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The Attractiveness of Foreign Direct Investment in Asian Countries: A Sectoral and Geographical Analytical Study for the Period (1995-2022)

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Abstract

The study aimed to track the extent of the impact of foreign direct investment in developing countries, which focused on the Asian continent, by tracking its flows during the period extending from (1995-2022), as well as its sectoral distribution and geographical development in selected countries of the Asian continent with the largest flow, namely (the UAE). , Indonesia, India, Singapore and Malaysia.

Keywords: foreign direct investment, sectoral distribution, geographical distribution. Asian country.

Introduction:

Foreign direct investment is considered a basic economic activity that has and still plays an important role for many economists and other thinkers and businessmen, as well as various countries of the world. It is considered one of the main mechanisms that have a real impact in determining development trends in countries, and in the course of economic and political relations. At the international level.

Asia is one of the most important destinations for foreign direct investment (**FDI**) in the world. In recent years, many Asian countries have experienced rapid economic growth and an attractive investment environment, making them a prime destination for foreign investors. From the above, the problem of the study can be raised, which revolves around the following question:

How does foreign direct investment affect countries in Asia? How is it distributed sectorally and geographically?

To answer the problem raised, the study was divided into the following topics:

First: Analysis of trends in the flow of foreign direct investment in countries of the Asian continent.

Second: The development of the sectoral distribution of foreign direct investment in the Asian continent.

Third: The geographical distribution of foreign direct investment in the Asian continent.

First: Analysis of the volume of foreign direct investment in some Asian countries

In this part, we will attempt to track an analysis of the volume of foreign direct investment flows during the period (1995-2022) to the countries of the Asian continent, according to the volume of inflows there.

Table No. (1-1): The size of the direct affiliation flow in Asia countries for the period (1995-2022), Al-Wahda (MD)

Malaysia	Singapore	India	Indonesia	The UAE	the year
5 816	8 788	2 144	4 346	399	**1995**
7 296	10 372	2 591	6 194	301	**1996**
6 323	13 533	3 619	4 678	232	**1997**
2 714	7 690	2 633	-241	258	**1998**
3 895	16 067	2 168	-1 866	-985	**1999**
3 788	17 217	2 319	-4 550	-515	**2000**
554	15 038	3 403	-2 977	1 184	**2001**
3 203	5 730	3 449	145	834	**2002**
2 474	11 409	4 269	-597	480	**2003**
4 624	19 828	5 771	8 855	10 004	**2004**
4 065	15 460	7 622	8 336	10 900	**2005**
6 060	29 348	20 328	4 914	12 806	**2006**
8 595	37 033	25 350	6 928	14 187	**2007**

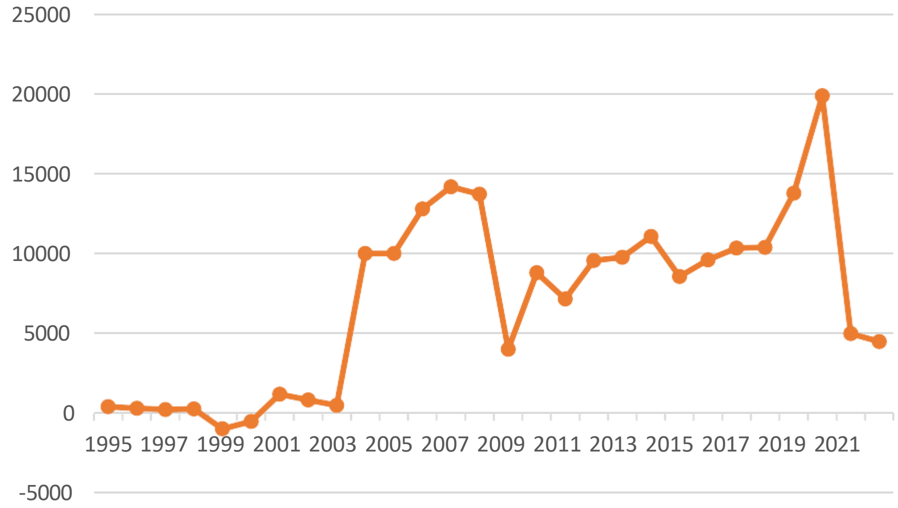
7 172	8 588	42 546	9 318	13 724	**2008**
1 430	15 279	35 649	4 877	4 003	**2009**
9 060	55 076	27 417	13 771	8 797	**2010**
12 198	49 156	36 190	19 241	7 152	**2011**
9 239	59 837	24 196	19 138	9 567	**2012**
12 115	56 672	28 199	18 817	9 765	**2013**
10 877	73 287	34 582	21 811	11 072	**2014**
10 082	59 700	44 064	16 641	8 551	**2015**
11 336	73 863	44 481	3 921	9 605	**2016**
9 399	75 723	39 904	20 579	10 354	**2017**
8 091	77 646	42 286	21 980	10 385	**2018**
7 650	92 081	50 553	23 429	13 787	**2019**
3 483	90 562	64 062	18 581	19 884	**2020**
5 415	31 620	1 412	1 787	4 977	**2021**
3 617	29 843	1 489	1 872	4 483	**2022**

Source: Global Investment Report, for several years: 1996, 1997, 1998, in 2001, 2003, 2006, 2009, 2011, 2011, 2015, 2018, 2021, World Bank data.

1- Analyzing the size of foreign direct investment in the UAE:

The flow of foreign direct investment has witnessed a great development in the UAE, which confirms its work constantly on improving the climate to attract foreign direct investment in it, and the following graphic drawing shows the share of the UAE from foreign direct investment flows involved during the period (**2015-2022**) in one million dollars:

Figure No. (1-1) directions for the size of the foreign direct investment flow in the Emirates during the period (1995-2022



Source: from the preparation of the researcher, relying on Table Data No. (1-1)

The **UAE** has a stable and safe environment, and the appropriate laws and legislation for investors, making it an ideal and preferred destination for investment and investors. The **UAE** provides an incentive investment environment characterized by low tax rates and the multiplicity of promising opportunities, inside and outside the free zones, throughout the country, and through the above form we note that foreign direct investment flows to the **UAE** during the period (**1995-2022**) have taken their direction towards the increase And the decline from one period to another, where during the year **1995** to **2004**, the foreign investment flows towards the Emirates witnessed a jump to reach $ **1,000** million, and this stage is to the recovery of the investments mentioned in it.

