

JUNE 2015

2015 NATIONAL OPINION POLL

CANADIAN VIEWS ON ASIAN INVESTMENT





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EXECUTIVE SUMMARY

Asian investment in Canada is one key to our country's future prosperity. As the Canadian Government adjusts its policies and practices in response to the rise of Asia as a global economic force, the Asia Pacific Foundation of Canada's 2015 *National Opinion Poll* reveals that Canadians are cautiously optimistic about the benefits of direct foreign investment from Asia.

In past polling, the Foundation focused on attitudes towards state-owned enterprise investment in Canada. This year's poll shifted its focus away from the topic of state-owned enterprises and toward broader attitudes towards foreign investment and Canadian perceptions of the countries that invest in Canada. We compared and contrasted Canadian views of our key Asian investors and then compared them to views on our largest foreign investor, the United States.

The findings from our 2015 *National Opinion Poll* reveal a public that is open to Asian investment, but cautious of big, new investors like China that have yet to prove themselves in the minds of many Canadians. A majority of Canadians express positive views about investment from major Asian players, including Japan, South Korea, and India. Canadians, we found, are reasonably well informed about basic foreign investment rules and practices, and the most informed Canadians tend to be those who are also most supportive of investment from Asia.

When it comes to China, however, Canadian attitudes are more mixed. Our poll found there are several reasons underlying this general caution. Canadians have distinct concerns about investment from the world's two largest economies, and they closely associate investment from China—and, incidentally, from the United States—with the phrase, “loss of control over our resources.”

Canadians also tend to overestimate how much foreign direct investment in our country is actually owned by companies from China, which contributes to a sense of fear that we are

losing control over our economy. And even though our poll reveals that Canadians are confident that foreign companies will abide by Canadian laws in Canada, the news we consume related to the negative activities of some Chinese corporations in China likely shapes our perceptions generally of Chinese companies abroad.

Canadians may be apprehensive about foreign investment by Chinese companies, but according to our poll they are clearly open to persuasion through positive, demonstrable contributions to Canadian society.

Meanwhile, our poll indicated that Canadian perceptions of investment from Japan—a country that was a security risk and an economic rival in the living memory of many Canadians—are overwhelmingly positive.

China is a relatively new player in the Canadian economy, with major corporate sector investment emerging only in the past 10 years. Views toward this new economic force may indeed change over time, as they have with Japan. Our take-away from this year's poll: Chinese companies are in a position to favourably shape public opinion by creating a legacy of positive contribution to Canada's economic and social well-being.

ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA

The Asia Pacific Foundation of Canada (APF Canada) is a 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.**

A leader in research and analysis on Canada-Asia relations for over 30 years, APF Canada partners with government, business leaders, academics, and opinion makers in Canada and across the Asia Pacific region to offer clear, specific, and actionable policy advice.

Established by an Act of Parliament in 1984, APF Canada's thematic priorities include: promoting trade, investment, and innovation; mobilizing energy assets; building skills and competencies; and, understanding Asia now.

ABOUT THE NATIONAL OPINION POLL

Since 2004, the Asia Pacific Foundation of Canada has been conducting regular nation-wide surveys to assess Canadians' attitudes toward, and perceptions of, Canada-Asia relations. Unique in its construction and its objectives, the Foundation's National Opinion Poll has been instrumental in drawing a portrait of Canadians' perspectives on Asia and the region's increasing relevance to Canada's prosperity.

Our most recent survey focuses on the issue of Asian investment in Canada. Where past surveys found that Canadians tended to agree that Asian investment benefits Canada, they were also hesitant to support investment in their country by Asian state-owned enterprises. This survey asked new types of questions to examine Canadian attitudes toward Asian investment that help the Foundation identify how specific perceptions of foreign investment vary with the source of that investment. The survey also measured Canadians' knowledge of foreign investment rules and practices. Our findings contribute to an ongoing national conversation on Canada-Asia relations, and shed light on how Canadians view foreign investment.

METHODOLOGY

The Asia Pacific Foundation of Canada commissioned EKOS Research Associates to conduct a survey of 1,548 Canadian adults who are participants in the Probit online survey panel.

The survey was conducted from March 24 to April 6, 2015. The margin of error—which measures sampling variability—is +/- 2.5% for the entire sample. The median completion time for the survey was 9.5 minutes. The results have been statistically weighted by EKOS according to the current census data on age, gender, and region to ensure that the sample is representative of the entire adult population of Canada. Discrepancies in or between totals are due to rounding.

KEY FINDINGS

CANADIANS ARE OPEN TO INVESTMENT FROM ASIA

Canadians are generally supportive of investment from Asia.

A majority expressed positive views of investment from Japan (78%), South Korea (67%) and India (59%). This is comparable to Canadians' favourable views on investment from the United States (77%), Canada's largest source of foreign direct investment.

Only in the case of China are opinions more mixed, with two-fifths (42%) being favourable to Chinese investment and half (49%) expressing opposition. Chinese investment in Canada has been a contentious topic recently, but, despite the controversies, many Canadians remain open to the potential benefits. There are, nonetheless, characteristics that often accompany Chinese foreign investment—such as the involvement of state-owned enterprises and the concentration in the resource sector—about which the Canadian public remains skeptical.

CANADIANS HAVE CONCERNS ABOUT THE INFLUENCE OF THE WORLD'S TWO LARGEST POWERS

Canadians worry that investment from global powers like China and the United States will lead to a loss of control over our natural resources.

Almost half (48%) of Canadians associate Chinese investment with the phrase “loss of control over our resources,” and two-fifths (42%) associate the same phrase with investment from the United States. Concern about losing control of resources is the term or phrase Canadians most strongly associate with investment from both countries. Canadians are also most likely to say the government lets in “too much” investment when asked about the world's two largest economies, though this response was much more common in relation to China (56%) than the United States (28%). By comparison, one-tenth (10%) of Canadians express a similar concern about Japan.

CANADIANS OVERESTIMATE THE EXTENT OF CHINESE INVESTMENT IN THE COUNTRY

Canadians have a more accurate perception of how much of Canada's foreign direct investment comes from countries like the United States, Japan, India, and South Korea than from China.

Canadians estimate that companies from China own one-quarter (25%) of all foreign direct investment in Canada, while the official figure is closer to 3%. This misperception is likely driven in part by the recent increase in Chinese investment, the value of which jumped from C\$0.2 billion to C\$20.4 billion between 2003 and 2013. Canadians who significantly overestimate the extent of Chinese ownership in the Canadian economy are also more likely to say Canada has allowed “too much” investment from China to enter the country.

CANADIANS HAVE AN ACCURATE UNDERSTANDING OF INVESTMENT RULES AND PRACTICES

It would be a mistake to dismiss Canadians' concerns about Asian investment as merely misinformed opinion.

Beyond the over-estimation of Chinese investment, there is little evidence to suggest Canadians are significantly misinformed about investment rules and practices in their country. A majority of Canadians know that foreign com-

panies are subject to Canadian laws and regulations (75%), that the federal government plays a role in approving large foreign investments (69%), and that the majority of Chinese investment is concentrated in the resource sector (54%). Close to half of Canadians (48%) also rejects as false the notion that foreign-owned companies pay their Canadian workers less than Canadian-owned companies. Canadians' information about foreign investment—or at least their intuitions about rules and practices—is relatively accurate and favourably disposed toward the potential benefits of foreign companies investing in Canada.

Canadians most informed about foreign investment rules and practices tend to be those who are also most supportive of investment from Asian countries. However, the most informed Canadians have particular concerns about China. For example, Canadians with the most accurate understanding of our country's investment rules and practices are also those most likely to associate investment from China with the term “security risk.” This tends to weaken their support for investment from China compared to other countries.

CANADIANS' VIEWS ON FOREIGN INVESTMENT ARE SHAPED BY PERCEPTIONS OF INVESTING COUNTRIES

Canadians do not always disentangle their attitudes about foreign investment from their attitudes toward particular countries.

This is particularly true in the case of China. Although most Canadians recognize that foreign companies operating in Canada abide by domestic

laws and practices, they still associate investments from China with terms like “environmental damage” and “poor labour standards.” This suggests many Canadians may not be worried about how Chinese investors behave in Canada as how Chinese companies behave in China.

