

Foreign Investment

Benefits of foreign investment

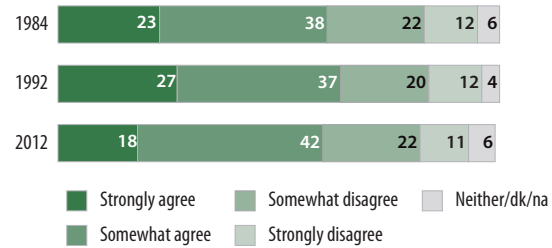
The role and dynamics of foreign investment in an increasingly globalized world have changed dramatically over the past 20 years, yet public opinion about the overall benefits has remained notably consistent. Canadians value the employment benefits of foreign investment, which leads to six in ten who strongly (18%) or somewhat (42%) agree that *“to create jobs, the government should encourage much more foreign investment in this country.”* This is very similar to the views expressed in previous decades (in 1984 and 1992), although the proportion that strongly agree is now lower.

What has changed over the past 20 years is how this issue is viewed in different parts of the country. Since 1992, there has been rising agreement in the importance of foreign investment among Atlantic Canadians (77%, up 13 points), while this view attracts declining support across western Canada (which now ranges from 30% in Manitoba to 46% in Alberta). Opinions are notably similar across socio-economic class.

While Canadians may believe it is important to expand foreign investment as a source of new employment, they are also growing more skeptical about the security of the jobs created through such a policy. Seven in ten (71%) Canadians agree that *“foreign-owned companies are less likely than Canadian-owned companies to protect the jobs of Canadians,”* up from 65 percent in 1992 and 57 percent in 1984.

Increasing concern about the security of jobs created through foreign investment is most evident in Eastern Canada (especially in Quebec where 83% now agree with this statement, up from 62% in 1992), while stable or declining in the west (most notably in Saskatchewan, where only 48% now agree, down 7 points).

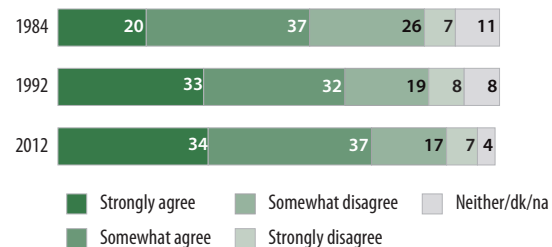
To create jobs, the government should encourage much more foreign investment in this country 1984 – 2012



Q.36a

Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statements...?

Foreign-owned companies are less likely than Canadian-owned companies to protect jobs in Canada 1984 – 2012



Q.36b

Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statements...?

Canadians also remain skeptical that foreign investment meets a generic “net-benefit” test, with only one-third (34%) agreeing that **“foreign-owned companies contribute more to the economy than they take out,”** largely unchanged since 1984, although overall disagreement is up seven points since 1992. Opinions about the contribution of foreign investment are the most negative in Quebec (especially Montreal), but have declined most noticeably since 1992 in Ontario and Alberta.

Source of foreign investment

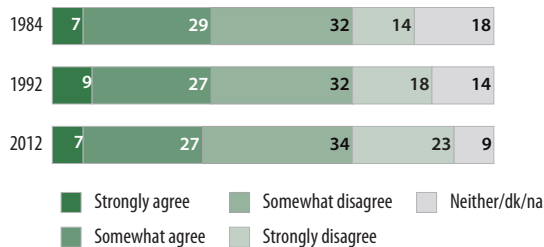
Does it matter to Canadians which countries are the source of foreign ownership of Canadian-based companies? It does in the case of China, likely influenced by the recent controversy over state-owned Chinese companies looking to invest in Canada’s oil and gas sector.

Fewer than half (42%) of Canadians believe Chinese companies should be allowed to purchase and own Canadian-based companies. By comparison, clear majorities endorse such purchases from companies based in the USA (71%), Australia (71%), Germany (68%), France (67%), Brazil (60%) and India (55%).

Across all countries, public support for the foreign purchase of Canadian companies is lower in B.C. outside of Vancouver, among women, Canadians aged 60 plus, and those with lower levels of education and income. Opinions in the Prairies are close to the national average, although Albertans tend to be somewhat more favourable than residents of Saskatchewan and Manitoba. Support for Chinese investments is strongest in Montreal (56%) and among those who support the federal Liberal Party (50%).

Foreign-owned companies contribute more to the economy than they take out

1984 – 2012

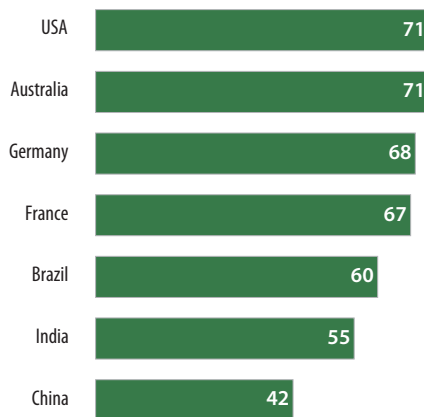


Q.36c

Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statements...?

Allow companies based in specific countries to purchase/own Canadian-based companies

2012



Q.37a-g

Do you think that companies based in each of the following countries should or should not be allowed to purchase and own companies based here in Canada...?