UDERSTANDING THE INFLUENCE OF INTERNATIONAL ECONOMICS AND PROMOTING THE DEVELOPING COUNTRIES AS THE NEW “ROBIN HOOD” OF FDI - AN INTERNATIONAL MARKETING PERSPECTIVE

FULL PAPER

Tamara Jovanov Marjanova
Faculty of Economics, University “Goce Delcev”
“Krste Misirkov”bb, 2000 Shtip, Republic of Macedonia
Phone:++<38932550329>
E-mail: <tamara.jovanov@ugd.edu.mk>

Abstract
As it seems, we constantly hear more and more about the global economy and the global market. Company’s orientation towards the foreign markets and FDI is tightly linked to its development and growth and it is not only a consequence of corporation’s management decisions, but among all of the development and growth of the national economy and the changes in the international and local business environment. In the last few decades we witness the fast growth of international trade, which on the other side indicates the significance of international marketing as a base for successful business ventures on international level. From the imported cereals we eat for breakfast to our retirement funds being invested abroad while we sleep at night, our lives are deeply influenced by the "World Economy”. As the importance of “made in” is shifting towards “made by” it’s no wonder that developing economies are trying to steal every cent of FDI from the developed ones and make its people a little richer and a lot more satisfied. It is clear as day that production only is the key to prosperity, so we should do our best in promoting our homeland and try to bring production companies in our back yard, so our “garden” can have more “roses” and look prettier than our neighbors. With the methods of deduction, induction and secondary research and information, we could easily find out the right changes that are to be made, promote them laud and clear so everybody can hear us, which would mean learning on other countries mistakes, rather than on our own ones…

Key words: *International economics, FDI, International marketing.*
JEL Classification: F20, F21, M31, M38.

1. Introduction

My bellowed grandmother often said something I’ll always remember: Proper household economy is half of your wealth. From her saying, by the method of induction I can state that the the world economy is really no more complicated than the domestic economy we experience every day. We are often attracted to the bank that gives us a better interest rate than the one next door, but in an expanding global economy we shouldn't think twice about crossing borders to invest our money or sell our goods and services. It is not only as a consumer of foreign goods and services that we are part of the world economy. The world economy consists of all those interactions among people, businesses, and governments that cross international borders. Global investments, food imports, automobile exports, trade in services, they all contribute to each country's international economic activity. In economic terms globalization refers to complete mobility of countries capital and labour and their products, so that the world's economies are on the way to becoming totally integrated. The driving forces of the process are reductions in politically-imposed barriers and in the costs of transport and communication. It is estimated to have resulted in net welfare gains worldwide – The IMF Research Department

(2007). Countries have become more integrated through increased international trade, foreign investment, migration and more efficient transportation and telecommunication. Industries prosper and fail in the face of global competition. International agreements such as the World Trade Organization (WTO), North American Free Trade Area (NAFTA), and European Union (EU) are becoming a fundamental form of government. Government policy protects some favored industries from the pressures of international competition and subsidizes others for export, at the expense of everyone in the economy. Tax policies are designed to hinder trade and investment. Government central banks interfere with the foreign exchange market. Such policy maneuvers impede international commerce and lower average income in the economy. In microeconomics, an economy can be seen as a collection of interdependent markets. In international economics, markets and economies are linked across borders. The basic tool for predicting the international pattern of production is comparative advantage. The international supply of traded products is based on underlying production and the production and trade of minerals and agricultural goods are based on geographical advantages. An important input that can be installed where there is labor and infrastructure for traded manufactured goods and services is capital. International demand is based on income and tastes and the interaction of international supply and demand determines production and trade. Empirical research confirms that the greater the trade linkage between countries the more coordinated are their business cycles (Frenkel and Razin, 1987). In the global business environment, every country should think from the perspective of international marketing and see the huge corporations as potential customers who want to spend their FDI there where the best product is offered, since "International marketing consists in finding and satisfying the needs of the global customer better than the competition in terms of the global surrounding" (Terpstra & Sarathy, 1995). Among all of the different ways to enter a foreign market like import – export, leasing, license, strategic alliances and investments, developing countries should be focused on FDI, because of their strong impact on development and growth.

