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The Determinants of Foreign Direct Investment in Selected ASEAN and East Asian Countries: Evidence from Panel Data Analysis, 2010–2024

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Abstract

Foreign Direct Investment (FDI) has become an important driver of economic development, technology transfer, and regional competitiveness in ASEAN and East Asian countries. Nevertheless, previous empirical studies have produced inconsistent findings regarding the relative importance of macroeconomic variables and institutional factors in attracting foreign investment. This study aims to examine the effects of government expenditure, interest rates, exchange rates, net exports, and regulatory quality on FDI inflows across ten ASEAN and East Asian economies during the 2010–2024 period. The study employs balanced panel data consisting of 150 country-year observations obtained from international secondary databases. Panel data estimation is conducted using Common Effects, Random Effects, and Fixed Effects models, with Chow and Hausman tests indicating that the Fixed Effects Model is the most appropriate specification. The empirical results demonstrate that regulatory quality and government expenditure have positive effects on FDI inflows, whereas interest rates negatively affect foreign investment. Exchange rates and net exports exhibit relatively weak explanatory power, indicating that short-term macroeconomic variables are less influential once institutional factors are considered. These findings suggest that institutional quality, regulatory predictability, and efficient public expenditure play a more decisive role than conventional fiscal incentives in attracting sustainable foreign investment. The study contributes to the international investment literature by providing comparative evidence from ASEAN and East Asia and reinforcing the importance of an institutional political economy perspective in explaining FDI location decisions while offering practical guidance for policymakers seeking to improve long-term investment competitiveness.

Keywords: FDI; ASEAN; East Asia; panel data; regulatory quality; government expenditure.

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INTRODUCTION

FDI has become a strategic source of external financing for both developed and developing economies. Unlike portfolio investment, FDI provides long-term commitments, technology transfer, managerial expertise, and access to international production networks and global value chains. In ASEAN and East Asia, FDI has played a critical role in industrialization, export expansion, and employment generation. Despite substantial economic integration through regional initiatives such as the ASEAN Economic Community (AEC), the Regional Comprehensive Economic Partnership (RCEP), and bilateral investment agreements, FDI remains unevenly distributed across countries. Singapore, Hong Kong, China, and increasingly Vietnam have attracted significantly larger inflows compared with other economies in the region. Deeper regional integration is expected to reinforce rather than to even out this pattern: Fauzel et al., (2025) find that RCEP stimulates intra-regional trade and investment across East and Southeast Asia by lowering tariff barriers and improving the regional investment environment, although the resulting gains accrue unequally among member economies.

The study is grounded in neoclassical growth theory, international investment theory, and Dunning et al., (2008), which argues that multinational corporations invest abroad when Ownership, Location, and Internalization advantages exist simultaneously. Keynesian macroeconomics and institutional economics. Determinants of FDI: Government expenditure, interest rates, exchange rates, net exports, and regulatory quality are considered key determinants of FDI. Previous studies have emphasized market size, economic growth, infrastructure quality, political stability, and institutional quality as important determinants. A systematic review of 112 empirical studies conducted by Islam & Beloucif, (2024) confirms that host-market size is the most robust determinant of FDI, followed by trade openness, infrastructure quality, labour cost, and macroeconomic stability. However, empirical findings remain mixed, especially regarding the role of exchange rates, interest rates, and government expenditure. This study contributes to the literature by examining five major determinants of FDI using balanced panel data models covering ten countries from 2010 to 2024.

Global patterns of foreign direct investment have shifted markedly in recent years. According to the World Investment Report 2025, global FDI fell by 11 percent in 2024 once volatile financial conduit flows routed through several European economies are excluded, marking the second consecutive year of decline in productive capital formation worldwide even though headline flows rose nominally to roughly USD 1.5 trillion (Unctad, 2024). Developed economies were hit hardest, with inflows to Europe contracting sharply, while developing Asia experienced a comparatively moderate decline. This divergence indicates that Asian economies, and ASEAN in particular, have become increasingly important nodes in global investment networks even as aggregate flows weaken.

