

Factors Associated with FDI Inflows to MENA Region: An Empirical Examination

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Abstract

The purpose of the current research was to empirically examine the relationship between six independent variables and foreign direct investment (FDI) inflows (dependent variable) to countries in the Middle East and North Africa (MENA) region for the period of 2002-2016. The independent variables studied in this research were foreign exchange systems, good governance, inflation, gross domestic product, market openness, and doing business. To test the research hypotheses, a two-stage least squares (2SLS) regression was used to analyze the imbalanced pooled data for the years 2002-2016. The hypotheses were tested at 95% confidence level and Eviews produced two-tailed probability T statistics. Based on the results of the analysis, none of the six hypotheses could be rejected. This result show that good governance, gross domestic product, openness and doing business had a positive relationship in spite of inflation by the negative effect on FDI inflows. As for foreign exchange region, the result showed that countries with fixed exchange rate system attracted more FDI inflows as compared to the countries with the two-tiered system.

Keywords: Foreign Direct Investment (FDI), MENA Region, Foreign Exchange Rate System, Good Governance.

JEL Classification: F, F₂, F₂₁.

1. Introduction

The ability to attract FDI in today's international market plays a vital role in the economic growth, especially in developing countries. The

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above assertion is supported by an extensive body of research related to FDI, economic globalization, and international trade (e.g., Tang, 2015 and Tyler, 2010).

During the past two decades, the rate of growth has varied widely among the member countries in MENA region. Overall, however, virtually all studies examining the region have concluded that economic growth in MENA region has been lagging behind similar countries in other parts of the world. The same studies have also concluded that in today's connected economies and the integrated international market, FDI could be the mechanism to provide capital to finance economic growth of the region (e.g., Razin and Sadka, 1991; O' Sullivan et al., 2011; Rivlin, 2009; Ucal et al., 2010).

In addition to being an attractive source of capital, FDI inflows offer the host countries other tangible benefits such as technology transfer, human capital development, advances in the business operation (e.g., advances in production processes, trading, marketing, and alike). These advantages, in turn, bring about lasting economic growth, yield enhanced level of employment, and improve the standard of living (Tang, 2015; Razin and Sadka, 2010).

In view of aforementioned advantages of FDI inflows, the objective of this study was to identify the factors that positively influence the FDI flows into MENA region. Ancillary to the study's objective, the conditions hindering FDI inflows to the region were also be identified.

With this introduction, the first part of this article presents a review of the literature and the conceptual framework. Next, comparative trends of FDI worldwide and among the countries in MENA region are presented. The research methodology, model specification, analytical method, data analysis, results of hypotheses testing, and the research limitation are discussed in subsequent sections, in that order. This article ends with a summary and offers some concluding remarks.

2. The Contribution of the Research

The typical contributions of this type of study are well-documented in the relevant literature. This study, however, puts forth for the first time, additional unique contributions. Specifically, the unique contribution of the study is its disposition to:

1. Capturing the unique impact of variations of the exchange rate of

different countries on the FDI inflows (either under or overvaluation of the “real” exchange rate pegged against US Dollar),

2. Capturing the expectations of inflationary effect and the resulting impact on the FDI, and
3. Capturing the possibility of identifying the misalignment in either direction of positive or negative (i.e., under or overvaluation) of foreign currency variations on the FDI in any given time.

3. Review of the Literature and Conceptual Framework

The body of research on the benefits of FDI to the developing countries is extensive. While some studies have examined the determinants of FDI inflows, others have investigated the necessary or favorable conditions that attract FDI to these countries. Irrespective of focus, there seems to be a widespread consensus among the findings of virtually all studies that FDI inflows to developing countries are the most attractive source of capital and a necessary cornerstone for economic growth (e.g., Zekarias, 2016 and Pegkas, 2015).

The identification of variables that determine the ability of countries in attracting FDI inflows has been the subject of many studies. Within this body of research, Kindleberger’s study (1963) was one of the first that examined the determinants of FDI. According to findings, a perfectly competitive market condition was not the reason for the inflows or outflows of FDI between different countries. Thus, he concluded the motivation for FDI flows must lie in other explanatory variables (Kindleberger, 1963).