This presents a challenge for Chinese companies operating in Canada. Significant investment in Canada by Chinese companies is a relatively recent phenomenon. Chinese investors in Canada do not yet have a visible and established track record of contributing to the country that could be used to counter the skeptical attitudes many Canadians have toward China in general. Barring significant socio-political change in China, Canadians are only likely to warm to Chinese investment if they see Chinese companies making a positive contribution to Canada.

There is some precedent for the significant evolution of Canadian views toward investment from Asian countries. Almost two-thirds of Canadians (65%) mention “new technologies” as a key term they associate with Japanese investment, a country that was once associated with inferior, low-end products. Canadian consumption of Japanese high-tech products, along with positive contributions by Japan to Canada’s economy like the construction of state-of-the-art car manufacturing facilities, also likely play a role in shaping perceptions of investment from Japan. With time, it is likely that Canadian attitudes toward Chinese investment will evolve. In this regard, early Chinese investors in Canada have a special role and responsibility to facilitate this evolution by contributing to a positive legacy.

SURVEY RESULTS

INTRODUCTION

Canadians hold complex views on investment from Asia. Past surveys found that Canadians tend to agree that Asian investment benefits the country. Yet they are less enthusiastic when evaluating plausible Asian investment scenarios in Canada, particularly those that involve state-owned enterprises.¹ Canadians appear open to the idea of Asian investment, but not the specific type of investment that has recently been flowing into the country.

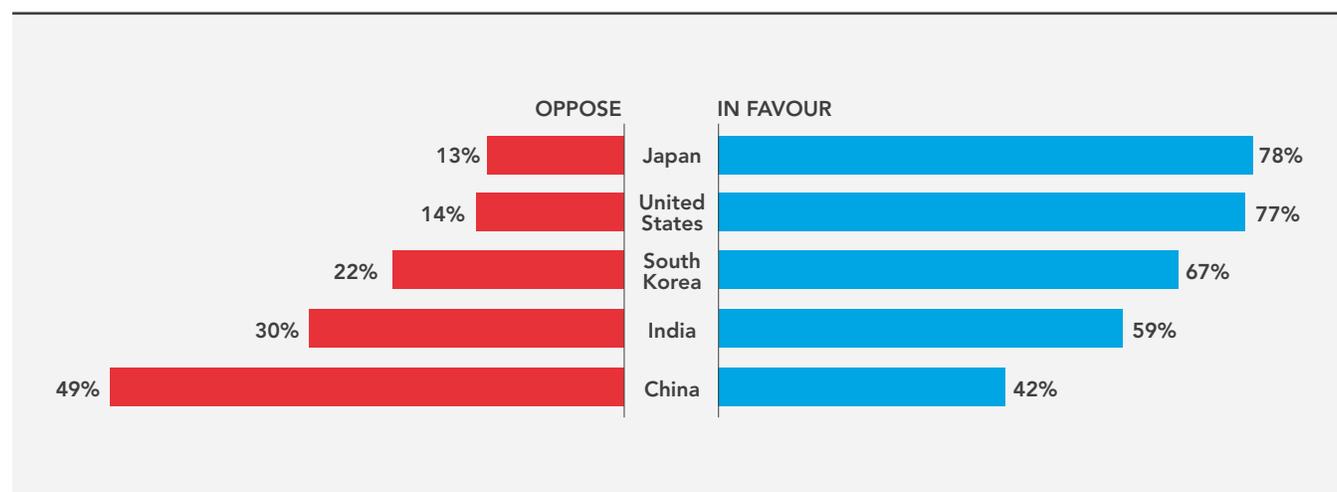
This survey report takes a deeper look at Canadians' views toward investment from Asia. What does the Canadian public know about foreign investment, particularly from Asia? How do Canadians perceive investment from major Asian investor countries, and how are these perceptions different than views of investment from Canada's major trading partner, the United States? Is support or opposition to investment driven by misinformation, or do other factors shape opinion?

SECTION 1 – SUPPORT FOR ASIAN INVESTMENT

Canadians support investment into Canada from most Asian countries. Close to eight-in-ten Canadians (78%) would support foreign investment if the company were from Japan. This is the same level of support for investment from the United States (77%). Relatively strong

support also exists for investment from South Korea (67%), and India (59%). Views on investment from China are more mixed. While most Canadians oppose investment from Chinese companies (49%), more than four-in-ten (42%) express more positive views on this investment.

Canadians support foreign direct investment, under the right circumstances



Base: All respondents (n = 1,548)

Q3: If a foreign company wanted to make an investment in Canada, would you favour or oppose the investment if the company were from...

Support for investment from Asian countries in this year's survey is much higher than in previous APF Canada surveys. However, our earlier surveys asked specifically about support for investment from Asian state-owned enterprises (SOEs). In 2014, for example, support for investment from

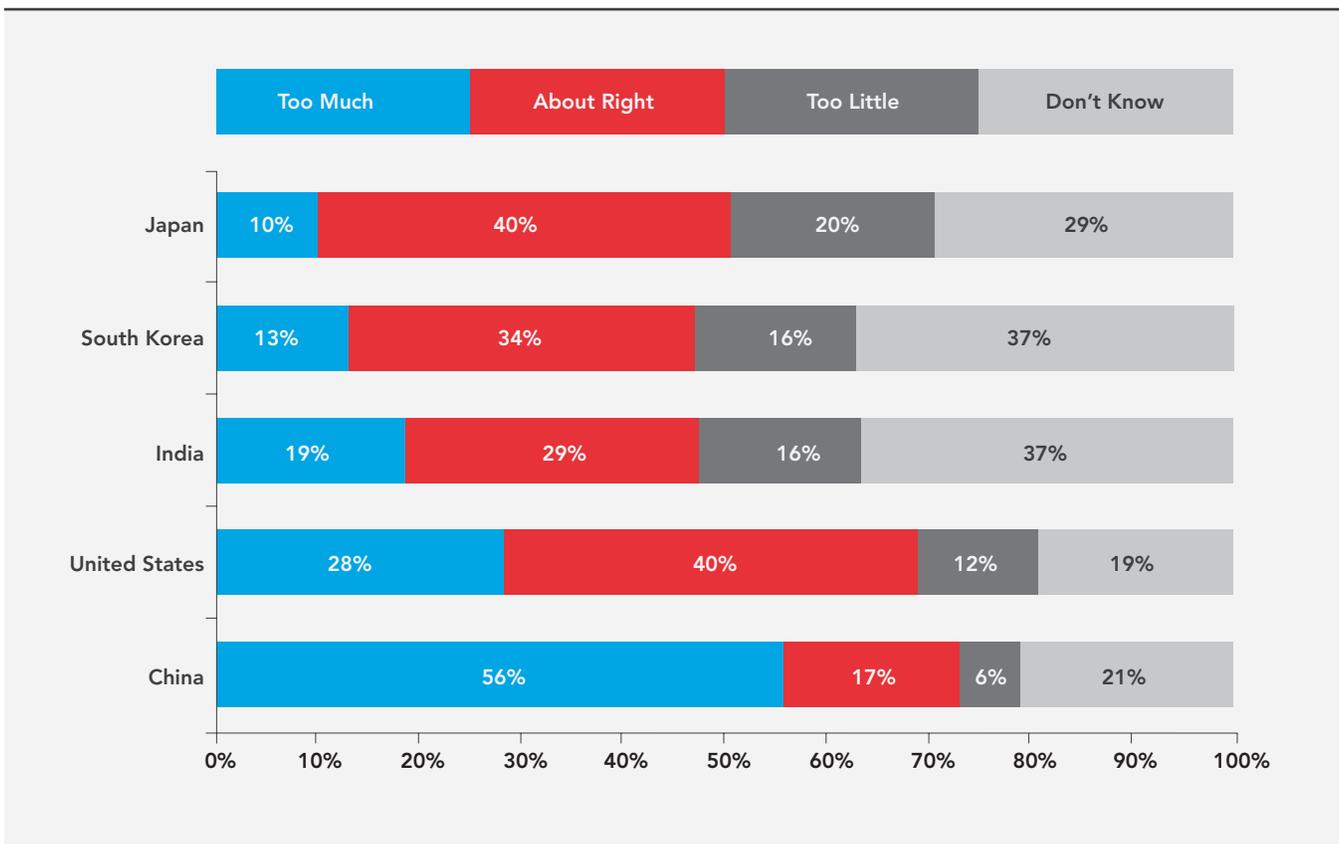
Asian SOEs ranged from a high of 30% for Japan to 14% for China. Some of this past skepticism of foreign investment has been clearly driven by the link between the investment and a foreign government; Canadians are hesitant to allow foreign governments to play a role in our country's

national economic affairs. When the possible influence of foreign governments is not explicitly mentioned, however, Canadians tend to be more supportive of investment from Asian countries. These findings are consistent with the findings of other surveys, including the 2014 *Albertans' Views on China* survey conducted by the China Institute at the University of Alberta.²

Canadians are somewhat content with investment flows from most Asian countries. For Japan, four-in-ten (40%) say Canada lets in “about the right amount of investment,” two-in-ten (20%) think

Canada lets in “too little” investment, while only one-in-ten (10%) say it lets in “too much.”³ Views toward investment from South Korea and India are similar, with the largest portion of Canadians saying the government lets in about the right amount (South Korea: 34%; India: 29%). Fewer Canadians feel there is “too much” investment from both countries (South Korea: 13%; India: 19%), but for both countries there is an almost equally large group of Canadians thinking Canada lets in “too little” investment (South Korea: 16%; India 16%).

