

privatization of state enterprises. Between 1985 and 1989, FDI through debt-equity conversions in Argentina, Brazil, Chile and Mexico amounted to US \$11.5 billion. Between 1990 and 1992, the same countries attracted US \$5.1 billion through privatization offerings.³

Table 1: Net Resource Flows and Net Transfers to Latin America and the Caribbean, 1980 and 1986-93
(millions of U.S. dollars)

	1980	1986	1987	1988	1989	1990	1991	1992	1993
Net Resource Flows	30,159	11,402	13,846	15,438	5,908	19,272	28,782	30,796	37,545
Net flow of long-term debt (ex. IMF)	23,355	6,113	5,871	4,998	(3,910)	8,012	6,205	5,317	11,062
Foreign direct investment (net)	6,183	3,553	5,777	7,999	7,083	7,669	12,375	14,506	17,510
Portfolio equity flows	0	0	78	176	434	1,099	6,228	7,883	6,030
Grants (excluding technical co-op.)	621	1,735	2,119	2,265	2,301	2,492	3,975	3,089	2,943
Net Transfers	7,488	(18,931)	(16,231)	(19,589)	(22,369)	(5,998)	4,198	5,433	9,494
Interest on long-term debt	17,531	25,559	25,228	29,160	21,071	18,929	18,433	18,742	19,733
Profit remittances on FDI	5,140	5,140	4,773	4,848	5,867	7,207	6,341	6,151	8,318

Notes: (1) Long-term debt includes loans (commercial and official) and bonds.

(2) Net transfers are equal to net resource flows, less interest on long-term debt and profit remittances on FDI.

(3) Data for 1993 are preliminary.

Source: World Bank, *op. cit.*, p. 186.

As in the case of FDI, international bond issues by Latin American countries have also been concentrated. Mexico has led the pack issuing US \$4.4 billion in 1992 with a further US \$7.5 billion projected for 1993. Brazil was second (US \$3.5 billion in 1992 and a projected US \$4.7 billion for 1993), followed by Argentina (US\$1.7 billion and US \$3.5 billion, respectively).⁴

Stock market capitalization in the major Latin American markets has also increased dramatically in the past few years, further fuelling the increase in capital flows. As of June 1993, total capitalization of the Mexican stock market stood at US \$130 billion. Brazil had a total market capitalization of US \$76 billion, while

³World Bank, *op. cit.*, p. 57.

⁴World Bank, *op. cit.*, p. 9.