2. International Economics and FDI - factors of change in a county's economy

In many small and developing countries, international economics is a matter of life and death. It examines a great number of hot topics, such as trade and labor standards, outsourcing, exchange rates, economic sanctions, etc. According to the Institute for International Economics, International economics is concerned with the effects upon economic activity of international differences in productive resources and consumer preferences and the institutions that affect them. It seeks to explain the patterns and consequences of transactions and interactions between the inhabitants of different countries, including trade, investment and migration. In other words, International economics builds models to capture the essence of international commerce. In the moment when a country decides to step up to the "playground", it is by nature of things directly sucked in the whirling of international trade and only if it has more to sell than to by, it can have hope of prosperity and growth. But, sorry to say, developing countries with inherited little or no production, with bureaucratic administration, corruption in every level of society, ineffective judicial and legal system, week national currency, etc., often have less to offer, but more to seek, which results in trade deficits, small GDP growth, high rates of

unemployment and small or no economic development at all. To avoid such terrible destiny the countries should take measures to change and adjust their business climate and attract their "saviors", which on the other side are trying to avoid the drawbacks from globalization, such as expensive labor, high tax rates, the confrontation with strong and organized labor unions, etc., and create a win-win situation. Countries with open economies could complain that the only thing worse than foreign investment is no foreign investment. Foreign investments are the result of trade surpluses. When a hardworking country due to the developed economy and its production companies, exports more than it imports, it ends up with money to invest in the global economy. This money can be used abroad to buy anything from foreign government bonds to real estate and whole companies. We are witnesses of Americans "buying up France" – even Euro Disneyland is under American control, Japanese "buying up America" – especially in automobile industry, Russians "buying up Montenegro" – real estate sector, and even if such actions are often criticized by the people or political parties, they bring more good than bad to the national economy. When the United States began running trade deficits in the 1980s, the billions of dollars spent by Americans on foreign goods returned as foreign investments in the U.S. economy and they did help to keep the American economy running on track and created many new jobs for local workers. There is a natural fear of strategic industries falling into foreign hands and because of that most countries have laws that prohibit foreign ownership of vital hightech industries and military suppliers, but this can easily be accomplished without limiting foreign investment in other sectors of the economy. Countries with trade deficits can often benefit from foreign challenges to make their industries more competitive on the international markets. By the mid-1990s, U.S. car makers had succeeded in increasing their sales abroad, mainly because Japanese competition in the U.S. market forced them to make higher-quality automobiles at competitive prices. In the long run, competition forces everyone to do a better job. If a country chooses to restrict foreign investment, jobs and needed capital are often lost to other countries with more open economies. The size, the structure and the efficient use of the investments are the key factors for sustainable development of a countries economy. The investments are the starting point of renewing and expanding of the economies production base. Investments are generated from domestic savings and loans from abroad in a form of loans and FDI. In less developed economies there is constant lack of investments, little savings which withdraw more loans from abroad and lack of FDI.

In transition economies, with transition from planning to market system, a significant part of overall economic production capacity becomes obsolete because in the new system to which countries adapt there is no demand for these "old" products. The effect of economic limitation in transition economies is not a gradual limitation, but a single strong shock, which can be offset by faster finding of new markets and an influx of new investments. By some estimates, in transition the economic limitation causes a reduction of capital in the economy for about 35% (Pula, 2003). Investments can be classified as follows:[1] FDI, portfolio investments and other investments. Among these, FDI are the key factor for economic growth, because of their stimulating effect on: production, import of know-how, increase of the employment, infrastructure development, reduction of poverty etc.

The prime motives that make FDI attractive for the host country can be linked to their main characteristics such as:

- FDI as a source of investments that do not causes debt for the country;

[1] http://nbrm.mk/

- FDI as a strategy for a new market entry and export growth;
- FDI as a factor for employment growth;
- FDI as a way of import of new technologies, know-how, new forms of organization and company management;
- FDI as a reason for activation of the domestic resources, which otherwise would be insufficient used because of the lack of domestic capital.

The benefits achieved through the increase in FDI has created strong competition in the global market of free capital, all with the aim to attract as many and as diverse FDI as possible. The general trend in the global FDI market is the erasure of geographic borders between developing countries and developed ones: in the past three years, developing countries have not only represented a growing FDI market, but have also been aimed at attracting capital intensive investments, as well as R&D investments.[2]

According to the research made by KARNEY Group, the most attractive investment locations remain:[3] China, USA, India, Russia, Brazil and Mexico, while it is predicted that there will be a strong expansion of investments in the SEE region, as well as in the new EU member states (*see figure 1*).

