

Direct Western investment in East Europe

St. Antonys College - Direct Investment by Country and Industry, 2017

The Color of Money: The Effects of Foreign Direct Investment on Economic Growth in Transition Economies

Minsoo Lee and Moonhoong Tcha

Department of Economics, American University of Sharjah, United Arab Emirates

Department of Economics, University of Western Australia, Crawley

Abstract: During the initial phase of transformation to a market economy many of the Eastern European and Baltic countries experienced an initial decline of output. This paper explores, both theoretically and empirically, why they experienced negative growth initially and how some of them managed to get over and recorded positive growth eventually. As a vehicle to transfer technological managerial skills, as the transition economies as well as to increase capital stock, foreign direct investment (FDI) is regarded important. Production networks, with a high elasticity of substitution between two inputs are employed to capture the dynamic short-run movement of these economies. Cross-sectional and panel data are utilized to analyze the short-run dynamic movement of equilibrium paths of transformation to a market economy. The findings confirm that total factor productivity and GDP in the region grew together with the inflow of FDI, and the marginal contribution of FDI to growth is greater than that of domestic investment. JEL: O40, P50, F21

1 Introduction

During the phase of transformation to a market economy, many countries of Central and Eastern Europe, the Baltic States and the Commonwealth of Independent States (CIS) initially experienced a severe decline in output. While these negative growth rates were larger than most economists had expected, some of the transition countries have now entered a stage of post-

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Description: -

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Investments, Foreign -- Romania.

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Opportunities and risks for investors in central and east Europe

City growth and technological change were both modest until much later in the 19th century, save in pockets of northern Italy and northern Spain. The foreign debt and external liabilities that most of these nations are reeling under, has seen consistent drop with the revenue pouring in through FDI. Eastern Europe: Albania, Bosnia, Cyprus, Czech Republic, Georgia, Hungary, Latvia, Poland, Russia, Romania, Turkey, Ukraine, Serbia, Slovakia, Moldova, Lithuania are some countries of Eastern Europe.

East: Foreign Direct Investment Is On The Rise In Eastern Europe

A foreign parent is the first person or entity outside the United States in a U. The UK Trade and Investment is a perfect example of a government agency that helps local firms to invest abroad and also assist foreign enterprises to set up business in UK.

CiteSeerX — TRANSFER VIA FOREIGN DIRECT INVESTMENT IN CENTRAL EAST EUROPE

Since the beginning of political and economic transition towards democracy and market economy in the early 1990s, Central and Eastern European Countries CEECs have seen a significant increase of incoming foreign investments, especially from Western Europe.

Importance and promotion of foreign direct investment in central and eastern europe Example

However, a lack of infrastructure, including liquefied natural gas terminals, pipelines, and interconnectors have hampered the speed of progress.

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