

Determinant Factor Analysis of Foreign Direct Investment in Asean-6 Countries Period 2004-2012

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Abstract : Foreign direct investment is one of the sources of financing or capital that important for a country, especially for developing countries. This investment also provides a great contribution to development through the transfer of assets, management improving, and transfer of technology in enhancing the economy of a country. In the other side currently in ASEAN countries emerge the interesting phenomenon where some big producers are re-locate their basic production among those countries. This research is aimed to analyze the factors that affect capital inflows of foreign direct investment into the 6 ASEAN countries (Indonesia, Malaysia, Singapore, Thailand, Philippines, and Vietnam) in period 2004-2012. This study uses panel data analysis to determine the factors that affect of foreign direct investment in 6 ASEAN. The factors that affect of foreign direct investment (FDI) are the gross domestic product (GDP), global competitiveness (GCI), interest rate, exchange rate and trade openness (TO). Result of panel data analysis show that three independent variables (GCI, GDP, and TO) have a significant effect to the FDI in 6 ASEAN Countries.

Keywords : foreign direct investment, the gross domestic product, global competitiveness, interest rate, exchange rate, trade openness, panel data analysis

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