



ASIA PACIFIC
FOUNDATION
OF CANADA

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DU CANADA

INVESTMENT MONITOR REPORT

2023 YEAR IN REVIEW

Navigating Canada-Asia Investment

OCTOBER 2024



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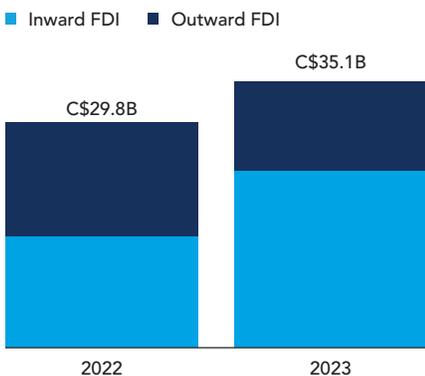
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KEY TAKEAWAYS

NATIONAL



Two-way foreign direct investment (FDI) flows between Canada and the Asia Pacific economies increased by approximately 18% from C\$29.8B in 2022 to C\$35.1B in 2023.

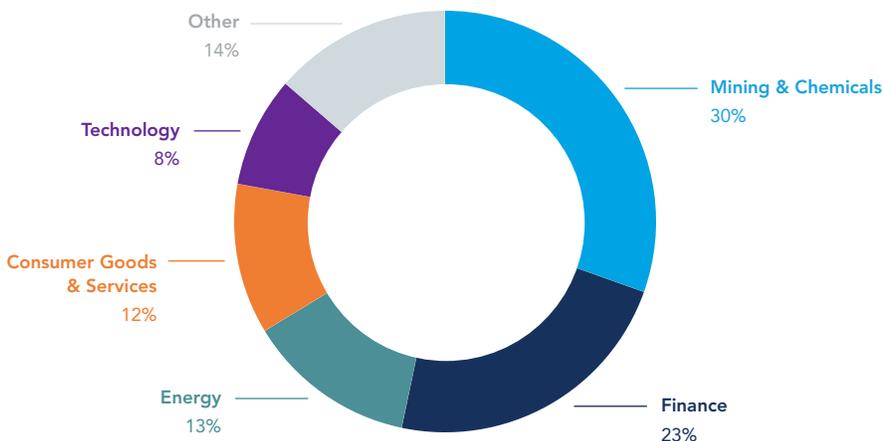
Country	Two-way FDI, 2023 (C\$B)
Australia	C\$9.48B
China (mainland)	C\$6.73B
Singapore	C\$6.31B
India	C\$3.57B
Japan	C\$3.1B

Canada’s top five two-way investment partners in the region in 2023 were Australia, China, Singapore, India, and Japan.

FDI Flows

This report relies on data from APF Canada’s Investment Monitor, which tracks FDI flows. FDI is defined as a long-term or lasting-interest investment by a resident or enterprise of one economy into a tangible asset of another economy. This type of investment is deemed “long-term” or of “lasting-interest” if it is either a greenfield investment or an acquisition of at least 10 per cent of the equity or voting shares of an enterprise. This 10% threshold is considered a controlling interest in an enterprise and is what primarily distinguishes FDI from portfolio investment since it usually coincides with a transfer of management, technology, and organizational skills along with capital.

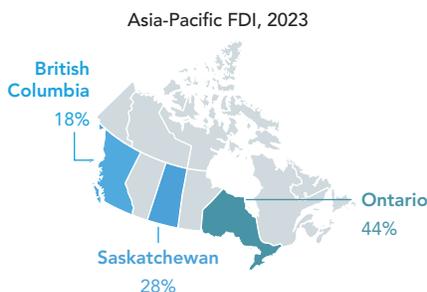
SECTORAL



The mining and chemicals, finance, and energy industries were the main beneficiaries of two-way Canada-Asia Pacific investment flows in 2023.

SUBNATIONAL

Ontario, Saskatchewan, and British Columbia received the majority of FDI flows (90%, or C\$20.7B) from the region in 2023, with all three provinces recording an increase in investment compared to 2022.



Country	Canada's FDI in the Asia Pacific
 Inner Mongolia	C\$3.34B
 Maharashtra	C\$2.15B
 Beijing	C\$1.17B
 Auckland	C\$1.0B
 New South Wales	C\$0.70B
 Queensland	C\$0.51B
 Osaka	C\$0.51B
 Haryana	C\$0.43B
 Delhi	C\$0.36B
 Western Australia	C\$0.30B

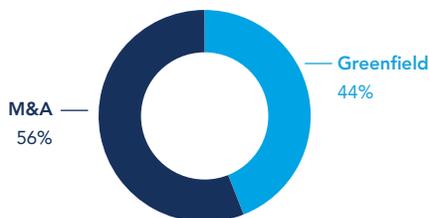
Three Australian states — New South Wales, Queensland, and Western Australia — and two Indian states and one union territory — Maharashtra, Haryana, and Delhi — placed among the top 10 recipients of Canadian investment flows into the Asia Pacific in 2023.

Greenfield FDI

Greenfield FDI is carried by a company when it establishes new operations in a country by either constructing new facilities, such as manufacturing plants, distribution centres, or new offices, with the purpose of expanding its business in a new country and having control over the newly established entity. While the company assumes full control over the new entity, it is also a high-risk investment as the company has high fixed and market entry costs. This investment type differs from mergers and acquisitions (M&A), where an investor acquires stakes in existing businesses operating in host countries (acquisition) or combines its activities with an existing business to form a third entity (merger).

