



Fact Sheet: Investment



On August 1, 2009, the Canada-Peru Free Trade Agreement (FTA) entered into force. An investment chapter in the Canada-Peru FTA locks in market access for Canadian investors in Peru and provides greater stability, transparency and protection for their investments. Building on the Canada-Peru Foreign Investment Promotion and Protection Agreement (FIPA - <http://www.international.gc.ca/assets/trade-agreements-accords-commerciaux/pdfs/Canada-Peru10nov06-en.pdf>), the FTA creates a more receptive environment for the considerable stock of Canadian investment in Peru. The FTA will help promote the continued growth of Canadian investment in mining and other sectors, such as banking, oil and gas, electrical power and printing.

Investment plays an increasingly important part in the Canadian economy and is crucial to linking Canada to global value chains. At the end of 2008, Canada was a net provider of direct investment, with the stock of Canadian direct investment abroad (CDIA) valued at \$637 billion and the stock of foreign held investment in Canada totalling \$505 billion.

How an FTA with Peru can benefit Canada

The FTA, which includes provisions from the existing FIPA, will help Canadian investors by:

- Protecting investors from discrimination while providing for fair and equitable treatment and full protection and security in accordance with principles of customary international law.
- Ensuring the free transfer of capital related to an investment.
- Protecting against expropriation without adequate and effective compensation.
- Influencing the development of national laws through the promotion of good governance (e.g. respect for rule of law, transparency) and generally lead to a better investment climate.
- Promoting two-way investment flows through stronger reciprocal commitments.

In addition, building on the procedural protections included in the Canada-Peru FIPA, investors will be entitled to effective, binding and impartial dispute settlement through international arbitration.

Peru is an important investment partner for Canada

- Canada is among the largest overall foreign investors in Peru, with an estimated \$2.35 billion of investment stock in the country as of 2008. Canada represents one of Peru's most important sources of foreign investment in the mining, banking and printing sectors.

For more information on the Canada-Peru FTA, please visit the following website:

<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/andean-andin/can-peru-perou.aspx>