In a 1974 study, Hymer identified the competitive advantage of local companies over their non-local (foreign) counterparts to be the underlying reason for FDI inflows to host countries. According to Hymer (1974), the source of competitive advantage of local companies was their in-depth familiarity with the local market, culture, regulations, competition, and most importantly, access to local information. Hymer (1974) asserted that such competitive advantage paved the way to higher earnings -- a strong motivation for multinational corporations for committing direct investment outside of their borders (Hymer, 1974).

In 2015, Pegkas analyzed the relationship between FDI and economic growth of the Eurozone countries. Pegkas’ (2015) ten-year

study revealed the existence of a positive relationship between the two variables and concluded that FDI was a significant driving force behind the economic growth of countries in Eurozone (Pegkas, 2015).

In a similar study, Tang (2015) investigated the impact of FDI on the economic growth of countries in the European Union (EU) for the years 1987-2012. Specifically, Tang's (2015) study examined the effect of both FDI and Foreign Indirect Investment (otherwise known as Portfolio Investment) inflows. The two noteworthy findings of Tang's study (2015) were a huge increase in foreign capital inflows to EU countries over the past decade and the positive relationship between FDI inflows and the economic growth of EU. Tang's study (2015) also noted both enhanced financial market and improved international trade as other variables contributing to economic growth of EU member nations. Other findings of the study suggested that following (Tang, 2015):

1. Incidental benefits of FDI to host countries that included technology transfer and management skills,
2. The impact of FDI on economic growth of the host country was mid to long-term while the same impact from the Portfolio Investment was short-term, and
3. In comparison with Portfolio Investment, FDI was a long-term commitment of capital, and thus, considered a preferred method of capital formation.

In 2014, Devi studied some of the FDI related issues in a regional context closer to MENA region. Devi's (2014) study used time series data for the period 2001 to 2011 to empirically identify the determinants of FDI inflows to India. Davi (2014) used a conceptual model that treated FDI inflows as the function of market size, total reserves of natural resources, the degree of market openness, exchange rate regime, and public expenditures on both economic and social activities. The highlights of Devi's (2014) findings in relation to FDI inflows to India are as follow:

1. Market size and the total reserve of natural resources had the most positive and pervasive influence, and
2. Market openness and public expenditures on social and economic activities had no impact (Devi, 2014).

In another study, Moura and Forte (2013) reviewed the theoretical

and empirical literature to determine whether FDI inflows advanced economic growth in the host country or hindered it. The review of the literature led them to conclude that the relationship between the two was influenced by the host's country environmental factors including human capital, economic and technological conditions, and degree of openness of economy to international market integration. The study asserted the significant role that the government of the host country plays to cultivate necessary conditions for a positive relationship between FDI and the economic growth (Moura and Forte, 2013).

Still closer to the regional context of MENA countries, Zekarias in his 2016 study investigated the impact of FDI on the economic growth of 14 developing countries in East Africa. He used the panel data for over three decades and the study's findings identified FDI inflows as a key determinant of economic growth. Based on the results of his study, Zekarias (2016) concluded the necessary conditions for attracting an improved level of FDI inflows to the region were regional economic policies that embraced changes conducive to foreign investment. Additionally, Zekarias (2016) noted strengthening regional cooperation, improving cross-border integration, developing human capital, providing basic infrastructure, and promoting export-oriented investments as other factors attracting FDI to East Africa.

In a study most relevant to MENA region, Benhabib and Zenasnis (2013) used empirical data for the years 1980 to 2010 to examine the determinants of FDI to Algeria, Morocco and Tunisia -- three out of five member countries of the Arab Maghreb Union (AMU) and also member nations of MENA. This comprehensive study used recent techniques in time series and econometrics to analyze the data to establish causality between FDI and economic growth in the three North African countries.

The findings of the study indicated that FDI inflows resulted in important benefits to the host countries in the areas of technological advancement, capital formation, and global market integration. In addition, the findings of the study identified macroeconomics variables of market size, inflation, foreign exchange regime, eco-political risks, market openness, and availability of natural resources as determinates of the FDI inflows. According to the results of the study, the availability of the following conditions in the host

country had a positive influence on FDI inflows (Benhabib and Zenasnis, 2013):

1. Liberal economic policies (e.g., lack of barriers to entry),
2. Political stability,
3. Good governance (e.g., respect for the rule of law),
4. Adequate infrastructure,
5. Modern financial institutions and banking systems,
6. Investment culture amenable to reducing risk and rewarding risk-taking,
7. The inclination for integration in the international market, and
8. Democratic governance structure and transparency

Specific to MENA region, the study by Van Wyk and Lal (2010) examined the data for countries in the region. The findings of the study, in general, revealed that macroeconomic and institutional variables were the determining factors in attracting multinational firms to make investments in this part of the world. Further, the study identified the geopolitical location of the host country as a vital consideration for making FDI decision (Van Wyk and Lal, 2010).