Canadians are concerned with investment levels from China



Base: All respondents: (n = 1,548)

Q5: Overall, do you think the Canadian government is letting in too much, too little, or about the right amount of investment from each of the following countries:

By comparison, Canadians' views of investment from China are quite different. A majority (56%) says the Canadian government lets in "too much" investment from China, and just 17% the "right amount." Interestingly, while views on investment from the United States are more positive, with 40% thinking Canada lets in "about the right

amount of investment," a significant number of Canadians also think the government lets in "too much" American investment (28%). This suggests an underlying unease among Canadians when dealing with investment from the world's largest economies.



SECTION 2 - PERCEPTIONS OF FOREIGN INVESTMENT

Canadians’ support for foreign direct investment varies considerably, and depends upon the country from which the investment originates. This is particularly true in the case of investment from Asian countries. To help understand why this might be the case, survey respondents were asked a follow-up question about what terms or phrases they associated most with investment from three significant investment sources for Canada: China,

Japan, and the United States. The terms and phrases were chosen by APF Canada because they featured prominently in public discussions of investment or existing research on the topic. Three terms or phrases could be selected from a list, and respondents ranked their selection in order of how strongly they associated the term or phrase with investment from a particular country.

Canadians perceptions of investment vary across countries

| | CHINA | JAPAN | UNITED STATES |
|------------------------------------|-------|-------|---------------|
| Security risk | 29% | 3% | 6% |
| Trusted partner | 2% | 26% | 35% |
| Environmental damage | 40% | 9% | 24% |
| New technologies | 11% | 66% | 17% |
| Poor labour standards | 42% | 6% | 10% |
| Job creation | 15% | 30% | 35% |
| Loss of control over our resources | 48% | 18% | 44% |
| Economic growth | 19% | 39% | 42% |
| Corruption | 30% | 4% | 10% |
| Improved competitiveness | 7% | 28% | 18% |
| Foreign workers | 21% | 10% | 3% |
| Increased trade | 23% | 39% | 47% |
| Don't Know | 14% | 24% | 13% |

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from...?

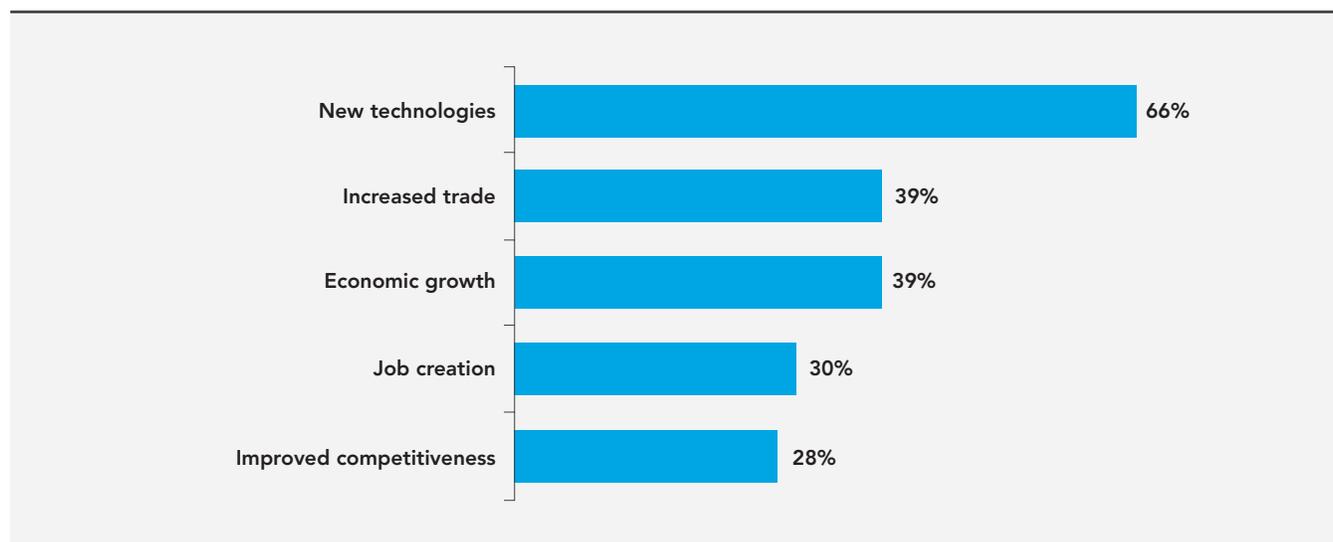
Please select three, placing them in the order of how strongly you associate the term or phrase with investment from [country].

For example, your first choice is the term or phrase you most strongly associate with investment from [country].

Canadians associate investment from Japan overwhelmingly with positive terms or phrases. Japanese investment is viewed by many Canadians as synonymous with technological innovation. Two-thirds (66%) mention “new technologies” as a key term they associate with Japanese investment; for 40% it was their first choice. This

finding matches results from a recent Pew Research Center survey of American attitudes toward Japan, which also found “technology” was a key term associated with Japan in general.⁴ In the APF Canada survey, Canadians who selected “new technologies” also tended to be more supportive of investment from Japan.

Canadians associate investment from Japan with positive terms



Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from Japan?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from Japan.

For example, your first choice is the term or phrase you most strongly associate with investment from Japan.

Note: Top five of twelve responses displayed.

A significant number of Canadians also link investment from Japan with a range of positive terms related to economic activity: “increased trade” (39%), “economic growth” (39%), “job creation” (30%), and “improved competitiveness” (28%). Over one-quarter (26%) of Canadians also relate Japanese investment with the term “trusted partner.” The only negative term or phrase to be

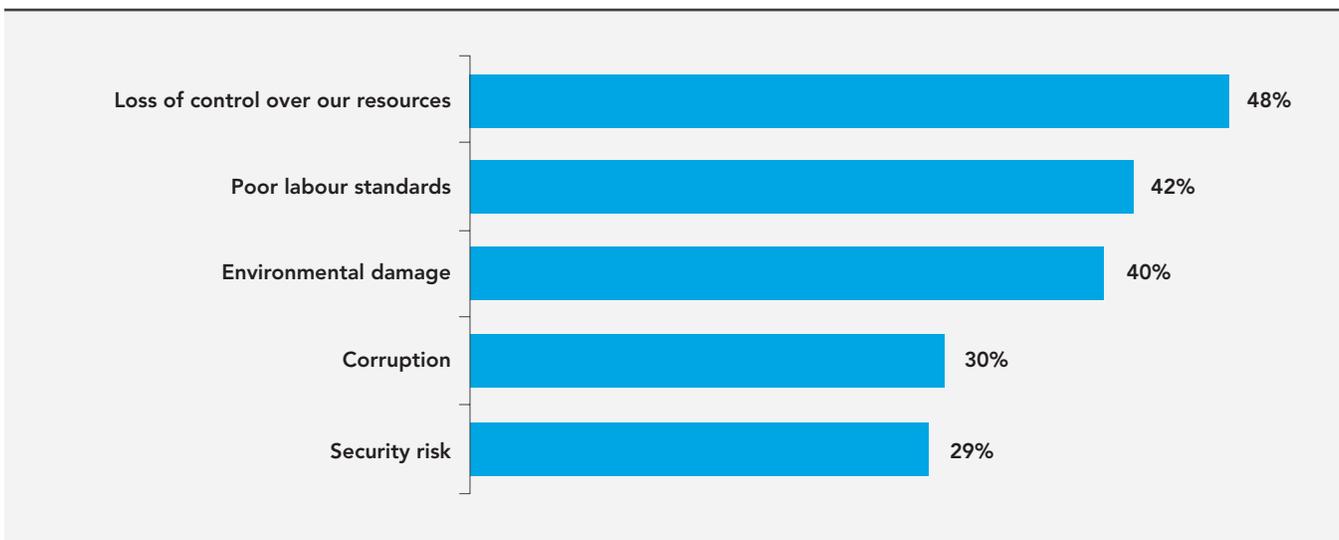
selected by over 10% of Canadians for Japan was “loss of control over our resources” (18%).