In the year **2007**[1] until **2009**, a slow increase in the size of foreign direct investment recorded, in **2007**, the foreign direct investment flows for it reached about **14187** million dollars, an estimated **3%** of the global flows, and perhaps the reason for the decrease in foreign direct investment flows received to the **UAE**, returns. With a significant percentage to the low global foreign investment flows due to increased integration and cross -border partners and the restructuring of partnerships and the changes in legal structures, or ownership of multinational companies, including tax transfers, in addition to what caused the global financial crisis in **2008** about about **2008 13724** million dollars, and the years that followed, from negative effects on the global economy in general, and on foreign direct investments in particular.

While an accelerated increase was observed during the period **(2010-2022)**, which recorded an increase during the ten years, in the year **2014** by about **11072** million dollars, and during this period continued between the decline and the rise until the years **2019** and **2020** by about **13787** and 19884 million dollars, respectively, with a share of more than **49%** This is due to the effectiveness of the policies and incentives imposed by the **UAE** government to obtain the largest possible foreign investment, which reflects the state of the **UAE** economy from luxury and development.

2- Analyzing the size of foreign direct investment in Indonesia :

The investment policy in Indonesia has shown that in the years before the global financial crisis, which played a major role in increasing employment, productivity and in the generation of exports in Indonesia. This indicates that foreign direct investment, in addition to local investment, can make an important contribution to the sustainable and comprehensive recovery of Indonesia, in the period (1995-1997), where in 1995 the flow of foreign direct investment to Indonesia was about 4 346 million dollars, and in In 1996, the volume of the Investment flow to Indonesia increased to 6 194 million dollars, while in 1997 the volume of foreign direct investment in Indonesia decreased by about 4 678 million dollars.

In the period (**1998-2003**), in which he achieved a negative flow in the foreign direct investment received to Indonesia, where in the year **1998** investment flow to it was about **-241** million dollars until **2003** by about **597** million dollars due to a difference in the region and between environmental factors The cultural and political structure of the state. In the[2] period (**2004-2010**), the volume of the flow incoming to Indonesia was recovered until it reached **13771** million dollars, in order to change the political conditions and the local policy used in it.

During the period (**2011-2020**), the flow achieved an increase in foreign direct investment, considering towards Indonesia by about **19 241**, **19138** in **2012**, **21 811** years **2014** million dollars, then the decrease in a small rate in **2015** by about **16 641** million dollars, and in **2016** the flows recorded A large rate of about **3 921** million dollars, and in **2017**, Indonesian investment flows increased by about **20 579** million dollars, and in **2018**, flows increased by about **21 980** million dollars, given that it ranked **16**th in the world and that it is a face for foreign investors for having a huge market, which reached the number Its population is about **270** million people and a total domestic dagger at its highest level at **1042.17** billion dollars during the year **2018**.

In the year **2019**, the foreign investment flows received to Indonesia were about **23 429** million, which achieved the best period to flow, due to the expansion of the market size and the increase in purchasing power of investors, as well as the reforms that the state has made to improve the infrastructure and political and legal conditions that made it more attractive to foreign direct investments. In the year **2020**, the Crona crisis had an impact on the direct foreign investment flows received for Indonesia, as it fell to 18 518 million.

As for the years 2021 and 2022, we notice the volume of foreign investment flows to Indonesia in a decline, which achieved about 1 787 and 1 872 million dollars, respectively.

[1] Investment climate report in Arab countries in 2008, Arab Investment and Export Credit Guarantee Corporation, p. 60.

[2] Manuel Fernandez. Foreign Direct Investment in Indonesia: An Analysis from Investors Perspective. International Journal of Economics and Financial Issues, 2020, 10(5),P:103-105

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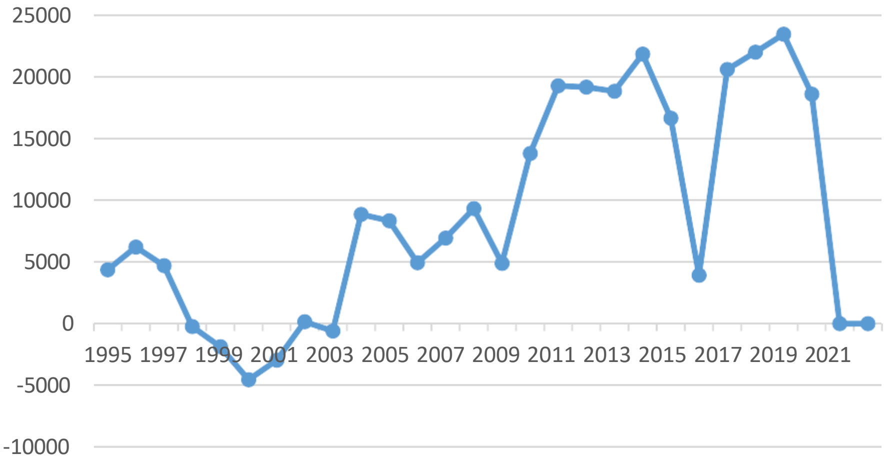
Figure No. (1-2) directions for the size of the foreign direct investment flow in Indonesia during the period (1995-



