

Outward FDI & GDP: The 2nd Smoking Gun of Prosperity Theft

In the summer of 2010 this researcher and analyst began examining¹ where trillions upon trillions of dollars ended up because from the early 1990s until that year the economy had more than doubled and the middle class gained no ground whatsoever (the first smoking gun). It was no longer assumed the economy was driven by the traditional principles of a free market capitalist system as a result of his original historical investigation how the parliamentary system was adversely impacted by extreme nepotism and patronage since before Confederation and the Liberals cumulatively governing this nation for three-quarters of the 20th century. Indisputably, there had been a complete consolidation of power operating behind the quasi-reality of this nation being a mature, functioning and enviable democracy.

The matter was revisited in September 2019. Nine years later what was observed in the facts, figures, statistics and charts was the same pattern of ever more vast amounts of capital being exported to foreign markets for investment purposes. In a very large measure that further confirmed what Trudeau Sr.'s aggressive economy monopolization policies in the 1970s delivered; namely, starting in the 1980s there was nothing substantial to purchase and grow principally because of the small size of the Canadian population and those hundreds of billions per year had to go somewhere to generate even more wealth for those who'd devolved to capitalistic psychopathology.

What triggered the original research was observing this StatsCan chart:

¹ After conversing with several of Canada's top professors of economics and reviewing their publications as identified in the thesis *Canada's Multi-Decade Decline of Democratic Capitalism: The Ideological Plague of Prosperity Theft*.



The total amount exported from 1986 until 2008 was \$6.1 trillion. During that period of time the economy generated \$21.482 trillion. Armine Yalnizyan, a Senior Economist with the Canadian Centre for Policy Alternatives, crunched the numbers for the 2010 analysis as follows:

Year	GDP [Billions]	Outward FDI [Billions]	GDP-FDI Ratio
1986	512,541	75,000	15%
1987	558,949	80,000	14%
1988	613,094	85,000	14%
1989	657,728	90,000	14%
1990	679,921	100,000	15%
1991	685,367	110,000	16%
1992	700,480	120,000	17%
1993	727,184	140,000	19%
1994	770,873	150,000	19%
1995	810,426	160,000	20%
1996	836,864	180,000	22%
1997	882,733	200,000	23%

1998	914,973	250,000	27%
1999	982,441	275,000	28%
2000	1,076,577	350,000	33%
2001	1,108,048	400,000	36%
2002	1,152,905	420,000	36%
2003	1,213,175	400,000	33%
2004	1,290,906	430,000	33%
2005	1,373,845	450,000	33%
2006	1,449,215	500,000	35%
2007	1,532,944	525,000	34%
2008	1,600,081	600,000	37%
TOTAL	\$21.482 trillion	\$6.1 trillion	

Important for current purposes is the fact that OFDI and the ratio of GDP to OFDI both increased every single year.

Sidestepping the anomaly that was the global financial crisis and skipping to the period 2013 to 2017, the Conference Board of Canada published these figures...

Canadian Direct Investment Abroad (Stocks) - Millions of dollars						
Country/Region	2013	2014	2015	2016	2017	Rank 2011
All countries	778,371	845,203	1,043,822	1,083,730	1,121,102	

...and stated the following about these matters:

“Canada’s ... share of world outward FDI in 2011 ... *means it was ... playing a larger role in outward FDI than its economic size would warrant.*”

Source: Conference Board of Canada [[Link](#)]

[Emphasis added]

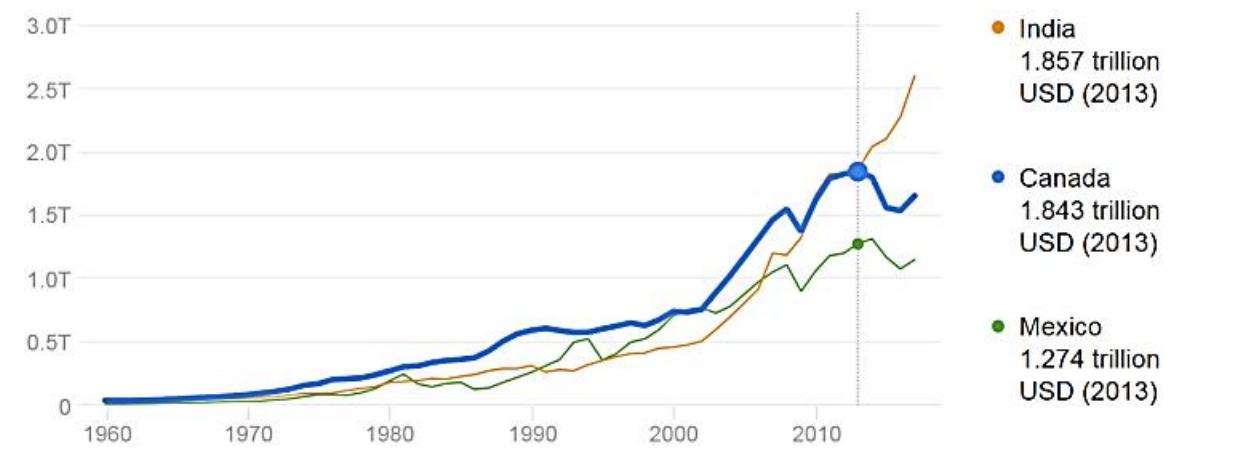
A prominent think tank is of the same view from a different analytical perspective and the relevant time frame:

“[O]utward FDI from Canada relative to GDP increased ... compared to other countries. [...] Relevant data reported in figure 4 clearly indicates that outward FDI as a percentage of GDP for Canada compared to other developed countries reached its highest value in the 2015–2017 sub-period. Specifically, *Canada's ratio of outward FDI to GDP was almost three times higher than the US ratio*. ... *The next closest sub-period was 2000–2005, when Canada's ratio was almost two and a half times the US ratio. Canada's ratio of outward FDI to GDP was around 152 percent higher than the OECD's ratio for 2015–2017.*”

Source: Fraser Institute [[Link](#)]

[Emphasis added]

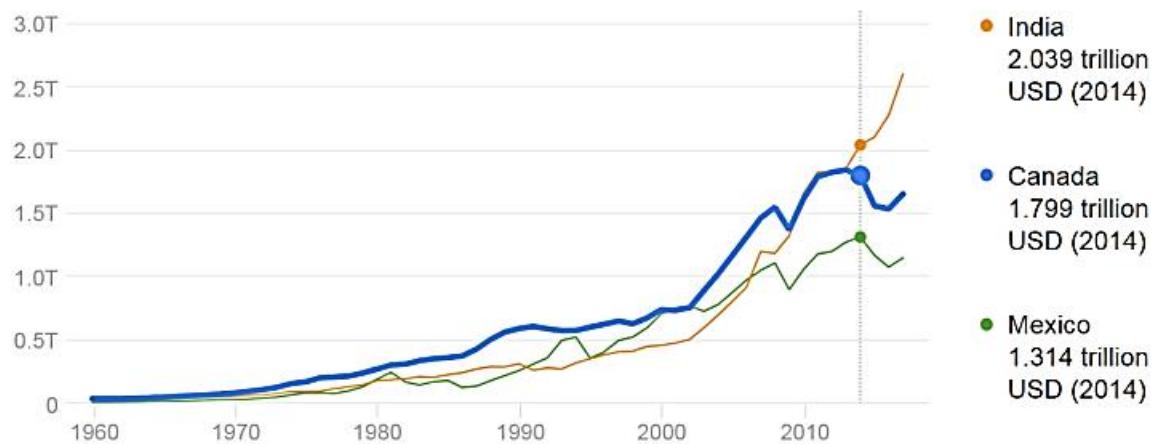
Next is to ascertain the GDP for the years 2013 to 2017:



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Sources include: World Bank

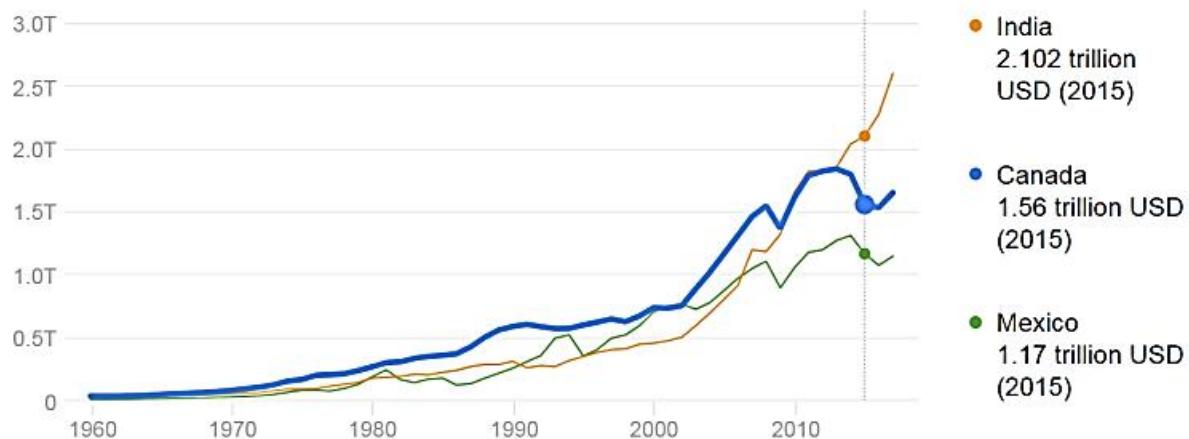
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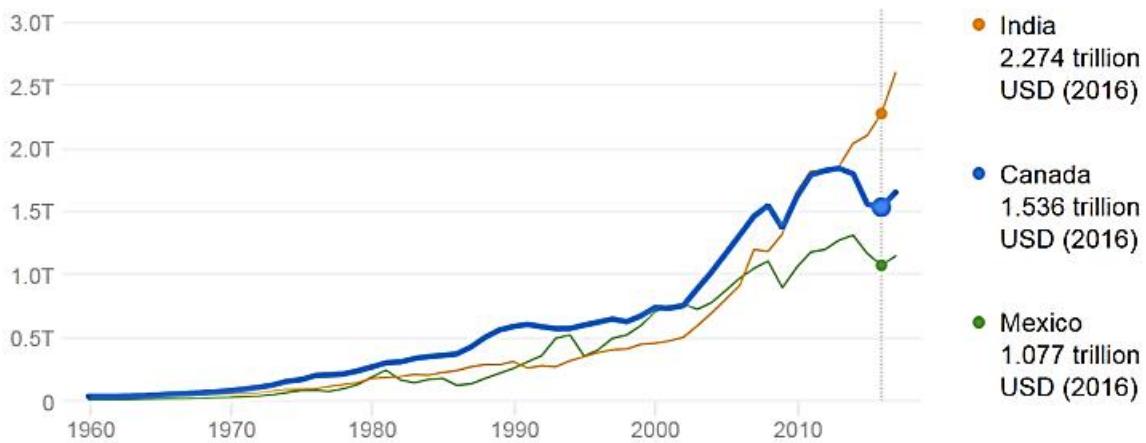
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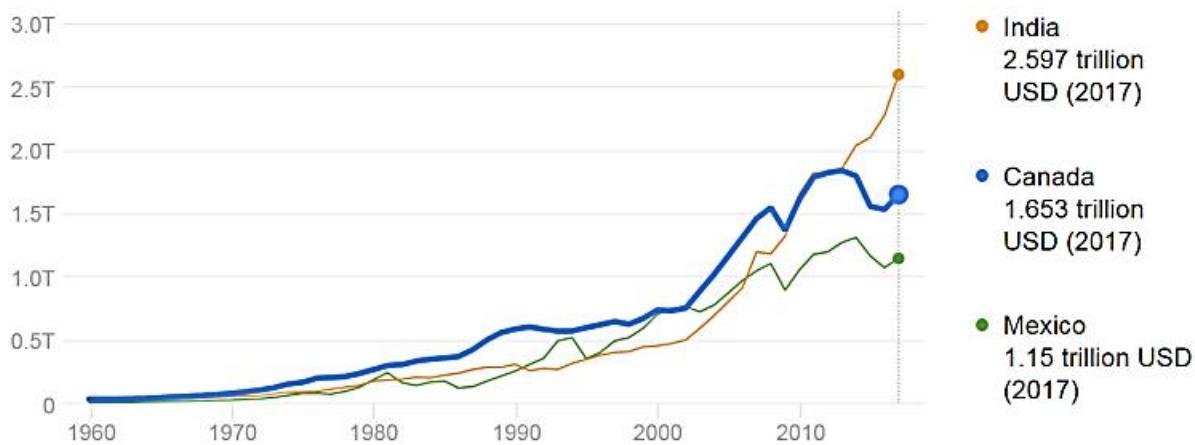
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Because the figures quoted are in U.S. dollars, here's the exchange rate amounts:

U.S.	Canada GDP	Outward FDI
2013		
\$1.843 trillion	\$2.43 trillion	\$778.371 billion
2014		
\$1.799 trillion	\$2.37 trillion	\$845.203 billion
2015		
\$1.56 trillion	\$2.05 trillion	\$1.043 trillion
2016		
\$1.536 trillion	\$2.02 trillion	\$1.086 trillion
2017		
\$1.653 trillion	\$2.18 trillion	\$1.121 trillion

In round numbers, for the year 2013 the OFDI-GDP ratio was one-third; the following year about the same; then it significantly jumped in 2015 to approximately *one half* and remained there through 2016 and 2017. Who was governing during that period of time? In 2015 it was Harper's Conservatives (from January 2006) until the election in October; so the blame (for prosperity theft going back a decade) is partly his; but more so the Liberal Old Guard who's been the behind the scenes hegemonic force ignoring a plethora of free market principles since the 1970s. When it and Justin Trudeau regained federal power and so decisively meant the ever greater plundering of this nation's wealth for the benefit of the .001% would continue unabated and will be unchallenged for years and decades to come; that is, until a grassroots movement triggers the scandal that dwarfs The Sponsorship Affair.