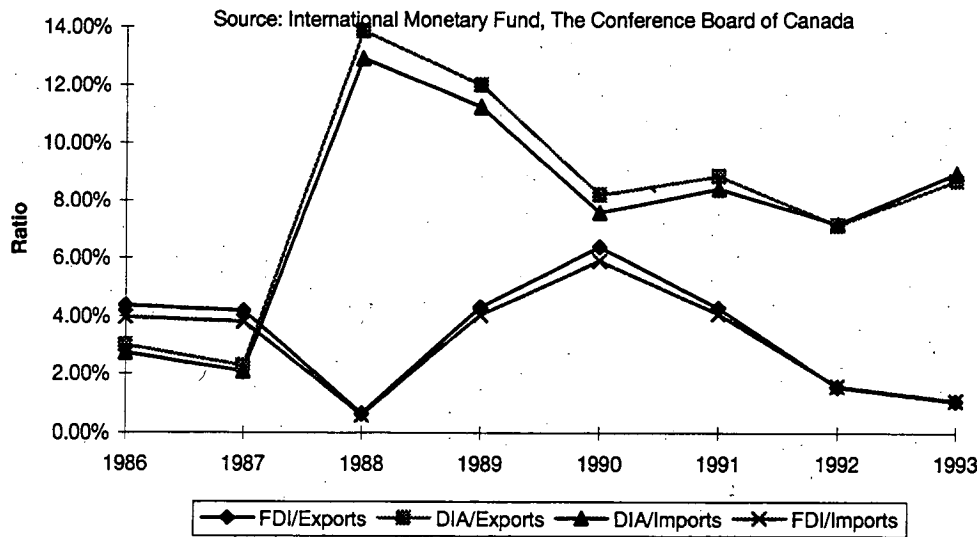


Outflows of Swiss direct investment abroad (Swiss DIA) rose sharply in 1988 but have remained relatively stable since that time, averaging about U.S. \$6.5 billion each year. Foreign direct investment in Switzerland has been more volatile in relative terms as illustrated by Figure S-4. In fact, FDI in Switzerland have varied around the U.S. \$2 billion mark for most of the period, with important declines to less than U.S. \$1 billion in 1988 and again in 1993.

**Figure S-4 Relationship Between Trade & Investment  
Switzerland**



The relationship between trade and Swiss direct investment abroad (Swiss DIA) has been more volatile than that of other countries selected for the study. Early in the period, outflows of Swiss direct investment abroad, expressed as a ratio of trade, were relatively small at around 2 per cent. These investment outflow levels jumped to about 14 per cent of trade by 1988. With rising trade levels for Switzerland since 1989, outflows declined to between 8 per cent and 10 per cent of trade levels by 1993. The inflows of foreign direct investment to Switzerland have also been volatile over the period. From a level of over 4 per cent of trade in 1986, they became almost non-existent in 1988, recovered rapidly to over 6 per cent of trade in 1990, and subsequently declined to less than 1 per cent of trade by 1993.