Based on the findings of the study by Chan and Gemayel (2004), Van Wyk and Lal (2010) concluded political and financial stability of the host country as two other factors playing pronounced roles in attracting FDI inflows to MENA region, as compared to other developing countries. In summary, and consistent with the findings of studies by Jabri et al. (2013) and Van Wyk and Lal's (2010) study reached the conclusions that market size, devaluation of local currency, favorable business environment, market openness, and political freedom were key elements playing decisive role in attracting FDI to MENA countries (Van Wyk and Lal, 2010).

Finally, Abbas and Mosallamy (2016) using empirical data covering the years of 2006 through 2013 examined the impact of a number of macroeconomic variables associated with FDI inflows to MENA region. The findings of their study are seemingly mixed, and at times, do appear to lack logic. That being said, they are supported by other studies found in the extant literature. These findings are related to the characteristics of the host country and are presented below (Abbas and Mosallamy, 2016):

1. Market openness had a positive impact on FDI inflows,

2. Availability of natural resources had a negative impact on FDI,
3. Infrastructure spending had a negative impact on FDI flow,
4. Human capital had a negative impact on FDI inflows, and
5. Political stability had an insignificant, but negative impact on FDI inflows.

4. Comparative Trends of FDI Inflows

As reported by the United Nation Conference on Trade and Development (UNCTAD, 2015) and compared with those of 70 and 80s, the level of FDI increased in the 90s. This increase continued throughout the years leading to its highest level in 2016 that exceeded \$1.7 trillion -- more than twice its level in 2011¹. A close examination of the FDI data can lead to the following conclusions:

- An improved level of economic development and political stability of a region or a country is positively related to the ability to attract a higher level of FDI inflows,
- Developed countries' attract more FDI inflows, particularly the countries in North America and Western Europe,
- Asian countries attracted more FDI inflows compared to other developing countries,
- The level of FDI inflows to developed countries declined after the two events of September 11, 2001 and the financial crisis of 2001 through 2004,
- African countries were least successful in attracting FDI inflows,
- South and South-East Asia (e.g., Indonesia and Singapore) were more successful in attracting FDI inflows than other countries in that region,
- Among West-Asian countries, India had a strong performance in attracting FDI inflows, followed by Iran as a distant second, and
- Among the Middle Eastern countries, Turkey and Saudi Arabia were more successful in attracting FDI inflows than others.

Based on the data published by UNCTAD, and with some exceptions, the level of FDI inflows to countries in MENA region has been minimal, at best. For example, their share of FDI inflows in 2016

1. <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96740>

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was a mere \$69 billion out of \$1.7 trillion global FDI. This is an evidence of lack of interests on the part of the multinational firms to commit FDI to one of the most deserving region of the world, despite existing vast reserve of natural resources in the region (the list of countries in this region is provided in Table 1).

Table 1: Countries in MENA Region

No.	Name
1	Algeria**
2	Bahrain**
3	Djibouti
4	Egypt
5	Iran**
6	Iraq
7	Israel
8	Jordan**
9	Kuwait**
10	Lebanon
11	Libya
12	Morocco**
13	Oman**
14	Qatar**
15	Saudi Arabia**
16	Syria
17	Tunisia
18	United Arab Emirates**
19	Yemen
20	West Bank and Gaza
21	Turkey**

Source: The World Bank

** Countries included in the study due to availability of data and political stability.

5. Theoretical Framework

The theoretical framework for most FDI studies, in whole or in part, is based on Dunning's study of 1988 that offers OLI (Ownership, Location, and Internalization) theory (e.g., Denisia, 2010; Donnelly, 2014; Cywiński and Harasym, 2012; Mengistu and Adhikary, 2011). The OLI theory is predicated on the assumption that multinational companies (foreign investor) will commit FDI to any host country

based on the following three necessary conditions (Dunning, 1988):

1. Foreign investors receives certain privileges from the host country (e.g., right to monopoly),
2. Foreign investors offers a new technological advantage to the host country, and
3. Foreign investors have access to abundant resources, including financial.

