

Over the last half of the 1980s, the world stock of direct investment grew by almost U.S. \$1 trillion, from U.S. \$678 billion in 1985 to U.S. \$1.644 trillion in 1990. The extraordinary growth should be compared with the early part of the decade, when the stock of direct investment rose from \$517 billion in 1980 to \$678 billion in 1985. However, much of the slowdown in the early 1980s and subsequent acceleration in the late 1980s reflects the conversion of investment denominated in local currencies into U.S. dollars as the common currency.¹⁵ Table 6 expresses direct investment stocks in terms of a broader common currency, the Special Drawing Right (SDR)¹⁶. On a SDR basis, the contrast between foreign direct investment growth during the first versus the second half of the 1980s is not nearly as great (SDR \$0.4 trillion in 1980, SDR \$0.6 trillion in 1985, SDR \$1.2 trillion in 1990). However, even when expressed in SDRs, worldwide direct investment almost doubled from 1985-90 compared with only about a 50 percent increase from 1980-85.

Table 6
World Stock of Direct Investment Abroad by Region or Major Country of Origin,
Selected Years, 1960-90
(Billions of SDRs or Percentages)

	LEVEL					Average Annual % Change			
	1960	1967	1973	1980	1990	60-67	67-73	73-80	80-90
All Countries	67.7	112.3	175.0	405.3	1,155.7	7.5	7.7	12.7	11.0
Developed Countries	67.0	109.3	169.9	394.9	1,119.7	7.2	7.6	12.8	11.0
United States	31.9	56.6	84.0	172.7	299.8	8.5	6.8	10.8	5.7
Europe	30.6	45.1	68.3	181.6	599.3	5.7	7.2	15.0	12.7
Belgium-Luxembourg	1.3	1.3	1.5	3.7	15.9	0.0	2.4	13.8	15.7
France	4.1	6.0	7.3	16.3	80.7	5.6	3.3	12.2	17.3
Germany	0.8	3.0	9.9	33.8	109.0	20.8	22.0	19.2	12.4
Italy	1.1	2.1	2.7	5.5	42.2	9.7	4.3	10.7	22.6
Netherlands	7.0	11.0	13.1	33.2	69.7	6.7	3.0	14.2	7.7
Sweden	0.4	1.7	2.5	5.6	35.6	23.0	6.6	12.2	20.3
Switzerland	2.3	2.5	5.9	17.6	45.6	1.2	15.4	16.9	10.0
United Kingdom	12.4	15.8	22.8	62.1	172.1	3.5	6.3	15.4	10.7
Other Eur. Countries	1.2	1.7	2.7	3.8	28.5	5.1	8.0	5.0	22.3
Japan	0.5	1.5	8.5	15.4	141.6	17.0	33.5	8.9	24.8
Canada	2.5	3.7	6.5	16.9	52.5	5.8	9.8	14.6	12.0
Australia/New Zealand	0.2	0.4	0.9	4.0	21.2	10.4	14.5	23.8	18.1
South Africa	1.3	2.0	1.7	4.3	5.3	6.3	-2.7	14.2	2.1
Developing Countries	0.7	3.0	5.1	10.4	36.0	23.1	9.2	10.7	13.2

Source: U.S. Department of Commerce

¹⁵ United States Department of Commerce, *op. cit.*, p. 2.

¹⁶ The SDR is a composite currency unit designed by the International Monetary Fund that comprises the currencies of France, Germany, Japan and the United States according to each country's relative proportion of exports of goods and services. Prior to December 1971, the SDR was valued at the par value of the U.S. dollar.