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INVESTMENT MONITOR REPORT

A Rebalancing of Canada-Asia Investment Ties

2024 YEAR IN REVIEW

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KEY TAKEAWAYS

Canada's total FDI flows with the Indo-Pacific declined sharply in 2024, driven by a steep drop in outward investment.

Two-way FDI between Canada and the Indo-Pacific fell from C\$35B in 2023 to C\$24B in 2024 — well below the 10-year annual average of C\$36B. This 31% decline was largely the result of a sharp 58% decrease in Canadian outward investment, which fell from C\$12.2B to C\$5.2B due in part to lower pension fund activity. Outward FDI has now declined for three consecutive years, reflecting a broader rebalancing of Canadian investment. While Canada remains a net capital exporter globally, the opposite is increasingly true in its Indo-Pacific relationship — a shift that has grown more pronounced in recent years.

Inward investment from the Indo-Pacific declined modestly but continues to follow a strong long-term growth trajectory.

Inward FDI from the Indo-Pacific decreased by 16% in 2024, from C\$22.9B to C\$19.2B. Despite this short-term slowdown, inward flows remain nearly 1.5 times higher than a decade ago and above the 10-year annual average of C\$17B.

Canada's FDI with the Indo-Pacific is increasingly concentrated, with six economies accounting for nearly all investment flows.

In 2024, 97.5% of Canada's two-way FDI was with Australia (30%), Taiwan (22%), Japan (21%), China (15%), India (8%), and South Korea (1.5%). Outward FDI was the most concentrated, with Australia (55%), India (29%), and South Korea (6%) together representing 90% of total Canadian investment in the region. Inward FDI was dominated by Taiwan (28%), Japan (26%), and Australia (23%), which collectively accounted for nearly 80% of inflows.

The geography of Canadian investment in the Indo-Pacific is shifting, with declining exposure to China and rising engagement with India.

Fifteen years ago, China and Hong Kong together accounted for an average of 23% of Canada's two-way FDI in the Indo-Pacific; over the last five years, their share has fallen to roughly 14%. By contrast, India's share has climbed from 5% to an average of 26% over the same period, underscoring a steady rebalancing

METHODOLOGY

According to the [OECD](#), FDI refers to investment that establishes a lasting interest and significant degree of influence by a resident or enterprise of one economy into that of another. Ownership of 10% or more of voting power in an enterprise indicates such a relationship, distinguishing FDI from portfolio investment, which lacks managerial control.

This report relies on [APF Canada's Investment Monitor](#) data, which tracks the value of individual cross-border financial transactions between Canadian and Indo-Pacific companies within a specific period of time. The Investment Monitor tracks new (i.e. greenfield) investments and mergers and acquisitions, attributing investment activity to the economy of ultimate control.

In contrast, Statistics Canada's investment reporting uses FDI flows, which, in addition to the capital investment, include reinvestment of earnings, intercompany debt transactions, and disinvestments, while FDI stocks, represent the total cumulative value of investment flows. Statistics Canada uses annual surveys

of Canadian investment away from China and toward India. Investment in Australia, Japan, and South Korea has remained comparatively stable, suggesting enduring confidence in Canada's traditional Indo-Pacific partners even as the overall geographic distribution of FDI continues to evolve.

Indo-Pacific investment in Canada was highly concentrated in three provinces in 2024, with British Columbia, Quebec, and Ontario accounting for nearly 97% of total two-way FDI.

British Columbia led with C\$7.1B (37%) — driven by a surge in investment in critical minerals mining — while Quebec followed closely (C\$6.6B; 34%), largely due to Taiwan's C\$5.2B acquisition of Future Electronics. Ontario's share (26%) declined sharply, from C\$10B in 2023 to C\$5B in 2024 amid steep drops in finance and energy investment. All other provinces collectively attracted less than 3% of Indo-Pacific FDI inflows.

Indo-Pacific investment flows between Canada and the region in 2024 were highly concentrated in a few key sectors.

On the inbound side, nearly 90% of FDI to Canada was directed to just two industries — Mining & Chemicals and Industrial Goods & Services — driven by major transactions in critical minerals and advanced manufacturing. Outward Canadian investment, while somewhat more diversified, was similarly focused, with close to 95% spread across six sectors, led by Consumer Goods & Services, Finance, and Mining & Chemicals. These patterns reveal a mutual concentration of investment in high-value, technology-intensive, and resource-linked sectors.

Canadian pension fund investment in the Indo-Pacific has declined sharply since its 2021 peak, as funds rebalance away from Asian emerging markets toward Europe and domestic assets.

In 2024, pension funds accounted for 47% (C\$2.4B) of Canada's outbound Indo-Pacific FDI — down 8% from 2023 and 90% since the peak in 2021 (C\$23B). After years of strong growth, pension funds have reduced exposure to most countries in the region, especially China, closed several regional offices, and redirected capital to Europe, where holdings (18%) now exceed their Indo-Pacific allocations (13%).

and administrative data to reflect the overall level of foreign ownership in the Canadian economy.

The Investment Monitor database is not a substitute for official statistics; it complements them by providing additional context and details on the transactions it captures, thereby enhancing understanding of the nature and direction of Canadian investment activity in the Indo-Pacific region.

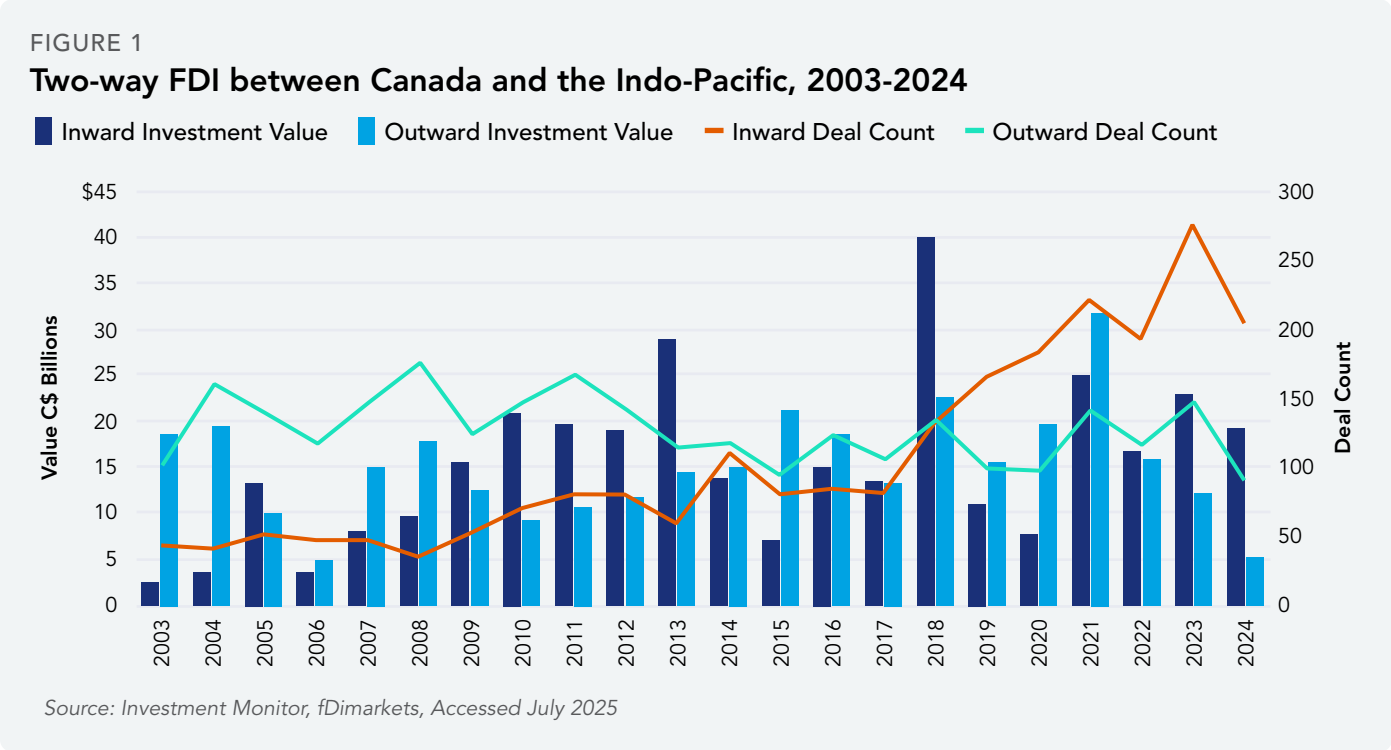
INTRODUCTION

Canada saw a surge in total FDI in 2024. According to [Statistics Canada](#), the country’s total two-way investment flows rose from C\$190B in 2023 to C\$211B in 2024, an 11% increase, with the United States accounting for more than half of total flows. Between 2023 and 2024, a 38% increase in Canada’s inward FDI (from C\$63B to C\$86B) offset a 2% decline in outward FDI (from C\$126B to C\$123B), resulting in a net increase of C\$21B.