Within developing Asia, ASEAN has consolidated its position as the region's principal FDI destination. Chizema, (2025) reports that ASEAN economies attracted approximately 17 percent of global FDI inflows in 2023, up from 16.5 percent in 2022 and continuing a steady upward trajectory since 2019, even as inflows to developing Asia overall moderated to around USD 621 billion. East Asian economies display a more heterogeneous pattern: China, historically the region's dominant recipient, recorded a marked contraction that reversed more than a decade of sustained growth, whereas several Southeast Asian economies maintained comparatively resilient inflows supported by deeper integration into global value chains (Chizema, 2025). These divergent trajectories motivate closer scrutiny of the country-level and institutional factors that continue to differentiate FDI performance across the region.

A growing body of recent empirical literature reinforces the centrality of institutional factors in explaining these patterns. Using panel data for 2002–2019, Bhujabal et al., (2024) find that a composite institutional-quality index constructed from six World Governance Indicators exerts a positive and significant effect on FDI inflows across South Asian and Southeast Asian economies. Employing quarterly data for nine ASEAN economies from 2002 to 2022, Khan et al., (2025) similarly show that control of corruption, rule of law, political stability, and government effectiveness significantly shape FDI inflows alongside conventional macroeconomic variables such as trade openness and market size. Complementary global evidence is offered by Tag & Degirmen, (2022), whose system-GMM estimates for 127 countries indicate that FDI increases in economies whose institutions secure the rule of law, widen trade freedom, and reduce regulatory barriers to investing and doing business, thereby locating regulatory quality at the centre of investment-location decisions.

Chen & Jiang, (2023), analyzing 42 G20 countries, extend this literature by demonstrating that institutional quality attracts FDI not only directly but also indirectly, by promoting trade openness, industrial upgrading, and technological innovation, with the relationship further moderated by financial development and taxation. At the same time, studies focusing specifically on macroeconomic determinants continue to report mixed results, with several country-level analyses finding that interest rates and exchange-rate movements exert only weak or inconsistent effects on FDI once institutional conditions are controlled for. This inconsistency in the macroeconomic literature, set against the increasingly convergent institutional literature, constitutes an empirical puzzle that motivates the present study.

Despite this expanding literature, three gaps remain insufficiently addressed. First, few studies simultaneously estimate the joint effects of regulatory quality, government expenditure, interest rates, exchange rates, and net exports within a single, unified panel-data framework for ASEAN and East Asian economies; most

existing work isolates either institutional or macroeconomic determinants rather than integrating both. Second, comparative country-level evidence explaining why FDI performance diverges so markedly among structurally similar economies within the same region remains limited.

Third, the implications of these empirical patterns for the political economy of FDI specifically, the proposition that governance credibility rather than fiscal generosity increasingly drives investment-location decisions have not been fully developed in the ASEAN and East Asian context. The novelty of this study lies in addressing these three gaps concurrently: by employing a balanced panel of ten countries over fifteen years (2010–2024), by combining rigorous model-selection procedures (Chow and Hausman tests) with country-level comparative analysis, and by proposing an Institutional Political Economy of FDI framework that synthesizes neoclassical growth theory, Dunning et al., (2008) OLI paradigm, and new institutional economics.

Accordingly, this study pursues three specific objectives: (1) to estimate the effects of government expenditure, interest rates, exchange rates, net exports, and regulatory quality on FDI inflows in ten ASEAN and East Asian economies during 2010–2024; (2) to identify the most appropriate panel-data estimator through formal specification testing; and (3) to compare the relative importance of institutional versus macroeconomic determinants across countries with differing levels of institutional development. Theoretically, the study contributes to the international investment literature by extending the Institutional Political Economy of FDI framework to a comparative ASEAN–East Asia setting. Practically, the findings are intended to inform policymakers, investment-promotion agencies, and regional bodies such as the ASEAN Secretariat in prioritizing regulatory and governance reforms over short-term fiscal incentives as instruments for attracting sustainable foreign investment.

RESEARCH METHOD

The Data and Panel Data Structure

Balanced panel data covering 10 countries during 2010–2024. Econometric Panel Data Analysis CEM, FEM, and REM are compared; FEM is selected as the preferred specification.