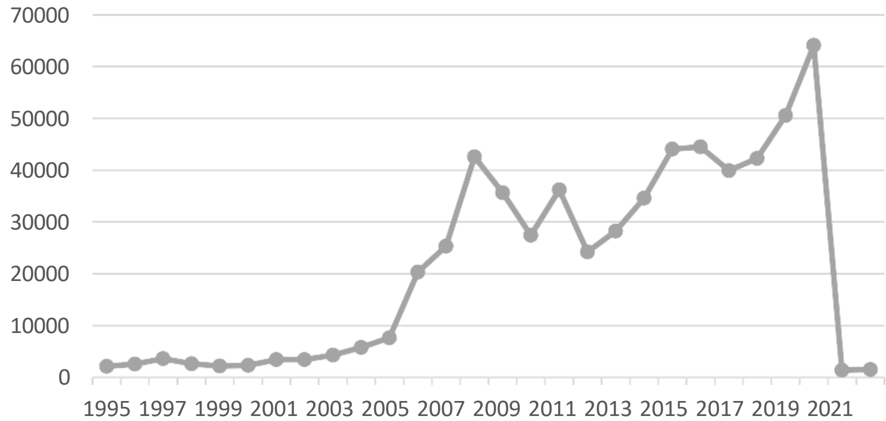
2022

Source: Prepared by the researcher based on Table Data No. (1-1)

3-Analyzing the size of foreign direct investment in India:

The flow of foreign direct investment has witnessed a great development in the State of India, which confirms its work constantly on improving the investment climate to attract it, and the following graph shows the share of India from the annual foreign direct investment flows entering it, during the period (**1995- 2022**) for a million dollars.

Figure No.(1-3) Trends in the size of the direct foreign investment flow in India during the period (1995-2022)(



Source: from the preparation of the researcher, relying on Table Data No. (1-1

Foreign investment flows in 1995 were about 2 144 million dollars, then in 1996 in 1996, he flowed by about 2 591 million dollars, to achieve an increase in the years 1997 and 1998 by 3 619 and 2 633 million dollars, respectively, to return to the decrease until 2002 at a value of about 3 449 One million dollars, and during the period (2003-2008), it was a remarkable development in 2003 by about 4 269 million dollars, and until 2006 India ranked the tenth globally with the flows of incoming foreign direct investment, as the flows received by about 20 328 million dollars, and in the year, grew in the year. 2007 until 2008 The foreign direct investment flows in India reached about 42 546 million dollars, and it is a recovery phase.

In the period (2009-2022), the flow to India decreased in 2009 by about 35 649 million dollars and in[3] turn recorded a decline, so that this decline continued until 2010 by about 27 417 million dollars. During the years 2011 and 2012, the flow of foreign direct investment expatriate to India after economic reforms and the liberalization of the policy of foreign

[3] Atri Mukherjeek، Regional Inequality in Foreign Direct Investment Flows to India :The Problem and the Prospects Reserve Bank of India Occasional Papers. Vol. 32, No. 2, Monsoon 2011.P 100.

direct investment in accordance with the global financial stability report issued by the International Monetary Fund during this period, as it emerged as one of the main recipients of the direct foreign investment flow between Establishments of emerging markets and reveals the formation of a foreign investment flow to India that the automatic path has appeared over the years as the most important channel for foreign direct investment flow to India, followed by re -investment profits and acquisition on shares on the other hand, foreign direct investment decreased through the path of government approval Over time, which is in line with the country's political reform.

As for the year 2013 until the year 2015, the foreign direct investment in India achieved an increase of about 44064 million dollars, and it is a transitional stage for investment in India during this period, and the direct foreign investment in India continued to fluctuate, by flowing low and high until the year 2020, due to the state witnessed by the state. events. Despite the great implications of the Coveyd global crisis at the end of 2019 until 2020, it had no effects on the incoming flows to India, where in the year 2019, the excessive flows of India were about 50 553 million dollars in 2019 to reach 64 062 million dollars in 2020.

He continued this as of 2021 and 2022 by 1 412 and 1 489 million dollars .

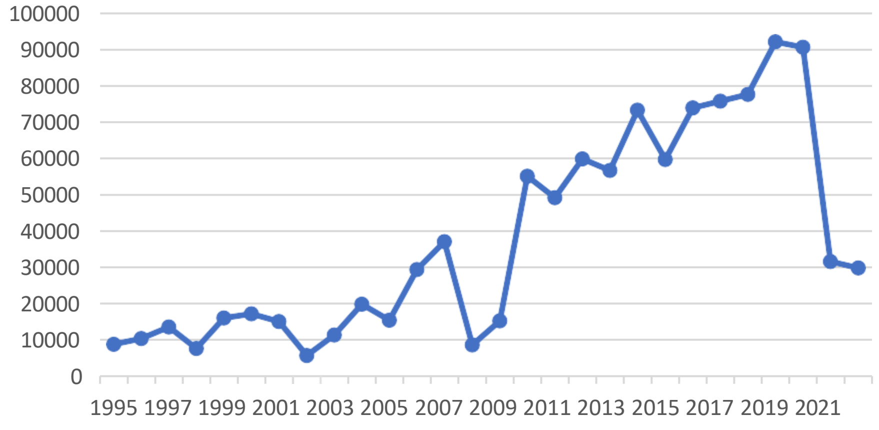
Analysis of the foreign investment size in Singapore:-4

Singapore worked hard during the period (1995-2022) to obtain the largest volume of foreign direct investment flows, as the volume of foreign investment flow to it in 1995 amounted to about 8788 million dollars, and in 1996 the foreign direct investment in Singapore increased to 10 372 million A dollar, and in the year 1998, the direct foreign investment flows in Singapore decreased to 790 million dollars, to return in the year 1999 by about 16 067 million dollars, and it continued to do so that in 2002 he decreased by about 5 730 million dollars, to rise in the year 2003 by about about 2003 11 409 million dollars, and in the year 2007, he increased by about 37 033 million dollars.

In 2015, foreign direct investment remained high in Singapore, an increase of about $ 59,700 million. In the year 2017, the investment in Asia as a whole witnessed Singapore[4], a rise in its flows received to Singapore by about 75 723 million dollars, due to the conduct of a number of large transactions in (Hong Kong) China and India, as it is as the fifth largest of his recipient in the Asia (Singapore) And that harvested four fifths of flows in the area. In the year 2020, foreign direct investment flows for Singapore about 90562 million dollars. In comparison with other countries, and therefore, the direct foreign investment flows received to Singapore were not affected by the global health crisis, Kovid, despite the great decline in the world in many of them.