The United States and several European countries remain Canada’s top investment partners, together accounting for roughly 75% of total two-way FDI in 2024. While the Indo-Pacific has become an increasingly important partner, official balance-of-payments data provide only a partial picture. These aggregated statistics obscure the specific companies, sectors, and destinations driving investment. APF Canada’s Investment Monitor (IM) addresses this gap through a [bottom-up approach](#) that tracks new individual

investment deals, offering a more detailed and timely view of trends, sectoral shifts, and partner-economy dynamics than is possible through official balance of payments statistics alone.

In 2024, Investment Monitor data show a decline in two-way FDI between Canada and the Indo-Pacific, falling from C\$35B in 2023 to C\$24B. Between 2014 and 2023, Canada and the Indo-Pacific exchanged an average of C\$36B in FDI annually, underscoring the significance of the 2024 drop. This year-on-year decline, however, masks an overall strengthening of Canada–Asia investment ties, driven by a steady rise in inward FDI over the past decade. Despite a 16% decrease in 2024 (from C\$22.9B to C\$19.2B), Canada still received nearly 1.5 times more FDI from the Indo-Pacific than a decade ago, and 1.2 times more than the 10-year average of C\$17B. Preliminary results for 2025 also point in this direction.



The 2024 decline in two-way FDI was primarily driven by a sharp contraction in outward FDI, which fell by 58% — from about C\$12.2B in 2023 to C\$5.2B in 2024. This marks the continuation of a downward trend in outward FDI to the Indo-Pacific that began in 2021. While Canada is globally a net capital exporter, investing more abroad than it receives in foreign capital, the opposite is now true in its Indo-Pacific investment relationship — a shift that has become more pronounced in recent years.

Canada's 2024 FDI performance was also shaped by its top partners in the region. In 2024, Australia (30%), Taiwan (22%), Japan (21%), China (15%), India (8%), and South Korea (1.5%) together accounted for 97.5 % of Canada's two-way FDI with the Indo-Pacific, up from an average of 80% over the previous decade. Other partners such as Hong Kong, Malaysia, Singapore, New Zealand, and Indonesia, which together accounted for roughly 20% of two-way FDI on average between 2014 and 2023, made up only about 1% in 2024.

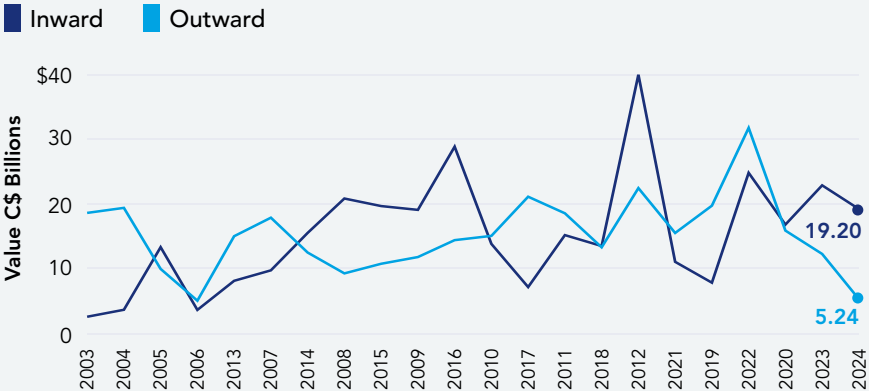
Australia is Canada's leading investment destination in the region, receiving 55% of outward FDI in 2024 and contributing 23% of inward flows, just behind Taiwan and Japan.

- Taiwan ranked second, with C\$5.3B in two-way FDI — a sharp increase from 2023 and well above its historical average of C\$590M. This was largely driven by a major investment from Taiwan in Quebec in the electronics and electrical equipment sector.
- Japan followed closely with C\$5.2B in two-way flows, underscoring its growing role as a source of FDI in Canada (C\$5.1B inward in 2024, twice as much as in 2023) while Canadian investment in Japan remained limited (C\$100M outward).
- China ranked fourth, carried by increased investment into Canada that offset a sharp decline in Canadian investment in China. Outward FDI to China totalled only C\$177M in 2024 — far below the C\$2.4B annual

average of Chinese FDI into Canada over the last decade. Despite a 2024 uptick, China's share of total inward FDI is shrinking as Australia's grows.

- India's two-way FDI with Canada declined further in 2024, mainly due to a continued drop in Canadian investment in India, especially from pension funds, a trend that began in 2021.
- South Korea rounded out Canada's top six partners, accounting for 1.5% of total flows. Once a strong investor in Canada's automotive, clean energy, and technology sectors, South Korea's FDI contracted notably in 2024.

FIGURE 2
Canada-Indo-Pacific FDI by Direction of Investment, 2003-2024



Source: Investment Monitor, fDimarkets, Accessed July 2025

Canada's FDI relationship with most of its Indo-Pacific partners declined in 2024, except with Taiwan and Japan, where inward investment increased significantly.

- Australia remained Canada's largest two-way FDI partner in 2024, accounting for nearly 30% of total flows (C\$7.3B), despite a 25% drop in two-way FDI.

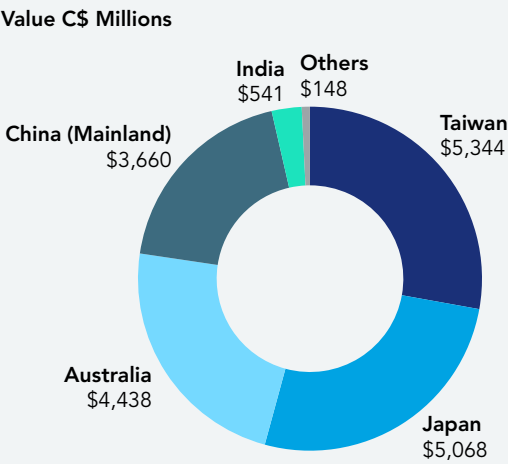
The next two sections examine these trends in greater detail, analyzing the composition of Canada's inward and outward FDI with the Indo-Pacific — including leading partner economies, destination provinces within Canada, and the types of investments and investors driving these flows.

INWARD FDI

In 2024, Canada received C\$19.2B in FDI from the Indo-Pacific, marking a 16% decline (C\$3.7B) from C\$22.9B in 2023. This decrease reflects both a reduction in the total value of investment transactions and a 26% drop in the number of deals, from 275 in 2023 to 204 in 2024. The overall decline was largely driven by sharp reductions in investment values from several major economies, including Australia, whose FDI fell from C\$8B to C\$4.4B; Malaysia, from C\$1.4B to zero; Singapore, from C\$6.4B to C\$19.9M; and South Korea, from C\$2.1B to C\$46.7M.

In contrast, inward investment from China, Japan, and Taiwan surged. Chinese FDI rose from C\$301M in 2023 to C\$3.7B in 2024, Japanese FDI increased from C\$2.5B to C\$5.1B, and Taiwanese FDI climbed from C\$1.5B to C\$5.3B. The year 2024 marked the highest level of Japanese and Taiwanese FDI to Canada since 2019, and the second-highest level of Chinese FDI since that same year.

