



Received: 09-05-2023  
Accepted: 19-06-2023

## International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

### The Impact of Country's Competitiveness on FDI Inflows: Empirical Evidence from South Asia and Southeast Asia

<sup>1</sup>WKD Ramese, <sup>2</sup>SD Jayasooriya

<sup>1,2</sup> Faculty of Built Environment and Spatial Sciences, General Sir John Kotelawala Defence University, Sri Lanka

Corresponding Author: WKD Ramese

#### Abstract

This research article explores the impact of competitiveness factors to attract foreign direct investments (FDI) towards developing countries in South Asia and Southeast Asia since foreign direct investments provide a substantial contribution to achieving high economic growth. To meet the objective, a balanced panel data analysis was implemented using quantitative data considering four South Asian countries and Six South East Asia countries as a sample for developing countries. The analysis consists of examining the impact of all competitiveness factors highlighting the effect of three main categories of competitiveness factors of the Global Competitiveness Index (GCI) classification: factor-driven, efficiency-driven, and innovation-driven. The findings of the study reveal that all three competitive dimensions; factor-driven, efficiency-driven, and innovation-driven dimensions which are published by the World Economic

Forum under the Global Competitiveness Index have a significant impact on attracting foreign direct investment towards developing countries. Among them, labour market efficiency, financial market development and macroeconomic environment are the three major determinants of attracting more foreign direct investments towards the developing countries located in South Asia and Southeast Asia. Therefore, this study recommends that developing countries which still unable to attract sufficient foreign direct investment must be concerned about creating a favourable environment by focusing on competitive factors provided by the global competitiveness index. Further, the development of the labour market, financial market and macroeconomic environment should also be uplifted with high consideration to attract more foreign investments.

**Keywords:** Foreign Direct Investments, Competitiveness, South Asia, Southeast Asia, Developing Countries

#### 1. Introduction

Foreign direct investment (FDI) is one of the key sources of international investments or capital flows in any country. On the other hand, the most prominent factor of globalization was the flow of private sector capital from one country to another in the form of FDI. Briefly, FDI is an investment made by a company or entity based in one country, into a company or entity based in another country. FDI may be the form of buying or building a factory in a foreign country or adding improvements such as facilities in the form of property, plant, or equipment. Mainly FDI can be divided into two main categories: FDI inflows and FDI outflows. Generally, developed nations can gain through FDI outflows and FDI inflows are more important for developing nations. Therefore, FDI is a key source of development for developing countries because it helps to attract more funds to the economy and enhance economic growth and development. Further, FDI directly contributes to increasing productivity, adopting new technology, gaining management expertise and easy access to export markets. However, developed countries also needed foreign direct inflows mainly for restructuring or widening their core businesses through mergers and acquisitions (World Investment Report, UNCTAD, 2017) [30]. In 2016, developing countries have been received 37% of the total world FDI. Even though there is a little decline in FDI inflows attracted by Asia in 2017, as a whole Asia attracts the highest level of FDI inflows as a percentage of total world FDI inflows.

According to the UNCTAD classification, Europe and North America are considered as developed countries while Africa, Asia, Latin America, and Caribbean countries are considered as developing countries. Initially, the declining trend of FDI inflows as a percentage of total global FDI inflows can be recognized in developing countries and there is an upward trend in developed countries (Figure 1.1). However, Asia attracts more FDI inflows in the developing countries category with 25% of the total world FDI share. When focusing on the Asian region, East Asia and Southeast Asia are the most attractive regions for FDI inflows rather than other sub-regions in Asia (Figure 1.2). The reason is that East Asia is composed of high-tech economies with massive industrialization such as China, Hong Kong, North Korea, South Korea, Taiwan and Japan. But South

Asia attracts an insignificant level of FDI. This emphasizes that the global attractiveness of FDI is quite low in South Asia. Therefore, we can recognize that Asia attracts the highest level of FDI inflows in the global context. Within the region, South Asia is struggling to attract FDI while other Asian countries such as Southeast Asia and East Asia attract more FDI inflows.

