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DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN ASIAN COUNTRIES

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ABSTRACT

The foreign direct investment (FDI) is a key component in modern economic growth. FDI is a key driver of a country's capacity to trade and therefore, industrial structure of developing countries normally seeks to attract FDI inflows and the Asian countries have proven to be leading exponents in this regard. Asian countries have followed a process of reforms to open up their economies to create a core for foreign capital inflow. The manifold benefits of FDI, developing countries around the world have significantly eased limits on foreign capital convey. Recently, FDI in flow to developing economies reached their uppermost level and FDI inflows to Asia rose to dollar 41 billion in 2014. In this paper an attempt has been made to analyze the determinants of FDI in Asian countries with special reference to South Asian countries. The paper highlights the key components of FDI inflow to Asian countries.

KEY WORDS: FDI, growth, Asia, Regional economics

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