FIGURE 3
Top 5 Investors in Canada, 2024



Source: Investment Monitor, fDimarkets, Accessed July 2025



TAIWAN

Taiwanese FDI to Canada reached C\$5.3B in 2024, driven almost entirely by a single transaction: the acquisition of Quebec-based Future Electronics Inc. by [Taiwanese semiconductor distributor WT Microelectronics Co. Ltd.](#) for C\$5.2B. The deal established dual headquarters for the company in Taipei and Montreal, positioning it to expand its North American presence.

While Taiwan was the top source of Indo-Pacific FDI in 2024, it has not historically been a major FDI partner for Canada: between 2009 and 2023, Taiwanese investment totalled C\$2.9B, averaging C\$195M annually, which is well below Canada’s other top Indo-Pacific FDI partners.

Although the 2024 surge from Taiwan represents an outlier, the signing of the [Canada-Taiwan Foreign Investment Promotion and Protection Arrangement](#) (FIPA) in December 2023 could pave the way for growth in bilateral investment. The agreement provides an institutional framework that could support future investments, offering greater certainty for businesses and a stronger foundation for two-way investments.



CHINA

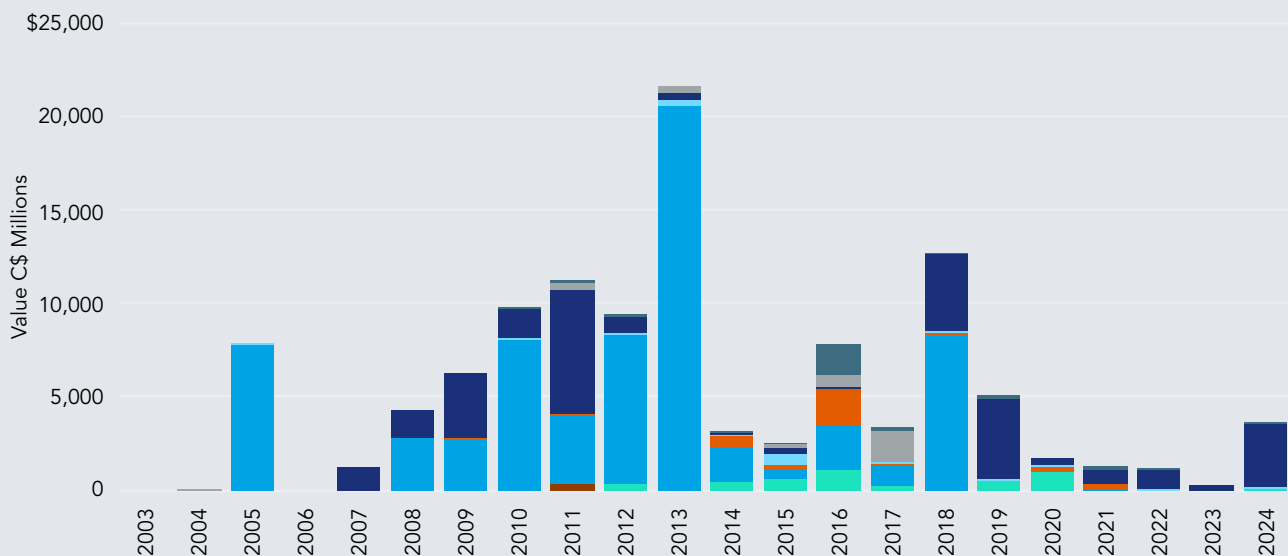
China was Canada's fourth-largest source of FDI in 2024 (C\$3.7B) and has historically been a key inward investment partner. From 2003 to 2023, Chinese FDI in Canada totalled C\$110B, averaging C\$5.2B per year. Until 2019, Chinese investment was concentrated in the energy sector; however, it has since shifted toward Mining & Chemicals, which accounted for over three-quarters (C\$10.1B) of total Chinese FDI since 2019. In 2024, the Mining & Chemicals sector represented 92% (C\$3.4B) of total Chinese investment in Canada, driven almost entirely by a single transaction: [MMG Africa Ventures, a subsidiary of China Minmetals Corp.](#), acquired a copper mine in Botswana — an overseas asset of Vancouver-based Cuprous Capital Ltd. — for C\$2.6B.

After peaking in 2019, Chinese FDI in Canada declined steadily in recent years before rebounding in 2024. Despite the disruptions due to the COVID-19 pandemic, Canada has, since 2017, progressively tightened restrictions on some Chinese investment through a series of measures under the Investment Canada Act, notably the 2022 [national security review guidelines](#) for investments from state-owned enterprises (SOEs) in critical minerals, citing national security and strategic resource concerns. Divestiture orders and enforcement measures involving firms such as Sinomine, China Mobile, and Hikvision, have also contributed to the reduction in Chinese FDI. Chinese investors have scaled back direct investment in Canada, focusing instead on lower-risk projects or forming joint ventures that share control and mitigate political risk, rather than pursuing full ownership.

FIGURE 4

Chinese FDI to Canada by Industry, 2003-2024

■ Agriculture & Forestry ■ Consumer Goods & Services ■ Energy ■ Finance
■ Industrial Goods & Services ■ Mining & Chemicals ■ Technology ■ Other



Source: Investment Monitor, fDimarkets, Accessed July 2025

Sectoral breakdown

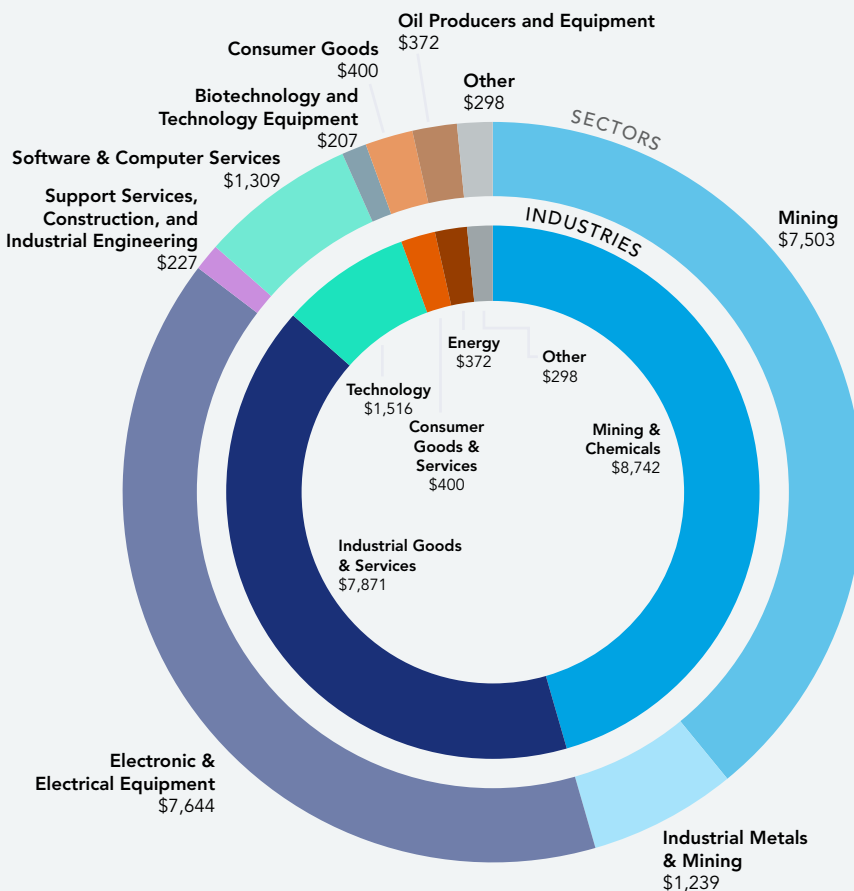
In 2024, five industries dominated Indo-Pacific investment in Canada: Mining & Chemicals (C\$8.74B, or 46%), Industrial Goods & Services (C\$7.87B, or 41%), Technology (C\$1.52B, or 8%), Consumer Goods & Services (C\$.4B, or 2%), and Energy (C\$.37B, or 2%). Together, these industries accounted for 95% of total inward FDI. Other industries such as Finance (C\$132M), Agriculture (C\$99M), and Healthcare (C\$66M) comprise the remaining 1%.