The considerable rise in total world FDI can be recognized within the recent past even though there are some changes in the composition. This upward trend was supposed to enhance international competitiveness through the improvements in the corporate environment of many countries in the world including emerging countries, macroeconomic growth, technological advancements, and companies looking for better locations, lower cost, and new markets to maximize the return of their investment strategies (UNCTAD, 2006). As a result of these settings, competitiveness becomes a major factor in achieving economic development. However, FDI is treated as a source of competitiveness with its characteristics since that provides technology and knowledge transfers from home to the host country. Therefore, FDI has a positive impact on economic growth and efforts for attracting FDI must be considerable. But competitiveness also can be treated as a determinant factor, especially for foreign investors. This is not a miracle, because competitiveness is always combined with a high standard of living, value-adding strategies, low-cost strategies, quality improvements and efficiency. But many scholars in the world have recognized FDI as the determinant of competitiveness. Only a minority number of scholars have analyzed how a country's competitiveness affects attracting FDI inflows. Therefore, it is worth identifying the impact of competitiveness on FDI inflows especially for developing countries, since developing countries can gain more from FDI inflows. The major problem in evaluating the impact of competitiveness is the lack of a universally accepted definition for economic competitiveness (Criste *et al.*, 2008). Hence, researchers have used many indicators as measurements of competitiveness according to their conditions and areas. But those are not universally accepted. It means those indicators are not applicable for any context as a common measurement. But, in 2006 World Economic Forum introduced a universally accepted index to measure the competitiveness of any country in the world and it is known as Global Competitiveness Index (GCI). The GCI index covers almost all the aspects related to the competitiveness of a nation based on three main areas: factor-driven determinants, efficiency-driven determinants, and innovation-driven determinants. This was able to provide a better solution for the unavailability of universally applicable measurements for economic competitiveness.

Finally, FDI inflows are more important for developing countries rather than developed countries to achieve sustainable economic development. Further, if we consider the FDI inflows attraction of regions as a percentage of total world FDI inflows, Asia shows the highest level of FDI inflows during the past period. However, in the Asian region, South Asia and Southeast Asia are composed of many developing countries while other regions consist of many developed countries, especially in East Asia. Therefore, the study attempts to empirically analyze the impact of competitiveness on FDI inflows in developing countries using GCI index values. Countries were selected

based on the World Bank Economies Classification. All the developing countries in Southeast Asia will be considered and the countries are Cambodia, Indonesia, Philippines, Vietnam, Thailand, and Malaysia. And all the developing countries in South Asia also were considered except Myanmar due to the unavailability of data. The selected South Asian countries are Sri Lanka, Pakistan, Bangladesh, and India.

## 1.2 Research Problem

Generally, developing countries gain more from FDI inflows while developed countries gain more from FDI outwards. Accordingly, there is a huge competition among developing countries to attract more FDI inflows from developed nations as it greatly helps to achieve economic development. Many researchers in the world have emphasized FDI inflows as a determinant of the competitiveness of a country. Because advanced technology and new knowledge of developed nations can be adopted through FDI inflows. But today developing countries must compete to attract FDI inflows from foreign investors. Therefore, it can be recognized that the competitiveness level of a country affects attracting FDI inflows rather than FDI inflows effect on competitiveness. This relationship is also empirically tested by several researchers, especially in the European context. But the problem is that there was no universally accepted measurement to measure competitiveness up to the recent past. Hence, scholars used several variables as a proxy for competitiveness and the results were not much acceptable. But today GCI index values can be used as a universally accepted measurement of competitiveness (Popovici and Calin, 2015) <sup>[23]</sup>. Still, few empirical analyses are done using GCI index values as it is a newly introduced measurement. On the other hand, if we examine the GCI ranks for each pillar, especially in developing countries in South Asia and Southeast Asia, we cannot determine which factors are more prominent in the relevant region. However, it is very important to identify the most prominent competitiveness determinants as a region or as a country because the improvement of those factors helps to attract more foreign investments. Therefore, the study attempts to empirically identify which competitiveness factors are more prominent in developing countries. The study considers developing countries in South Asia and Southeast Asia. Because those two regions are composed of the majority number of developing countries in the world, they attract more FDI inflows in comparison with developing countries in other regions. Finally, this piece of study will examine which competitiveness factors attract more FDI inflows to developing countries.

## 1.3 Research Question

What competitiveness factors attract more FDI inflows to developing countries?

## 1.4 Research Objective

To identify which competitiveness factors, attract more FDI inflows to developing countries.