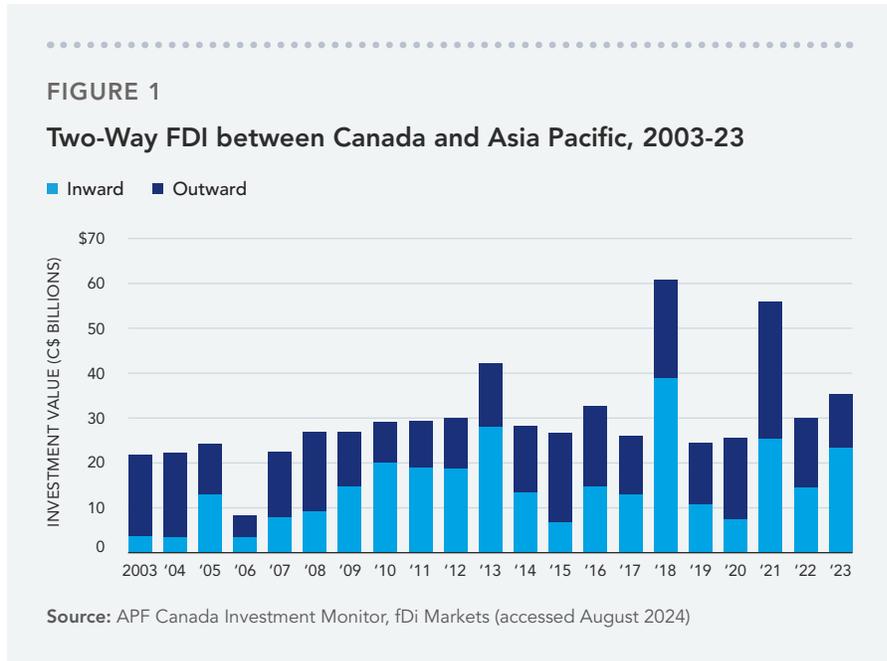
INVESTMENT TRENDS

In 2023, greenfield investments accounted for 44% of Canada-Asia two-way investment flows, the highest proportion in the past five years.



NATIONAL TRENDS

- Over the past two decades (2003-23), Canada-Asia Pacific FDI flows have been, on average, experiencing steady growth (with investment peaking in 2018 and 2021) (see Figure 1). During the past five years, FDI flows between Canada and the region increased steadily, from around C\$24.5B in 2019 to more than C\$35B in 2023. 2021 was an exceptional year for two-way FDI flows, with Canada-Asia Pacific FDI flows reaching C\$55.8B, with Australia accounting for 59%, or over C\$32.7B, of that two-way investment.



- Two-way FDI flows between Canada and the Asia Pacific economies increased in 2023 compared to 2022 by around 18%, increasing from C\$29.8B to over C\$35B** (see Figure 1). 2023 was the fourth-largest year in terms of two-way FDI flows between Canada and the region in the last two decades (2003-23). These trends are generally consistent with the [State of Trade 2024 report](#),

which noted that 2023 saw a marked increase in Canada’s outward and inward global flows of FDI.

- The growth in two-way FDI flows in 2023 comes from Asia Pacific investment flows into Canada** (worth C\$23.3B), a reversal of a four-year trend (starting in 2019) of Canada’s outbound investment flows being higher than Asia Pacific investment flows into Canada.

TOP PARTNERS

- Australia, China, Singapore, India, and Japan (in that order) were Canada’s top five two-way FDI partners from the Asia Pacific region in 2023 (see Table 1). **While Canada’s two-way FDI flows with**

Australia and India declined in 2023 compared to 2022, Canada’s two-way FDI flows with China, Singapore, and Japan increased significantly during the same period.

- A decline in Canada-Australia two-way FDI flows was **driven by a decrease in Canadian investment into Australia by C\$4.7B, despite an increase of C\$998M in Australian investment into Canada.** Despite Canada’s two-way investment flows with Australia declining from C\$13.2B in 2022 to under C\$9.5B in 2023, Australia remained Canada’s top FDI partner in the region.
- **A decline in two-way FDI flows between Canada and India was driven by a drop in inward and**

outward FDI flows. Canadian investment in India decreased by approximately C\$1.5B (driven by [a decline in Canadian pension funds’ investments in India](#)), while Indian investment in Canada decreased by C\$413M. India dropped from Canada’s second-largest two-way FDI partner in 2022 to its fourth-largest FDI partner as two-way FDI flows declined from around C\$5.5B in 2022 to C\$3.5B (see Table 1).

TABLE 1
Canada-Asia Pacific Top Two-Way FDI Partners, 2022-23

	Economy	Two-way FDI in 2022 (C\$B)	Two-way FDI in 2023 (C\$B)
1	 AUSTRALIA	▲ C\$13.22B	▼ C\$9.48B
2	 CHINA (MAINLAND)	▼ C\$0.52B	▲ C\$6.73B
3	 SINGAPORE	▼ C\$0.71B	▲ C\$6.31B
4	 INDIA	▲ C\$5.48B	▼ C\$3.57B
5	 JAPAN	▼ C\$1.06B	▲ C\$3.07B
6	 SOUTH KOREA	▲ C\$3.41B	▼ C\$1.50B
7	 TAIWAN	▼ C\$0.05B	▲ C\$1.50B
8	 MALAYSIA	▲ C\$2.20B	▼ C\$1.35B
9	 NEW ZEALAND	▲ C\$1.37B	▼ C\$1.02B
10	 PHILIPPINES	▼ C\$0.08B	▲ C\$0.19B

Source: APF Canada Investment Monitor, fDi Markets (accessed August 2024)

- In 2023, China became Canada’s second-largest two-way FDI partner in the Asia Pacific and benefited from an increase in Canada’s investment flows from around C\$381M in 2022 to more than C\$4.7B in 2023, becoming the largest recipient of Canadian investment in the region in 2023. **The majority of Canadian investment into China (C\$3.3B) came from a single greenfield investment (to build a new solar panel factory)**

made by Canadian Solar in Hohhot, China (see Box 2). China’s investment inflows into Canada grew from C\$137M in 2022 to over C\$1.9B in 2023 with the majority of this investment going to Canada’s industrial metals and mining sector. The largest deal in this sector came from MMG Africa Ventures, a unit of state-backed China Minmetals Corp., which bought a copper mine from Vancouver-based Cuprous Capital Ltd.