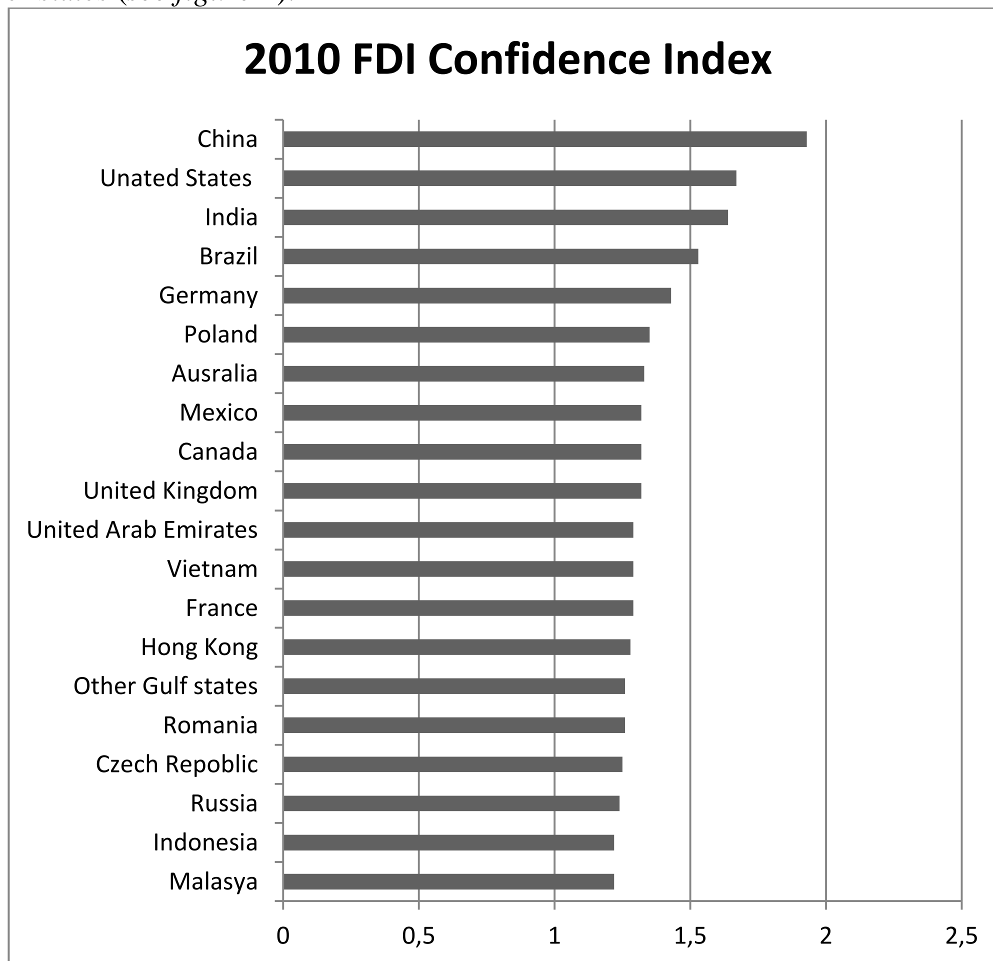

Figure1. Most attractive investment locations
Source: http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf

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[2] Source: UNCTAD, The World Investment Report 2005: R&D investments represent investments in research and development. The overall report for 2005 is based on internationalization and influx of R&D investments in the developing countries, which was mostly a privilege of developed countries until this year.
[3] http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf

Europe's new leaders are Germany and Poland where investors see large, relatively stable economies, and Romania is the highest – raking newcomer.[4] Romania, in spite of a severe recession, fiscal troubles and a standoff over budget deficits, is still attractive for investors because of the 2007 EU membership that has made the country a safer destination and its large population, the continent's 10th biggest. Many investors see Romania as low-cost, near-shore destinations for European operations, especially in the oil and gas sectors.[5] Among the top 15 investment destinations, the UAE has developed a stable business environment and opportunities, drawing investor interest far beyond what the country's size suggests.[6]

2.1. Factors that influence the companies choice of a strategy for a foreign market entry and a way of addressing them

With analysis of the incentives for entrepreneurial activity abroad we should answer the question: "Why do companies establish their own companies in foreign countries?" From the microeconomic point of view there are several groups of motives for investing abroad:[7] internal (achieve maximum profits, realization of technological rent), external (bypassing of the protective measures), offensive (the conquest of new markets, optimal utilization of available resources), defensive (retention of the existing market position), etc.

From a macroeconomic point of view there are three groups of motives for investing abroad:[8] International movement of capital - export of capital (companies invest capital in foreign countries due to its greater profitability than in the home country); theory of the life cycle of the enterprise (investments abroad are explained in terms of avoiding risks and dangers that threaten the position of the enterprise on the domestic market in line with the position in the life cycle of the product); theory of monopolistic advantages (based on imperfection of the production and financial markets, i.e. the benefits for the foreign investors that will help them overcome the initial advantage of the local enterprises in a situation of equal market conditions. These advantages are expressed through better technology, patents, world-famous brands, etc.).