## 1.5 Significance of the Study

Many theories and empirical analyses have recognized various determinants as well as different relationships among FDI and its determinants. However, existing literature has not emphasized competitive-related factors;

especially in developing countries even though competitiveness is vital for developing countries to attract FDI inflows. On the other hand, the relationship between competitiveness and FDI inflows is rare in the literature, mainly due to the unavailability of consent regarding a commonly accepted definition or variables for economic competitiveness. As South Asia and Southeast Asia consisted of the highest number of developing countries which attract more FDI inflows in the world, the findings of this study would help identify the prominent factors of competitiveness in developing countries that would be more attractive for FDI.

**2. Methodology**

**2.1 Research Design**

This Study is a quantitative analysis which is designed to identify the most prominent competitiveness factors which attract more FDI inflows in South Asia and Southeast Asia. The analysis is entirely based on secondary data and data were collected from world development indicators and GCI reports. A balanced panel data regression is used to achieve the main objective of the study. The panel contains 10 countries in two chosen regions and 10 time-series data. The main indicators used in the analysis are FDI inflows, market

size, openness, infrastructure availability, Human resource, and competitiveness. The highlighted factor of the study is the competitiveness of a country. Competitiveness factors are divided into three main categories according to the GCI classification. FDI inflow is the dependent variable while market size, openness, infrastructure, human capital, and competitiveness are the dependent variables. Competitiveness factors were classified according to three bases of GCI report.

**2.2 Sample and Data**

The analysis considered all developing countries in South Asia and Southeast Asia for the sample. But few countries were missing due to the unavailability of data. Further, the entire analysis uses annual data extracted for recent 10 years. All data related to common factors were collected from the World Development Indicator database. Data related to competitiveness factors were collected from Global Development Indicator reports and the developing status of the countries was determined based on the world bank classification.

Data definitions and a summary of data sources are given in Table 1.

**Table 1:** Data Definitions and Data Sources

Factor	Indicator	Variable Name	Definition
FDI inflows	FDI inflows as a percentage of GDP	FDIP	FDI inflows US dollars at current prices as a percentage of GDP.
Market size	GDP growth rate	GDPG	Annual GDP growth
Openness	Trade as a percentage of GDP	TRADE	Trade is the sum of exports and imports of goods and services measured as a share of GDP.
Infrastructure	Access to mobile phones	MOB	Per 100 inhabitants
Human capital	HDI values	HDI	A composite index measuring average achievement in three basic dimensions of human development; a long and healthy life, knowledge and a decent standard of living.
Institution	GCI index values	INST	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Macroeconomic environment	GCI index values	MEE	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Goods market efficiency	GCI index values	GME	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Labour market efficiency	GCI index values	LME	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Financial market development	GCI index values	FMD	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Technological readiness	GCI index values	TRS	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Business sophistication	GCI index values	BSN	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.
Innovations	GCI index values	INV	More accurate and logical estimation of weighted average value considering all the aspects relating to the main pillar.

**Source:** World Development Indicators, World Bank Reports; Global Competitiveness Reports, World Economic Forum

**2.3 Model Specification**

To meet the objective of the study, which is measuring the impact of competitiveness on FDI inflows, a multiple regression method has been applied. Indicators used in this study can be divided into two main categories since the study highlights the competitiveness factors. Those are common determinants of FDI and competitiveness factors. Accordingly, the below model which is developed based on the existing literature covers common determinants as well as competitiveness factors which have been illustrated in

Table 1.

The empirical analysis of the overall impact of competitiveness factors on FDI inflows is fundamentally based on the following equation.

FDI inflows = f(market size, openness, infrastructure availability, Human capital, institutions, macroeconomic environment, goods market efficiency, labour market efficiency, financial market development, Technological readiness, business sophistication, innovation)

Twelve variables are included in the model which analyses the overall impact of competitiveness on FDI inflows. This is entirely focused on the overall impact of competitiveness and the final empirical analysis is based on the following regression equation:

$$FDIP = \beta_0 + \beta_1 GDPG + \beta_2 TRADE + \beta_3 MOB + \beta_4 HDI + \beta_5 INST + \beta_6 MEE + \beta_7 GME + \beta_8 LME + \beta_9 FMD + \beta_{10} TRS + \beta_{11} BSN + \beta_{12} INV + \mu$$

### 3. Analysis and Discussion of Findings

The Model specified in the previous section attempts to analyze the impact of all competitiveness factors on FDI inflows in developing countries using both South Asian and Southeast Asian countries together. The empirical analysis uses data related to four South Asian countries and six South East Asian countries for recent 10 years. Initially, the descriptive statistics of variables are given in Table 2.

