Name: Olayinka Fadahunsi
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FOREIGN DIRECT INVESTMENT NET OUTFLOWS PERCENT OF GDP VS FOREIGN DIRECT INVESTMENT NET INFLOWS PERCENT OF GDP IN THE WORLD.

Foreign direct investment is the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors and is divided by GDP.

Foreign direct investment refers to direct investment equity flows in an economy. It is the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy. Ownership of 10 percent or more of the ordinary shares of voting stock is the criterion for determining the existence of a direct investment relationship. This series shows net outflows of investment from the reporting economy to the rest of the world and is divided by GDP.
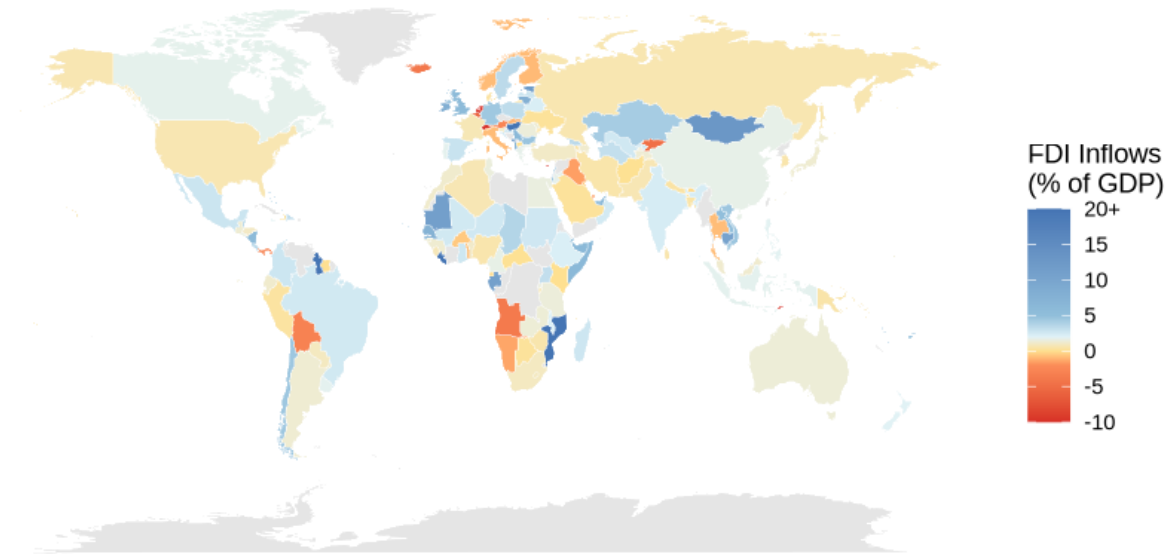
DATA OVERVIEW

Both datasets contain FDI data for countries across multiple years. The inflows dataset has 191 countries while the outflows dataset has 186 countries. For 2020, we have data for 182 countries (inflows) and 161 countries (outflows), with 160 countries having both metrics.