FDI occur in several types: as individual investments in their own enterprises and joint ventures with local or foreign partners. Personal owned companies abroad are those that are fully owned by residents of the country where the company is located, and may be established in two ways: with a buyout of an existing company or through building a new company. Today it is considered that there are more advantages when purchasing a company because the existing production facilities can immediately be exploited, there is established marketing organization and other business functions. There is immediately secured market share and the fear of something strange and unfamiliar (Xenophobia) can be avoided. On the other side, joint ventures are the result of direct investments of partners from two or more countries for joint production, division of risk, profit, strategy and tactics and joint policy for development. Joint ventures can be bilateral - with partners from two different countries or multilateral - three or more countries.

[4] http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf
[5] Ibid.
[6] Ibid.
[7] J. Previsic, Motivation for direct investments abroad, Marketing, 4/1988, p. 267-274
[8] Ibid.

International companies are open to new markets and better alternatives of doing business and often have to choose between the so called Outsider[9] and Insider market position as a way to access a foreign market. The strategy linked directly to FDI is the Insider strategy - it allows moving resources (technology, capital, know-how, people etc.) in foreign countries and exports not only marketing, but also production and other types of activities. In order to be able to make effective changes in the business environment and create efficient promotion strategy for the country, we must be aware of the driving factors that make companies choose the Insider market position and their marketing strategy:[10]

- Internal variables: companies strategic goals; the type of products or services and their life cycle; available resources and scale economy; degree of companies internationalization and the knowledge of the foreign markets;
- External variables: globalization of preferences and customs – homogenization of tastes up to the point where they can be predicted and put in a scheme that can be repeated; the type, features, risk of the foreign markets; methods of global communication; government, economic and social policies and the competition.

Unlike the indirect foreign investments, the direct foreign investments aim at creating a continuous, active economic interest for the investor who strives to make profits on invested capital through management and control. Direct investments allow foreign investors to acquire:[11] right to ownership, possibility to manage the company and the right to control the working operations. In a broader sense elements for which direct investments differ from the rest are the right to control and manage. In the narrow sense, elements that characterize the direct investments are the following: direct impact on the business of a foreign company, entrepreneurial activity abroad, the right of control over the operations of the foreign company and consistency of participation and business interest.

All of these issues should be directly addressed form the country which main interest is attracting more FDI and on these basic steps can be created a successful change and promotional strategy. The way of addressing these issues should be precisely determined through a list of measures that can be applied as a relief and incentive for the companies to choose FDI as a way of accessing a foreign market. These measures can be divided in two groups:[12]

- Broad measures: global stability in economic, legal and political sense - one step forward might be making a credit rating; reduction of the risks calculated in the discounted inflows of investors, monetary risks (inflation rate, interest rate, external sector - trade deficits, exchange rate and fiscal risks (budget deficit, low financial discipline); regulation of entry and exit - sometimes it is better to define what is prohibited than what is allowed - the investor would feel more free to work when known that what is not forbidden is allowed; the market size and potential for economic growth - taking into consideration the liberalization.
- Narrow measures: fiscal measures (reducing the tax burden, tax holidays (exemptions), transmission loss in the next period, accelerated depreciation,

[9] When using the Outsider strategy, the company produces in the home country and exports the products in other foreign countries. The company produces only marketing activities in the foreign countries.
[10] Note: These views and opinions presented in this paper are personal views of the author based on scientific analysis prepared for the respective area.
[11] J. Previsic, How to invest in foreign countries, IP, Zagreb, Samobor, 1986, p.37
[12] http://www.cea.org.mk

subsidized loans, infrastructural benefits (for example, power and water plugs provided by the state), lower tax rates for reinvestment - a measure for existing businesses who want to reinvest) and financial measures (preferential loans - for SMEs or family businesses, for example; state guarantees for investment loans; export guarantees and insurance; grants for green projects, research and development, infrastructure and rural projects.