Despite the mirrors of Singapore from crises that prevented the development of foreign direct investments in it, it witnessed a slight recovery in the year 2021 and 2022 to 620 31 and 843 29 million dollars.

Figure No. (1-4) directions for the size of the foreign direct investment flow in Singapore during the period (1995-2022)



Source: from the preparation of the researcher, relying on Table Data No. (1-1)

[4] Global Investment Report 2018, previously reference, p. 46.

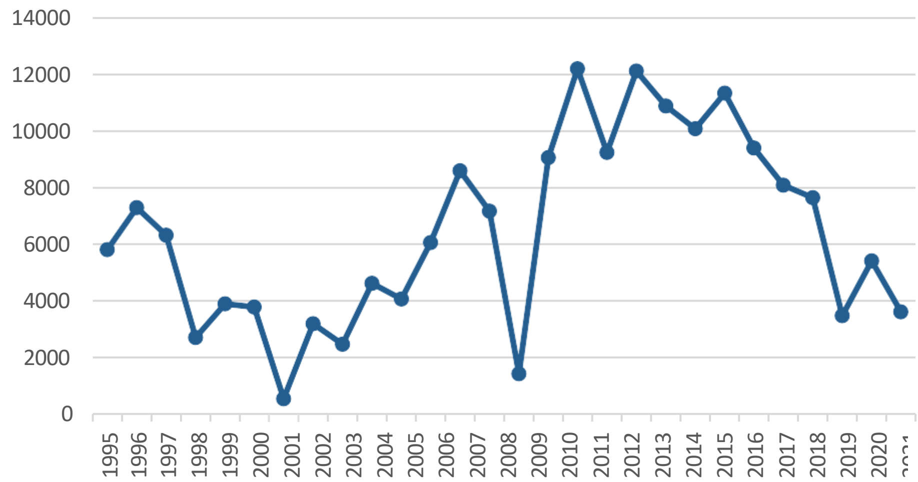
5-Analyzing foreign investment in Malaysia:

Since the independence of Malaysia in 1957, Malaysia has witnessed a strong economic performance, during the period (1995-2001)[5], however, the foreign direct investment received to Malaysia decreased due to the Asian financial crisis, and since then economic growth has shown a slower recovery process. It took about four years until the economy returned to its natural growth path. However, the impact of the terrorist attack in the United States in 2001 led to a slowdown in the volume of flow for foreign direct investment until it reached 554 million dollars.

During the period (2002-2011), Malaysia ranked first among the Asian developing countries in terms[6] of receiving foreign direct investment in 2003 by about 2 474 million dollars, but the United Nations Conference on Trade and Development for the year 2010 stated that foreign direct investment in Malaysia decreased by 81 %, i.e. Nearly 772 million dollars for the year 2008 to $ 430 million in 2009) out of 22 Asian countries) During this period, Malaysia faced more competition than ever the reason for the country's collapse in foreign direct investment, where there are many bureaucracy and slow process Transactions and lack of political stability in the country.

In the period (2012-2022), it witnessed a decrease in the incoming flows to Malaysia to reach 7650 million dollars in 2019, and it continues to decrease until 2020 by about 3483 million dollars due to the Krona Global Crisis, and the year 2021 is about 415 5 and 2022 by about 617 3 due to the waste of the Crona crisis And what followed it.

Figure No. (1-5) directions for the size of the foreign investment flow in Malaysia (1995-2022



Source: from the preparation of the researcher, relying on Table Data No. (1-1)

Second: The sectoral distribution of foreign direct investment in some Asian countries:

Through this part, we will try to track the sectoral flows of foreign direct investment in some selected countries of the Asia continent through the following:

1- The sectoral distribution of foreign direct investment in the Emirates:

Foreign investment flows in the United Arab Emirates during the period (1995-2022), which were distributed through the sectors, are through the development of its flows, and can be clarified in the following:

[5] Hooi Hooi Lean. Bee Wah Tan . Linkages between Foreign Direct Investment, Domestic Investment and Economic Growth in Malaysia. Journal of Economic Cooperation and Development, 32, 4 (2011),P 79

[6] Op.cit ، P 80.

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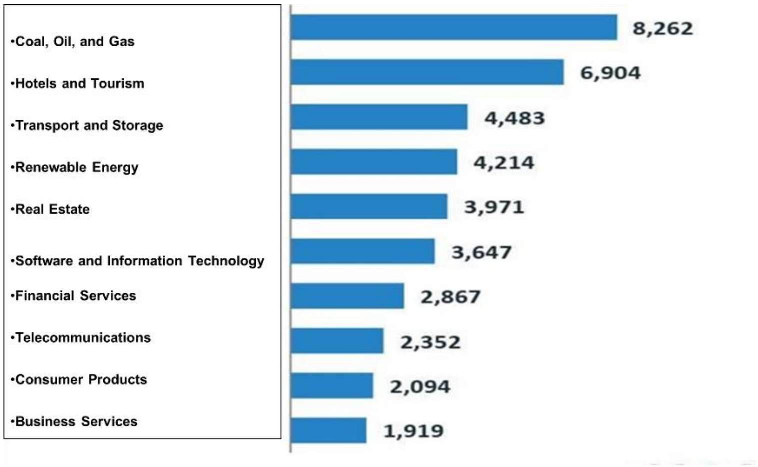
Figure No. (1-6): The sectoral distribution of foreign direct investment in the United Arab Emirates (2015-2019)



Source: Investment Guarantee Bulletin Report, Arab Corporation for Investment and Export Credit Guarantee, Second Quarter 2020, p. 15.