**Table 2:** Descriptive Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
Country ID	120	5.5	2.884324	1	10
Yeas	120	2011.5	3.466527	2006	2017
FDIP	120	3.263083	3.516426	.38	15.5
GDPG	120	5.638667	2.172789	-2.53	10.77
TRADE	120	89.51392	54.54075	27.6	272.12
MOB	110	86.81282	39.38045	12.7	173.78
HDI	100	.6431	.0870121	.5	.79
INST	120	3.80125	.5283295	2.85	5.18
MEE	120	4.687333	.7342918	2.83	6.23
GME	120	4.343417	.3661439	3.82	5.42
LME	120	4.172167	.4686225	3.28	5.09
FMD	120	4.26975	.5390693	2.55	5.6
TRS	120	3.294417	.569344	2.2	4.9
BSV	120	4.12725	.5030895	2.23	5.29
INV	120	3.372167	.527678	2.47	4.82

### Unit Root Test

The stationary level of each variable was estimated prior to employing them in the model. Even though this is a balanced panel in considering many selected variables, some data are missing in a few selected variables. Therefore, the panel Unit Root Test has been done using “Im Pesaran and Shin” (IPS) test. The summary of the stationary result of each variable is given in Table 3.

**Table 3:** Stationarity Results

Variable	Level	First Difference	Second Difference
FDIP	Yes	-	-
GDPG	Yes	-	-
TRADE	No	Yes	-
MOB	No	Yes	-
HDI	No	No	Yes
INST	No	Yes	-
MEE	No	Yes	-
GME	No	No	Yes
LME	No	Yes	-
FMD	No	Yes	-
TRS	No	Yes	-
BSV	No	Yes	-
INV	No	Yes	-

### Testing for Multicollinearity

After testing the stationarity levels of the variables, the final variables of the model are finalized. However, prior to

incorporating those captured variables into the model, the correlation between each independent variable to the dependent variables was evaluated using the pairwise correlation matrix. The pairwise correlation matrix is presented in Table 4.

**Table 4:** Correlation Matrix

	FDIP	GDPG	TRADE	MOB	HDI	INST	MEE
FDIP	1.0000						
GDPG	0.2156	1.0000					
TRADE	0.4752	-0.0725	1.0000				
MOB	0.2305	-0.2308	0.4700	1.0000			
HDI	-0.2278	-0.1611	0.4065	0.6059	1.0000		
INST	-0.0368	0.0104	0.3280	0.3391	0.6521	1.0000	
MEE	-0.0301	-0.0770	0.4095	0.4484	0.4216	0.3217	1.0000
GME	-0.0548	-0.1070	0.4210	0.4177	0.7064	0.8633	0.4292
LME	0.4867	0.0367	0.7224	0.2337	0.2313	0.4452	0.4238
FMD	-0.3293	-0.1507	0.1777	0.2292	0.5255	0.7898	0.3248
TRS	-0.0110	-0.2446	0.5321	0.6996	0.7689	0.7377	0.5732
BSV	-0.3293	-0.1056	0.1141	0.2606	0.6805	0.8521	0.3287
INV	-0.1772	-0.0418	0.2013	0.3605	0.6526	0.8404	0.3206

	GME	LME	FMD	TRS	BSV	INV
GME	1.0000					
LME	0.4972	1.0000				
FMD	0.7640	0.3514	1.0000			
TRS	0.7591	0.4336	0.6871	1.0000		
BSV	0.8301	0.2279	0.8271	0.7233	1.0000	
INV	0.8268	0.2815	0.7678	0.7363	0.8836	1.0000

Accordingly, variables included in the model are based on correlation values, i.e., from the highest correlation to the lowest, by giving careful attention to the sign of the coefficient of each variable in the model, in order to overcome the multicollinearity problem. Thus, the variables included in the model are given in Table 5. Moreover, the VIF test was used to further evaluate the multicollinearity problem of chosen variables as given in Table 5.