Empirical studies and surveys conducted by international consulting firms show that the most important are the broad measures to attract FDI (providing a favorable legal and economic environment and a healthy civil society), and that the narrow measures are much less important, and in some studies with ambiguous results.[13] The experiences show that negotiations between the government and the investor may result in additional discounts (for large projects) in the price of electricity, cost of buildings, providing of a land, special services from investment agencies, simple import-export procedures etc. This is the moment when in the future the government may suffer from severe monopsony role of the developer. And where are the developing countries in this story? Well, they are generally weak in the area of the broad measures, with relatively small potential for economic growth, which indicates the need to improve in this particular area. Experiences show that it is more likely that narrow measures will not yield greater FDI if there is no sound basis of broad measures and a healthy civil society with built infrastructure. Yet it is important not to give up the implementation of narrow measures and to be careful not to enter in the so-called dilemma of the prisoner (prisoner's dilemma)[14] in competition with other countries for FDI.

The research made by KARNEY group shows the most attractive sectors for investments in SEE countries:[15]

- The service sector – transportation, infrastructure, commerce, IT sector, tourism and energy;
- The production sector – food and beverages, automotive components, healthcare products (pharmaceutical and medical devices), clothing, textiles and leather;
- The primary sector – agribusiness, metals and metal products, construction and mineral resources.

The measures for attracting foreign investments can't be effective if they can be found only on paper. It is important to remove the main obstacles that push investors away. The research of "Economist Intelligence Unit" shows that corruption, cumbersome bureaucracy and political instability are the main reasons that keep investors away from the SEE region.

The most common limiting factors that drive the foreign investors away from the developing countries are:

- Poor infrastructure;
- Corruption;
- Increasing cost of labor;
- Lack of macroeconomic stability;
- Inefficient market of accompanying service activities;
- Rigid labor markets and uncompetitive structure of employees;

[13] Ibid.
[14] For comparison, the rate of profit tax in Slovenia is 25%, in the Czech Republic it is 31% and in Hungary is 18%, and there is no income tax in Estonia, for example.
[15] http://www.atkearney.com/images/global/pdf/FDICI_2007.pdf

- Insufficient legal framework for a competitive market for the private sector;
- Political instability;
- Insufficient domestic demand (purchasing power)
- Insufficient use of free zones.

An efficient way of creating a general positive environment for attracting more FDI is by enhancing the transparency of public sector, providing an institutional framework, creating and implementing quality legal framework, providing conditions for healthy competition in the private sector and reduction of fiscal barriers. The SEE region and the developing countries are more and more attractive for the investors mainly because of the changes they have made in the investment policies, which in the end can result in creation of a more favorable business climate.

2.2. Targeting the investors for promotion of the developing countries as attractive markets for investments

The developing countries should create effective strategies for efficient promotion of their changed and improved investment policies. They should rely on their inner strengths, use the opportunities that the global environment offers, try to transform their weaknesses into strengths and if possible, to avoid the threats. The key points that should be indicated when promoting the country, should arise from the transformation and change of the limiting factors pointed out by investors after the transition period. A SWOT analysis can summarize the mutual positive factors of the developing countries and offer a solid base of investment incentives for luring the investors into their "back yard".

Table1. A SWOT analysis of mutual factors of the developing countries

Strengths	**Weaknesses**
- Political and macroeconomic stability; - Competitive financial risk on regional level; - Tax incentives; - End of privatization process; - Solid level of economic changes; - Remodeling the old and building new institutions; - Restructured and privatized banking system; - Developed telecommunication structure; - Substantial level of high educated workforce; - National treatment of foreign investors; - Relatively low custom rates; - Free economic zones; - Prompt procedure for company registration.	- Poor infrastructure; - Insufficiency of recognizable locations for FDI attraction; - Limited natural resources; - Implementation gap in the primary and crucial laws; - Poor judicial system; - Market size; - Administrative barriers – long lasting procedures for permits for activities on local level (construction permits, frequent change of land use, etc.); - Insufficient development of sectors technological base; - Insufficient level of know-how (especially managerial skills).
Opportunities	**Threats**

- Government devoted to improvement of the economic development, fiscal policy, and building a sustainable environment for attracting more FDI; - Continuous development of financial markets; - Creating a liberalized fiscal system for attracting more FDI; - Continuous strengthening of the banking sector; - Reforms in the education according to the needs of the developing sectors in the country.	- Inability of developing strong institutions for attraction of FDI; - Slow changes in the legislation according to the EU standards; - Borrowing from international financial institutions and improper usage of the money for non-capital investments.

Based on the SWOT analysis, which shows that there are more strengths than weaknesses and more opportunities than treats, the developing countries can use strategy of further development in the direction of more flexible investment policies and new investment incentives like: educated, highly-qualified, and ethical workforce, developed infrastructure, lower corporate and personal income tax rates, one-stop-shop system that enables investors to register their businesses in short period of time (within one day), market freedom, the freedom of entrepreneurial activity and property rights, easy access to work visas, licenses and permits, signing multilateral bilateral free-trade agreements in order to ease the access to bigger markets and more consumers, etc.