FIGURE 2

Canada-China Two-Way FDI flows, 2003-23



Source: APF Canada Investment Monitor, fDi Markets (accessed August 2024)

- Singapore was Canada’s third-largest two-way investment partner in the region in 2023. **Two-way FDI between Canada and Singapore increased from C\$709M in 2022 to more than C\$6.3B**, with Singapore investing C\$6.2B in Canada (accounting for the increase in two-way FDI, despite a decline in Canadian investment into Singapore in 2023).
- **Japan, Canada’s fifth-largest two-way FDI partner in 2023, increased investment flows into Canada in 2023 compared to 2022 by approximately C\$1.7B**, from around C\$764M to over C\$2.4B. At the same time, Japan has benefited from an increase in investment flows from Canada — increasing from C\$299M in 2022 to around C\$652M in 2023.
- Aside from Singapore, **ASEAN economies have experienced a decline in two-way FDI with Canada in 2023, compared to 2022, with two-way FDI flows declining from around C\$2.3B in 2022 to under C\$1.7B in 2023.** Despite the overall drop in FDI flows between Canada and ASEAN, we saw an increase in FDI from the Philippines and Thailand into Canada in 2023, with FDI from the Philippines increasing by C\$183M and from

Thailand by C\$7M. We also observed an increase in Canada's FDI into Indonesia by C\$31.7M, Thailand by C\$44M, and Vietnam by C\$65.6M.

- Taiwan-Canada investment relations expanded in 2023, with 2023 marking the second-largest year in terms of two-way FDI flows between Canada and Taiwan over the past two decades (2003-23). Even though Taiwan ranked as Canada's seventh-largest

two-way investment partner in the region in 2023, **investment between Canada and Taiwan grew from C\$51M in 2022 to over C\$1.5B in 2023.**

The 2023 increase in investment between Canada and Taiwan was largely attributed to E-One Moli Energy's (MoliceL) nearly C\$1.4B investment, in partnership with the federal and B.C. governments, focused on building a lithium-ion battery cell manufacturing facility in Maple Ridge, B.C.

BOX 1

Canada-Taiwan: E-One Moli Energy's (MoliceL) lithium-ion battery plant in Maple Ridge

In November 2023, a Taiwan-based producer of rechargeable lithium-ion cell products, E-One Moli Energy (MoliceL) invested more than C\$1B, with financial support from the federal government and the province of British Columbia (B.C.), in the city of Maple Ridge to build a lithium-ion battery cell manufacturing facility. The federal government will provide C\$205M through the [Strategic Innovation Fund \(SIF\), under the Net Zero Accelerator initiative](#), and the B.C. government will provide approximately C\$80M to support the project.

MoliceL is a subsidiary of Taiwan Cement (TCC), a Taiwan-based company focused on producing and trading cement. The company expanded its footprint in the clean energy sector through its investment in Maple Ridge. E-One Moli Energy traces its origins to Moli Energy Ltd., a Canadian trailblazer in rechargeable lithium battery technology established in [1977](#) in Burnaby, B.C. In 1998, it merged with Taiwan's E-One Technology to form the E-One Moli Energy Corp, solidifying its role as an industry pioneer with production facilities in Taiwan. The facility in Maple Ridge started construction in 2024 and is expected to start production in 2028. The plant is projected

to produce [135 million lithium batteries annually](#), becoming Canada's leading manufacturer of high-performance lithium-ion battery cells and the world's first high-power battery cell plant to operate entirely on 100% green energy while maintaining a low-carbon footprint. In addition, the company's operation will [create 350 new jobs](#), making it the largest private employer in Maple Ridge, a city of around 95,000.