Derived from his OLI theory, Dunning (1988) explains the determinants of FDI flows in terms of macroeconomic and political variables -- the same variables used in virtually all related studies in the extant literature. While not all-inclusive, these variables include foreign exchange regime, good governance, inflation, gross domestic product, market openness, and ease of doing business.

5.1 Analytical Model

In principle, the current research is based on Dunning's (1988) OLI theory and it uses the analytical model that was originally developed by Bajo-Rubio and Sosvilla-Rivero (1994). The simplified mathematical expression of the model is as follow:

$$\text{Log } FDI_{it} = a + \beta (\text{foreign exchange rate system})_{it} + \beta_1 (\text{good governance})_{it} + \beta_2 (\text{inflation})_{it} + \beta_3 (\text{gross domestic product})_{it} + \beta_4 (\text{market openness})_{it} + \beta_5 (\text{ease of doing business})_{it} + u_i$$

where:

[u = residual term and it = cross-section of countries under study over time].

5.2 The Study and Method of Data Analysis

The study used the data for 11 out of 20 countries in MENA region during 2002-2016. These countries were chosen using two criteria of access to information and relative political stability. Unlike a number of studies including one by Jabri et al. (2013) that had utilized panel data, the current research used an unbalanced pooled data due to some missing data (Baltagi, 2010). Since the time-series observations were fewer than the number of cross-sectional data in this study, the random and fixed effects were not susceptible to estimation.

A two-stage least squares regression (2SLS) method was used to

analyze the data. The appropriateness of this analytical method was tested by Ang (1988). In his study, Ang (1988) concluded that 2SLS approach is well suited to account for the problems of endogeneity bias in that data (Bewley, 1979 cited in Ang, 1988).

Prior to running the model, the possibility of dealing with stationary variables was tested and the results are shown in Table 2. The test was conducted at 5% significance level and the hypothesis of the “unit root” was rejected. The rejection of the hypothesis in this context supports the absence of any “unit root” among the variables (Levin, Lin & Chu’s, 1992).

In addition, and to confirm the validity of the research model, the independent variables were manipulated in four additional models. The results of the regression analyses on these models were consistent with the results obtained from the research model corroborating the robustness of the research model and the validity of the results.

Table 2: Static Test Results for Variables (Level) by Levin, Lin & Chu

Variable	Statistic Test	Significance	Stationary
LFDI	-6.13	0.00	✓
Good Governance	-3.55	0.00	✓
Inflation rate	-9.18	0.00	✓
GDP	-2.34	0.00	✓
Openness	-1.74	0.04	✓
Doing business	-2.43	0.00	✓

* The research hypotheses were tested at 95% confidence level.

6. Research Hypotheses and Findings

For the purpose of this research, FDI was defined as an investment made to gain ownership and control of an entity outside the borders of the investor’s homeland. The study formulated and tested six hypotheses to determine the relationships that might exist between six macroeconomic variables (independent variables) and FDI inflows (dependent variable). The test results are shown in Tables (3-6).

Table 3: Results of Tests of Hypotheses (2SLS Regression)*

Variable	Co-efficient	t-Statistic	Significance	Accept	Reject
Foreign exchange rate	1.20	11.01	0.00	✓	
Good governance	0.42	2.37	0.01	✓	
Inflation rate	-0.02	-1.92	0.05	✓	
GDP	7.55	34.98	0.00	✓	
Market openness	0.02	19.75	0.00	✓	
Doing business	0.03	21.97	0.00	✓	
R2=0.90					
D-W=1.34					

* The research hypotheses were tested at 95% confidence level.

Table 4: Results of Tests of Hypotheses (2SLS Regression)*

Variable	Co-efficient	t-Statistic	Significance	Accept	Reject
Foreign exchange rate	1.32	16.38	0.00	✓	
Good governance	0.49	3.99	0.00	✓	
Inflation rate	
GDP	6.89	39.42	0.00	✓	
Market openness	0.02	23.72	0.00	✓	
Doing business	0.03	26.63	0.00	✓	
R2=0.85					
D-W=1.35					

* The research hypotheses were tested at 95% confidence level.