Shifting trends in the global business environment have led many analysts to question the sustainability of their long term business strategies and make changes in their investment strategies, which as a fact should be taken in consideration by the countries that are targeting new investors. (*see figure 2*).

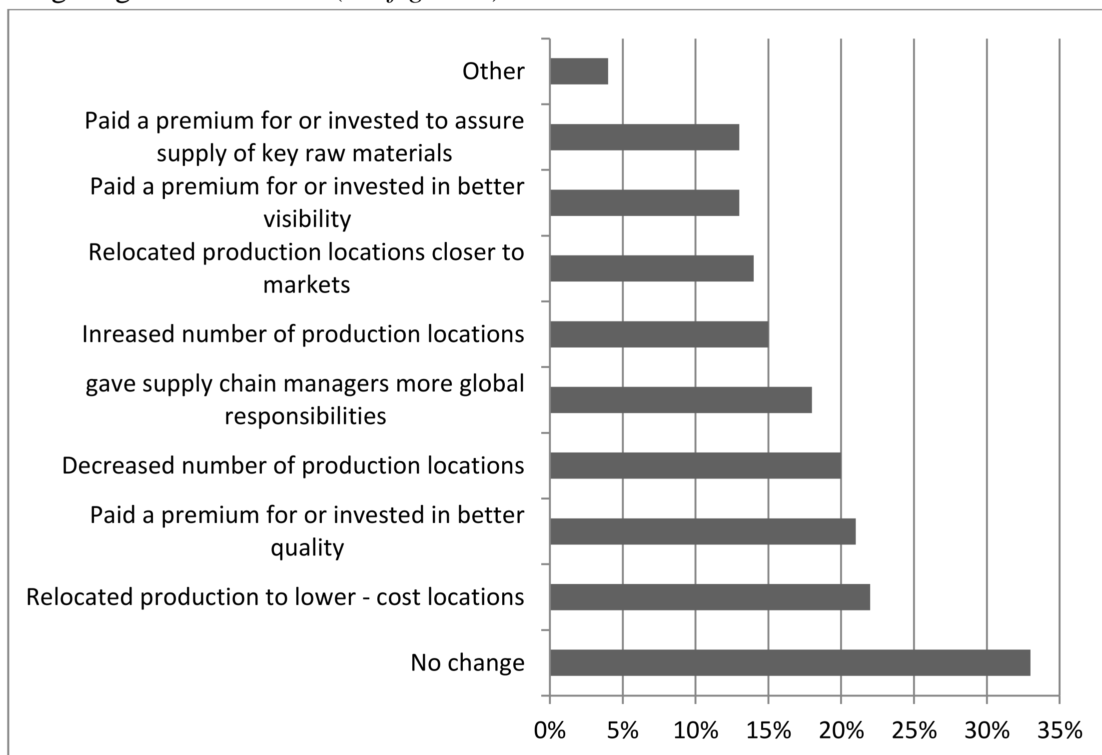

Figure2. Changes in supply chain strategies

Source: http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf

Before the last economic recession came upon us, consumers in many developed countries spent large proportions of their income and saved a little. But, as stock values, savings and retirement funds dwindled during the crisis, the consumers were forced to change their consumption pattern and consume less. Even before the crisis, consumers began demanding more sustainable practices form companies, and the general belief is that it is a trend that will continue in the future and that it will have effect on companies investment policies world-wide. This trend should also be taken in consideration when creation a countries investment policy (*see figure 3*).