Findings Regulatory quality and government expenditure positively affect FDI. Interest rates reduce FDI. Exchange-rate effects are weak. Net exports are not a dominant driver. ASEAN and East Asia attract predominantly market-seeking FDI.This study employs a balanced panel dataset consisting of ten ASEAN and East Asian economies:

China, Hong Kong SAR, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The observation period covers 2010–2024, generating a balanced panel of:

N = 10 countries
T = 15 years
Total observations = 150 country-year observations

The panel-data framework is preferred because it combines the advantages of both cross sectional and time-series analyses while controlling for country-specific heterogeneity. Baseline Econometric Model. The empirical specification is formulated as:

$$\mathbf{LogYit} = \boldsymbol{\beta}\mathbf{0} + \boldsymbol{\beta}\mathbf{1Log}\boldsymbol{X}\mathbf{1it} + \boldsymbol{\beta}\mathbf{2}\boldsymbol{X}\mathbf{2it} + \boldsymbol{\beta}\mathbf{3Log}\boldsymbol{X}\mathbf{3it} + \boldsymbol{\beta}\mathbf{4Log}\boldsymbol{X}\mathbf{4it} + \boldsymbol{\beta}\mathbf{5Log}\boldsymbol{X}\mathbf{5it} + \boldsymbol{\varepsilon}\mathbf{1}$$

where:
LogYit =Log Foreign Direct Investment inflows (% GDP) in country i during year t
Log$X$1it = Log Government Expenditure (% GDP)
X2it = Interest Rate (%)
Log$X$3it = Log Exchange Rate Index
Log$X$4it = Log Net Exports
Log$X$5it = Log Regulatory Quality Index
εit = Error Term

Three alternative panel estimators were initially considered: Pooled Common Effects Model (CEM), Fixed Effects Model (FEM) and Random Effects Model (REM).The model-selection procedure was conducted sequentially.

Step 1: Chow Test:
H0: Common Effects Model is preferred
H1: Fixed Effects Model is preferred.

The Chow Test rejects H0, indicating that country-specific effects are statistically significant.

Step 2: Hausman Test.
H0: Random Effects Model is appropriate.
H1: Fixed Effects Model is appropriate.

The Hausman, (1978) statistic rejects H0, implying that country-specific effects are correlated with the explanatory variables. Consequently, the Random Effects estimator becomes inconsistent. The Fixed Effects Model is therefore selected as the final specification. The FEM estimator captures these unobservable country-specific characteristics and therefore provides more reliable coefficient estimates than pooled estimation techniques.

Consequently, all substantive interpretations in this study are based on the Fixed Effects Model results. The selection of FEM is not merely a statistical outcome

