FOREIGN DIRECT INVESTMENT FLOWS
AND THE ISSUES OF ITS EFFICIENCY

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Investments and GDP per capita Growth, 2018 (cont.)

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Eurostat data
The Sustainability of Economic Growth (cont.)

- If \((S + T) > (G + I)\) then \((X - M)\) is positive
- If \((S + T) < (G + I)\) then \((X - M)\) is negative
**Strengthening National Competitive Advantages**

- **endogenous smart economic growth**
- the growth of investment into the fixed capital
- FDI inflow in high-technology manufacturing

- industrial competitiveness
- stimulating AD
- financing engineering
- investing in R&D
- GDP science-intensiveness

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EU Innovation-Driven Development Challenges

- R&D expenditure in the business enterprise sector, % of GDP, 2017

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Eurostat data
GDP Growth in Developing Asia

Major industrial economies = the euro area, Japan, and the United States, NIEs = newly industrialized economies (Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China), PRC = People’s Republic of China.
Open Economies Competitiveness (case of the Asian Economies)

Real GDP Growth

Eurostat data

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Greenfield FDI Inflows to the Asia-Pacific Region
(composition by sector)

ESCAP calculations based on FDI Intelligence data

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ASEAN Projected Telecommunication Investment
(billions of dollars)
## Competitiveness Regional Performance

### Average score

<table>
<thead>
<tr>
<th>Region/ Economy</th>
<th>ICT Adoption Score</th>
<th>Change</th>
<th>Product Market Score</th>
<th>Change</th>
<th>Financial System Score</th>
<th>Change</th>
<th>Business Dynamism Score</th>
<th>Change</th>
<th>Innovation Capability Score</th>
<th>Change</th>
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<td>4.4</td>
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<td>3.7</td>
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<td>68.3</td>
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<td>58.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

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Global Competitiveness Report data, 2019
Global FDI Inflows
(billions of dollars and per cent)

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Shares of GDP and FDI Inflows

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EU FDI

Science-intensive industries in terms of number of foreign firms and share of foreign assets, number of mergers and acquisitions, greenfield projects

- Manufacture of computer, electronic and optical products
- R&D
- IT services
- Financial services and insurance
- Mining and quarrying (share of foreign assets)
Inward Intra EU FDI Stocks

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Single Market Scoreboard
Inward Extra EU FDI Flows
Investment Location Choice
Improving Investment Performance
Impacted Factors

- Levels of openness, competition
- Technological capabilities
- Taxation
- Availability of human resources
- Potential market
- Digital infrastructure

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