direct investment assets in Canada, up \$29.7 billion from 2021, for a share of 46%. Europe accounted for a share of 35%, led by the Netherlands, the United Kingdom and Luxembourg.



Table 1
Foreign direct investment positions at year end

	2020	2021	2022
	billions of dollars		
Canadian direct investment abroad	1,666.7	1,789.7	1,989.6
United States	796.3	910.0	1,041.1
United Kingdom	113.5	92.2	93.0
Luxembourg	114.6	84.2	86.2
Bermuda	112.0	104.6	113.1
Australia	47.4	54.5	57.9
Netherlands	42.4	61.7	63.0
Cayman Islands	59.3	40.2	45.6
Barbados	48.3	86.3	95.1
Mexico	26.9	28.0	32.9
Chile	15.0	14.9	17.9
Bahamas	23.6	23.5	27.2
Hong Kong	13.1	12.8	13.8
Peru	15.2	12.6	14.3
Jersey	11.5	34.9	33.3
Germany	8.1	9.3	11.0
All other countries	219.3	220.0	244.1
Foreign direct investment in Canada	1,079.1	1,192.3	1,263.9
United States	463.3	551.3	581.0
Netherlands	133.5	143.2	154.9
United Kingdom	86.2	92.3	99.3
Luxembourg	63.8	60.4	69.9
Switzerland	40.1	29.1	28.7
Japan	31.5	29.7	27.0
China	20.9	21.9	20.7
Hong Kong	28.3	29.6	30.9
Bermuda	13.0	11.7	13.9
Germany	21.9	23.9	25.7
Australia	22.9	20.0	24.9
France	7.5	11.3	13.9
Ireland	7.1	8.8	8.9
Brazil	4.0	6.2	8.3
Spain	8.0	11.9	9.3
All other countries	127.1	141.0	146.7

Source(s): Table [36-10-0008-01](#).

Note to readers

This is the annual release of detailed foreign direct investment position data at book value. This release contains country and industry details that are drawn from annual surveys and administrative sources. This detailed information is not available at the time of quarterly international investment position releases. However, aggregates of direct investment positions, both at book and market values, are available as part of the quarterly international investment position release.

Year-end position data for 2022 are projected using the latest benchmark survey data of 2021 and flows collected from the 2022 quarterly surveys. In addition, outstanding positions denominated in foreign currencies are re-evaluated to account for changes in exchange rates. These estimates will be revised next year with the integration of benchmark survey and administrative data for the reference year 2022 and will fully reflect the change in the stock of foreign direct investment from one year to the next, including volume changes such as debt or equity write-offs.

This release incorporates other statistical revisions back to 2017. Revisions reflect the integration of new data sources as well as updates to coverage and statistical methods. The current aggregates will be integrated into the international investment position at the time of the third-quarter 2023 release in December, in line with the Canadian System of Macroeconomic Accounts revision policy.

Direct investment is a component of the international investment position that refers to the investment of an entity in one country (the direct investor) obtaining a lasting interest in an entity in another country (the direct investment enterprise). The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence by the direct investor on the management of the direct investment enterprise.

In practice, direct investment is deemed to occur when a direct investor owns at least 10% of the voting equity in a direct investment enterprise. This report presents the cumulative year-end positions for direct investment, measured as the total value of equity and the net value of debt instruments between direct investors and their direct investment enterprises.

Foreign direct investment by country and by industry

Following international standards, the main measure of direct investment is based on the country of residence of the direct investor (immediate parent company) for foreign direct investment in Canada and on the country of residence of the direct investment enterprise (the immediate subsidiary) for Canadian direct investment abroad. This implies that direct investment is largely attributed to the first investor or investee country, rather than the ultimate investor or investee country. Direct investment data on an immediate investor basis are available in tables 36-10-0008-01, 36-10-0009-01, 36-10-0657-01 and 36-10-0659-01.

Foreign direct investment by ultimate investor

A supplementary series on foreign direct investment by ultimate investor is available in table 36-10-0433-01. This series differs from the standard presentation of foreign direct investment, which is based on the country of residence of the immediate direct investor, by showing the country of the investor that ultimately controls the investment. Because foreign direct investment may be channelled through holding companies or other legal entities in intermediate countries, the measurement of foreign direct investment on an ultimate investor basis can result in substantial changes in the distribution of positions by country when compared with foreign direct investment measured on an immediate investor basis.

Available tables: [36-10-0008-01](#), [36-10-0009-01](#), [36-10-0433-01](#), [36-10-0657-01](#) and [36-10-0659-01](#).

Definitions, data sources and methods: survey number [1537](#).

The product [Canada and the World Statistics Hub \(13-609-X\)](#) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China, and Japan.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, features an up-to-date portrait of national and provincial economies and their structure.

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).