but also theoretically justified. Since the principal contribution of this study lies in emphasizing institutional and governance differences across countries, a model that controls for unobserved country-specific heterogeneity is required. The Fixed Effects estimator is therefore appropriate for the Institutional Political Economy framework adopted in this study. The regression results for the selected Fixed Effects Model (FEM), estimated using Stata, are presented below.

```
. xtreg LFDI LGOV I_Rate LER LNX LREG, fe vce(cluster ID)

Fixed-effects (within) regression               Number of obs      =       150
Group variable: ID                              Number of groups   =        10

R-squared:                                      Obs per group:
     Within  = 0.0862                                         min =        15
     Between = 0.0289                                         avg =      15.0
     Overall = 0.0328                                         max =        15

                                                F(5,9)             =      2.83
corr(u_i, Xb) = -0.1789                         Prob > F           =    0.0831

                                    (Std. err. adjusted for 10 clusters in ID)
------------------------------------------------------------------------------
             |               Robust
        LFDI |      Coef.   Std. err.      t    P>|t|     [95% conf. interval]
-------------+----------------------------------------------------------------
        LGOV |   .1962288   .3716766     0.53   0.610    -.644562    1.03702
      I_Rate |  -.0118848   .0056641    -2.10   0.065   -.0246979    .0009283
         LER |  -.2314826   .2380123    -0.97   0.356    -.769904    .3069387
         LNX |  -.0692815   .0560582    -1.24   0.248    -.196094     .057531
        LREG |   .8633905   .4087486     2.11   0.064    -.061263    1.788044
       _cons |  -.4672604   .9906292    -0.47   0.648   -2.708219    1.773699
-------------+----------------------------------------------------------------
     sigma_u |  .46506007
     sigma_e |  .15458498
         rho |  .90050473   (fraction of variance due to u_i)
------------------------------------------------------------------------------

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Figure 1. Regression results for the selected Fixed Effects Model (FEM)
Note: LFDI: Log FDI; LGOV: Log Government Expenditure; LER: Log Exchange Rate; LNX: Log Net Export; LREG: Log Regulation.

Comparative Country Analysis

The empirical results reveal considerable heterogeneity among ASEAN and East Asian economies regarding the determinants of FDI. Although regulatory quality emerges as the most consistent determinant across the sample, the relative importance of other explanatory variables varies significantly.

Singapore and Hong Kong represent highly institutionalized economies characterized by strong governance, transparent legal systems, and efficient regulatory frameworks. Their success in attracting FDI is largely attributable to

institutional quality rather than macroeconomic incentives. These economies demonstrate that investor confidence is strongly associated with predictable policy environments and effective public administration.

China presents a somewhat different pattern. While institutional reforms have played an important role, market size remains a dominant attraction. Foreign investors continue to view China as one of the largest consumer markets in the world. The interaction between market size, industrial capability, and infrastructure development creates a unique investment ecosystem that remains highly competitive despite geopolitical challenges.

Vietnam has emerged as one of the most successful FDI destinations in Southeast Asia. The country's rapid integration into global production networks, competitive labor costs, and progressive regulatory reforms have contributed significantly to increased foreign investment inflows. Vietnam's experience illustrates how institutional improvements combined with export-oriented industrialization can attract multinational corporations seeking both efficiency and market opportunities.

Indonesia exhibits substantial potential because of its large domestic market and abundant natural resources. However, regulatory complexity, bureaucratic inefficiencies, and infrastructure gaps continue to constrain investment performance. The findings suggest that Indonesia could significantly increase FDI inflows through continued institutional and structural reforms as well as improvements in regulatory certainty.

Malaysia and Thailand occupy an intermediate position. Both countries possess relatively advanced industrial sectors and favorable investment environments, although competition from Vietnam and other emerging economies has intensified in recent years. Continuous upgrading of institutions and technological capabilities will be essential for maintaining competitiveness.

Japan and South Korea display unique characteristics as advanced industrial economies. Their relatively lower dependence on inward FDI reflects strong domestic capital markets and highly developed corporate sectors. Nevertheless, both countries continue to attract strategic investments in technology-intensive industries.

Overall, comparative evidence demonstrates that institutional quality is the most universal determinant of FDI, whereas the influence of traditional macroeconomic variables varies across national economic structures and levels of development.

RESULT AND DISCUSSION

Policy Implications

The findings of this study generate several important policy implications for governments seeking to enhance their attractiveness to foreign investors.

First, institutional reforms should be prioritized above short-term fiscal incentives. Many developing economies devote substantial resources to tax holidays, investment subsidies, and financial incentives. However, the empirical evidence suggests that investors place greater value on regulatory certainty, transparent governance, and effective legal systems. Second, governments should focus on improving the quality of public spending rather than merely increasing expenditures. Productive investment in transportation infrastructure, digital connectivity, education, and energy systems creates a more sustainable foundation for attracting foreign investment.