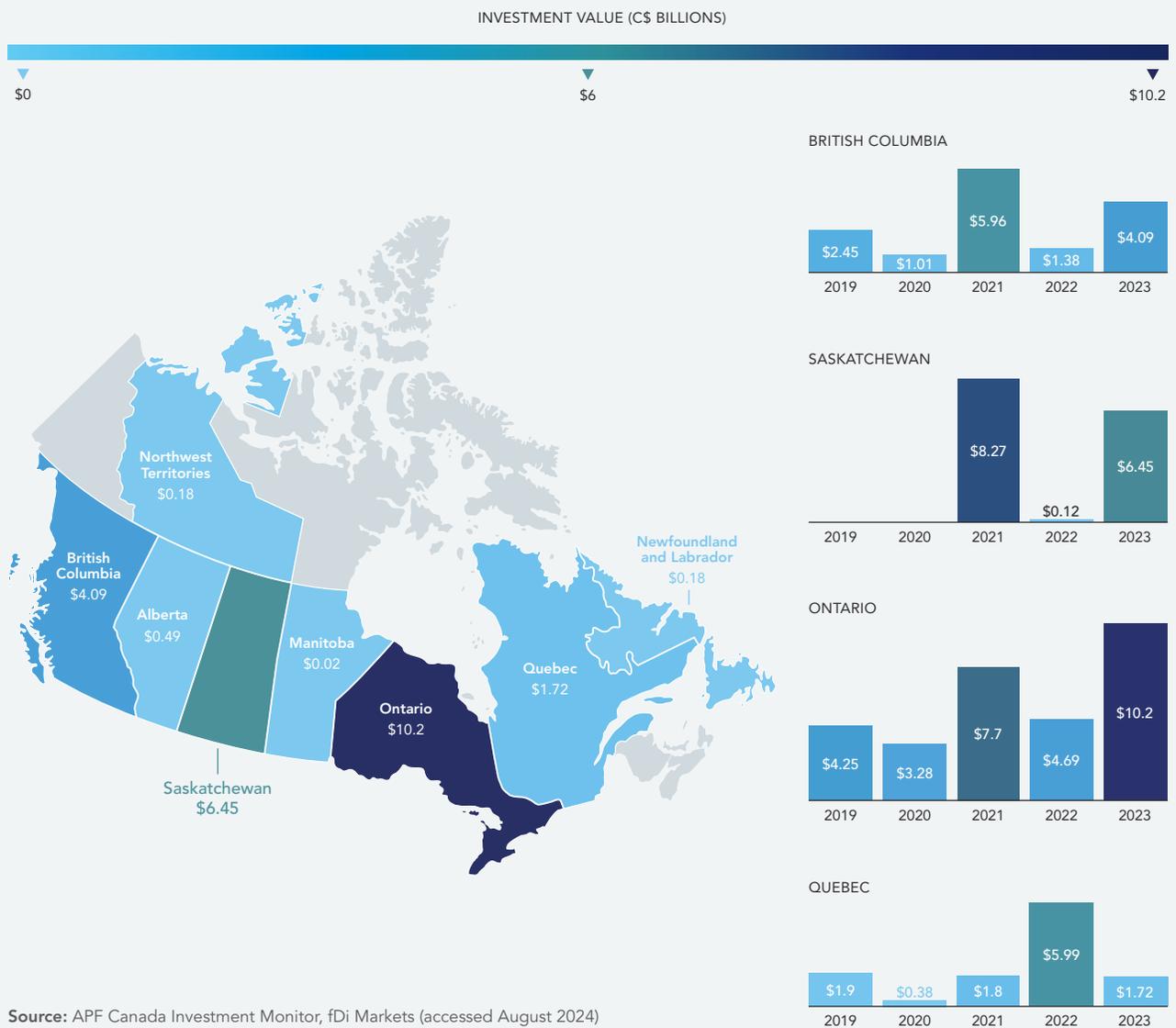
The project not only supports [Canada's green energy transition](#) but also marks a significant step in strengthening economic ties between Canada and Taiwan. Canada and Taiwan have increasingly recognized the significance of their trade and investment relationship, leading to [a series of strategic agreements](#) in recent years aimed at strengthening economic ties. For example, in December 2023, Canada and Taiwan signed the [Foreign Investment Promotion and Protection Agreement](#) to enhance supply chain connections and bilateral investment. The two economies also endorsed a [Collaborative Framework on Supply Chains Resilience](#). These initiatives are expected to boost Canada-Taiwan FDI flows in the coming years.

SUBNATIONAL TRENDS

Ontario, Saskatchewan, and British Columbia received the majority of FDI flows from Asia Pacific economies in 2023, worth around C\$20.7B (accounting for 89% of inward FDI from the region), with all three provinces recording an increase in investment compared to 2022 (see Figure 3). 2023 also witnessed the re-emergence of Newfoundland and Labrador and Northwest Territories as recipients of investments from the Asia Pacific.