Whereas the terms and phrases associated with Japan are positive, those associated with investment from China tend to be largely negative. Almost half (48%) of Canadians associate Chinese investment with the phrase

“loss of control over our resources.” Concern about control of resources was also the term most often selected first (24%). This concern was particularly pronounced in Alberta (31%), the site of much Chinese investment in the resource sector. Just less than one third (29%) see investment from China as a “security risk.” In addition to unease over control of our resources and security risks, Canadians are also apprehensive about how China regulates business

activities; four-in-ten associate Chinese investment with “poor labour standards” (42%) and “environmental damage” (40%), while 30% use the term “corruption.” As findings below suggest, these responses are likely shaped by Canadians’ perceptions of how companies behave in China more than expectations that Chinese will companies will fail to follow the laws and practices in Canada.

Canadians associate investment from China with loss of control over resources



Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from China?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from China.

For example, your first choice is the term or phrase you most strongly associate with investment from China.

Note: Top five of twelve responses displayed.

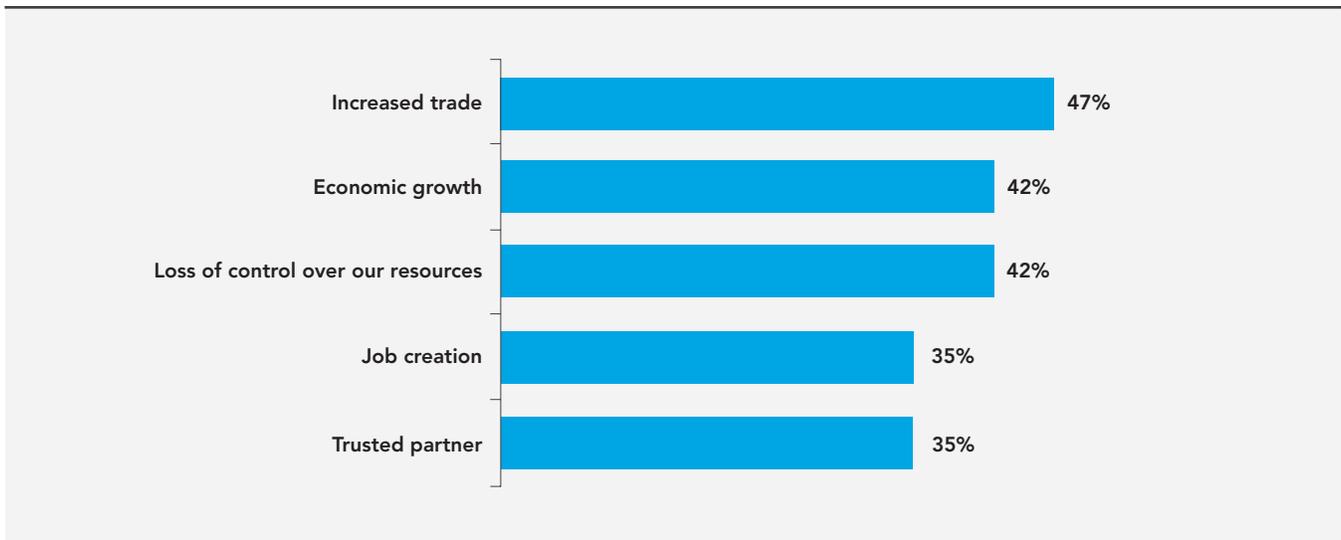
Fewer Canadians associate investment from China with a positive term or phrase. Just under one-quarter (23%) selected “increased trade,” one-fifth (19%) selected “economic growth,” and 15% connected investment from China to “job creation.” Very few chose “trusted partner” (2%).

Compared to perceptions of investment from Japan and China, views on investment from the United States are somewhat mixed. Similar to views of Japanese investment, many of the top terms or phrases Canadians associate with American investment are related to positive

dimensions of economic activity, including “increased trade” (47%), “economic growth” (42%), and “job creation” (35%). Over one-third (35%) of

Canadians also associate the term “trusted partner” with investment from the United States.

Canadians associate investment from the U.S. with increased trade, economic growth



Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from the United States?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from the United States.

For example, your first choice is the term or phrase you most strongly associate with investment from the United States.

Note: Top five of twelve responses displayed.

And yet, Canadians’ perceptions of investment from the United States are not as overwhelmingly positive as those held about Japanese investment. Notably, more than four-in-ten Canadians (42%) link investment from the United States with the phrase “loss of control over our resources,” which is at a comparable level to their views of Chinese

investment (49%). Further, one-quarter (24%) selected “environmental damage” when describing investment from the United States. Overall, these relatively negative perceptions of American investment are closer to Canadians’ views on China than Japan.

SECTION 3 – ESTIMATES OF ASIAN INVESTMENT IN CANADA

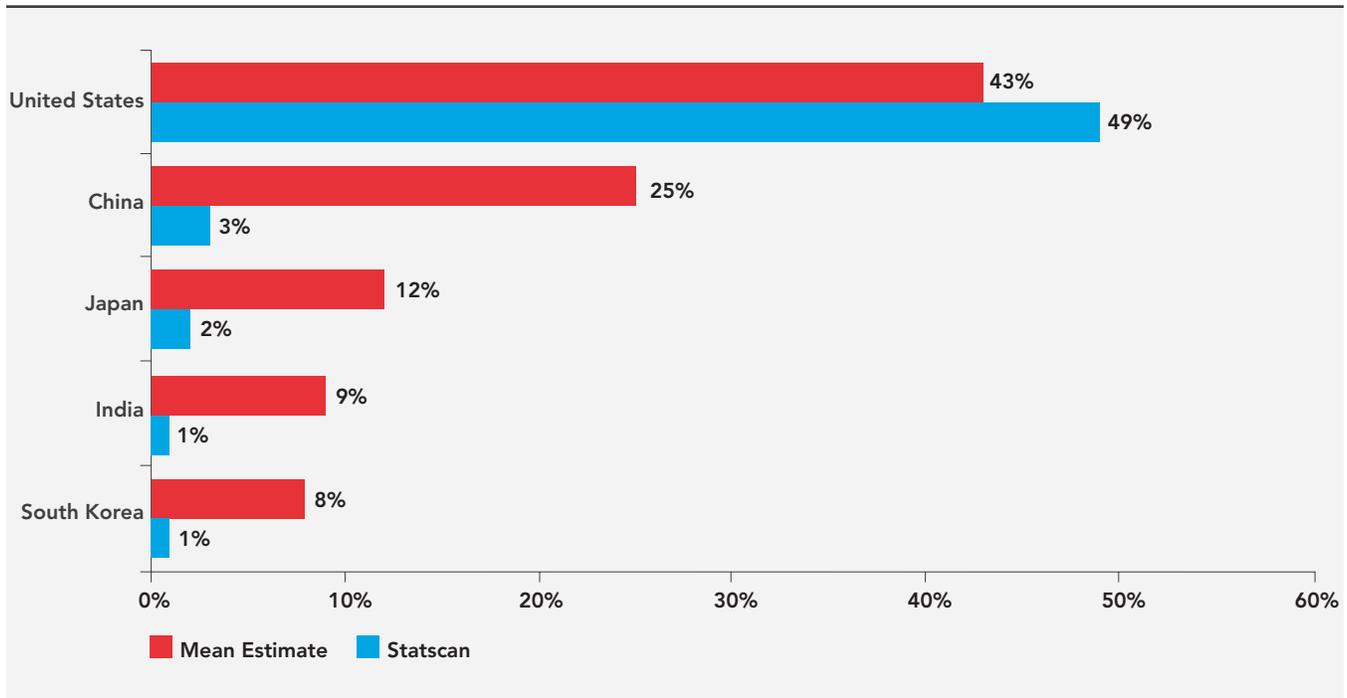
In recent years, foreign direct investment from China into Canada has increased substantially. Between 2003 and 2013, total stock of investment in Canada owned by companies from China went from approximately C\$0.2 billion to C\$20.4 billion.⁵ This total does not include investments routed through third-party countries. As well, it does not include funds from Canadian residents who entered the country through the immigrant investor program.