**Table 5:** VIF Test Results

Variable	VIF	1/VIF
GDPG	1.67	0.598266
TRADE	1.76	0.567227
MOB	1.05	0.948987
HDI	1.19	0.841833
INST	2.20	0.455043
MEE	1.46	0.686842
GME	1.92	0.521776
LME	1.31	0.761630
FMD	1.31	0.765409
TRS	1.34	0.747312
BSV	1.42	0.704301
INV	2.62	0.381308
Mean VIF	1.42	

Table 5 shows the VIF test results obtained to check if the model is free from multicollinearity problems. All VIF values of captured variables were less than 10 and it suggests that the model is free from multicollinearity problems.

After running the model with variables checking for multicollinearity, the fixed effect model and random effect model ran to see the best-fit model. The Hausman test was performed to select the most appropriate technique out of random and fixed effects. The test rejects the suitability of the fixed effect model as the probability value of the



Hausman test is not less than 0.05. Accordingly, the test proves the appropriateness of the random effect technique for the model. As the random effect was recommended by the Hausman test, Breusch and Pagan Lagrangian multiplier test for random effect was tested to select the most suitable model out of random effect and OLS. Accordingly, the test rejected the suitability of the random effect model as the

probability value of the test is not less than 0.05. Therefore, the test confirmed the suitability of OLS for the results. Finally, Breusch and Pagan test was done to check the heteroscedasticity. The test proved that there was no heteroscedasticity problem as the probability value of the test is less than 0.05. The summary of the final regression results of the Model is presented in Table 6.

**Table 6:** Final Regression Results

Variables	Fixed Effect	Random Effect	OLS
Gdpg	0.112 (1.597)	<b>0.333**</b> (2.001)	<b>0.333**</b> (2.016)
d1_trade	<b>0.0521**</b> (2.457)	<b>0.0915*</b> (1.752)	<b>0.0879*</b> (1.799)
d1_hdi	-3.064 (-0.130)	-22.55 (-0.340)	-21.69 (-0.329)
d1_inst	-0.231 (-0.248)	-1.896 (-0.732)	<b>-1.592*</b> (-0.756)
d1_mec	<b>-0.716*</b> (-1.880)	-0.931 (-0.907)	-0.879 (-0.889)
d1_gme	-0.244 (-0.207)	-0.288 (-0.0885)	-0.00253 (-0.000868)
d1_fmd	0.433 (0.584)	<b>3.506*</b> (1.816)	<b>3.504*</b> (1.826)
d1_trs	1.151 (1.356)	1.506 (0.648)	1.623 (0.725)
d1_bsv	0.0509 (0.0818)	-0.666 (-0.381)	-0.661 (-0.381)
d1_inv	0.765 (0.539)	0.815 (0.204)	-1.743 (0.202)
Mob	<b>0.0193***</b> (3.321)	0.0165 (1.525)	0.0170 (1.635)
Lme	<b>1.276*</b> (1.850)	<b>3.303***</b> (4.087)	<b>3.272***</b> (4.147)
Constant	-4.386 (-1.406)	<b>-13.68***</b> (-4.460)	<b>-13.61***</b> (-4.494)
Observations	90	90	90
R-squared	0.309		0.4940
Number of country_id	10	10	10

t-statistics in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

According to the result, when all selected competitiveness factors are included in the model considering both South Asian and Southeast Asian countries together, the F-Statistic (Prob >chi2) of the model is significant at a 5% level of significance. The R-square within the model is 15% while the R-square between is 50%. Since the model is significant (F-statistic < 0.05) we can conclude that there is a significant impact of competitiveness on FDI in developing countries.

Growth of labour market efficiency is significant at a 1% level of significance, GDP growth significant at a 5% level of significance while the growth of trade, growth of infrastructure and growth of financial market development are significant at a 10% level of significance. Further, the growth rate of HDI, Institutions, Macroeconomics environment, goods market efficiency and innovation indicate a negative relationship with FDI inflows as a percentage of GDP while all other employed variables show a positive relationship.

#### 4. Conclusion

The research was conducted to identify the prominent factors of competitiveness which attract FDI inflows to developing countries taking 10 sample countries in South Asia and Southeast Asia. According to the findings of the

analysis labour market efficiency, financial market development and macroeconomic environment are the significant determinants of competitiveness which attract more FDI inflows to developing countries. As well as the result of the model confirmed that there is a significant impact of factor-driven determinants, efficiency-driven determinants, and innovation-driven determinants on FDI inflows in both regions. Therefore, we can conclude that the above-mentioned factors of competitiveness are the key determinants of attracting FDI inflows to developing countries. Accordingly, the findings of the study confirmed that developing nations must focus on improve and promote efficiency of institutions, financial market developments, stable and sustainable macroeconomic environment, and labour market efficiency. Hence, policies of developing countries must be directed towards enhancing that competitiveness-related factors along with improving common determinants such as infrastructure availability and market size.