FIGURE 3

Asia Pacific FDI across Canadian Provinces, 2023

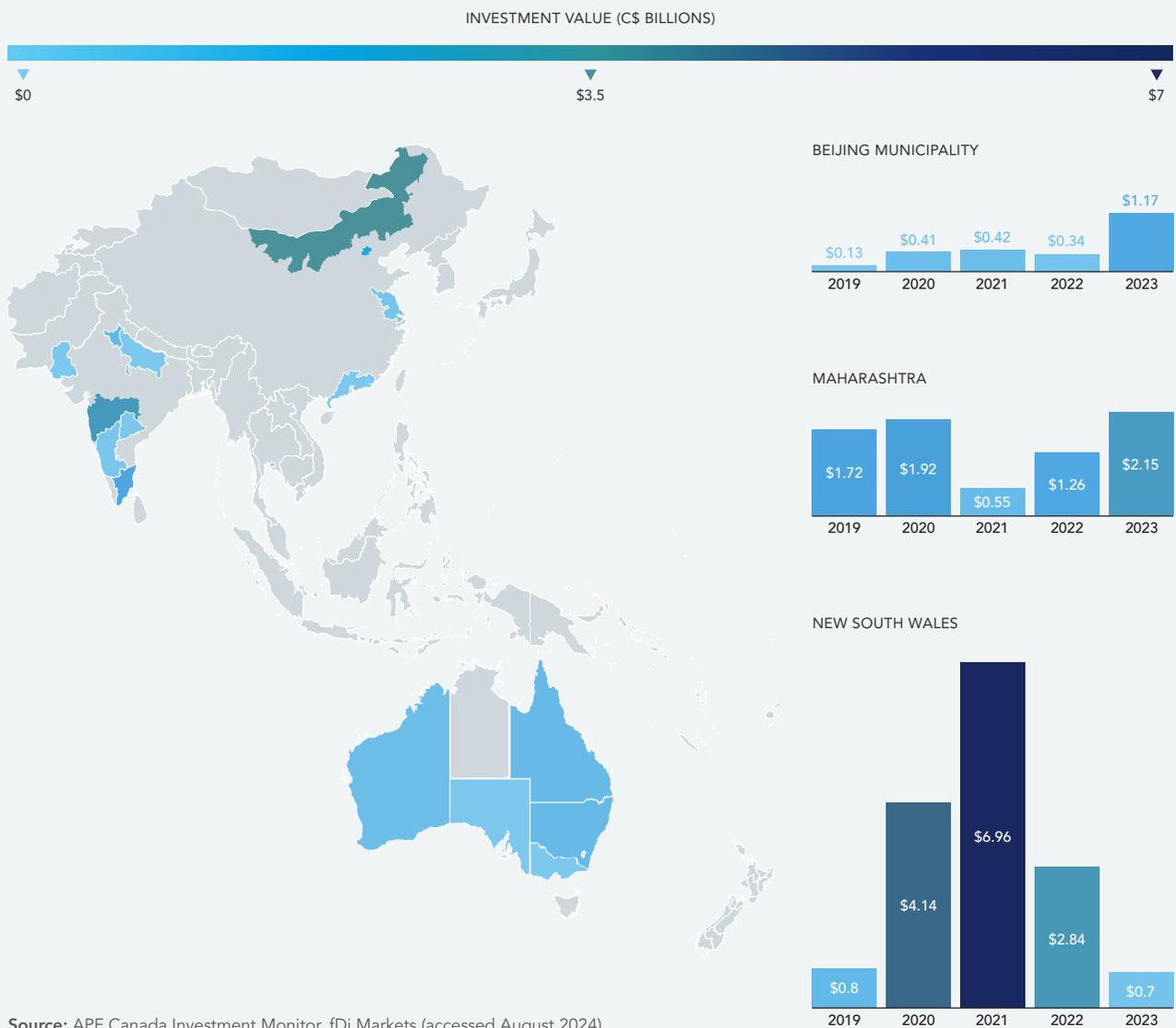


- Ontario was the largest recipient of FDI flows from the Asia Pacific in 2023, receiving more than double the investment made by regional investors in the province in 2022, with investment increasing from around C\$4.7B in 2022 to over C\$10B in 2023. Markham, Ontario, for the first time, overtook Toronto (which received around C\$3B in 2023) as the preferred city for Asia Pacific investment flows by investment value, attracting more than C\$6B of the FDI flows from the region in 2023. Markham's rise to the top investment destination in Ontario was driven by a single large investment from Singapore's GIC and DIR, which acquired Summit Industrial Income REIT in a deal worth C\$5.9B.
- Saskatchewan and British Columbia were the second- and third-largest recipients of FDI flows from the Asia Pacific in 2023, receiving around C\$6.5B and C\$4B, respectively. Saskatchewan's investment value was driven by one large project — Australia's BHP investment in Stage Two of the Jansen potash project worth C\$6.4B. British Columbia benefited from two large investments — the largest investment, worth C\$1.7B, came from MMG Africa Ventures' acquisition of Vancouver-based Cuprous Capital Ltd., as noted earlier. B.C. also received a large investment, worth around C\$1.4B, through an investment by Taipei-based E-One Moli Energy in Maple Ridge (See Box 1).
- While placing among the top five largest recipients of Asia Pacific investment flows into Canada in 2023, Quebec and Alberta received less investment from the Asia Pacific region than in 2022. Quebec, the fourth-largest recipient of Asia Pacific investment in 2023, received more than C\$1.7B in FDI flows from the region in 2023. Despite Montreal's popularity among Asia Pacific investors over the past five years, Granby, Quebec, received the highest investment in Quebec in 2023, worth C\$1B, from South Korea's Volta Energy Solutions for the construction of a copper coil factory in Granby, which will be operational in 2026. Alberta's investment decreased significantly from C\$2.4B in 2022 to C\$493M in 2023, with Calgary receiving the majority of this investment (around C\$455M).
- Northwest Territories (N.W.T.) and Newfoundland and Labrador also benefited from Asia Pacific investment in 2023, with both receiving a relatively significant investment, around C\$180M each, in 2023. N.W.T received a small investment in 2021, and Newfoundland and Labrador received its last investment in 2020. Newfoundland and Labrador received investments in the mining and renewable energy sectors, with a significant investment worth around C\$68M by SK Ecoplant Co. in Project Nujió'qonik, near Stephenville. According to the [Atlantic Economic Council](#), Atlantic Canada is set to attract new investments, with renewable energy and housing expected to spark significant FDI. N.W.T benefited from a large investment from Western Australia's Burgundy Diamond Mines, which acquired Arctic Canadian Diamond Company Ltd. Shares, including its primary mining asset in Fort Smith, the Ekati Diamond Mine, worth C\$180M.

OUTWARD FDI

Two Indian states and one union territory — Maharashtra, Haryana, and Delhi — and three Australian states — New South Wales, Queensland, and Western Australia — placed among the top 10 Canadian investment recipients in the Asia Pacific region in 2023.

FIGURE 4
Canadian FDI in Asia-Pacific Provinces/Territories, 2023



- Maharashtra, Haryana, and Delhi accounted for around 25% of total FDI in 2023, receiving C\$2.1B, C\$435M, and C\$359M, respectively (see Figure 4). Maharashtra, the second-largest subnational recipient of Canadian FDI flows in the Asia Pacific (receiving C\$2.1B), has continuously ranked among the top 10 recipients of Canadian total outward investment in the Asia Pacific region in the last five years. A significant portion of investment going to the state went to the city of Mumbai, which received an investment of C\$1.9B, of which Brookfield invested C\$485M in acquiring a controlling stake in CleanMax Enviro Energy Solutions. Haryana ranked among the top 10 sub-national recipients of Canadian investment for the first time in the last five years, indicating that the state is becoming a desirable destination for Canadian FDI. Delhi has been among other Indian hotspots for Canadian FDI from 2019 to 2023, despite a drop in Canadian investment in Delhi from 2022 to 2023, from around C\$1.2B to just under C\$359M.
- Australia’s New South Wales, Queensland, and Western Australia also ranked among the top 10 recipients of Canadian FDI flows in the Asia Pacific region in 2023, accounting for approximately 13% of the total FDI in the Asia Pacific during that year, receiving C\$699M, C\$513M, and C\$304M, respectively. Sydney has attracted all Canadian FDI flowing into New South Wales, while Nambour attracted a significant portion of the Canadian capital going to Queensland (from a C\$264M acquisition of Mackellar Mining Pty. Ltd. by North American Construction Group Ltd.). Kimberley Cattle was Canada’s largest investment in Western Australia in 2023, amounting to C\$271M.
- Canada’s investment flows to ASEAN-based states and provinces have declined over the past four years. Among them, the city-state of Singapore remained the largest recipient of Canadian investment, closely followed by Vietnam’s Ho Chi Minh City, with the former receiving C\$160M and the latter around C\$66M. Malaysia’s Kuala Lumpur was the third-largest recipient of Canadian FDI in the ASEAN region, receiving C\$39M in 2023, the largest Canadian investment it has received in the last five years.
- China’s autonomous region of Inner Mongolia and the municipality of Beijing were the largest and third-largest subnational recipients of Canadian investment flows in the region in 2023, respectively. Inner Mongolia’s rise to the top came from a C\$3.3B investment from Canadian Solar (see Box 2). Beijing received around C\$1.2B in Canadian FDI, a significant increase from the C\$338M it received in 2022.