The proportion of investment owned by Chinese companies remains modest when compared to other countries, however. By 2013, companies from China accounted for approximately 3% of total foreign direct investment in Canada. This was also slightly ahead of Japan, whose companies owned almost 2% of total foreign direct investment in Canada. However, it was far behind companies from the United States, who owned over 49% of foreign investments in Canada.

To explore Canadians' views of which countries have the largest stake in our country's economy, we asked respondents to estimate the percentage of foreign direct investment in Canada owned by companies from a selection of countries.

For Japan, India, South Korea, and the United States, estimates were all within 10 percentage points of the actual amounts calculated using official statistics from Statistics Canada. Canadians estimate that Japanese companies own approximately 12% of all foreign investments in Canada, which is higher than the 2% total but not completely off the mark. Canadians estimated 9% and 8% respectively for India and South Korea, which is again higher than the approximately 1% for both countries, but still within 10%. The average estimate for the United States was 43%, which is approximately 6 percentage points lower than the percentage of foreign investment actually owned by American companies (49%).

Canadians overestimate how much foreign direct investment in Canada is owned by companies from China



Base: All respondents (n = 1,548)

Q2: Many foreign companies make investments in Canada's economy. In your best estimate, what percentage of foreign direct investment in Canada is owned by companies that come from each of the following countries.

Source: Official foreign direct investment data adapted from the Statistics Canada CANSIM database. Year displayed: 2013. Date Accessed: 15-05-2015.

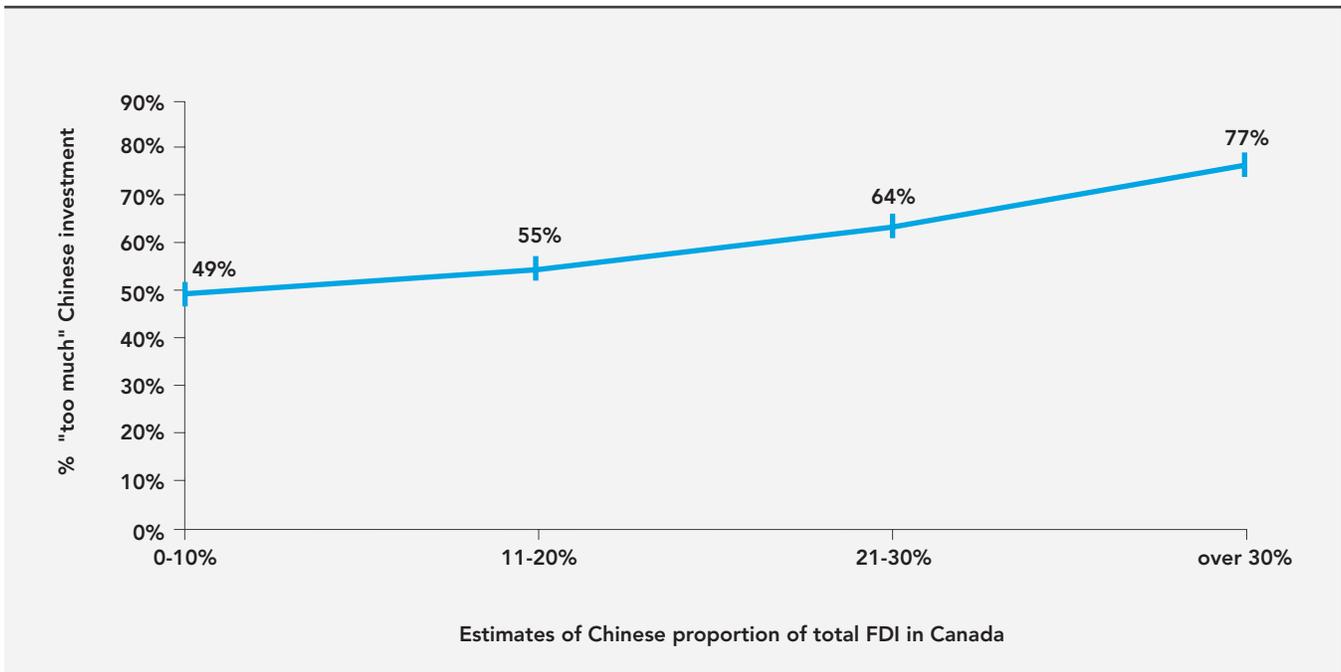
The most significant disjuncture between Canadians' estimates and the official statistics occurred for China. Canadians estimated that approximately 25% of the total stock of foreign investment in Canada is owned by companies

from China. Official statistics have the value closer to 3%. Even if official statistics underestimate the actual stock of Chinese investment in Canada, there is still a sizable gap between perception and reality.

It is likely that Canadians' tendency to overestimate the extent of Chinese investment in the economy contributes to the opposition of Chinese investment. In fact, the APF Canada survey findings show that as estimates of Chinese investment rise, so too does the perception that the Canadian government is letting in "too much investment" from China. For example, among

Canadians who estimate Chinese investment makes up between 1% to 10% of total foreign investment in Canada, half (49%) think Canada is letting in too much investment from China. This negative view of Chinese investment rises to 77% among those who estimate Chinese investment makes up more than 30% of all foreign investment in Canada.

Canadians who overestimate Chinese investment also think there is "too much" investment from China



Base: All respondents (n = 1,548)

Q5: Overall, do you think the Canadian government is letting in too much, too little, or about the right amount of investment from each of the following countries...?

Q2: In your best estimate, what percentage of foreign direct investment in Canada is owned by companies that come from each of the following countries?

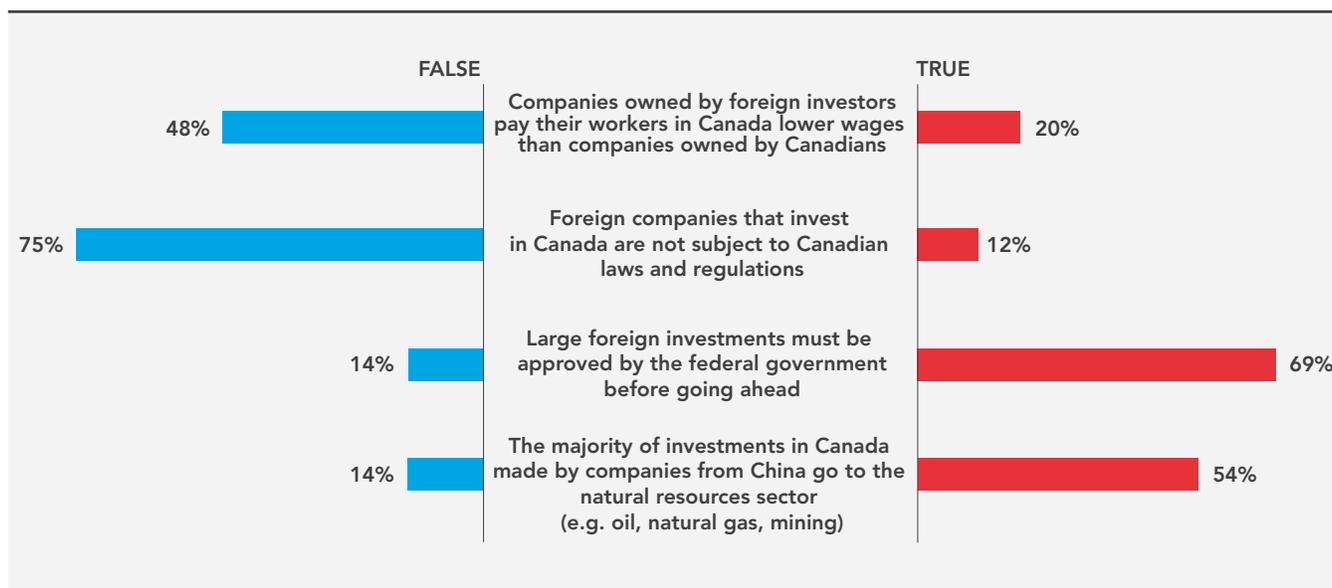
Note: Respondents who answered "don't know" are excluded from the figure.

