

The General Trend of FDI and the Effects of These Investments for Countries: 2000-2013

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Abstract : As a result of acceleration of globalization in the 21st century economic boundaries are removed. With liberalization of capital and foreign trade, not only developed countries but also developing countries get into rapid growth efforts. In developing countries, one of the most important problem is insufficient capital accumulation. For reduce this deficit, one of the general approaches that is offered increasing amount of foreign direct investments. Also, in developing countries saving rates are low. So, foreign direct investments make possible an increase for domestic savings. In this regard, the multinational corporations are capable of these investments have importance. By providing micro-macro effects for countries, demand for these firms are many. These effects in general positive, some negative effects may able to come into being especially for developing countries. Foreign direct investments are performed buying an existing corporation, merging or greenfield investments. In recent, foreign direct investments are performed as a green field investments for developing countries. The study aims to analysis foreign direct investment trends for 2000-2013 years. In the first part of this study, the importance of foreign direct investments and their determinants are explained. In the second part, the article also shows that comparative analysis of the inward and outward investments for developing and developed countries. In conclusion, while developed countries can stand competition against other countries with these investments, developing countries can provide a sustainable growth with capital inflows.

Keywords : foreign direct investments, multinational corporations, determinants of FDI, FDI trend

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