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BOX 2:

Canada-China: Canadian Solar in Hohhot, Inner Mongolia

Canadian Solar is a prominent global provider of solar energy solutions, focusing on the design, development, and production of solar photovoltaic modules and energy storage systems. Founded in

Guelph, Ontario, in 2001 by Dr. Shawn (Xiaohua) Qu, the company is listed on the NASDAQ. Canadian Solar is primarily owned by institutional [investors](#) such as BlackRock (9%), Venture Holding (8%),

and Mackenzie Financial (6%), with founder Dr. Shawn Qu also holding a significant stake (21%). The company operates in more than 20 countries, offering innovative and sustainable solutions to facilitate the global shift towards clean energy.

Canadian Solar has a [widespread presence across China](#) (with China home to the majority of Canadian Solar’s manufacturing operations in the Asia Pacific region). In its most recent investment in China, in July 2023, CSI Solar Co. Ltd., a majority-owned subsidiary of Canadian Solar, announced plans to build a [C\\$3.3B](#) factory to produce photovoltaic modules in Hohhot, located in China’s Inner Mongolia region. The company [started constructing the project in 2023](#), with phases one and two [expected to be operational](#) in late 2024. The facility is a key component of the

company’s strategy to expand capacity and enhance vertical integration within China.

Hohhot was recognized as ‘[China’s Investment Hotspot City](#)’ in 2023. The unusual choice of Inner Mongolia as the location of Canadian Solar’s new manufacturing base was driven by the Chinese autonomous region’s abundant supply of wind and solar power and commodities necessary for producing solar modules, such as polysilicon and quartzite. In 2023, Inner Mongolia surpassed all other Chinese provinces in the generation of electricity from renewable energy sources. This increasing renewable power penetration is helping Canadian Solar to reduce the carbon footprint of its supply chain.

INDUSTRY TRENDS

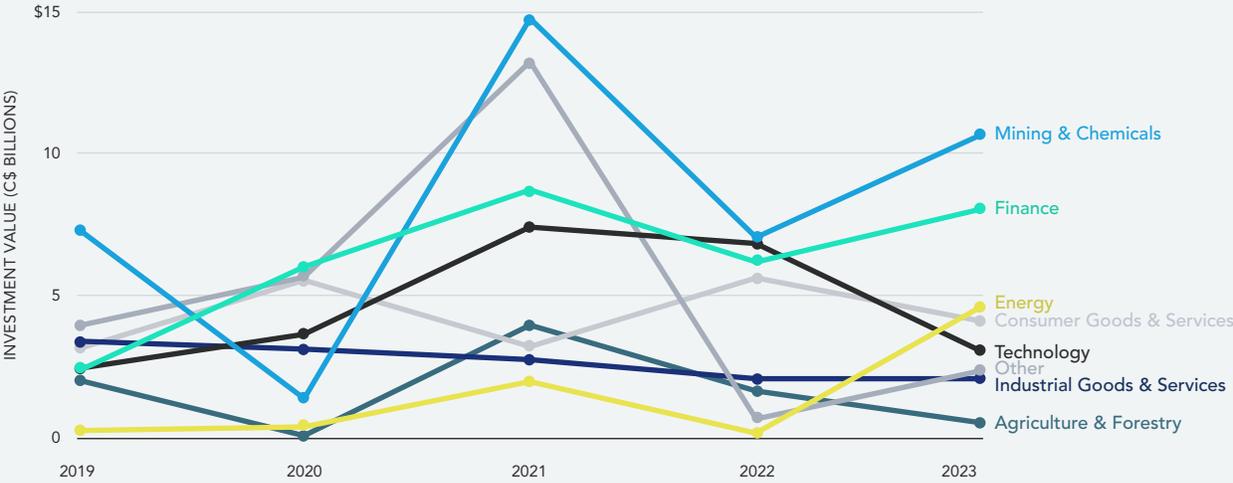
- **The mining and chemicals and financial industries were the main beneficiaries of two-way Canada-Asia Pacific investment flows in 2023, accounting for more than 53% of this investment (around C\$18.7B), with both receiving more investment than the previous year.** In 2023, both industries were dominated by Asia Pacific FDI inflows to Canada, with Asia Pacific FDI in Canada’s mining and chemical industry accounting for more than 97% of two-way FDI in that industry that year.
- The mining and chemicals industry, which received C\$10.7B in 2023, has dominated two-way FDI flows over the past five years, except in 2020 (see Figure 5). Asia Pacific investors led the two-way FDI flows between Canada and the region in Canada’s mining and chemicals industry in 2023, investing around C\$10.6B. One of the largest investors was Australia’s BHP, which invested more than C\$14.6B in the Jansen potash project over several years (see Box 3). Critical minerals accounted for 91% of two-way FDI flows in the mining and

chemicals industry between Canada and the Asia Pacific in 2023. This investment was driven by the global transition toward [renewable energy](#), [electric vehicles](#), and [computer chips](#), as well as a [projected increase in the demand for fertilizers](#). The financial industry, composed of financial services, non-life insurance, real estate investment and services, and real estate investment trusts (REITs), benefited from C\$8B in two-way FDI flows between Canada and the Asia Pacific in 2023. While, over the last five years, this sector benefited predominantly from Canada's FDI in the Asia Pacific, Canada was the main beneficiary of investment in this sector in 2023, when Singapore made a significant

investment in Canada's REITs (the GIC-Summit deal worth C\$5.9B and discussed above).