Despite the overall decline in Indo-Pacific investment, the Industrial Goods & Services industry experienced an exceptional surge, largely driven by growth in the Electronics & Electrical Equipment sector, which accounted for 97% of that industry's total FDI. Two major transactions fuelled this surge: the previously mentioned C\$5.2B acquisition of Future Electronics Inc. by WT Microelectronics Co. Ltd. in April 2024, and the C\$1.6B joint venture between Japan's Asahi Kasei Corporation and Honda Canada to manufacture battery separators in Niagara, Ontario.

All other top five industries experienced declines from 2023 to 2024. The steepest drops occurred in Consumer Goods & Services (–89%), Energy (–69%), and Technology (–20%), while Mining & Chemicals recorded only a modest decline of 4%. However, several large transactions helped sustain activity in the mining sector despite the overall slowdown. Notably, Japan's Nippon Steel and Korea's POSCO jointly acquired Elk Valley Resources, a steelmaking coal producer in southeast British Columbia, for C\$1.7B, while Australia's Westgold Resources Limited merged with Karora Resources, a mid-tier Canadian gold miner headquartered in Toronto, Ontario, in a C\$1.15B deal.

FIGURE 5
Indo-Pacific FDI to Canada, Industry vs Sectors, 2024

Value C\$ Millions



Source: Investment Monitor, fDimarkets, Accessed July 2025

The sharp fall in Consumer Goods & Services was driven by a 95% decrease in investment in the Automobiles & Parts sector, reflecting reduced inflows from South Korea and Japan, the two main investors in 2023. However, some activity continued in the broader retail segment, most notably Uniqlo's C\$92M investment to open six new stores — primarily in Toronto and one in Langley, British Columbia.

The Energy sector's decline was due to the complete absence of FDI in the Renewable Energy Equipment subsector, which dropped from C\$1.1B in 2023 to zero in 2024. Australia has historically been the dominant investor in this subsector, contributing over C\$3B between 2003 and 2023, but 2024 stands out as an exceptional year of inactivity.

FDI in the Technology sector totalled C\$1.52B in 2024, down 20% from C\$1.9B in 2023, yet still 51% above the 20-year average of C\$1B. This decline was primarily driven by the Telecommunications Equipment subsector, where FDI fell from C\$1.5B to zero following a major Japanese transaction in 2023 worth C\$1.4B. Nonetheless, notable new investments continued in the broader technology space, including Japan's Telehouse Canada, which opened three new data centres in Toronto valued at C\$398M.

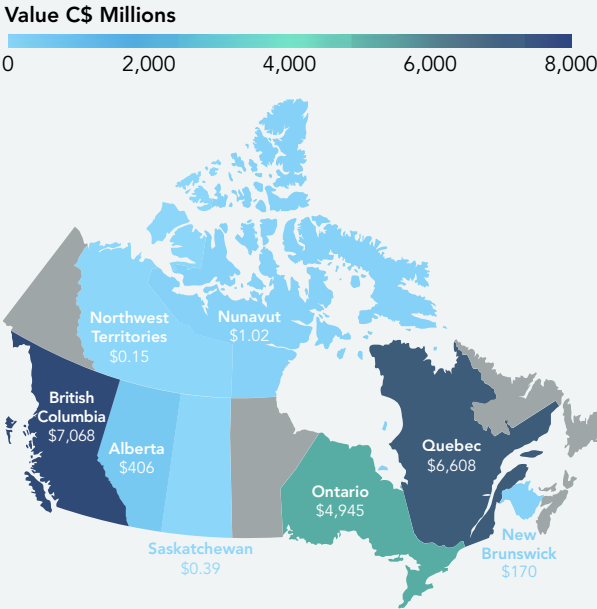
The Mining & Chemicals industry recorded the smallest decline among the top five, falling only 4% to C\$8.7B — still well above the 2003–2023 average of C\$3.9B. The decline was mainly due to a 27% drop in the general mining subsector, from C\$7.6B in 2023 to C\$5.6B in 2024, largely the result of an 83% reduction in Australian investment, from C\$7.3B to C\$1.2B. However, Australia offset some of this decrease with increased investment in other mining subsectors, including C\$257M in Iron & Steel, C\$916M in

Nonferrous Metals, and over C\$1B in Gold Mining. China boosted its FDI by C\$791M in Gold Mining and C\$2.3B in General Mining, while Japan added C\$1.8B in General Mining. These inflows helped limit the overall FDI decline in Mining to a modest 4%.

Provincial breakdown

In 2024, the main provincial recipients of Indo-Pacific FDI were British Columbia (C\$7.1B, or 37%), Quebec (C\$6.6B, or 34%), and Ontario (C\$4.9B, or 26%). British Columbia and Quebec recorded large gains, up C\$4.6B and C\$4.4B, respectively, while Ontario and Alberta experienced declines. Saskatchewan, meanwhile, saw the steepest drop, with FDI plummeting from C\$6.7B in 2023 to just C\$.4M in 2024, reflecting the completion of major capital investments by BHP Group for the [Jansen Potash Project](#), which accounted for C\$15.2B of C\$15.4B invested since 2020.

FIGURE 6
Indo-Pacific FDI to Canadian Provinces, 2024



Source: Investment Monitor, fDimarkets, Accessed July 2025

The surge in FDI to British Columbia was driven primarily by a sharp rise in investment in Mining, which jumped from C\$116M in 2023 to C\$6.3B in 2024. Within this sector, General Mining, focused largely on Critical Minerals, accounted for 87% of total Mining-related investment, rising by over C\$5.4B (from C\$49M to C\$5.5B) in 2024. The main sources of investment were China (C\$2.6B, or 47%), Japan (C\$1.8B, or 32%), and Australia (C\$1.2B, or 21%). The remaining 13% came from Gold Mining, which attracted C\$831M, up from C\$66M in 2023, with China contributing 95% of this total in 2024.

The sharp increase in FDI to Quebec was driven almost entirely by the previously mentioned C\$5.2B acquisition of Future Electronics Inc. by WT Microelectronics Co. Ltd. in the Electronics sector.

Ontario's inward FDI declined across most industries except Industrial Goods & Services and Mining & Chemicals. The overall drop was due mainly to contractions in Finance & Energy. Investment in the Finance sector dropped by more than C\$6.1B, from C\$6.2B in 2023 to C\$98M in 2024, largely because of the collapse of investment in the Real Estate subsector, for which no transactions were recorded in 2024. The Energy industry also declined by more than C\$1B, primarily due to a substantial drop in investment in the Renewable Energy Equipment subsector.

FDI to Alberta fell to its lowest level since 2020, with broad declines across industries, though its Energy sector recorded a rebound, rising from C\$84M in 2023 to C\$372M in 2024.

"New Brunswick entered the top five for the first time since 2019, attracting C\$170M in FDI from Australia in the Technology sector—a notable development for a province that has traditionally received minimal Indo-Pacific investment."

New Brunswick entered the top five for the first time since 2019, attracting C\$170M in FDI from Australia in the Technology sector — a notable development for a province that has traditionally received minimal Indo-Pacific investment. By contrast, Saskatchewan's FDI almost completely collapsed, from C\$6.7B in 2023 to C\$0.4M in 2024. This dramatic contraction, driven by the collapse of investment in the Mining & Chemicals sector, highlights the significant regional disparities in Indo-Pacific FDI flows to Canada.