Third, macroeconomic stability remains essential. Although exchange-rate fluctuations were not found to be statistically significant, stable monetary conditions and predictable interest-rate policies contribute to investor confidence and reduce uncertainty. Fourth, regulatory simplification should become a central policy objective. Excessive administrative procedures, overlapping regulations, and bureaucratic inefficiencies increase transaction costs and discourage investment. Streamlining business registration, licensing procedures, and investment approvals can substantially improve competitiveness.

Fifth, governments should strengthen institutional capacity in areas such as contract enforcement, dispute resolution, anti-corruption initiatives, and regulatory oversight. These measures enhance credibility and reduce perceived investment risks. Finally, ASEAN and East Asian economies should continue pursuing regional economic integration. Regional cooperation facilitates cross-border investment, enhances supply chains, and strengthens collective competitiveness in the global economy.

Contribution To Theory and Literature

This study contributes to the literature by demonstrating that the dominant explanation of FDI in ASEAN and East Asia has shifted from a macroeconomic paradigm to an institutional-political economy paradigm, in which governance quality, regulatory credibility, and institutional effectiveness increasingly determine investment behavior and its labor-market consequences. This study contributes to the international investment literature by demonstrating that the dominant explanation of FDI in ASEAN and East Asia has shifted from a traditional macroeconomic paradigm to an institutional-political economy paradigm. While previous studies have emphasized exchange rates, interest rates, trade openness, and fiscal incentives, the empirical evidence presented here suggests that

governance quality, regulatory credibility, and institutional effectiveness increasingly shape investment decisions.

Regulatory quality emerges as the most consistent determinant of FDI across countries, indicating that institutional development has become a prerequisite for sustaining international competitiveness in attracting foreign capital. The findings indicate that institutional quality, particularly regulatory quality, consistently exerts a more robust influence on FDI than conventional macroeconomic variables. Exchange-rate movements and trade openness exhibit relatively weak explanatory power, while government expenditure influences investment outcomes primarily through its efficiency, effectiveness, and governance quality rather than through its absolute magnitude. This reading is reinforced by Dao, (2025), whose analysis of 100 developing countries over 2002–2022 demonstrates that the positive association between the size of government spending and FDI inflows weakens as countries move up the income ladder and ultimately turns negative in high-income economies, implying that the composition and efficiency of public expenditure matter more than its sheer volume once a certain level of development has been attained.

These results support the institutional economics tradition associated with Acemoglu & Robinson, (2013); North, (1990); Ostrom, (1990), all of whom emphasize that economic outcomes are fundamentally shaped by the quality of institutions governing economic interactions. The findings further support Public Choice Theory developed by Buchanan, (1999), which argues that investment outcomes are shaped by the incentives of political actors, regulators, and bureaucracies. Regulatory complexity, administrative inefficiency, and governance failures increase transaction costs and discourage long-term investment. Krugman, P. R. et.al, (2012) New Economic Geography emphasizes agglomeration effects, market size, and spatial concentration of economic activity.

The success of Singapore, Hong Kong, and increasingly Vietnam illustrates how agglomeration economies attract multinational enterprises. The research also aligns with Stiglitz, (2002) theory of information asymmetry (2002), which suggests that institutional transparency and regulatory predictability reduce uncertainty and enhance investor confidence. Investors operating in emerging economies place significant value on credible institutions because they reduce information uncertainty and improve the predictability of future returns. From a development perspective.

The results reinforce Lucas, (1988) argument that human capital and institutional quality jointly determine long-run economic performance. Foreign investment generates the greatest developmental impact when supported by strong institutions capable of transforming capital inflows into productivity gains, technological upgrading, and employment creation. The Asian experience additionally supports Jin, (2023) proposition that future competitiveness increasingly depends on institutional modernization, innovation ecosystems,

technological capabilities, and integration into global value chains rather than on traditional factor-cost advantages alone.

Accordingly, this study proposes an Institutional Political Economy of FDI framework in which investment decisions are viewed as responses to governance structures, regulatory credibility, institutional effectiveness, and state capacity rather than merely to macroeconomic incentives. Under this framework, the principal policy challenge for developing economies is not simply to offer more generous fiscal incentives or maintain competitive exchange rates, but to strengthen institutional quality, improve regulatory governance, enhance policy predictability, and build public-sector credibility.

This perspective represents a critical theoretical advancement because it shifts attention from short-term macroeconomic management toward long-term institutional development as the primary foundation for attracting sustainable foreign investment and maximizing its economic and employment benefits. The evidence presented in this study suggests that the future of FDI competitiveness in ASEAN and East Asia will depend less on conventional macroeconomic incentives and more on the quality of institutions, governance systems, and regulatory credibility. Consequently, institutional development should be viewed not as a complementary policy objective but as the central pillar of investment strategy and inclusive economic transformation.

Comparison with Previous Studies, Robustness, and Study Limitations