We note from Figure No. (01-6) that the coal, oil and natural gas sector ranked first among the ten sectors of the United Arab Emirates for direct foreign investment, amounting to about $8,262 million, given that the United Arab Emirates possesses 4% of the world's oil reserves. , and 3.5% of the gas reserves. The United Arab Emirates is also classified as the seventh largest proven oil and natural[7] gas reserves in the world, respectively. Most of the United Arab Emirates' reserves are concentrated, 95% of the oil reserves, and 94% of the gas reserves in the country. The tourism and hotel sector also occupied It ranked second with $6,904 million, which represented more than a quarter of tourism foreign direct investment projects in the Middle East and Africa between the period (1995-2019). Investment in the travel and tourism sector is expected to rise by 11% annually over the next ten years. As for the rest of the other sectors, as shown in the figure above, they recorded an increase in foreign direct investments. Because they are vital sectors, characterized by growth rates Increasingly, it is considered the safest for foreign investors, which is compatible with the strategic nature of the UAE.

-Sectoral distribution of foreign direct investment in Indonesia: 2

The World Investment Report indicated that five member states of the Organization of Islamic [8]Cooperation recorded the largest percentage of inward foreign direct investment flows, amounting to about 47% of the total flows, noting that the top ten countries in the organization received 86.8% of them, and Indonesia topped with 13.6%. Followed by Turkey, 9.5%, then Malaysia, 9%.

Foreign direct investment in Indonesia, although it was severely affected by the financial crisis in East Asia, whose impact extended to many sectors with the exception of[9] agricultural and non-food crops, oil and gas mining, electricity and water, and communications sectors, and the sectors most affected were construction, transportation, hotels, restaurants, services, and finance, During the period (1995-2005), the importance of the agricultural sector and the mining sector declined in Indonesia, as the average share of the agricultural and mining sectors reached 20.03% and 14.08% for each, respectively. The share of the manufacturing sector increased from an average of 19.9% annually to

[7] Accessed: 05/09/2024 United Arab Emirates, Ministry of Economyhttps://www.moec.gov.ae/-/tourism-sector

[8] Indonesia is the most successful in attracting investments among Islamic countries... and advanced positions for Saudi Arabia and the Emirates. https://arabic.cnn.com/business/2015/01/26/investment-islamic-finance-report.Access date: 6/10/2024.

[9] Abdul Khaliq. Share Foreign Direct Investment and Economic Growth: Empirical Evidence from Sectoral Data in Indonesia. Department Economics University of Hawai'i at Manoa. March 2007.P:10

27.82% annually during this period, as well as the transportation and communications sectors, services sectors, and banking and finance.

During the period (2010-2020), the largest share of foreign direct investment went to manufacturing[10], although the share is declining, as the services sector received increasing inflows, and the primary sector also attracted a large proportion of foreign direct investment due to the country's richness in natural resources, FDI projects were widespread in manufacturing, while merger and acquisition deals were concluded mainly in the primary services sector. The bulk of foreign direct investment into Indonesia comes from Singapore and Japan. However, investment from Singapore is likely to be amplified due to the tendency of some foreign multinationals to invest through their subsidiaries in Singapore

Because Indonesia attracts a large share of resource-oriented, market-seeking FDI, as opposed to export-oriented FDI, FDI has supported productivity gains within the economy, being concentrated in the relatively more productive sectors, namely mining, energy, transportation services, and chemicals. Foreign companies were more productive in their investment in research, development and innovation.

Finally, FDI has contributed to Indonesia's environmental goals in contradictory ways. Foreign investors tended to be in sectors that were more polluting in terms of CO2 emissions, but were more energy efficient than local companies. While the share of FDI in renewable energy was relatively low, due to the COVID-19 pandemic and resulting economic disruption, FDI inflows declined in 2020. Investment retention policies played a key role in the recovery phase to reduce economic and social costs such as job and revenue losses. tax. In addition, removing remaining restrictions on FDI and creating a level playing field for domestic and foreign companies has been key to attracting investors and enhancing the positive spillovers of FDI in Indonesia.

3 -Sectoral distribution of foreign direct investment in India:

According to the Investment Trend Monitoring Report, issued by the United Nations Conference on Trade and Development (UNCTAD), during the period (1995-2020)[11], the inflow of foreign direct investment in India amounted to about $40 billion, the highest value ever during the period, and the recent increase is largely due to To the computer software and hardware sector. While non-manufacturing sectors remain the most important recipients of FDI in India, services, including finance, banking, insurance, outsourcing, R&D, and courier, accounted for more than 17% of the cumulative FDI equity received by the country. During 2020, as well as telecommunications, trade and construction development, which includes towns and housing, these top five sectors, which are mainly non-industrial sectors, attracted more than 46% of the total accumulated foreign direct investment equity in the country. As well as manufacturing industries, it occupied cars, chemicals, medicines and pharmaceuticals

Ranked first among the top ten sectors receiving foreign direct investment in India, other industrial sectors that appeared in the top 20 recipient sectors include metallurgy, food processing, electricity and industrial equipment and machinery.

Table No. (1-2): Sectoral distribution of foreign direct investment in India for the period (2000-2020(

The ratio%	Cost ($ million)	sector
17.44	82،200.96	**Services**
5.15	24.210.68	**Auto industry**
3.58	8	**Construction activities (infrastructure)**
3.51	16.600.62	**Medicines and pharmaceutical preparations**

[10] Investment Policy Reviews: Indonesia 2020. https://www.oecd-ilibrary.org/sites.2023/06/9،

[11] Durgesh K. Rai. FDI Flows to India: Recent Trends Challenges and Way Forward DPG Policy Brief Vol. VI, Issue 7 February 28, 2021.P4-5

3.25	15،288.97	**Hotels and tourism**
3.19	14987.93	**energy**
1.66	7،824.16	**Petroleum and natural gas**