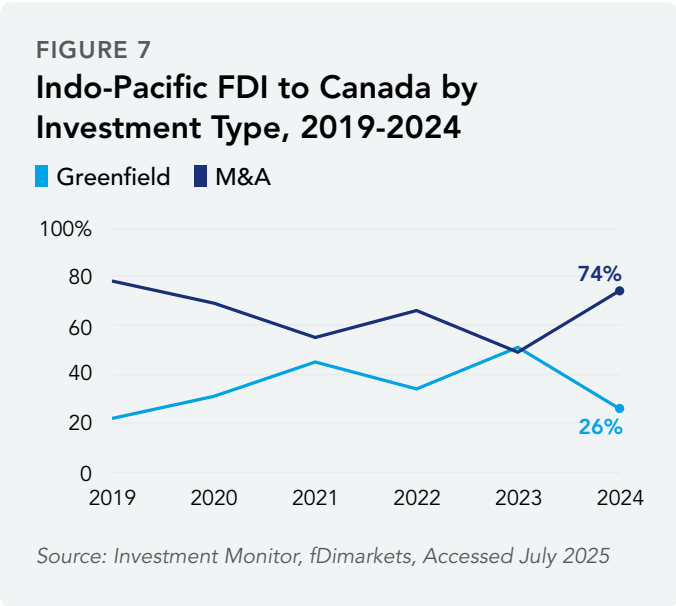
GREENFIELD FDI

Greenfield investment occurs when a company establishes new operations in a foreign economy by either constructing new facilities, such as manufacturing plants, distribution centres, or new offices, with the purpose of expanding its business in a new economy and having control over the newly established entity. Greenfield investment reflects a long-term commitment and involves higher risks and upfront costs when entering a new market.

This contrasts with mergers and acquisitions (M&A) where foreign investors gain a lasting interest by purchasing or combining with an existing enterprise. In an acquisition, the investor obtains partial or full ownership of an existing business, while in a merger, two enterprises combine their operations to form a new entity. M&A offers investors a faster and less capital-intensive route into a new market compared to greenfield investment.

Investment type

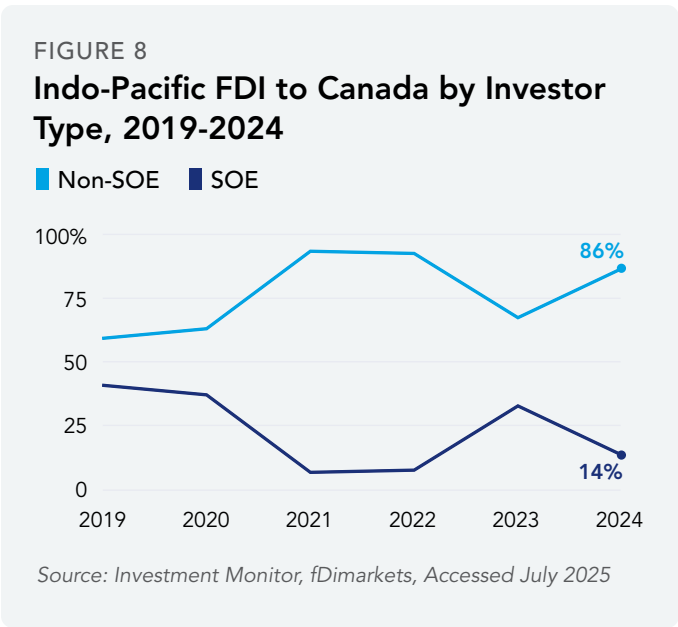
In 2024, greenfield investment from the Indo-Pacific to Canada fell 57% (about C\$6.6B) from C\$11.7B in 2023, accounting for only 26% (C\$5.1B) of total inward FDI (C\$19.2B). Meanwhile, M&A investment from the region rose 26% (around C\$3B) to comprise the remaining 74% (C\$14.1B) of inward flows. This represents a reversal from 2023, when greenfield and M&A investment were nearly equal — 51% (C\$11.7B) and 49% (C\$11.2B), respectively.



Relative to the five-year average (2019–23) of C\$6.7B in annual greenfield investment, the 2024 total (C\$5.1B) reflects a 24% decline. By contrast, M&A investment rose sharply above its five-year average of C\$9.97B, increasing 42% to C\$14.1B in 2024. This trend points to Indo-Pacific investors’ growing preference for acquiring established assets rather than building new ones in Canada, an approach likely influenced by rising costs and increasing uncertainty globally.

Investor type

The composition of investors also shifted markedly in 2024. Non-state-owned enterprise (non-SOE) investment from the Indo-Pacific rose 8%, from C\$15.4B in 2023 to C\$16.6B, accounting for 86% of total inward FDI from the region. In contrast, SOE investment fell 65%, from C\$7.5B to C\$2.6B, representing just 14% of the total.



Growth in non-SOE investment was driven by substantial inflows from Japan (up 101%, from C\$2.5B to C\$5.1B), Taiwan (up 250%, from C\$1.5B to C\$5.3B), and China (from zero to C\$1.1B). Although non-SOE investment from Australia and South Korea declined sharply — down 45% (from C\$8B to C\$4.4B) and 98% (from C\$2.1B to C\$46.7M), respectively — these drops were not large enough to offset overall non-SOE growth.

The fall in SOE investment was mainly due to steep declines from Malaysia and Singapore, the latter recording only one transaction and none from the former. While 2024 marked Singapore’s second-lowest SOE investment level since 2019, it was also the second-highest year for Chinese SOE investment at C\$2.6B, following C\$4.3B in 2019. Chinese SOE investment accounted for 99% of all SOE inflows from the Indo-Pacific to Canada in 2024, with Singapore contributing the remaining 1%.

Compared to the five-year average (2019–23) of C\$13.1B, non-SOE investment in 2024 was up 27%, reinforcing the long-term upward trend. In contrast, SOE investment totalled C\$2.6B in 2024, 27% below its five-year average (C\$3.6B), consistent with a sustained downward trajectory. Together, these patterns underscore the growing dominance of non-SOE investment in shaping Indo-Pacific capital flows to Canada and reflect a broader shift toward private-sector-driven engagement in critical and high-tech sectors.

OUTWARD FDI

In 2024, Canada's FDI to the Indo-Pacific fell 57% to C\$5.2B, marking the lowest level in a steady multi-year decline. This drop was driven mainly by sharp reductions in investment to China (–C\$4.7B) and India (–C\$1.9B).

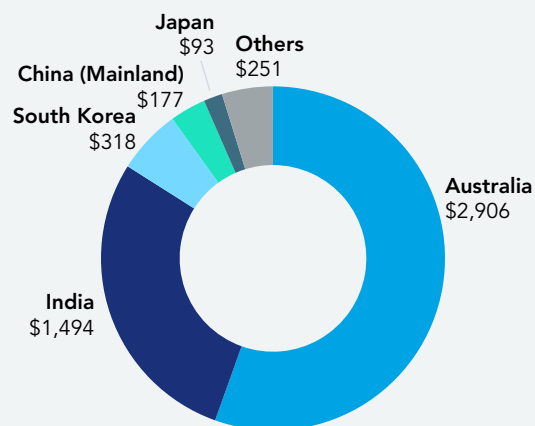
Canada's investment declined in 2024 in nearly all Indo-Pacific economies except Australia and South Korea. Australia remained the top destination, followed by India (C\$1.5B), China (C\$177M), and Japan (C\$93M). A long-standing FDI destination for Canadian investment, Australia has attracted an average of C\$7.3B per year since 2014, peaking at C\$18.5B in 2021 due to [several multi-billion-dollar pension fund transactions](#). In 2024, Canadian FDI to Australia rose 72% (C\$1.2B) from 2023. Vancouver-based Golden Horse Minerals Limited led investment with C\$780M across four gold mining projects in Western Australia, while British Columbia Investment Management Corporation (BCI) joined a consortium to acquire Costa Group, an Australia-headquartered global horticulture firm, for C\$2B (BCI's share estimated at one-third).

“South Korea was another bright spot. Canadian firms invested C\$318M in 2024, up sharply from C\$1.4M the previous year”

South Korea was another bright spot. Canadian firms invested C\$318M in 2024, up sharply from C\$1.4M in the previous year. Vancouver-based NEO Battery Materials accounted for most of this total, committing C\$225M to expand [R&D and manufacturing in Ansan Science Valley](#) and increase ownership of its [Korean subsidiary](#). These investments align with Canada's Indo-Pacific Strategy (IPS) priorities in clean energy and EV battery supply chains. Brookfield Asset Management's subsidiary DCI Data Centers also invested C\$50M to build a new data centre in Seoul, reinforcing shared interests in digital infrastructure.

