

output at an average annual rate of 2.8 percent.¹⁸ The view has been expressed that the faster growth rate of direct investment during the 1980s suggests that not only are multinational corporations increasing their share of world trade and output, but that the interaction between foreign direct investment, international trade, technology transfer and financial flows is more intense, with important implications for the competitiveness of both home and host countries. Economic, regulatory, and tax policies which hinder the operations of multinational corporations may constrain the economic growth of both home and host country economies by restraining technology transfer, capital investment, profits, employment and trade.

¹⁸ *United States Central Intelligence Agency, Directorate of Intelligence, Handbook of Economic Statistics, 1991, p. 26.*