Source: Prepared by the researcher based on Durgesh K. Rai. FDI Flows to India: Recent Trends Challenges and Way Forward DPG Policy Brief Vol. VI, Issue 7 February 28, 2021.P:04-05.
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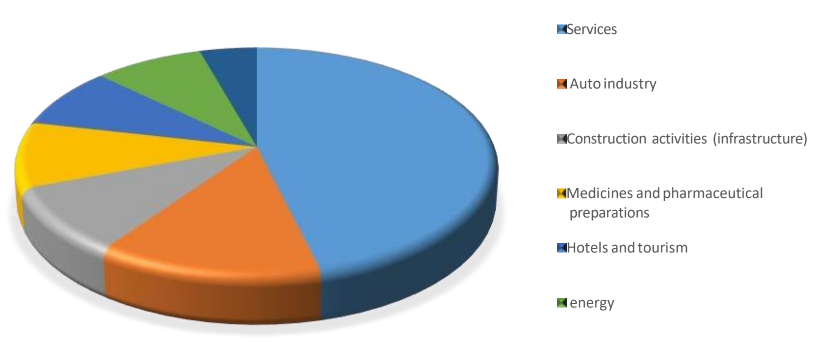
Figure No. (1-7): Sectoral distribution of foreign direct investment in India for the period (2000-2020



Source: Prepared by the researcher based on the data in Table No. (1-2)

-Sectoral distribution of foreign direct investment in Singapore: 4

It is the recent phenomenon of Singaporean transformation that the country went through during the [12]period (1995-2020), which increased the attractiveness of foreign investment and the extent of its endeavor to distribute these investments across various sectors. It represents the prominent strategy of multinational companies in establishing a commercial presence in Singapore, which they expect. To be the "hub" for Southeast Asia, the scale of the[13] transformation in Singapore showed a difference in the distribution of these investments for each sector (transportation and logistics as well as the finance and insurance industries, the manufacturing sector), as we find that foreign direct investment increased in the finance, insurance and transport sectors along the lines of Other sectors.

Singapore was interested in specialized (capital-intensive) and fully integrated economic sectors such as wealth management, biopharmaceutical industries, and petrochemical sectors, and the development strategy was as a primary center for services, a coordination center, and an advanced platform for advanced manufacturing operations in Singapore. This has been achieved by identifying specific services and manufacturing sectors on the basis of their high growth potential and upgrading existing sectors in order to focus on cutting-edge operations across the country, from R&D to finance and marketing. This move can be clearly seen in the changing sectoral composition of foreign investment. Direct. In the manufacturing sector, for example, investments have been redirected to a very large extent.

Foreign direct investment in the field of electronics decreased by 36% of the total industrial foreign direct investment during the period (1995-2007) to approximately 50%, and investments in the sector increased.

[12] Shintaro Hamanaka. Examination of the Singapore Shiftin Japan's Foreign DirectInvestment in Services in ASEAN. Asian Development Bank Institute. No. 267. March 2011.P 02

[13] Loïs Bastide. Singapore in the New Economic Geography: FromGeographical Location to the Relocation of Economic. François Gipouloux. Gateways to Globalisation: Asia's International Trading and Finance Centres, Edward Elgar Publishing. Submitted on 15 Jan 2021.P 05-06

Biopharmaceuticals, which constituted 41% of the total foreign direct investment in the manufacturing sector, which is a huge increase from the previous period when it represented only 8.3% of the total sectoral inflows to it.

After the previous period, Singapore was able to achieve the economic miracle by following a set of successful policies, as during the year 2019 it ranked third in the world[14] in terms of the size of the flow of foreign direct investments, and fifth in the year 2020 at the level of the twenty largest countries in terms of flows in the world. It was Singapore's economy is diversified in a number of sectors (industries, energy sector, financial sector, infrastructure, biotechnology sectors, logistics services, information technology and tourism sector), and the services sector and real estate sector are positioned as an important and main source in achieving the country's economic growth.

-Sectoral distribution of foreign direct investment in Malaysia: 5

Malaysia was not a destination for foreign investors during the first decade, as the country suffered from[15] political unrest that prevented foreign investors from heading there. In 2018, after the failure of the elections, foreign investors began to lose confidence in the country due to the decisions taken by the allies, including the sudden cancellation of projects worth billions before. Foreign partners led to the cancellation of major infrastructure development projects, the cancellation of promises and contracts previously made before this year, and inappropriate strategies that led to the deterioration of relations with major foreign investors, all of which were[16] contributions to the collapse of inward foreign direct investment. The Malaysian economy went through, and during the years (2019-2020), and according to what was stated by the (Department of Administrative Affairs) report, inward foreign direct investment flows to Malaysia were mainly concentrated in the services sector, especially in health care, real estate, and the finance industry, and manufacturing was the second largest. The largest sector is mainly in the form of bonds and stocks in refined petroleum products and electrical and electronic products, followed by mining and quarrying.

Third: The geographical distribution of foreign direct investment in some Asian countries

1-Geographical distribution of foreign direct investment in the Emirates:

We will attempt to analyze the flows of foreign direct investment in the United Arab Emirates, during the period (1995-2020), by tracking the development of its flows through their geographical distribution in the following.

1-1 The most important countries investing in the Emirates:

The geographical distribution of foreign direct investment flows in the Emirates during the period 2015-2019), where we find that one of the most prominent countries exporting to it is the United States of America, with investments amounting to 10,511 million dollars distributed among 403 projects and 354 companies. The United Kingdom comes in second place with the value of investments. It amounted to $4,855 million, through 273 companies and 293 projects. In third place, China ranked with investments amounting to $3,803 million, thanks to its topping in the last years in fourth place globally. Japan came with $3,657 million, followed in fifth place by Saudi Arabia with about $3,540 million with 23 projects, through 20 companies. Then followed by the rest of the countries investing in the UAE, in order, as shown in the table.