FIGURE 9
Top 5 Indo-Pacific Destinations for Canadian FDI, 2024

Value C\$ Millions



Source: Investment Monitor, fDimarkets, Accessed July 2025



INDIA

India has been the third-largest recipient of Canadian FDI after Australia and China since 2003 and, since 2019, has overtaken China to become Canada's second-largest FDI destination in the Indo-Pacific. This makes India Canada's leading developing-economy FDI destination in the region and reflects a broader strategic diversification of Canadian investment.

While Canadian FDI to India has grown steadily over the past two decades, it declined in 2023 and particularly in 2024, when no large pension fund transactions were recorded in the finance sector — the main destination for Canadian investment in India. Between 2018 and 2022, finance accounted for 59% of total Canadian FDI to India, averaging C\$2.5B annually. In 2024, investment in finance fell to roughly C\$600 million — a significant drop but still representing about 40% of Canada's total FDI in India that year.

Despite this slowdown, India's share of Canada's total FDI to the Indo-Pacific has remained relatively stable at around 30%, indicating a broader downturn in regional investment rather than an exodus from India. In 2024, India received nearly C\$1.5B in Canadian FDI, accounting for 29% of total outward investment.

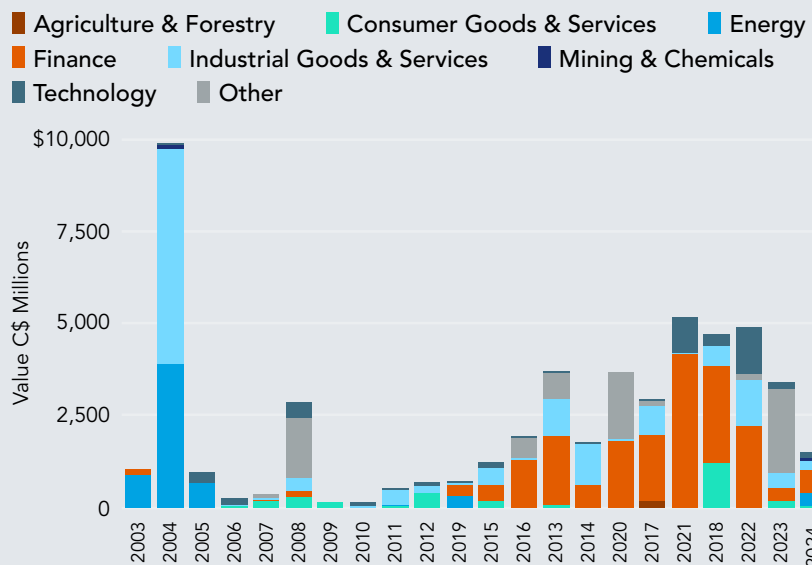
India's increasing regulatory predictability has made it attractive to global investors—a 2023 survey of pension funds found that 40% viewed India as the most promising emerging market, compared with 23% for China. However, this shift has not yet extended to manufacturing; between 2019 and 2024, Canadian firms invested only C\$136M in the Electronics & Electrical Equipment and Industrial Machinery Manufacturing sectors in India, compared with C\$5.5B in manufacturing in China.

Since 2015, Canadian FDI to India has grown from C\$5B to over C\$55B, with pension funds accounting for 54% (C\$10.6B) of total Canadian FDI to India since 2020. Key sectors for pension-led investments include Financial Services (C\$3.3B), Real Estate (C\$2.7B), and Retail (C\$1.1B), while non-pension investment has been concentrated in Real Estate (C\$3.3B), Technology Services & Equipment (C\$2B), and Utilities (C\$1.8B).

The remaining 46% (C\$9B) of Canadian FDI in India since 2020 came from non-pension fund entities, including major institutional investors such as Brookfield Asset Management and Fairfax Financial holdings. Brookfield has invested C\$8.6B in India since 2020, with C\$6.7B in alternative energy, real estate, finance, and technology. Major transactions include the C\$3.1B acquisition of RMZ Corp's real estate portfolio (2020), a C\$1.4B investment in Avaada Group's hydrogen and solar projects (2023), and a C\$944M acquisition of Reliance India's telecom towers (2020).

FIGURE 10

Canadian FDI to India, by Industry, 2003-2024



Source: Investment Monitor, fDimarkets. Accessed July 2025



JAPAN

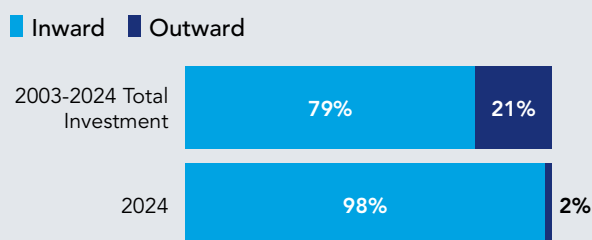
Japan is the fifth-largest destination for Canadian FDI, with C\$14B invested since 2003, though the value of new investments has declined steadily since peaking at C\$4B in 2020. In 2024, Canadian investment in Japan fell 39% to C\$268M, reflecting Japan's broader challenges as an FDI destination. For example, in 2023, Japan [ranked 196th of 201 economies](#) for inward FDI as a share of GDP, with [global inflows down 54% year over year](#).

Japan's restrictive [ownership rules and demographic headwinds](#) have deterred foreign investment, particularly in M&A. As a result, 64% of Canada's FDI in Japan from 2019–24 has been greenfield, compared with only 25% in the wider Indo-Pacific. [Canadian Solar Inc.](#) has invested C\$1.3B since 2019 to build solar plants across several prefectures. While [Japan's 2020 Forex Act](#) subjects electricity projects to security review, greenfield investments face fewer regulatory barriers than mergers and acquisitions.

Japan's resistance to foreign takeovers constrains innovation and productivity gains. The failed C\$62B bid by [Alimentation Couche-Tard Inc.](#) to acquire Seven & i Holdings in 2024 — withdrawn in 2025 — illustrates

these limitations. Despite strong diplomatic, trade, and security ties, Canada's investment relationship with Japan remains one-sided: Japan is Canada's third-largest source of FDI, yet Canadian investment in Japan has stagnated even as bilateral trade reached C\$15B in 2024. Both countries are Comprehensive and Progressive Agreement for Trans-Pacific Partnership members, but while trade has flourished, investment integration remains constrained by Japan's rigid regulatory environment.

FIGURE 11
Canada-Japan Two-Way Investment, 2003-2024 vs 2024



Source: Investment Monitor, fDimarkets, Accessed July 2025

Sectoral breakdown

Canadian companies invested across all major industries in 2024, led by investment in Consumer Goods & Services (C\$1.2B), Finance (C\$1B), and Mining & Chemicals (C\$864M). Investment in Consumer Goods & Services rose 13% (C\$139M) from 2023, concentrated in the Food Producers (C\$685M), Media (C\$452M), and Retail (C\$55M) sectors. For example, Ontario Teachers' Pension Plan Board (OTPP) invested C\$432M in [Australia's Canva Pty Ltd, one of the country's fastest-growing software firms](#). Canadian apparel retailers also expanded regionally, with Helly Hansen opening stores in Melbourne and Queenstown and Lululemon Athletica adding outlets in Melbourne — part of nearly [200 Lululemon stores opened across the Indo-Pacific since 2019](#).

The Finance industry was the second-largest recipient of Canadian FDI, driven by pension fund investments in India's National Highways Infra Trust (NHIT). In 2024, Canada Pension Plan Investment Board (CPPIB) and OTPP jointly invested C\$600M in NHIT, following earlier contributions, since 2021, from Caisse de dépôt et placement du Québec (CDPQ) (C\$1.1B), CPPIB (C\$360M), and OTPP (C\$350M).