#### 5. References

1. Amro A, Miles W. Racing to bottom for FDI? The changing role of labour costs and infrastructure. The Journal of Developing Areas. 2006; 40(1):1-13.
2. Aqeel A, Nishat M, Bilquees F. The determinants of

- foreign direct investment in Pakistan. *The Pakistan Development Review*. 2005; 43(4):651-664.
3. Artige L, Nicolini R. Evidence on the determinants of foreign direct investment: The case of three European regions, 2005.
  4. Asiedu E. On the determinants of foreign direct investment to developing countries; if Africa different? *World Development*. 2002; 30:107-119.
  5. Blomstron M, Lipsey R, Zejan M. What explains developing country growth, Cambridge, 1992.
  6. Borensztein E, De Gregorio J, Lee J. How does foreign direct investment affect growth? *Journal of International Economics*. 1998; 45:115-135.
  7. Cevis I, Camurdan B. The economic determinants of foreign direct investment in developing countries and transition economies. *The Pakistan Development Review*. 2007; 46:285-299.
  8. Chakrabarti. The determinants of foreign direct investment: Sensitivity analyses of Cross-country regressions. *Kyklos-International Review of Social Sciences*. 2001; 54(1):89-114.
  9. Culem C. The locational determinants of direct investment among industrialized countries. *European Economic Review*. 1988; 32:885-904.
  10. De Mello LR. Foreign direct investment-led growth: Evidence from time series and panel data. *Oxford Economic Papers*. 1999; 51:133-151.
  11. Demirhan E, Masca M. Determinants of foreign direct investment flows to developing countries: A cross-sectional analysis. *Prague Economic Papers*, 2008, 356-369.
  12. Dunning J. Towards an eclectic theory of international production: Some empirical tests. *Journal of International Business Studies*. 1980; 11(1):9-31.
  13. Edwards S. Capital flows, foreign direct investment, and debt-equity swaps in developing countries. *National Bureau of Economic Research*, 1990.
  14. Fayerweather J. *International Business Strategy and Administration*. Cambridge: Ballinger, 1982.
  15. Glass A, Saggi K. Multinational firms and technology transfer. *The Scandinavian Journal of Economics*. 2002; 104(4):495-513.
  16. Golder B, Ishigami E. Foreign direct investment in Asia. *Economic and Political Weekly*. 1999; 34(22):M50-M60.
  17. Hayami Y, Godo Y. *Development Economics: From the poverty to the wealth of nations*. S.I: Oxford University press, 2005.
  18. Hymer S. The efficiency (contradictions) of multinational corporations. *American Economic Review*. 1970; 60(8):p441.
  19. Kok R, Ersoy BA. Analysis of FDI determinants in developing countries. *International Journal of Social Economics*. 2009; 36(1/2):105-123.
  20. Liu X, Song H, Wei Y, Romilly P. Country characteristics and foreign direct investment in China: A panel data analysis. *Weltwirtschaftliches Archiv*. 1997; 132(2):313-329.
  21. Lucas R. On the determinants of direct foreign investment: Evidence from East and Southeast Asia. *World development*. 1993; 21(3):391-406.
  22. Pandya SS. Labour market and the demand for foreign direct investment. *International Organisation*. 2010; 64(3):389-409.
  23. Popovici O, Calin AC. The effect of enhancing competitiveness on FDI inflows in CEE countries, 2015, 55-65.
  24. Report I, Schwab K, Forum WE. *The Global Competitiveness Report*, 2018.
  25. Sahoo P. Foreign direct investment in South Asia: Policy, trend impact and determinants, 2006.
  26. Shamsuddin AFM. Economic determinants of foreign direct investment in less developed countries. *The Pakistan development review*. 1994, 33:41-51.
  27. Sun H. Microeconomic impact of foreign direct investment in China, Sydney, 1998.
  28. Wheeler, Mody. International investment location decisions: The case of US. *Journal of International Economics*. 1992; 33.
  29. White R. *Cultural differences and economic globalization*. New York: Routledge, 2016.
  30. *World investment report*, United Nations Conference of Trade and Development, 2017.