Table 5: Results of Tests of Hypotheses (2SLS Regression)*

Variable	Co-efficient	t-Statistic	Significance	Accept	Reject
Foreign exchange rate	2.91	13.49	0.00	✓	
Good governance	1.22	3.90	0.00	✓	
Inflation rate	-0.25	-10.61		✓	
GDP	9.26	17.88	0.00	✓	
Market openness	
Doing business	0.07	26.89	0.00	✓	
R2= 0.50					
D-W= 1.49					

* The research hypotheses were tested at 95% confidence level.

Table 6: Results of Tests of Hypotheses (2SLS Regression)* **

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Variable	Co-efficient	t-Statistic	Significance	Accept	Reject
Good	1.26	4.97	0.00	✓	
Inflation rate	-0.01	-1.74	0.08	✓	
GDP	6.41	23.40	0.00	✓	
Market openness	0.03	14.36	0.00	✓	
Doing business	0.04	15.71	0.00	✓	
Foreign exchange rate					
Algeria	-0.08	-6	0.00	✓	
Bahrain	8887	2.49	0.01	✓	
Iran	-0.0001	-4.19	0.00	✓	
Jordan	-1989	-3.51	0.00	✓	
Kuwait	-28.29	-0.77	0.44		✓
Morocco	-0.14	-0.46	0.64		✓
Oman	7139	4.25	0.00	✓	
Qatar	8827	2.23	0.02	✓	
Saudi Arabia***	N/A	N/A	N/A		
United Arab Emirate	-7381	-1.96	0.05	✓	
Turkey	2.41	6.19	0.00	✓	
R2= 0.84					
D-W= 1.29					

* The research hypotheses were tested at 95% confidence level.

** In this study, the coefficient of variations in exchange rate exceeded the typical range of between -1 to +1. This “anomaly” is due to the way the official and market exchange rate are measured and reported by different countries and by no means distort the results of the tests of hypotheses.

*** N/A The variances in the data for Saudi Arabia were outliers. Thus they were excluded from the analysis.

H₁: There is a positive relationship between fixed foreign exchange rate system and FDI inflows.

To assess the impact of fixed foreign exchange system on FDI inflows, this study divided the countries in the sample into two groups: Those with fixed foreign exchange rate system (i.e., Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates) and those with two-tiered system (i.e., Algeria, Iran, Jordan, Turkey, and Morocco). To test the hypothesis, the countries in the two groups were assigned values of zero and one, respectively. Based on the result of analysis, the hypothesized positive relationship between the FDI and

the countries with fixed exchange rate regime could not be rejected. To validate the above findings, the variation in the exchange rate was run separately for each country and the results were consistent with the previously obtained results.

Moreover, this finding is supported by the assertion that foreign exchange rate in countries with two-tiered system is subject to the constant change, and typically in the negative direction (i.e., devaluation). The devaluation of the national currency in the host country can adversely influence FDI decision of foreign investors due to probable losses arising from foreign exchange conversion when investors make periodic payments to their home country (e.g., payment of dividends to stockholder) and at the time of repatriation of the original investment (Abbas and Mosallamy, 2016).

H₂: There is a positive relationship between good governance and FDI inflows.

The findings of the study could not reject the positive relationship between the good governance and the ability to attract FDI inflows. Although this finding repudiates the overwhelmingly negative perceptions of the quality of governance in MENA region, the explanation of inability to reject the hypothesis may lie in the relative effectiveness of governance in some of the countries included in the sample that could have compensated for the negative governance indicators in the others. For additional details, please see Worldwide Governance Indicators (WGI) by Kaufmann et al. (2010) that used a scheme to measure the six dimensions of governance of more than 200 countries worldwide (Kaufmann et al., 2010).

H₃: There is a negative relationship between inflation and FDI inflows.

The study used the Consumer Price Index (CPI) to measure the level of inflation. As shown in Tables, the result of analysis cannot reject the hypothesis suggesting inflation is negatively related to FDI inflows – a finding is consistent with other investment theories predicated on the assumption that investors must be able to predict their profits to make investment decisions. Inflation increases the “transaction cost” (i.e., cost of trading and cost of information

acquisition). Consequently, the tendency to conduct business transactions is less likely to occur if inflation is not predictable. Similarly, inflation can also be the basis of impulsive transactions in order to avoid problems instigated by the likelihood of forecasting prices reliably. Therefore, this could set in motion unwillingness to conduct business and could prevent the FDI over the time.