Mining & Chemicals ranked third (C\$864M), but Canadian investment in the sector has shifted. 2024 was the first year without major Canadian critical minerals investments in the Indo-Pacific. Since 2014, Canada has invested C\$4.1B in this sector in the region, with 21% of those investments (C\$838M)

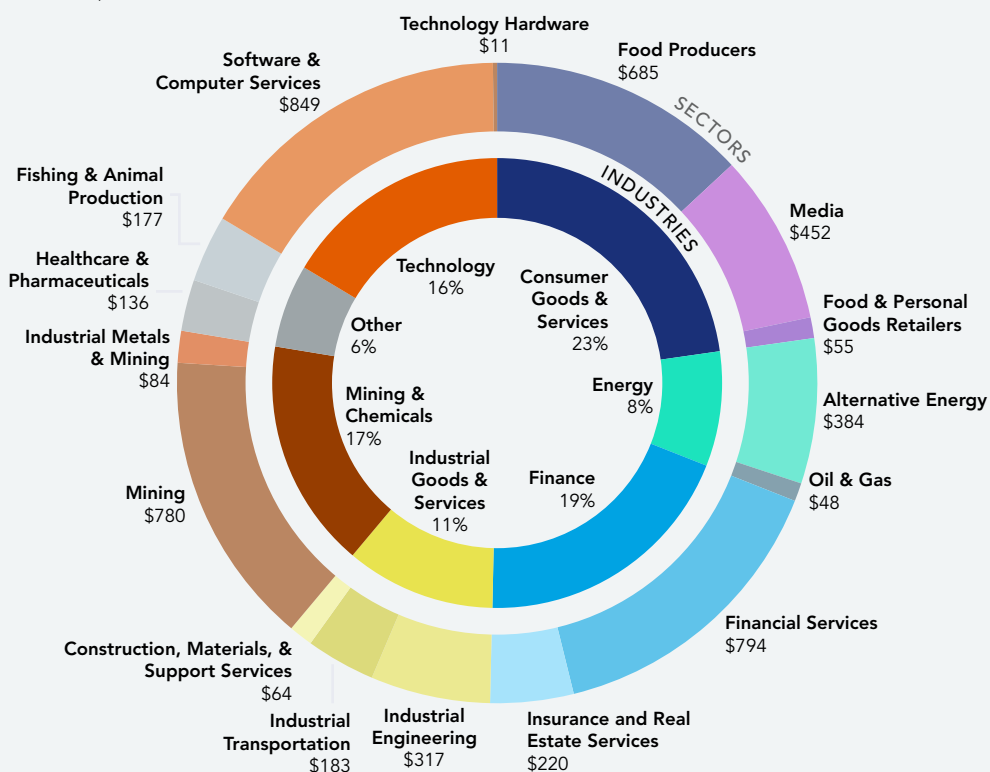
[targeting critical minerals](#). However, recent activity has shifted investment to Gold Mining: in 2024, Golden Horse Minerals acquired four gold projects in Western Australia for C\$780M and Crest Resources made the only critical minerals investment (C\$.3M) in a magnesite project in South Australia. In parallel, Fairfax Financial Holdings also acquired 65% of Global Aluminum Private Limited, an aluminum recycler, in India for C\$83M.

Energy accounted for 8% (C\$431M) of total Indo-Pacific investment. While modest, the shift from fossil fuels to alternative energy is striking. Between 2003 and 2014, oil, gas, and coal represented 73% of Canadian FDI in the region, whereas since 2014, 98% has gone to hydrogen, fuel cells, and carbon capture technologies. In 2024, [Canada ranked 8th globally](#) for clean energy investment, with C\$48B invested worldwide in technology and infrastructure projects.

Other notable sectors included Technology (C\$860M) and Industrial Goods & Services (C\$564M). Technology investments were led by C\$605M in data centre construction in Australia and South Korea. In Industrial Goods & Services, CDPQ's Ivanhoé Cambridge and India's LOGOS jointly invested C\$180M in an [industrial hub in Maharashtra](#), while AtkinsRéalis Group Inc. (formerly SNC-Lavalin) invested C\$38M to open a [new office in Noida, Uttar Pradesh](#).

FIGURE 12
Canada to Indo-Pacific FDI, Industry vs Sectors, 2024

Value C\$ Millions



Source: Investment Monitor, fDimarkets, Accessed July 2025

Investment Type

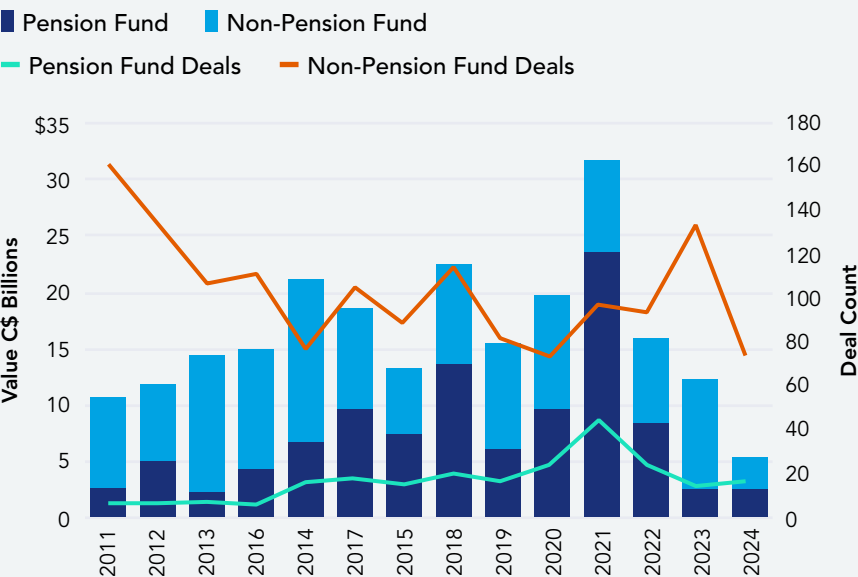
PENSION FUND INVESTMENT

In 2024, Canadian pension funds accounted for 47% (C\$2.4B) of Canada’s FDI in the Indo-Pacific, down 8% from 2023 (C\$2.7B) — part of a broader decline in pension-led investment in the region. Since 2015, [pension funds have driven Canadian FDI](#), contributing 52% (C\$90B) of total outflows, but activity has slowed since 2022 amid shifting strategies and weaker emerging-market returns.

Pension investment peaked in 2021 (C\$23B), driven by large transactions including C\$9.9B in Australian telecommunications and natural gas assets by CPPIB, PSP Investments, HOOPP, IMCO, AIMCo, and CDPQ’s C\$1.9B acquisition of 50% of an offshore wind farm in Taiwan. Since then, funds have recalibrated portfolios and reduced their investment in the region overall due to slower growth and currency losses in markets such as China and India.

“The Indo-Pacific accounted for an average 18% of Canadian pension fund assets in 2019, but just 13% in 2024.”

FIGURE 13
Canada to Indo-Pacific FDI, by Investor Type, 2011-2024



Source: Investment Monitor, fDimarkets, Accessed July 2025

The Indo-Pacific accounted for an average of 18% of Canadian pension fund assets in 2019, but just 13% in 2024. CPPIB, which [once aimed to have one-third of assets in emerging markets by 2025](#), reduced its Indo-Pacific holdings from 28% of net assets in 2019 to 17% in 2024 — the lowest level in five years. Other funds have followed suit: CDPQ, OTPP, and BCI have all [paused new investments in China since 2023](#) and [scaled back regional operations](#). OTPP closed its Hong Kong office in 2025 (retaining Singapore and Mumbai); AIMCo shuttered its Singapore office less than a year after opening; and CDPQ closed its [Shanghai office](#) in 2023 while maintaining operations in Singapore.