- The energy industry was the third-largest recipient of two-way FDI flows between Canada and the Asia Pacific in 2023, worth around C\$4.6B, with alternative energy leading two-way FDI flows that year with around C\$4.5B in two-way investment going to this sector. While, over the past five years, Canada has attracted more FDI flows from the region in the energy industry, in 2023 Canadian investors were more active in the Asia Pacific energy industry, investing over C\$3.4B (led by Canadian Solar's project in China).

FIGURE 5
Canada-Asia Pacific Two-Way Investment by Industry, 2019-23



Source: APF Canada Investment Monitor, fDi Markets (accessed August 2024)

BOX 3

BHP's Investment in the Jansen Potash Project

In October 2023, BHP [approved a C\\$6.4B investment](#) for stage two of the Jansen potash project, a follow-up investment on its C\$7.5B investment in stage one of the Jansen project in 2021, and a pre-stage 1 investment of C\$4.9B in exploration of the Jansen project. Stage one of the Jansen project is expected to be completed in 2026, while the second stage is expected to start its first production in 2029. BHP is currently performing feasibility studies for stage two of the project, which is expected to be the largest in the world with a production capacity of approximately [8.5M tonnes per year](#).

BHP Group Ltd. is an Australian multinational mining and metals publicly traded company headquartered in Melbourne, with over 90 locations worldwide. The company has opened an office in Saskatoon dedicated to managing the

Jansen potash project. The Canadian branch of BHP is focused on developing Canadian potash, with Canada playing an important strategic role as the largest potash producer in the world, [accounting for more than 30% of global production](#) in 2020.

Potash, a [critical mineral](#), plays an important role in the future of food security as it is used globally as a fertilizer. The drive to ramp up Canada's potash production is in part a response to the economic and food insecurity challenges driven by the decline in potash exports from Russia, the second-largest potash producer, and the projected future rise in demand for potash to sustain global food production needs. The increased investment in Canada's potash broadly aligns with a recent [rise in critical mineral investment from Asia Pacific to Canada](#).

INVESTMENT TRENDS: TYPES OF INVESTORS AND INVESTMENTS

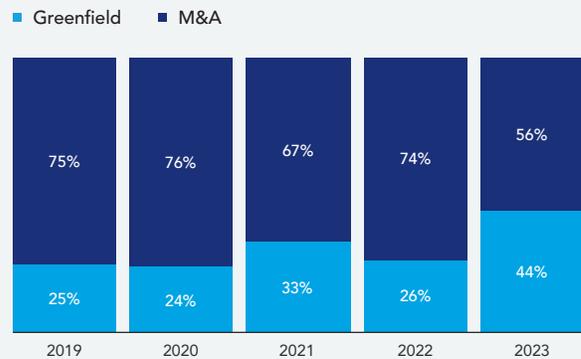
INVESTMENT TYPE

- In 2023, greenfield investments accounted for 44% of Canada-Asia two-way investment, the highest proportion in the past five years, indicating investors' growing confidence in investing in new facilities and projects (see

Figure 6). Two-way greenfield FDI has steadily increased in the last five years from around C\$6.2B in 2019 to more than C\$15.3B in 2023, with over C\$10.7B coming from Asia Pacific investors to Canada.

- From 2019-23, Asia Pacific investors invested more in Canadian greenfield projects than Canadian investors in Asia, with Asia Pacific investment in Canada’s greenfield projects over the past five years amounting to C\$31.4B, compared to C\$22.4B invested by Canadian companies in the region during the same period.
- The leading greenfield investments by Asia Pacific investors in Canada were by Australia’s BHP (see Box 3) and E-One Moli Energy (Molicel) (see Box 1). Canada’s largest greenfield investment was made by Canadian Solar (see Box 2). Given that the largest deals were in the mining and energy industry, it is not surprising that these two industries dominated two-way greenfield investments between Canada and the region in 2023.
- Australia was a leading Asia Pacific investor in Canada’s greenfield projects in 2023, accounting for around 60% of inward greenfield FDI flows from the region. China has been the largest

FIGURE 6
Canada-Asia Pacific Two-Way FDI by Investment Type, 2019-23



Source: APF Canada Investment Monitor, fDi Markets (accessed August 2024)

recipient of Canadian greenfield investments, worth around C\$3.6B (or 76% of Canada’s total greenfield FDI in the region in 2023).

INVESTOR TYPE

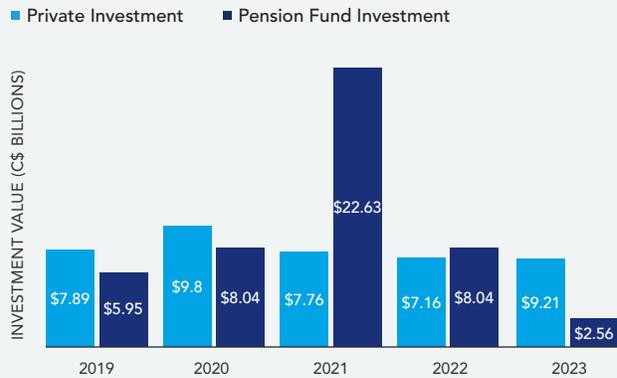
- **Private investors accounted for around 62% (worth C\$14.4B) of Asia Pacific FDI flows into Canada in 2023, with SOEs accounting for 38% (worth C\$8.9B) of FDI flows into Canada that year.** Canadian private investors invested comparatively less than Asia Pacific investors in Canada in 2023, with C\$9.2B in outward FDI flowing to the region from private investors and C\$2.6B from Canadian pension funds (see Figure 7).
- Over the last five years (2019-23), FDI from Asia Pacific SOEs into Canada has fluctuated. From 2019 to 2022, we saw a year-on-year decline in SOEs’ FDI flows into Canada, with their investments into Canada declining from C\$4.3B in 2019 to just C\$273M in 2022. This trend reversed in 2023 as SOEs’ FDI in Canada rebounded to reach over C\$8.9B, accounting for more than one-third of Asia Pacific FDI flows into Canada during that year (see Figure 7). The majority of this investment came from the GIC-Zenith deal, worth C\$5.9B.

