and Germany increased markedly and that of the U.K., Italy and Canada grew more moderately (see Chart 2).

Portfolio capital movements (e.g., stocks, bonds) among industrial countries began to accelerate even sooner than FDI flows. Compared to the late 1970s, the annual average outflow grew by over 200% in the early 1980s, and then by over 300% in the late 1980s. As with FDI, 1990 and 1991 have been more erratic. The EC and Japan have become the dominant players on both the outflow and inflow side of the portfolio ledger (see Table 5). By the late 1980s, the currency denomination of international bond issues had changed considerably, with the share in U.S. dollars declining by more than half to approximately 40%.

TABLE 5
PORTFOLIO CAPITAL MOVEMENTS in INDUSTRIAL COUNTRIES
(Billions of US$, annual averages)

	1975 - 79	1980 - 84	1985 - 89	1990	1991
TOTAL OUTFLOWS	12.4	41.8	176.8	151.6	277.6
of which: U.S.	5.8	5.8	9.5	28.5	46.2
JAPAN	2.6	13.8	89.9	39.7	74.3
E.C.	3.8	18.9	62.6	79.8	144.0
TOTAL INFLOWS	25.0	57.8	186.0	159.1	388.7
of which: U.S.	4.6	16.7	59.2	2.9	52.3
JAPAN	3.0	11.9	23.3	34.7	115.3
E.C.	8.5	17.7	70.4	94.4	173.7

SOURCE: Bank for International Settlements, 62nd Annual Report (Basel, June 1992), p.94.

But again some caution in interpreting these figures is required. With respect to the pattern of FDI stocks, twists and turns typify the extent of internationalization. As can be seen in Chart 3, the U.S. in particular, but also the German and U.K. economies have become the home of a greater share of world FDI. When the stock of foreign investment in G-7 countries is measured as a percentage of gross private non-residential capital stock, however, there were clear increases during the 1980s