Table No. (1-3): The most important countries investing in the United Arab Emirates for the period (2015-2020

Number of companies	Number of projects	Cost (million dollars)	Country
354	403	10,511	**United State**
273	293	4,855	**United kingdom**
45	58	3,803	**China**
47	51	3,657	**Japan**
20	23	3,540	**Saudi Arabia**
122	137	3,319	**India**
55	70	2,777	**Switzerland**

[14] Ahmed Al-Sayed Ali Abdel Hamid, Determinants of Attracting Foreign Direct Investment in Singapore (Standard Letter), Journal of Business Research, Faculty of Commerce, Zagazig University, Alexandria, Volume 44, First Issue, January 2022, pp. 477-478

[15] Loïs Bastide. Singapore in the New Economic Geography: FromGeographical Location to the Relocation of Economic. François Gipouloux. Gateways to Globalisation: Asia's International Trading and Finance Centres, Edward Elgar Publishing. Submitted on 15 Jan 2021.P 05-06

[16] Flow of foreign direct investment in Malaysia. **https://connection.com**

91	99	2,637	**France**
12	12	2,388	**Austria**
79	94	2,239	**Germany**
516	574	13,893	**Other**
1,614	1,814	53,619	**Total**

Source: Prepared by the researcher based on the Investment Guarantee Bulletin Report, Arab Corporation for Investment and Export Credit Guarantee, Second Quarter 2020, p. 15.

1-2 Geographical distribution of foreign direct investment coming into the Emirates by regions:

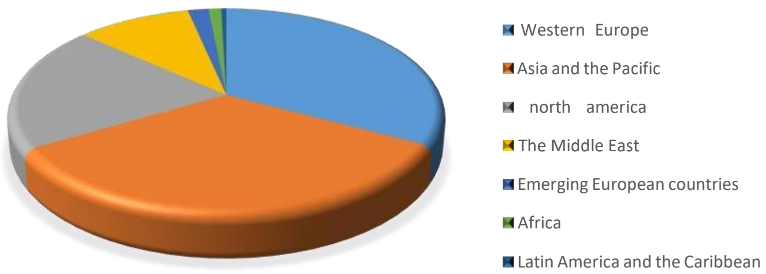
These investments received to the UAE can be clarified across the various regions of the world by tracking the following

Table No. (1-4) geographic distribution of foreign direct investment received to the Emirates according to the regions invested for the period (2015-2019)

%	Cost (million/dollar	Investing territory
36	19,466	**Western Europe**
37	14,500	**Asia Pacific**
22	11875	**north america**
11	5914	**The Middle East**
2	947	**Emerging European countries**
1.2	650	**Africa**
0.5	268	**Latin America and the Caribbean**

Source: From the preparation of the researcher based on, the report of the investment guarantee bulletin, the Arab Corporation for Investment and Credit Credit, the second quarter 2020, p. 15.

Figure No. (1-09) Geographical distribution of foreign direct investment coming into the Emirates according to investing regions for the period (1995-2020



Source: Prepared by the researcher based on the data in Table No. (1-4)

Through the figure shown above, and during the same period, Western Europe came in the lead at a cost of $19,466 million and at a rate of 36% of the distribution of foreign direct investments coming to the Emirates, thus occupying first place globally, and in second place the Asia and Pacific region occupied a rate of 37%. It is followed by North America in third place, then the Middle East in fourth place with an expenditure of 5914 million and a contribution rate of 11% globally. During the same period (2015-2019), we find that the emerging European countries came in sixth place with a cost of $947 million, and in seventh place was Africa with a rate of 1.2%, and finally Latin America ranked eighth in the world with a cost of $268 million and with a rate of 0.5% of the investments received according to the investor's regions. In the United Arab Emirates.

2- Geographical distribution of foreign direct investment in Indonesia:

Indonesia was a major destination for FDI in ASEAN during the period (1995-2020), but its share in FDI[17] inflows in the region has declined in the past few years. Increased global uncertainties have contributed to lower FDI inflows, which are expected to decline further due to the COVID-19 pandemic and the ensuing global economic crisis. Indeed, cross-border equity flows in Indonesia declined significantly during 2020 compared to 2019, as Companies have halted some M&A deals and greenfield projects due to increasing uncertainty. Indonesia is less integrated into foreign direct investment operations than other countries in Asia. Foreign companies in Indonesia also contribute less to total exports and imports than other countries in the region, although they Foreign companies have directly contributed to many of Indonesia's Sustainable Development Goals as they are considered to be its most productive.

FDI in Indonesia is highly concentrated in terms of origin: the bulk of FDI in Indonesia comes from Asia, with more than two-thirds of this investment coming from Singapore and Japan, while there is evidence that some OECD multinationals in Economic Square and the European Union invest in Indonesia through its operations in Singapore. Relying on foreign direct investment from a small group of investors increases Indonesia's exposure to changes in macroeconomic conditions in those countries, so Indonesia has tried to target foreign direct investment from other countries, especially from Other regions, to reduce the country's exposure to external shocks.

Geographical distribution of foreign direct investment in India:3-

India attracted foreign direct investment from about 101 countries in 2014, as inflows of foreign direct [18]investment into India doubled, which amounted to $45.15 billion in the years 2014 and 2015. In the period between 2014-2020, the value of foreign direct investment in India: $83.57 billion. The backdrop of economic reforms and the ease of doing business have contributed to India attracting about $100 billion in foreign direct investment. India has worked vigorously, with a focus on the size of the $5 billion economy, to attract foreign investors amid geopolitical shifts and supply chain disruptions. . The sources said that the relevant ministries, state governments and bodies dealing with investments have been advised to take all necessary measures to support foreign investors, and the Indian government has done everything in its power to facilitate and accelerate investments, adding that India will continue to be guided by its strategic independence with a strong focus on growth amid the ongoing global turmoil.

According to the World Investment Report for 2019 issued by the United Nations Conference on Trade and Development, India succeeded in attracting 77% of the total foreign direct investment that arrived in the South Asia region, and the total foreign direct investment flows to South Asia amounted to $54 billion, and India ranked It is ninth in the world in terms of receiving foreign direct investments, and foreign investments are considered a vital necessity for India with the country's urgent need for reforms in the country.

