

CHINA → CANADA INVESTMENT TRACKER

Year End Review 2017: Chinese Investment in Canada

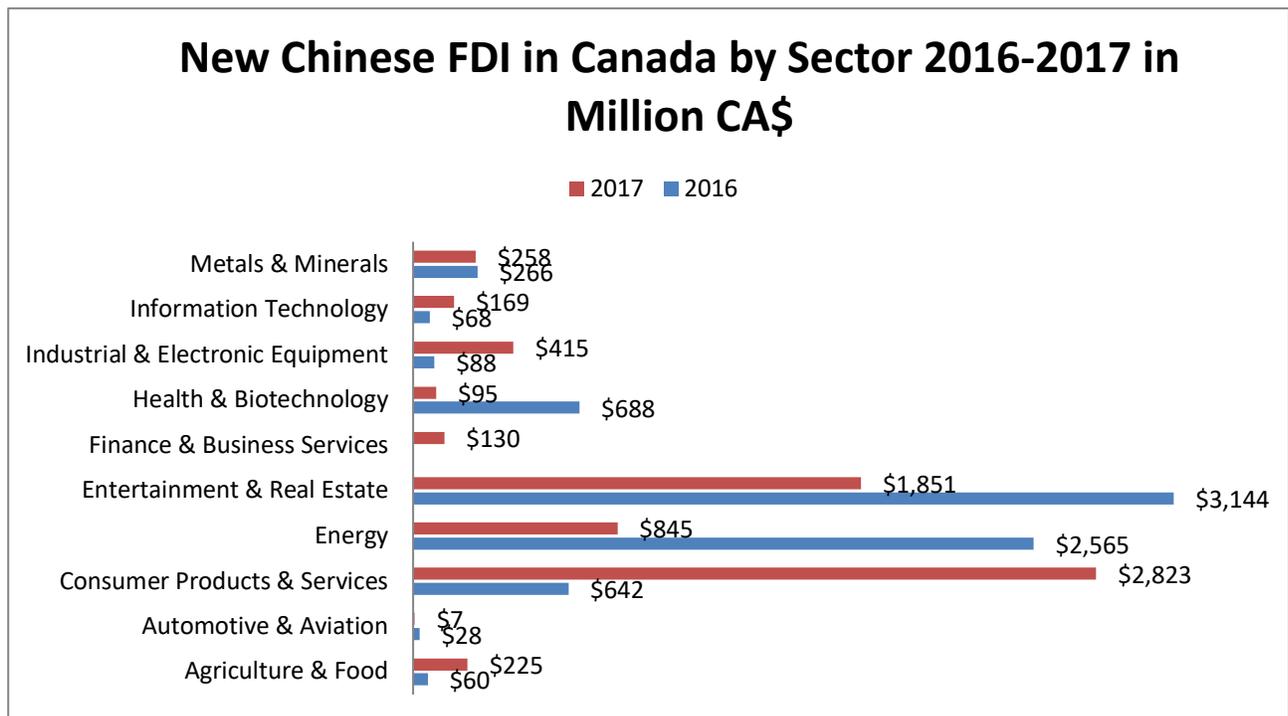
Chinese global foreign direct investment (FDI) declined in 2017 for the first time after five consecutive years of mostly double digit growth. According to data collected by the American Enterprise Institute (AEI), Chinese FDI in 2017 decreased by 2.16%, compared to 2016's total. This decline may partly be explained by the capital restrictions that limited outbound FDI implemented in November 2016 and August 2017. Despite the slight drop, China remains a major source for global investment. According to the CIA World Factbook, China ranks fourth for countries by FDI abroad, with a total stock of US\$ 3.1 trillion as of 2017.

Year	Chinese Global FDI	Change from Previous Year
2011	US\$122.926 billion	-3.94%
2012	US\$141.41 billion	+15.05%
2013	US\$ 153.17 billion	+8.32%
2014	US\$178.39 billion	+16.47%
2015	US\$206.17 billion	+15.83%
2016	US\$276.61 billion	+34.28%
2017	US\$270.56 billion	-2.16%

Source: American Enterprise Institute (AEI)

According to data collected by the China Institute University of Alberta (CIUA) Investment Tracker, THE flow of Chinese FDI into Canada declined by 9% from CA\$7.5 billion in 2016 to CA\$6.8 billion in 2017. While the impact of the capital outflow restrictions cannot yet fully be assessed, it is likely that these policies were partially responsible for the decrease. The number of new transactions also declined by 18%, from 119 in 2016 to 98 in 2017.

Chinese FDI in Canada by Sector:



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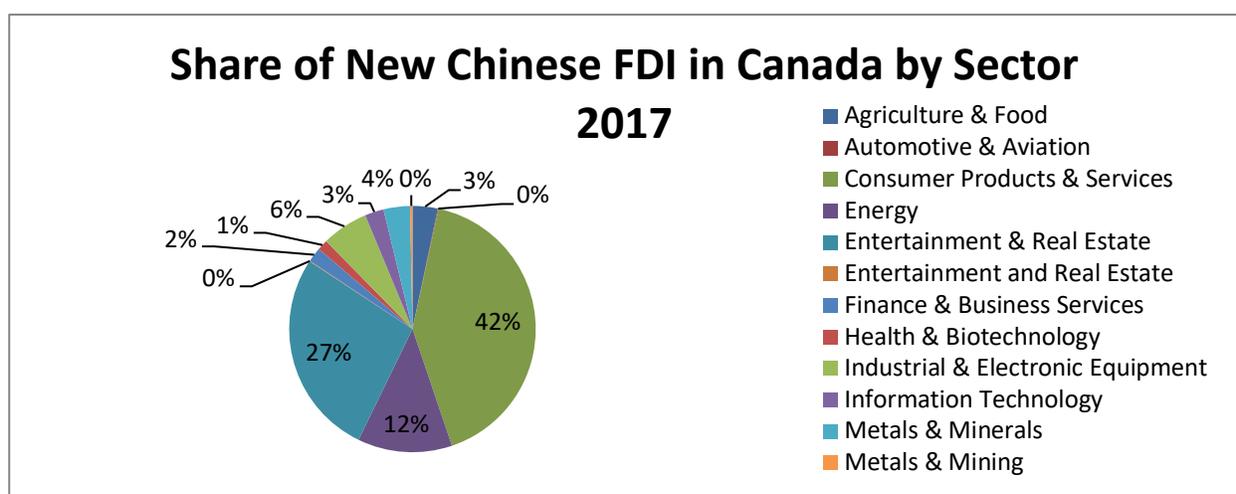
In 2017, new investment *increased* in a number of sectors:

1. **Metals and Minerals:** FDI increased by 3.1% from CA\$258 million in 2016, to CA\$266 million in 2017.
2. **Information Technology:** FDI increased by 149% from CA\$68 million in 2016, to CA\$169 million in 2017.
3. **Industrial and Electronic Equipment:** FDI increased by 372% from CA\$88 million in 2016, to CA\$415 million in 2017.
4. **Finance and Business Services:** CA\$130 million was invested in 2017, without any investment in 2016.
5. **Consumer Products and Services:** FDI increased by 340% from CA\$848 million in 2016, to CA\$2.8 billion in 2017.
6. **Agriculture and Food:** FDI increased by 275%, from CA\$60 million in 2016, to CA\$225 million in 2017.

In 2017, new investment *decreased* in a number of sectors:

1. **Health and Biotechnology:** FDI decreased by 86% from CA\$3.1 billion in 2016, to CA\$1.85 billion in 2017.
2. **Entertainment and Real-Estate:** FDI decreased by 86% from CA\$688 million in 2016, to CA\$95 million in 2017.
3. **Energy:** FDI decreased by 67% from CA\$2.6 billion in 2016, to CA\$845 million in 2017.
4. **Automotive and Aviation:** FDI decreased by 75% from CA\$28 million in 2016, to CA\$7 million in 2017.

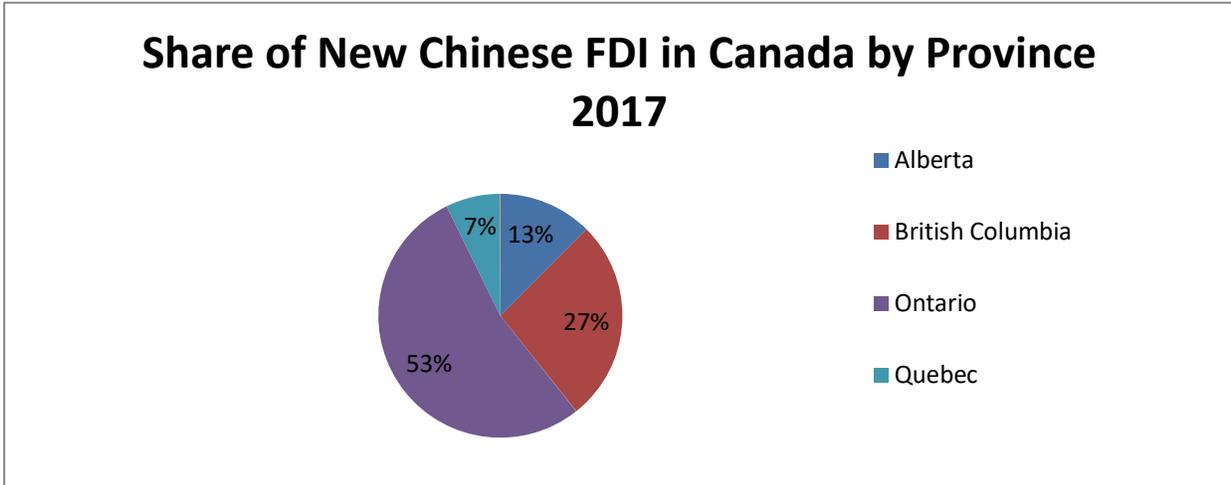
In 2017, Chinese FDI into Canada diversified beyond those sectors, such entertainment, real estate and energy, which traditionally have garnered the most Chinese investment in Canada. 42% of 2017's new Chinese FDI targeted the consumer products and services sector. This was followed by 27% in entertainment and real estate, 12% in energy and 6% in the industrial and electronic equipment sector.



Chinese FDI in Canada by Province and Ownership:

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Ontario was the largest recipient of new Chinese FDI into Canada. 53% of 2017's total FDI was in Ontario, followed by British Columbia [27%], Alberta [13%], and Quebec [7%].



The majority of investment came from private companies. More specifically, 82% of total Chinese FDI in Canada 2017 came from private companies, while 2% from state-owned enterprises. 16% of the tracked investments came from companies with unknown ownership.