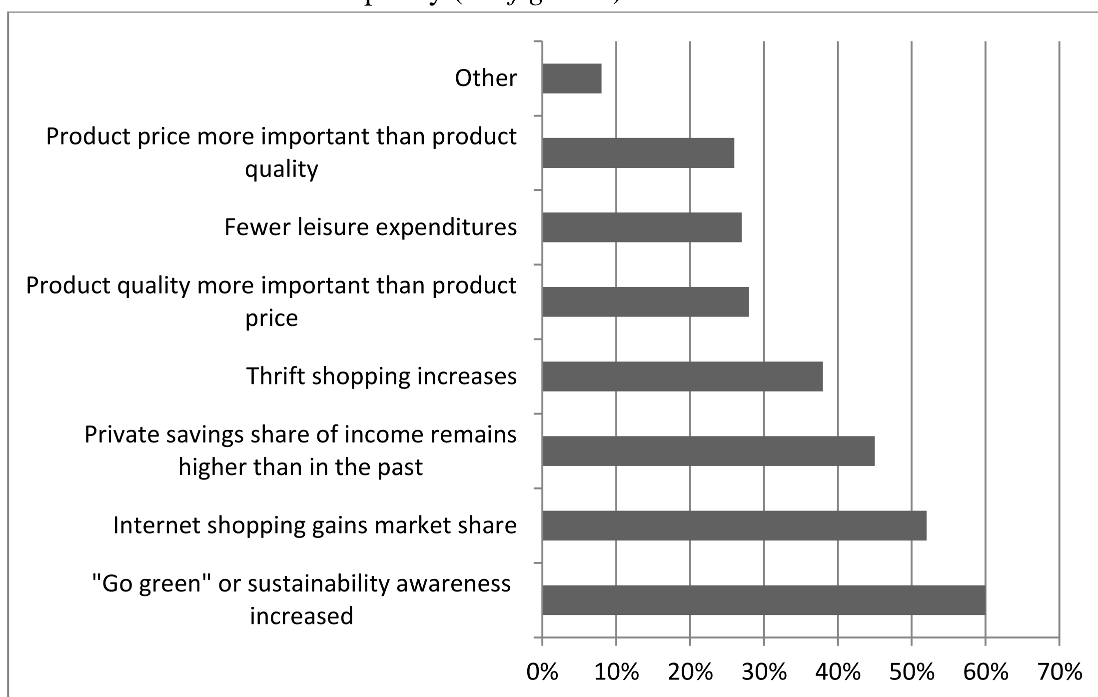

Figure3. Consumption patterns likely to persist post - recession
Source: http://www.atkearney.com/images/global/pdf/Investing_in_a_Rebound-FDICI_2010.pdf

The target group of investors and target sectors that should be pursued and on which the countries should focus their investment policies are:[16]

- Medium sized and large enterprises from the neighboring and other closer well developed countries, with a need for expansion of their production;
- Multinational companies that are still not present in the region;
- Multinational companies that are already positioned in the neighboring countries, with an offer for competitive location for logistic and distribution centers;
- Companies that already collaborate successfully with the country, but seek to enter new industries or markets.

Based on the analysis prepared for the respective area, the concept of promotion in front of the foreign investors can include the following tree activities:[17]

[16] Note: These views and opinions presented in this paper are personal views of the author based on scientific analysis prepared for the respective area.

- Image building – IPAs[18] promoting the country through its strengths as attractive location for FDI;
- Investment generation – IPAs ensuring FDI through direct and more targeted promotion;
- Service for investors – national care in providing services for the foreign investors.

IPAs can use integrated marketing communications to complete the sales process and meet the AIDCAS sales model. AIDA stands for Attention, Interest, Desire, Action, and it is a reminder of the four stages of the sales process. A variant on AIDA is to add a 'C' for Conviction. The letter 'S' for satisfaction also gets added, indicating the fact that happy customers will buy more (whilst unhappy customers will tell their friends!)

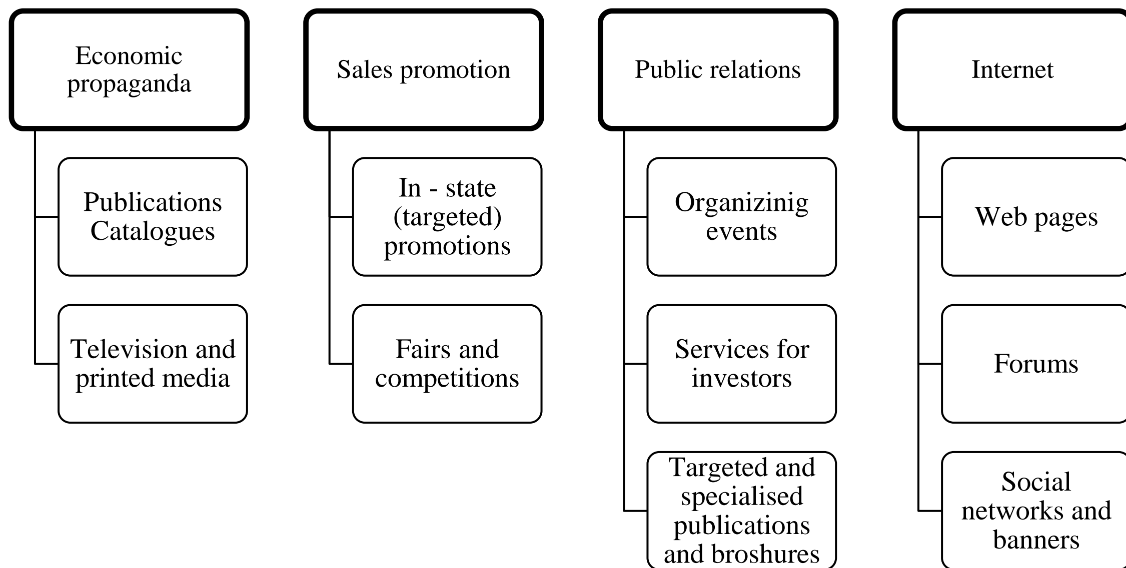

Figure4. Combination of the elements of the promotional mix for national promotion of the country[19]