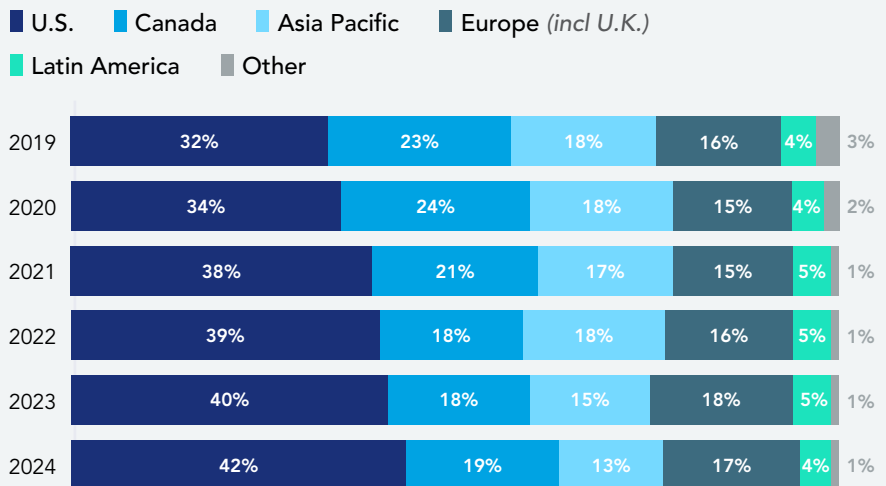
“Canadian pension funds appear to be redirecting investment toward Europe and domestic markets amid trade tensions with the U.S., tariff risks, and Indo-Pacific geopolitical instability.”

Canadian pension funds have not opened a new office in the Indo-Pacific since 2023. By contrast, in 2024, the [Healthcare of Ontario Pension Plan](#) (HOOPP) and [BCI](#) both expanded their presence in London, U.K., reflecting a pivot toward Europe. Average pension fund holdings in Europe reached 18% in 2024, up from 16% in 2019, with CPPIB’s European exposure rising from 10% to 19%, surpassing its Indo-Pacific allocation for the first time.

Canadian pension funds appear to be redirecting investment toward Europe and domestic markets amid trade tensions with the U.S., tariff risks, and Indo-Pacific geopolitical instability. In December 2024, Ottawa introduced measures to [encourage greater domestic investment](#) by removing pension fund investment caps. While [CDPQ maintains a dual mandate](#) to support Quebec’s economic development, most other funds remain profit-driven, leaving Canada with one of the lowest domestic asset allocations among major pension systems.

FIGURE 14

Canadian Pension Fund Holdings, Average Geographic Distribution, 2019-2024



**Figure is estimated based on weighted averages of CPPIB, OTPP, OMERS, and CDPQ. Weights assigned by net asset size. Pension funds where the Indo-Pacific accounts for an average of less than 10% of total holdings or values were not available for the whole time period were excluded. · Source: CPPIB, OTPP, OMERS, CDPQ. Accessed August 2025.*

M&A VS GREENFIELD

Since 2019, the gap between M&A and greenfield investment in the Indo-Pacific has steadily narrowed, driven by rising Canadian investment in alternative energy projects. In 2019, M&A accounted for 74% of Canadian FDI in the region, but by 2024 its share had fallen to 55%, reflecting a shift toward longer-term, higher-value greenfield commitments.

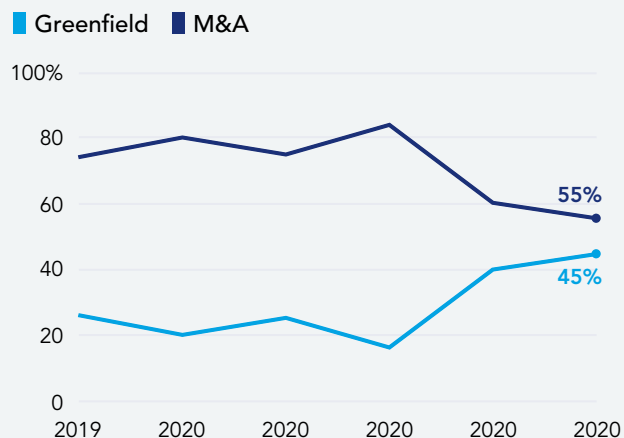
"In 2019, M&A accounted for 74% of Canadian FDI in the region, but by 2024 its share had fallen to 55%, reflecting a shift toward longer-term, higher-value greenfield commitments."

Historically, [M&A has dominated Canadian FDI](#) because it offers faster market entry, lower capital requirements, and quicker returns. By contrast, greenfield projects require higher upfront investment and entail greater risk, but generate long-term benefits such as job creation, technology transfer, and stronger local integration. Canada's growing greenfield activity indicates a greater tolerance for risk and a longer-term commitment to Indo-Pacific markets.

The surge in greenfield investment is driven by renewable energy investment. Since 2020, Canadian firms have invested C\$2.8B in renewable power generation projects in Australia, Japan, Taiwan, and Malaysia, and C\$3.6B in renewable energy equipment manufacturing across China, South Korea, Thailand, and India. Canadian Solar Inc. alone accounts for C\$4.6B of greenfield FDI in the region,

FIGURE 15

Canada to Indo-Pacific FDI by Investment Type (M&A vs Greenfield Investment), 2019-2024



Source: Investment Monitor, fDiIntelligence, Accessed July 2025

including a [C\\$3.5B factory in Inner Mongolia](#). [Global greenfield investment in renewables has also accelerated since 2012](#), reinforcing this structural trend.

Meanwhile, overall M&A activity has [weakened due to high interest rates, inflation, geopolitical uncertainty](#), and tighter FDI restrictions. M&A remains concentrated in Australia, which has received roughly half of Canadian M&A to the Indo-Pacific thanks to its stable economy, weaker currency, and open investment regime. By contrast, many Indo-Pacific economies impose [strict foreign ownership limits](#) that continue to constrain cross-border acquisitions.

CONCLUSION

Despite the year-on-year decline in 2024, Canada's investment relationship with the Indo-Pacific is stronger than it was a decade ago. Canada received C\$19.2 billion in FDI from the region in 2024 — 1.5 times more than in 2014 and above the 10-year average — underscoring the long-term upward trend in inward investment. The Indo-Pacific now accounts roughly for about one-quarter of all new FDI projects in Canada, with investment in 2024 mainly concentrated in Mining & Chemicals (46%), Industrial Goods & Services (41%), and Technology (8%). Together, these sectors reflect how Indo-Pacific investors are moving toward investing in high-value, innovation-led, and technology-driven industries.

While 2024 saw fewer transactions than 2023, it nonetheless featured some of the most significant Indo-Pacific investments in Canada in recent years, including Taiwan's C\$5.2B acquisition of Future Electronics, Japan's C\$1.6B Honda-Asahi Kasei battery joint venture, and China's C\$3.7B investments in new mining projects. China, once by far the largest source of FDI from the region 15 years ago, now accounts for only a fraction of its former share, reflecting a broader shift in investment patterns. Australia, by contrast, has emerged as one of Canada's most consistent and substantial Indo-Pacific investors, accounting for a growing portion of two-way FDI.

At the same time, the 57% decline in outward FDI to the Indo-Pacific, down from C\$12.2B to C\$5.2B in 2024, underscores both emerging constraints and uncertainties in the region and a shift in priorities among Canadian pension funds. The geography of Canadian investment in the Indo-Pacific is changing as well. Fifteen years ago, China and Hong Kong together accounted for an average of 23% of Canada's FDI in the Indo-Pacific; today, that share has fallen to around 12%. India's share, by contrast, has risen from 7% to an average of 23% today, reflecting a steady rebalancing of Canadian FDI. Investment in Australia, Japan, and South Korea, meanwhile, has declined only marginally, suggesting continued stability in Canada's investment relationships with traditional partners.

In this context, 2024 represents a rebalancing in Canada-Asia investment ties. The Indo-Pacific remains a vital long-term partner, but one undergoing structural transformation. Looking ahead, Canada's ability to deepen and diversify these investment relationships — particularly in critical minerals, clean technology, and advanced manufacturing — will be key to sustaining economic resilience and advancing the goals of Canada's Indo-Pacific Strategy.



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