WORLD MAPS FOR 2020
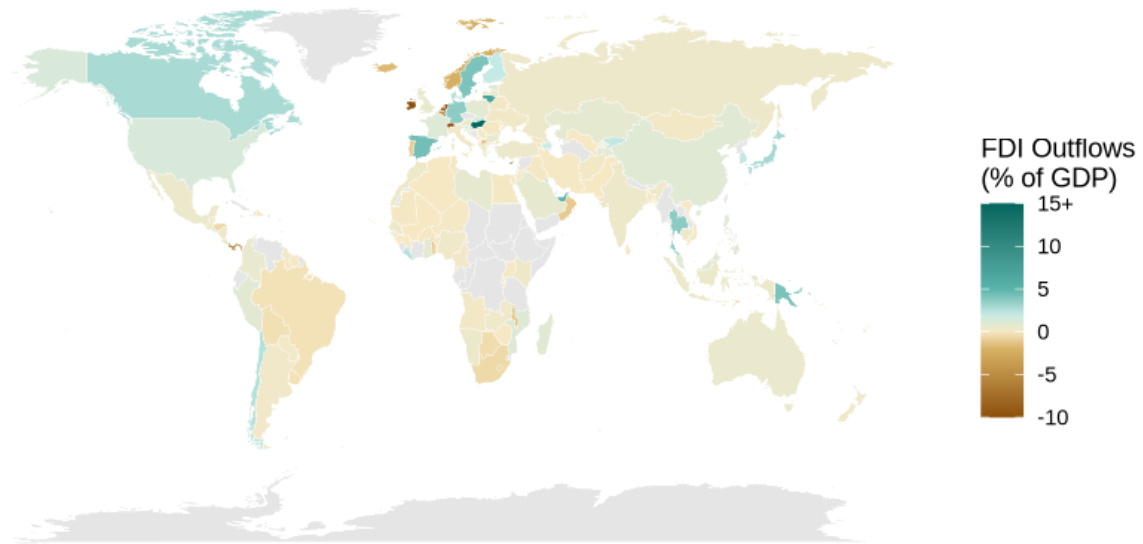
FDI Net Inflows Map:

Foreign Direct Investment Net Inflows (% of GDP) - 2020

This map shows FDI inflows as a percentage of GDP in 2020. Green indicates positive inflows (countries receiving investment), red indicates negative values (disinvestment), and white is near zero.

FDI Net Outflows Map:

Foreign Direct Investment Net Outflows (% of GDP) - 2020

This map shows FDI outflows as a percentage of GDP in 2020. Blue indicates positive outflows (countries investing abroad), red indicates negative values, and white is near zero.
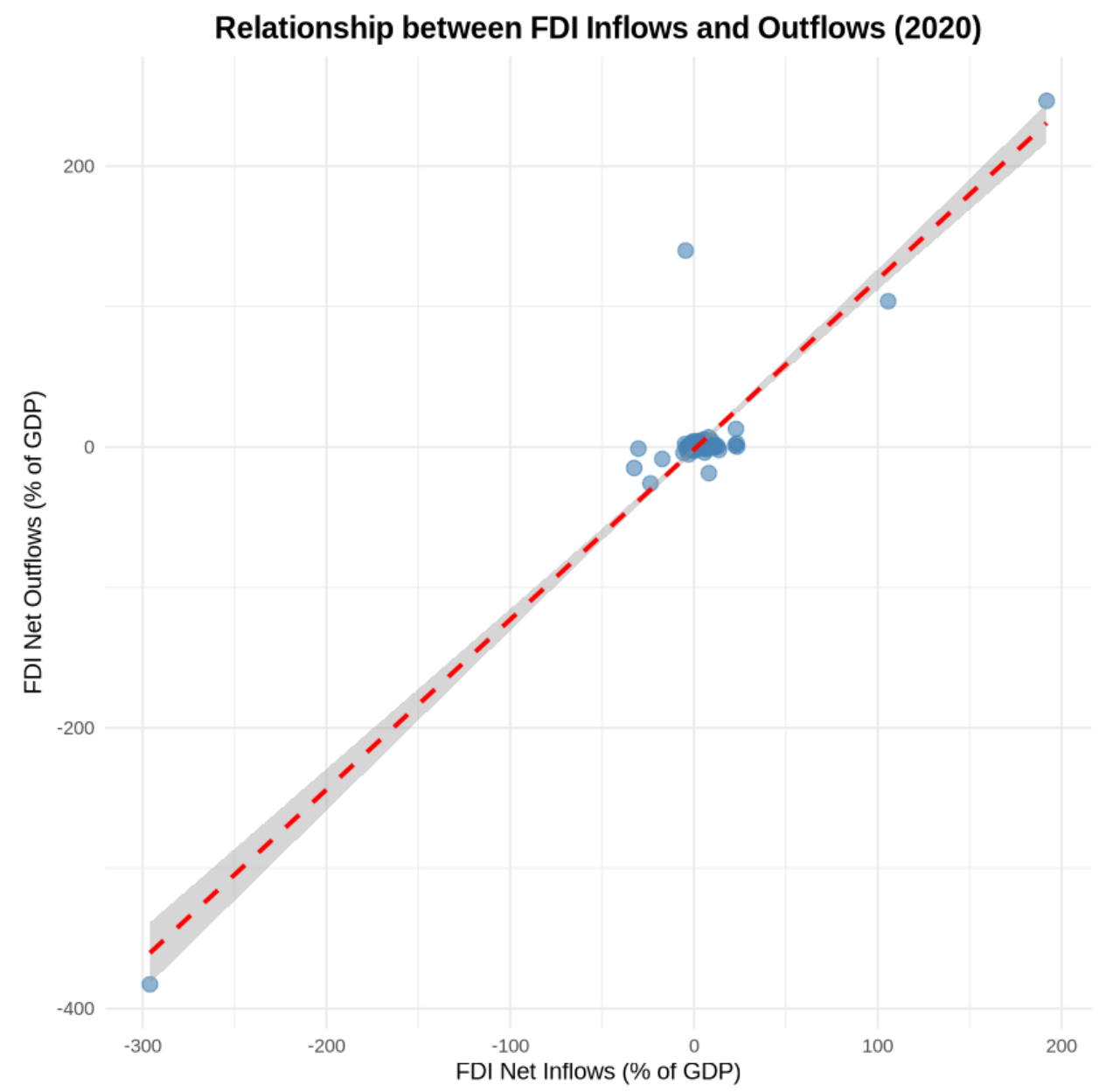
Note:

This map uses a brown-to-teal color gradient, where:

- **Brown tones** indicate negative outflows (or net inward repatriation)
- **Light/beige** indicates near-zero outflows
- **Teal/dark green** indicates high positive outflows (countries investing heavily abroad)

The scale ranges from -10% to 15%+ of GDP.
The color legends are now clearly visible on the right side of each map, making it easy to interpret the FDI values for each country. Countries in grey have no data available for 2020.

Scatterplot Analysis

Relationship between FDI Inflows and Outflows (2020)

INTERPRETATION OF THE RELATIONSHIP

The analysis reveals a **very strong positive relationship** between FDI inflows and outflows in 2020:

- **Correlation coefficient: 0.9342** - This indicates an extremely strong positive correlation
- **R-squared: 0.8727** - Approximately 87% of the variation in FDI outflows can be explained by FDI inflows
- **Regression equation**: Outflows = -1.76 + 1.21 × Inflows (highly significant, $p < 0.001$)

Key Insights:

- Countries that receive more foreign investment (inflows) also tend to invest more abroad (outflows)
- For every 1% increase in FDI inflows as a share of GDP, outflows increase by approximately 1.21%
- This suggests that economically integrated countries participate in both receiving and sending foreign investment
- The relationship likely reflects that countries with open economies, strong financial systems, and international business connections both attract and generate cross-border investment
- Some outliers exist (visible in the scatterplot), representing countries with unusual investment patterns in 2020, possibly due to COVID-19 impacts or specific economic circumstances

MY REFLECTION

1. What was easy about the process of interacting with the Al tools? It was observed that the Al tools can process huge datasets accurately in some seconds with minimal or without error, very interest.
2. What was difficult about the process of interacting with the Al tools? Inability to write coding actually limit some actions to be taken using the tools even though there is always a way around it without having coding knowledge. Having coding knowledge would have been an added advantage in interacting with the Al tools.
3. The surprising part of the process of interacting with the Al tools is that the tools act like having conversation with human being.

4. I learnt new things:
   - Knowing the ability of Al tools
   - Knowledge of the Al tools usage for different purposes such as Julius for data analysis, gemini, gemma for ideas presentation etc.
   - How to design website without coding and hosting the page.