The chosen and developed promotional mix can often be the key element that leads to investors action, which means that the country with the best promotional strategy will succeed in closing the deal and get the desired amount of “foreign money” and inject it into its national economy.

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[17] Ibid.

[18] An investment promotion agency (IPA) is most often a government agency (or occasionally a non-profit organization functioning similar to a chamber of commerce) whose mission is to attract investment to a country, state, region or city. The agency does this by introducing investors with local real estate developers and other commercial service companies, providing userful statistical information such as average wages and by managing any investment incentives that the city, state or country may offer to companies which invest there.

[19] Note: These views and opinions presented in this paper are personal views of the author based on scientific analysis prepared for the respective area.

Table 2. Possible Influence of the Promotional mix[20]

Promotional mix = Market force		Promotional mix = Information
The promotional mix affects the preferences of investors, changing the possibility of the investment and differentiates the country from the competing countries.	**Promotional mix**	The promotional mix informs the investors about the country, but does not change the valuation of its investment conditions.
The investor becomes attracted to the country and is less sensitive to the risk, and also accepts less substitutes.	**Investors behavior**	The investor becomes more sensitive to the risk, and takes in consideration only the best offer.
The countries with market services for investors gain more discretionary power.	**Structure of the industry and market power**	Investors compare competing offers and only efficient offers can seriously be taken in consideration.
The possibility for competition through prices is decreases.	**Global market activities**	Informed investors lead to competition through quality.
Higher prices and profits derived from the promotional mix of countries provide more funds for promotion.	**Performance on the global market**	Increasing the quality of business environment on long term leads to increased profits.

3. Conclusion

Prospects for global foreign direct investment (FDI) are promising in both the short term and the medium term. The stage for the expected FDI growth is set by the foreseeable macroeconomic climate, which is largely favourable to FDI, and growing corporate profits that increase the availability of investible funds for corporate future expansion. Furthermore, investment liberalisation continues at both national and international levels. Competition to attract FDI through various promotion and facilitation measures has also escalated further. All this has set the scene for increased FDI flows over the next few years. At the same time, there are also risk factors that can be potentially detrimental to future FDI growth rates, such as protectionism, lower-than expected growth in industrialised countries, financial instability in major source economies, global terrorism, and the volatility of petroleum and other raw material prices. Investors' attention appears to be shifting away from traditionally important locations in developed countries in favour of certain emerging markets. Asia and South-eastern Europe are the two regions with the most favourable FDI prospects. Prospects for FDI vary significantly by industry. The outlook for the services sector is more positive than for the manufacturing or primary sectors. The industries expected to be at the forefront of FDI growth are computing and ICT, public utilities, transportation and tourism-related services in the services sector; electrical and electronic products, machinery and metals in the manufacturing sector; and mining and petroleum in the primary sector. IPAs expect the United States to be by far the most important source of global FDI flows, followed by the United Kingdom, Germany and China. The current trend shows that developing country's TNCs are becoming global players through outward investment. Prospects for TNCs' mode of entry indicate that the primary vehicle for FDI is expected to be mergers and acquisitions. In contrast, most IPAs from developing countries concentrate on non-M&A FDI, and expect greenfield investment to be the most important mode of entry. Nonequity investment, such as through

[20] Ibid.

strategic alliances or licensing, is also expected to remain significant. Prospects for the relocation of corporate functions are as follows: production in goods and services is the corporate function that will most likely be relocated. Next in line are logistics and support services, followed by distribution and sales. As competition for FDI increases, countries worldwide are becoming more proactive in their investment promotion efforts. The majority of IPAs are increasing the number and range of FDI-attracting initiatives. In particular, in a case of limited resources, most IPAs should try to employ a more targeted approach to investment promotion. In summary, although there are some potential risks, FDI growth is likely to continue. The recovery is increasingly fuelled by investment into, and from, developing countries and the overall mood should be one of cautious optimism.

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