

Table 3

1992 FDI Stocks in Argentina
Millions of US Dollars

U.S.A.	3,353
Japan	490
U.K.	387
Germany	1,094
France (1991)	15
Italy	1,035

Source: OECD International Direct Investment Statistics Yearbook 1994

3

Again, as with merchandise trade, when the impact of Chilean accession is factored in, Argentina's economic links with the NAFTA countries become even stronger. There is significant Chilean investment in Argentina, much of it in the power generation and manufacturing sectors. The Chilean Embassy in Buenos Aires reported that Chileans invested US\$1.8 billion in Argentina from 1990 to 1994.⁷³ Argentina is by far the favoured destination for Chilean investors.⁷⁴ A 1991 investment treaty between Argentina and Chile guarantees most favoured nation treatment and the free repatriation of income. For its part, Argentina was the biggest Latin American investor in Chile in 1994 with investments of US\$60 million (2% of total foreign direct investment in Chile).⁷⁵

⁷³ "Argentina - Investment by Chile" on the National Trade Data Bank CD Rom. This report is based on a 13 February 1995 report by the U.S. Embassy in Buenos Aires.

⁷⁴ For further detail on Chilean investment in Argentina, see Ricardo Ffrench-Davis, Manuel Agosin and Andras Uthoff, "Capital Movements, Export Strategy and Macroeconomic Stability in Chile", in Ricardo Ffrench-Davis and Stephany Griffith-Jones, eds., *Coping With Capital Surges, The Return of Finance to Latin America*, (Lynne Rienner: Boulder, 1995).

⁷⁵ Latin America Regional Reports: Southern Cone, 16 March 1995.