

Overall Determinants of Foreign Direct Investment Inflows in Kenya

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Abstract : Empirical literature on the determinants of foreign direct investments (FDI) flows is extensive but controversial over some determinants of FDI in-flows in developing countries. The objective of this study therefore was to investigate the overall determinants of FDI inflows in Kenya. Dynamic macroeconomic theory and correlational study design provided theoretical framework for specification of a time series model. The study used data observed from 1970 to 2015 in World Development Indicators (WDI) data bank. The results show that annual growth rate of GDP, inflation rates and external debt as a proportion of GDP are significant determinants of FDI inflows in Kenya and are therefore important macroeconomic parameters for policy formulation for promotion of FDI inflows in Kenya.

Keywords : determinants of foreign, direct, investment inflows in, Kenya, Africa

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