FIGURE 7

Asia Pacific Investment in Canada, by Investor Type, 2019-23



Canadian investment in Asia Pacific, by Investor Type, 2019-23



Source: APF Canada Investment Monitor, fDi Markets (accessed August 2024)

- Canadian outward FDI was dominated by private investors, except for the 2021-22 period when [pension funds exceeded private investors](#) by making significant investments in the region (see Figure 7). While pension funds accounted for

less than one-quarter of Canadian FDI outflows to the Asia Pacific in 2023, the Ontario Teachers' Pension Plan Board placed among the top five largest Canadian investors in the Asia Pacific during that year (see Appendix).

TRENDS TO WATCH FOR 2024

Global FDI projections for 2024 are generally positive. United Nations Conference on Trade and Development's ([UNCTAD](#)) [World Investment Report](#) for 2024 projects that global FDI may experience modest growth due to easing financial conditions and investment facilitation measures, which are supportive policies that encourage foreign investment. The UNCTAD report also maintains that global FDI flows may be negatively impacted by the broader international investment environment, which may

be undermined by geopolitical tensions, [weaker economic growth](#), industrial policies, and shifting supply chains.

In Canada, the clean technology and critical minerals sectors are expected to benefit from an attractive investment environment, while general investment may decline as Canada retools its [investment screening regime](#) to tighten investment reviews. We anticipate an increase in inward FDI in the

clean energy sector and critical minerals mining as the Canadian government has unveiled new [investment tax credits](#) to promote clean energy investment in clean hydrogen, geothermal energy, clean technology, and zero-emission technology manufacturing.

At the same time, foreign investors considering investing in Canada's real estate and digital media may be limited by restrictions on investment, such as the [prohibition to purchase a residential property by foreigners](#) in Canada for a period of two years adopted in 2022, and the closer review of investment in Canada's [interactive digital media](#). All inward investments coming to Canada will also be subject to an updated foreign investment review regime as Bill C-34 received Royal Assent on March 22, 2024, to amend the Investment Canada Act.

In the Asia Pacific, selected economies have launched investment attraction campaigns in 2024 that may provide lucrative opportunities for Canadian investors seeking to benefit from [the region's rapid economic growth](#). The region's largest economies — China and India — have rolled out investment schemes to attract investment in specific manufacturing sectors. In an attempt to attract FDI in manufacturing and services, for instance,

China's province of Guangdong [introduced subsidies and grants](#) for foreign investors in high-technology manufacturing and other manufacturing businesses. India has liberalized FDI in the [space sector](#) and provided a lower customs duty for [EV manufacturing](#) companies to position India as a hub for EV manufacturing.

Canada's economic partners in Northeast Asia — Japan and South Korea — are expanding investment attraction measures. [South Korea increased its cash grants budget](#) to support R&D investment from foreign companies. Japan has designed [Special Zones for Financial and Asset Management Businesses](#) to attract foreign asset management companies to Tokyo, Hokkaido, Osaka, and Fukuoka.

Southeast Asian economies have also provided incentives to support investment in selected provinces or sectors. For example, [Thailand extended](#) investment promotion measures to support the manufacturing of printed circuit boards in Thailand. [Cambodia has announced tax measures](#) to promote investment in Preah Sihanouk Province, focusing on completing construction in the city of Sihanoukville, which has around 400 unfinished buildings.

APPENDIX

TABLE 2

Top Five Canadian Investors in the Asia Pacific region and Top Five Asia Pacific Investors in Canada, 2023

	Canada's Top Investors in the Asia Pacific	Outward FDI 2023 (C\$ Billion)	Asia Pacific's Top Investors in Canada	Economy of Origin	Inward FDI 2023 (C\$ Billion)
1	Canadian Solar Inc (CSI)	\$3.4	BHP Group	 AUSTRALIA	\$6.4
2	Brookfield Asset Management	\$1.9	GIC Pte Ltd	 SINGAPORE	\$5.9
3	Ontario Teachers' Pension Plan Board	\$1.5	MMG Africa Ventures (China Minmetals Corp.)	 CHINA (MAINLAND)	\$1.7
4	IGM Financial Inc.	\$1.2	E-One Moli Energy (Taiwan Cement (TCC))	 TAIWAN	\$1.4
5	Sun Life Financial	\$0.6	KDDI Corporation	 JAPAN	\$1.4



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The Asia Pacific Foundation of Canada (APF Canada) is an independent, not-for-profit organization focused on Canada's relations with Asia. Our mission is to be Canada's catalyst for engagement with Asia and Asia's bridge to Canada.

APF Canada is dedicated to strengthening ties between Canada and Asia through its research, education, and convening activities, such as the Canada-in-Asia Conference series, our Women's Business Missions to Asia, and the APEC-Canada Growing Business Partnership project fostering sustainable inclusive growth and poverty reduction. APF Canada also works with business, government, and academic stakeholders to provide Asia Competency training for Canadian organizations and students.

Our research provides high-quality, relevant, and timely information, insights, and perspectives on Canada-Asia relations for Canadians and stakeholders across the Asia Pacific. Our research work also includes regular Insights, Dispatches, Reports & Policy Briefs, Strategic Reflections, Case Studies, Explainers, and a weekly Asia Watch tracking the latest news on Asia that matters to Canada.

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