

Foreign Direct Investments in Some Emerging Asian Economies: Reflections on Competitiveness and Determinants

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Abstract:

In view of the economic liberalisation process taking place with great speed in a large number of developing countries, the question of attracting foreign direct investment (FDI) has come into sharper focus. In fact, policy makers now consider FDI inflows as an index of the effectiveness of their international business regimes. This paper examines and analyses evidence pertaining to FDI in some low-income emerging economies of Asia. It is argued that the process of opening up of an economy creates external pressures to enhance competitiveness. This kind of pressure is actually in the interest of the country seeking to compete in international markets. Based on evidence, the paper goes on to identify the determinants of FDI in some oft-quoted low-income countries of Asia. While most of the determinants identified in the paper are in line with conventional wisdom, it is argued that their hierarchical importance is context-specific.

Key words:

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