SECTION 4 - KNOWLEDGE OF INVESTMENT ENVIRONMENT

Overall, our findings suggest Canadians have a solid grasp of the country’s investment laws and practices. Almost half (48%) reject as false a statement suggesting foreign companies pay their Canadian workers lower wages than Canadian-

owned companies. This is consistent with findings from Canada, and elsewhere, that foreign companies tend to pay their workers slightly higher wages.⁶

Canadians are knowledgeable about foreign investment policies and practices



Base: All respondents (n = 1,548)

Q1: Please indicate whether you think each of the following statements is true or false:

During the debate on the Canada-China Foreign Investment Promotion and Protection Agreement (FIPA), critics expressed concern that the treaty would effectively place Chinese companies above the law, or make it easy for them to avoid Canadian laws. While we cannot measure the effect of the debate on public opinion, our results show it

did not leave Canadians with the idea that foreign companies are above Canadian laws. Three-quarters (75%) of Canadians rejected as false a statement that foreign companies investing in Canada are not subject to Canadian laws and regulations.

Further, the public understands that the federal government plays a role in the monitoring and acceptance of foreign investment. More than two thirds (69%) of Canadians identified as true a statement that large foreign investments in Canada must be approved by the federal government. This is broadly consistent with the *Investment Canada Act*, which requires the federal government's tacit approval for all investments over C\$369 million.⁷

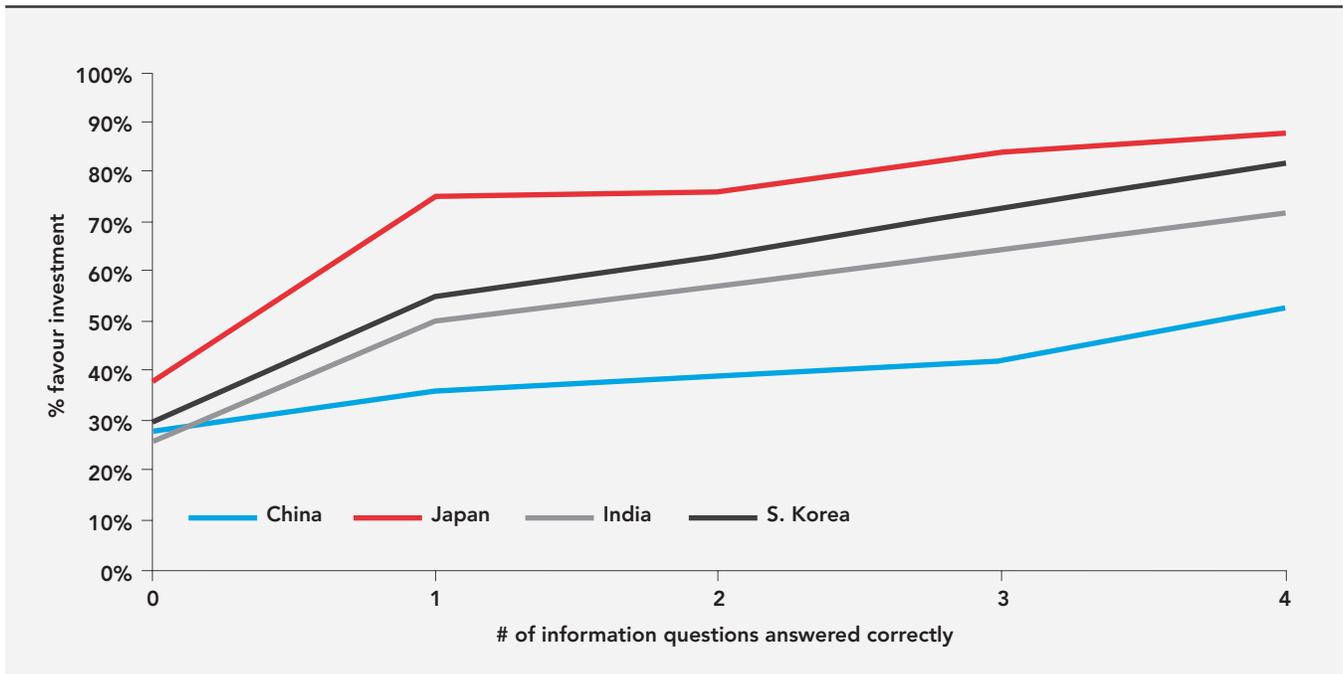
Finally, over half (54%) of Canadians identified as true a statement that the majority of investments in Canada made by Chinese companies go to the natural resources sector (e.g. oil, gas, mining). This is consistent with Chinese investment flows in Canada.

Over half (54%) of Canadians correctly answered either three or four questions. While no measurement of knowledge is ever perfect, and questions written by informed critics would likely focus on different issues, the collected results indicate Canadians are not significantly

misinformed or uninformed about foreign investment laws and practices.

Does knowledge about investment matter? The evidence suggests this is the case, with some variation. Canadians with the most accurate understanding of the investment environment do tend to be more supportive of investment from Asian (and non-Asian) countries. Yet the relationship between information and openness to foreign investment works differently across countries. For instance, over half (53%) of Canadians who answered all four questions correctly support investment from Chinese companies. This, however, is well below the support that the most informed respondents had for India (72%), South Korea (82%) or Japan (88%). Among those who did not answer any question correctly, support for investment was more uniformly lower (India: 26%; South Korea: 26%; China: 28%; Japan: 38%). The differences in support for investment across countries are most noticeable among respondents with a greater understanding of the investment environment.

The more informed Canadians are more likely to support investment from Asia



Base: All respondents (n = 1,548)

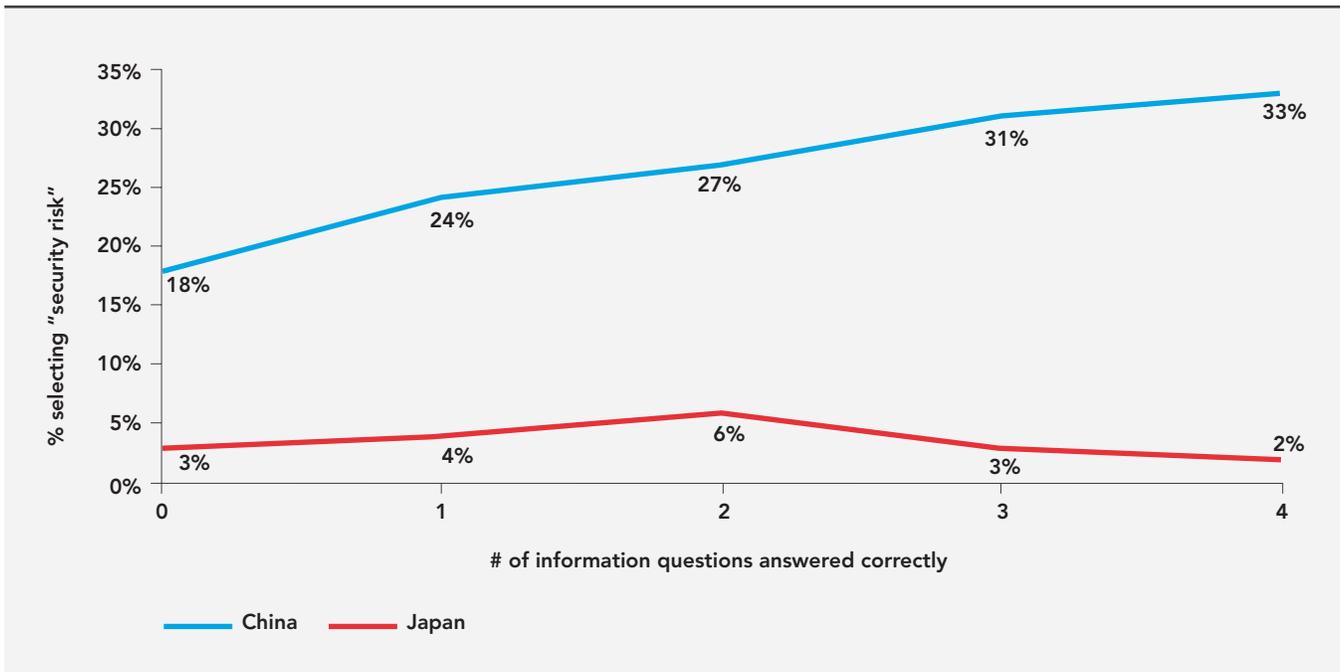
Q3: If a foreign company wanted to make an investment in Canada, would you favour or oppose the investment if the company were from...