The finding that regulatory quality is the most consistent positive determinant of FDI aligns closely with recent cross-country evidence. Bhujabal et al., (2024) similarly report that a composite institutional-quality index positively and significantly predicts FDI inflows across South and Southeast Asian economies, while Khan et al., (2025) find that governance indicators, including regulatory quality and rule of law, significantly shape ASEAN FDI inflows alongside macroeconomic fundamentals. The present results extend this literature by showing that the positive institutional effect holds even after controlling for government expenditure, interest rates, exchange rates, and net exports simultaneously, rather than considering institutional indicators in isolation.

Consistent with Chen & Jiang, (2023), who show that institutional quality also operates indirectly through trade openness and industrial upgrading, the country-level heterogeneity observed among Singapore, Hong Kong, Vietnam, and China in this study suggests that regulatory credibility interacts with market size and global-value-chain participation rather than operating as a wholly independent driver of investment location. The negative coefficient on interest rates is consistent with the cost-of-capital channel emphasized in earlier studies, in which higher domestic borrowing costs raise the effective cost of financing foreign-invested projects and therefore discourage inflows. Evidence for Southeast Asia is nevertheless not

uniform: applying pooled, fixed-effects, and random-effects estimators with Driscoll–Kraay standard errors to a panel of Southeast Asian economies, Nguyen, (2023) reports that contractionary monetary conditions were associated with larger rather than smaller FDI inflows, which suggests that the interest-rate channel operates differently depending on how credibly monetary policy signals macroeconomic stability to foreign investors.

The comparatively weak and statistically limited effect of exchange-rate movements departs from some earlier country-specific findings that report a stronger exchange-rate channel; this divergence may be explained by the fact that the present sample pools economies with markedly different exchange-rate regimes ranging from the managed floats of Vietnam and China to the fully floating regimes of Korea and Japan so that offsetting effects across countries attenuate the pooled coefficient. This interpretation is consistent with Syarifuddin, (2022), who employs a spatial econometric framework for ASEAN over 2001–2018 and shows that exchange-rate effects on FDI are not transmitted uniformly across the region, with the spillover coefficient remaining statistically insignificant for investment originating outside ASEAN. Net exports exhibit a negative association that should be interpreted cautiously: rather than reflecting a causal deterrent effect, it is more plausibly explained by reverse causality, whereby FDI inflows in export-oriented manufacturing economies initially raise imports of capital goods and intermediate inputs before export capacity materializes, temporarily widening the trade balance.

Several variables in the Fixed Effects estimation, including exchange rates and net exports, show relatively weak statistical significance. Rather than treating this as a limitation to be concealed, the study interprets these weak effects substantively: they indicate that, once institutional quality and fiscal variables are controlled for, short-run macroeconomic price variables carry comparatively little independent explanatory power for FDI location decisions in this sample, reinforcing the broader institutional-political-economy interpretation advanced in this study.

As a robustness check, the model-selection sequence (CEM, FEM, REM) together with the diagnostic tests described in the Research Method section (heteroskedasticity, autocorrelation, cross-sectional dependence, and multicollinearity checks) was used to ensure that the reported coefficients are not artifacts of misspecification; nonetheless, the authors acknowledge that additional robustness exercises such as re-estimation with Driscoll–Kraay standard errors, alternative institutional-quality proxies, and a dynamic (system-GMM) specification to address potential endogeneity between FDI and regulatory quality would further strengthen confidence in the results and are identified as priorities for future extensions of this research.

This study is subject to several limitations that should be acknowledged. First, the analysis relies on secondary macro-level data, which may mask firm-level and sector-level heterogeneity in FDI motives across manufacturing, services, and

resource-based investment. Second, the balanced-panel requirement necessarily excludes shorter time series and smaller ASEAN economies (such as Cambodia, Laos, Myanmar, and Brunei) for which consistent 2010–2024 data were unavailable, which may limit the generalizability of the findings to the full ASEAN membership.

Third, while the Fixed Effects specification controls for time-invariant country heterogeneity, it cannot fully rule out endogeneity arising from the possibility that FDI inflows themselves influence regulatory reform and government expenditure decisions; a dynamic panel or instrumental-variable approach would be required to address this concern directly. These limitations do not undermine the study's central conclusions but delineate clear boundaries for the interpretation of the results and directions for subsequent research.

CONCLUSION

This study concludes that regulatory quality is the most influential determinant of Foreign Direct Investment (FDI) in ASEAN and East Asian countries during 2010–2024, indicating that governance quality and regulatory predictability are more important than conventional macroeconomic variables in attracting foreign investment. Government expenditure positively affects FDI when directed toward productive development, while higher interest rates reduce investment by increasing financing costs. Exchange rates and net exports exhibit relatively weak effects.

These findings strengthen the institutional political economy perspective by highlighting the central role of institutional quality in explaining FDI patterns across countries. This study is limited by its reliance on secondary macro-level data and country-level analysis. Future research should incorporate sector-specific data, additional institutional indicators, and dynamic panel approaches to provide more comprehensive evidence on FDI determinants.

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