Singapore has emerged as the largest source of foreign direct investment in India[19], underscoring the growing trade relations between the two countries, followed by Japan, then the UAE, the Netherlands, France, and Germany. According to the latest figures issued by the Indian Ministry for the Promotion of Industry and Internal Trade, the country received the largest share of foreign direct investment flows from Singapore, amounting to $16.23 billion, in 2019. In fact, most of the investments coming from Singapore are not necessarily Singaporean companies, but rather from Foreign companies with a commercial and financial presence in Singapore, established there to take advantage of the good and highly accessible business environment, as well as its international status as a global financial centre.

Among the most prominent examples of this, the largest investment in India from Singapore during the year 2019 stemmed from the “Walmart” entity in Singapore, which purchased 77% of the Indian online retail stores “Flipkart” for $16 billion in 2018, and the headquarters of that entity are located Chosen in Singapore. This is not the first time that Singapore has taken the lead in this field. It was a source of foreign direct investment flows to India as well during

[17] Investment Policy Reviews: Indonesia 2020. Op.cit.

[18] Foreign direct investment flows have doubled since the launch of the Made in India programme, https://arabic.indianarrative.com/india, accessed: 12/2/2023.

[19] Foreign investments in India are progressing against a strong political and reform backdrop, https://aawsat.com/home.

previous periods, which represents about a third of the total aforementioned flows. We find that Singapore's rise in the Indian market as a source of foreign direct investment is due to amendments to the tax treaty that India signed with Singapore in recent years, which were reinforced by the structural advantages that Singapore enjoys over other countries in the region, such as the ease of doing business and the country's position as a hub. It is a major commercial destination, making it one of the best destinations for major companies through which foreign direct investment flows are directed to other countries.

-Geographical distribution of foreign direct investment in Singapore:4

In 1965, Singapore separated from Malaysia. This political division was quickly followed by a profound restructuring of the city's economy and a qualitative transformation that affected its position within the economic geographical regions[20]. The volume of foreign direct investment was also growing rapidly in Singapore, as it reached 547 billion dollars during the period after its independence and continued. It grew until it reached $250 billion in 2007, an eight-fold increase over the previous period, making Singapore the second-largest recipient of foreign direct investment in the world, right after Hong Kong. The country consistently held a 50% share of foreign direct investment in Southeast Asia. During the period (2018-2020), Singapore ranked highly among the 20 largest countries in terms of its inward foreign direct investment flows, and this can be explained through the following.

Table No. (1-5) Geographical distribution of foreign direct investment in Singapore by investing country during the period (2018-2020)

Cost (billion dollars)	Investing country
417	**United States of America**
290	**China**
193	**Hong Kong**
114	**Ireland**
90	**Brazil**
115	**India**

Source: Prepared by the researcher, based on data, Ahmed Al-Sayed Ali Abdel Hamid, Determinants of Attracting Foreign Direct Investment in Singapore (A Standard Study), Journal of Business Research, Faculty of Commerce, Zagazig University, Alexandria, Volume 44, First Issue, p. 475

From the table above, we find that the United States of America is in the lead, in first place, with an inflow of about 417 billion dollars during the period (2018-2020), followed by[21] China in second place with about 290 billion dollars, then Hong Kong in third place with about 193 billion dollars, Then India and Ireland are in fourth and fifth place, respectively, and Brazil comes in sixth place with about $90 billion.

5-Geographical distribution of foreign direct investment in Malaysia:

Since its independence in 1957, Malaysia has adopted liberal policies (i.e. free trade and private property) in an attempt to attract foreign direct investment. According to[22] the World Investment Reports issued by UNCTAD (2018, 2021), inward foreign direct investment flows to Malaysia decreased by 55% to 3. Billions of dollars, the stock of foreign direct investment amounted to about $174 billion in 2020, and multinational companies in the health and mining sectors acquired (a stake in Healthcare was acquired by Mitsui & Co. Japan, and in Seb Upstream by OMV Austria)

In 2019, the movement of foreign direct investment into Malaysia expanded by 3.1% to reach 32.4 billion Malaysian ringgit (RM-billion) in 2019 from 30.7 billion Malaysian ringgit (RM-billion) in 2018, and Japan topped the first place in health activities in Inward FDI flows to Malaysia, followed by Hong Kong, then the Netherlands as the main investors in Malaysia for 2019.

[20] Loïs Bastide. Op.cit.P 07

[21] Ahmed Al-Sayyid Ali Abdel Hamid, previously mentioned reference, pp. 475-476.

[22] Malaysia: Investing in Malaysia. https://www.lloydsbanktrade.com.

In the year 2020, despite the difficult situation that the country went through as a result of the Corona crisis, Malaysia remains an attractive investment destination amid the increasing trade tensions around the world, and the authorities sought to position Malaysia as a gateway to the ASEAN market by offering various incentives to foreign companies, especially in the case of... Leading company and investment-linked tax deductions (the country benefits from a highly skilled, English-speaking workforce). As such, the country was ranked 12th out of 190 economies by the World Bank in the Doing Business 2020 report, gaining three spots from the previous year. However, the government retained significant discretion to license investment projects to obtain benefits from foreign participation and to demand beneficial agreements in matters of technology transfer or establishment of joint ventures. Singapore occupied the largest share of investment in Malaysia, followed by Thailand, and then China in third place in terms of the volume of these flows…

Conclusion:

Foreign direct investment is currently considered the best and most important form of external financing for the various countries of the world, and this is confirmed by the intense competition among them to attract and attract it, and the record numbers recorded in its global flows, which contributed to increasing the connectivity and integration of the global economy.

Asian countries also witnessed large inflows in the volume of foreign direct investment during the period extending from (2015-2022), and some of their countries are considered among the most prominent developing countries that attract it, as Singapore and then India are considered the strongest and most attractive in Asia, then comes Indonesia and Malaysia. This is in the overall flows of this period, as well as through its sectoral distribution, which focused on coal and chemical materials, natural gas, and industrial vehicles, as well as its geographical distribution.

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