Note: Information scale constructed from number of accurate answers provided in Q.1

In part, these differences exist because the most informed Canadians are also more likely to have particular concerns about China. For example, one-third (33%) of the most informed Canadians associated the term “security risk” with invest-

ment from China; and, concerns about Chinese investment increase with knowledge. In contrast, only 2% of the most informed Canadians selected “security risk” to describe investment from Japan.

The most informed Canadians are more likely to associate Chinese investment with the term “security risk”



Base: All respondents (n = 1,548)
 Q4: [abbreviated] Which are the top three terms or phrases you would use to describe investment from China?
 Note: Information scale constructed from number of accurate answers provided in Q.1

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CONCLUSION

Canadians are generally supportive of investment from Asia, though their level of support varies across countries. Canadians have an overwhelmingly positive view of investment from Japan, associating it with new technologies, economic growth, and job creation. Canadians also support investment from South Korea and India.

Canadians' assessments of investment from China is mixed—a sizable percentage of the population is open to Chinese investment, but many express reservations. The findings from our survey suggest several reasons for this apprehension. Canadians are cautious of engaging the world's largest economic powers more generally, and worry that investment from the United States or China will give these countries control over our resources. Canadians also tend to overestimate the extent of Chinese investment in the economy, which contributes to opposition to further investment. Evidence also indicates Canadians do not disentangle their views of China's domestic activities from their views of Chinese investments made in Canada. Most Canadians rightly think foreign companies that invest in Canada must follow Canadian laws and practices, though they also associate investment from Chinese companies with terms like “poor labour standards,” “corruption,” and “environmental damage,” and more so than other Asian countries. These findings suggest Canadians' perceptions of Chinese investment are shaped, in part, by perceptions of economic governance in China rather than anticipated behaviour in Canada.

Chinese companies have only recently begun investing heavily in Canada, and it is likely Canada's views on Chinese investment will evolve. It took time for Japan and Japanese companies to establish a positive image in Canada, for example. Likewise, investment from the United States was an acutely contentious issue in Canada only a few decades ago. While our survey finds that Canadians have lingering unease about American investment, support levels are now high. It is possible that Canadian views toward investment from China will change in a positive direction, becoming less associated with negative terms and more associated with terms like “job creation.” Chinese companies can potentially help this evolution along by creating a legacy of positive contribution to Canada's economic and social well-being.

APPENDIX

Alberta is the province least supportive of investment from the world's two largest economies

| | | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|--|-------------|--------|----------|---------|-------|---------|--------|----------|
| Japan | % In Favour | 78% | 72% | 72% | 69% | 79% | 88% | 70% |
| | % Oppose | 13% | 17% | 21% | 19% | 10% | 7% | 16% |
| United States | % In Favour | 77% | 71% | 67% | 73% | 77% | 88% | 79% |
| | % Oppose | 14% | 18% | 26% | 17% | 14% | 8% | 12% |
| China | % In Favour | 42% | 37% | 28% | 37% | 38% | 58% | 40% |
| | % Oppose | 49% | 50% | 67% | 54% | 52% | 36% | 49% |
| South Korea | % In Favour | 67% | 60% | 58% | 61% | 67% | 79% | 61% |
| | % Oppose | 22% | 27% | 31% | 26% | 21% | 15% | 25% |
| India | % In Favour | 59% | 54% | 50% | 54% | 59% | 70% | 50% |
| | % Oppose | 30% | 31% | 40% | 33% | 29% | 22% | 37% |
|  % is higher than other provinces and statistically significant | | | | | | | | |
|  % is lower than other provinces and statistically significant | | | | | | | | |

Base: All respondents (n = 1,548)

Q3: If a foreign company wanted to make an investment in Canada, would you favour or oppose the investment if the company were from...?

Quebec is the province most supportive of foreign investment

| | | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|---|--|--------|----------|---------|-------|---------|--------|----------|
| Japan | % Too Much | 10% | 12% | 14% | 14% | 9% | 6% | 17% |
| | % About Right | 40% | 43% | 40% | 33% | 41% | 42% | 31% |
| | % Too Little | 20% | 17% | 18% | 13% | 20% | 25% | 23% |
| United States | % Too Much | 28% | 34% | 39% | 26% | 28% | 21% | 24% |
| | % About Right | 40% | 38% | 37% | 40% | 41% | 45% | 35% |
| | % Too Little | 12% | 12% | 10% | 6% | 11% | 15% | 22% |
| China | % Too Much | 56% | 60% | 64% | 51% | 56% | 50% | 58% |
| | % About Right | 17% | 17% | 14% | 18% | 15% | 21% | 16% |
| | % Too Little | 6% | 5% | 4% | 1% | 6% | 9% | 6% |
| South Korea | % Too Much | 13% | 15% | 14% | 17% | 13% | 8% | 17% |
| | % About Right | 34% | 33% | 28% | 24% | 35% | 40% | 33% |
| | % Too Little | 16% | 14% | 18% | 10% | 15% | 20% | 16% |
| India | % Too Much | 19% | 18% | 24% | 20% | 20% | 12% | 26% |
| | % About Right | 29% | 33% | 26% | 23% | 26% | 35% | 25% |
| | % Too Little | 16% | 11% | 13% | 11% | 17% | 17% | 17% |
|  | % is higher than other provinces and statistically significant | | | | | | | |
|  | % is lower than other provinces and statistically significant | | | | | | | |

Base: All respondents (n = 1,548)

Q5: Overall, do you think the Canadian government is letting in too much, too little, or about the right amount of investment from each of the following countries...?

Quebec and Atlantic Canada have the most positive perception of investment by Chinese companies

| | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|------------------------------------|--------|----------|---------|-------|---------|--------|----------|
| Security risk | 29% | 23% | 32% | 34% | 34% | 21% | 30% |
| Trusted partner | 2% | 3% | 1% | 2% | 1% | 2% | 3% |
| Environmental damage | 40% | 47% | 44% | 31% | 38% | 44% | 32% |
| New technologies | 11% | 6% | 7% | 17% | 9% | 14% | 19% |
| Poor labour standards | 42% | 45% | 40% | 47% | 46% | 31% | 45% |
| Job creation | 15% | 12% | 10% | 11% | 11% | 24% | 19% |
| Loss of control over our resources | 48% | 47% | 50% | 45% | 47% | 53% | 41% |
| Economic growth | 19% | 18% | 18% | 15% | 17% | 21% | 24% |
| Corruption | 30% | 32% | 37% | 27% | 35% | 20% | 28% |
| Improved competitiveness | 7% | 6% | 5% | 8% | 6% | 8% | 5% |
| Foreign workers | 21% | 27% | 25% | 18% | 19% | 18% | 22% |
| Increased trade | 23% | 21% | 17% | 21% | 23% | 26% | 21% |

 % is higher than other provinces and statistically significant
 % is lower than other provinces and statistically significant

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from China?
 Please select three, placing them in the order of how strongly you associate the term or phrase with investment from China.
 For example, your first choice is the term or phrase you most strongly associate with investment from China.