H₄: There is a positive relationship between market size and FDI inflows.

In line with the finding of most other studies, this hypothesis could not be rejected indicating the existence of a positive relationship between the market size and the level of FDI inflows to MENA region. This study used the classic definition of market size– i.e., the market value of goods and services that a country produces as the percentage of domestic product (GDP).

Inability to reject this hypothesis appears self-explanatory, as GDP, other things equal will encourage investment of all types, including FDI. The growth of economic capacity and aftermath demand has the positive impact on the FDI inflows. As a result, a country with an export approach strategy can be considered to have direct foreign investment inflows.

H₅: There is a positive relationship between market openness and FDI inflows.

In general, nations with the open market (or open trade) welcome FDI and facilitate the operation of foreign businesses within their borders. The trade policies in these countries promote deregulation and produce conditions conducive to attracting FDI inflows (e.g., ability to access resources, ease of barriers to entry, and removing restrictive mandates and regulations).

This study used openness as the sum of exports and imports over gross domestic product (GDP). The result of the analysis failed to reject the hypothesized positive relationship between this variable and FDI inflows. This finding is supported by the ability of countries with open market and liberal government regulations to attract higher levels of FDI inflows (Shah and Khan, 2016). This result is also consistent with the logic that countries with an open market can freely

export goods and services leading to economic growth, prosperity, and higher profitability for the foreign investor -- conditions conducive to FDI inflows.

H₆: There is a positive relationship between ease of doing business (DB) and FDI inflows.

In its 2016 report, the World Bank used 10 criteria to measure ease of “doing business” for 190 countries and ranked the countries, accordingly. This study used the same indicators to test the hypothesis. According to the test results, the hypothesis of a positive relationship between DB and FDI inflows could not be rejected. With one exception, the inability to reject this hypothesis can be explained by the progressive actions of most of the member countries’ aimed at easing regulations for foreign investment and easing the ways for opening businesses, issuing licenses, resolving disputes, defining property rights, methods of resolving disputes, among others.

The one exception contrary to the tenet of DB in most (if not all) of the countries in the region is the restriction on the right to own real property. Unlike most developed countries (e.g., countries in North America or West Europe), there are restrictions for non-citizens to own freeholds. This restriction limits the desirability of MENA region to attract FDI inflows.

7. Limitation of the Study

Due to unavailability of data and/or political instability, the sample of the study was limited to 11 out of 20 countries in MENA region. Thus, the results obtained may lack generalizability to those countries not included in the study. The mitigating factor for this limitation is the overwhelming socio-political, economic, structural, and environmental similarities found in MENA countries. These similarities could pave the way for cautious generalizability of the results to all nations in the region.

8. Summary and Concluding Remarks

This empirical research was to ascertain the relationship between six macroeconomic variables of exchange rate Regime, good governance, inflation, gross domestic product, market openness, and ease of doing

business (independent variables) with FDI inflows (dependent variable) to MENA region. The study covered the years 2002 through 2016, and for two reasons of the data availability and political stability, the sample was 11 out of 20 countries in the region.

To test the six hypothesized relationships, the study used an unbalanced pooled data. A two-stage least squares (2SLS) regression method was used to analyze the data producing two-tailed probability *T* statistics and the related level of significance. The hypotheses were tested at 95% confidence level.

The results obtained from the analysis of data could not reject any of the six hypotheses suggesting the existence of relationships between the six independent variables and FDI inflows to MENA region. In light of study's findings, it can be concluded that countries in MENA region should continue to embrace economic and socio-political transformation favorable to multinational investors considering direct investment in foreign countries.

An additional logical conclusion of this study's finding is that restrictive policies or regulations on free trade and open market would adversely influence the ability of MENA countries to attract FDI inflows. The same is true for countries that have an ineffective governance structure. In short, and to attract FDI inflows, MENA countries should also change restrictive laws targeting non-citizens or foreign entities (e.g., the law prohibiting ownership of freehold properties). These laws are considered discriminatory and create anti-investment sentiments, especially among multinational firms planning mid to long-term commitment of resources.

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