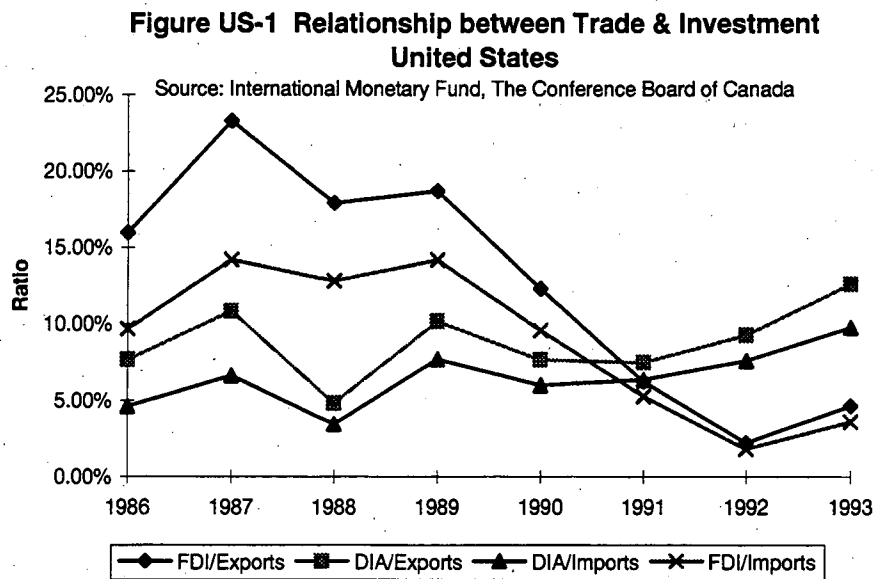


for total US DIA for the entire study period. FDI in the United States was running at 15 per cent of exports and more than 10 per cent of imports in 1986. By 1993, the ratio had declined to less than five per cent of both imports and exports (see Figure US-1). The global recession cut these ratios dramatically for 1991 and 1992, particularly for inflows of foreign direct investment into the United States. For 1993, renewed global economic growth has resulted in larger global foreign direct investment flows, while those flowing to the United States remained relatively weak relative to trade.



U.S. direct investment abroad did not experience the same declines as foreign direct investment in the United States. In fact, the United States maintained a relatively stable level of outward investment throughout the study period. This is reflected in Figure US-1 by a rising ratio of investment to trade, and in Figure US-2, by a US DIA to GDP ratio that surpasses the corresponding FDI to GDP ratio early in the new decade. Thus, US DIA levels grew from 0.7 per cent of GDP in 1989 to 0.9 per cent of GDP in 1993 (see Figure US-2).