British Columbians are most likely to associate investment from Japan with environmental damage

| | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|------------------------------------|--------|----------|---------|-------|---------|--------|----------|
| Security risk | 3% | 1% | 4% | 6% | 3% | 3% | 6% |
| Trusted partner | 26% | 25% | 28% | 24% | 25% | 29% | 20% |
| Environmental damage | 9% | 14% | 8% | 10% | 8% | 6% | 13% |
| New technologies | 66% | 60% | 68% | 70% | 65% | 65% | 61% |
| Poor labour standards | 6% | 4% | 4% | 9% | 9% | 4% | 9% |
| Job creation | 30% | 25% | 19% | 24% | 33% | 34% | 39% |
| Loss of control over our resources | 18% | 20% | 20% | 19% | 18% | 16% | 20% |
| Economic growth | 39% | 40% | 42% | 33% | 36% | 41% | 39% |
| Corruption | 4% | 5% | 5% | 2% | 5% | 2% | 5% |
| Improved competitiveness | 28% | 26% | 23% | 26% | 29% | 27% | 23% |
| Foreign workers | 10% | 8% | 13% | 13% | 11% | 6% | 10% |
| Increased trade | 39% | 45% | 36% | 39% | 40% | 39% | 38% |

 % is higher than other provinces and statistically significant
 % is lower than other provinces and statistically significant

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from Japan?
 Please select three, placing them in the order of how strongly you associate the term or phrase with investment from Japan.
 For example, your first choice is the term or phrase you most strongly associate with investment from Japan

Quebec has the most positive perception of investment from the U.S., while Albertans worry about loss of control over resources

| | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|------------------------------------|--------|----------|---------|-------|---------|--------|----------|
| Security risk | 6% | 6% | 5% | 9% | 7% | 3% | 5% |
| Trusted partner | 35% | 30% | 33% | 32% | 36% | 36% | 42% |
| Environmental damage | 24% | 32% | 21% | 24% | 25% | 23% | 22% |
| New technologies | 17% | 16% | 15% | 16% | 16% | 17% | 24% |
| Poor labour standards | 10% | 8% | 7% | 5% | 9% | 12% | 5% |
| Job creation | 35% | 31% | 27% | 25% | 36% | 43% | 32% |
| Loss of control over our resources | 42% | 50% | 56% | 43% | 40% | 36% | 37% |
| Economic growth | 42% | 40% | 44% | 36% | 38% | 51% | 36% |
| Corruption | 10% | 11% | 11% | 15% | 10% | 6% | 19% |
| Improved competitiveness | 18% | 15% | 19% | 20% | 19% | 15% | 18% |
| Foreign workers | 3% | 5% | 4% | 7% | 3% | 3% | 5% |
| Increased trade | 47% | 46% | 46% | 46% | 47% | 49% | 43% |

 % is higher than other provinces and statistically significant
 % is lower than other provinces and statistically significant

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from the United States?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from the United States. For example, your first choice is the term or phrase you most strongly associate with investment from the United States.

“Loss of control over our resources” was ranked first as the term Canadians most strongly associate with investment from China

| | FIRST | SECOND | THIRD | TOTAL |
|------------------------------------|-------|--------|-------|-------|
| Security risk | 10% | 9% | 10% | 29% |
| Trusted partner | 0% | 1% | 1% | 2% |
| Environmental damage | 11% | 17% | 12% | 40% |
| New technologies | 4% | 4% | 3% | 11% |
| Poor labour standards | 14% | 14% | 14% | 42% |
| Job creation | 4% | 5% | 6% | 15% |
| Loss of control over our resources | 24% | 13% | 11% | 48% |
| Economic growth | 19% | 18% | 18% | 55% |
| Corruption | 8% | 10% | 12% | 30% |
| Improved competitiveness | 2% | 2% | 3% | 7% |
| Foreign workers | 5% | 7% | 9% | 21% |
| Increased trade | 8% | 8% | 7% | 23% |
| Don't know | 4% | 4% | 6% | 14% |

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from China?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from China. For example, your first choice is the term or phrase you most strongly associate with investment from China.

“New technologies” was ranked first as the term Canadians most strongly associate with investment from Japan

| | FIRST | SECOND | THIRD | TOTAL |
|------------------------------------|-------|--------|-------|-------|
| Security risk | 1% | 1% | 1% | 3% |
| Trusted partner | 7% | 9% | 10% | 26% |
| Environmental damage | 2% | 4% | 3% | 9% |
| New technologies | 40% | 17% | 9% | 66% |
| Poor labour standards | 2% | 2% | 2% | 6% |
| Job creation | 8% | 11% | 11% | 30% |
| Loss of control over our resources | 9% | 4% | 5% | 18% |
| Economic growth | 8% | 16% | 15% | 39% |
| Corruption | 1% | 1% | 2% | 4% |
| Improved competitiveness | 6% | 10% | 12% | 28% |
| Foreign workers | 2% | 4% | 4% | 10% |
| Increased trade | 9% | 15% | 15% | 39% |
| Don't know | 6% | 7% | 11% | 24% |

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from Japan?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from Japan. For example, your first choice is the term or phrase you most strongly associate with investment from Japan.

“Loss of control over our resources” was ranked first as the term Canadians most strongly associate with investment from the U.S.

| | FIRST | SECOND | THIRD | TOTAL |
|------------------------------------|-------|--------|-------|-------|
| Security risk | 1% | 2% | 3% | 6% |
| Trusted partner | 15% | 10% | 10% | 35% |
| Environmental damage | 5% | 10% | 9% | 24% |
| New technologies | 5% | 7% | 5% | 17% |
| Poor labour standards | 3% | 3% | 4% | 10% |
| Job creation | 10% | 13% | 12% | 35% |
| Loss of control over our resources | 24% | 9% | 9% | 42% |
| Economic growth | 12% | 16% | 14% | 42% |
| Corruption | 3% | 2% | 5% | 10% |
| Improved competitiveness | 4% | 7% | 7% | 18% |
| Foreign workers | 0% | 1% | 2% | 3% |
| Increased trade | 17% | 16% | 14% | 47% |
| Don't know | 3% | 4% | 6% | 13% |

Base: All respondents (n = 1,548)

Q4: Which are the top three terms or phrases you would use to describe investment from the United States?

Please select three, placing them in the order of how strongly you associate the term or phrase with investment from the United States. For example, your first choice is the term or phrase you most strongly associate with investment from the United States.

Atlantic Canada is the region that overestimates investment from China the most

| ESTIMATES OF LEVEL OF FOREIGN DIRECT INVESTMENT | | | | | | | | |
|---|----------|--------|----------|---------|-------|---------|--------|----------|
| | Statscan | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
| China | 3% | 25% | 27% | 24% | 20% | 23% | 27% | 30% |
| Japan | 2% | 12% | 12% | 12% | 11% | 12% | 12% | 13% |
| United States | 49% | 43% | 42% | 43% | 40% | 45% | 41% | 39% |
| India | 1% | 9% | 9% | 9% | 8% | 9% | 9% | 10% |
| South Korea | 1% | 8% | 9% | 6% | 6% | 8% | 9% | 9% |

 % is higher than other provinces and statistically significant
 % is lower than other provinces and statistically significant

Base: All respondents (n = 1,548)

Q2: Many foreign companies make investments in Canada's economy. In your best estimate, what percentage of foreign direct investment in Canada is owned by companies that come from each of the following countries?

Source: Official foreign direct investment data adapted from the Statistics Canada CANSIM database. Year displayed: 2013. Date Accessed: 15-05-2015.

Albertans are most aware that government must approve large foreign investments

| | | CANADA | BC/YUKON | ALBERTA | SK/MB | ONTARIO | QUEBEC | ATLANTIC |
|---|------------|--------|----------|---------|-------|---------|--------|----------|
| Large foreign investments must be approved by the federal government before going ahead | % Agree | 69% | 65% | 81% | 67% | 71% | 59% | 79% |
| | % Disagree | 14% | 14% | 6% | 15% | 14% | 20% | 6% |
| Foreign companies that invest in Canada are not subject to Canadian laws and regulations | % Agree | 12% | 17% | 7% | 10% | 12% | 10% | 14% |
| | % Disagree | 75% | 71% | 81% | 74% | 75% | 78% | 64% |
| The majority of investments in Canada made by companies from China go to the natural resources sector (e.g. oil, natural gas, mining) | % Agree | 54% | 59% | 59% | 44% | 53% | 57% | 49% |
| | % Disagree | 14% | 10% | 10% | 16% | 13% | 15% | 19% |
| Companies owned by foreign investors pay their workers in Canada lower wages than companies owned by Canadians | % Agree | 20% | 25% | 18% | 16% | 21% | 19% | 22% |
| | % Disagree | 48% | 44% | 52% | 48% | 47% | 53% | 44% |

 % is higher than other provinces and statistically significant
 % is lower than other provinces and statistically significant

Base: All respondents (n = 1,548)

Q1: Please indicate whether you think each of the following statements is true or false:



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