Comparative Economic Research 10.2478/v10103-009-0026-3

Janina Witkowska

Foreign Direct Investment in the New European Union Member States and Developing Countries of Asia under Conditions of the Global Financial and Economic Crisis: Comparative Aspects

Abstract

The objective of this article is a comparative analysis of the changing position of new European Union member states and the developing countries of Asia in global and regional FDI flows as well as an assessment of the impact of the global crisis on the position of these regions and selected countries in terms of FDI. The analysis encompasses European Union member states that received membership as a part of the enlargement of 2004 and 2007 as well as the developing sub–regions of Asia—i.e. East, South-East, and South Asia. The conducted analysis demonstrates that the position of the developing countries of Asia is significantly stronger than that of the new European Union member states, which is mainly determined by the scale of the economies of countries such as China and India. Subject to conditions of global crisis, Asia and Oceania as a whole noted growth in the inflow of FDI in 2008 by almost 17%, where the European Union member states saw a 2% fall. The situation inside the analyzed regions is extremely varied in terms of noticeable effects of the crisis in the FDI sphere. It is dependent on not only processes of economic growth, but also on the character of investments made in the individual countries and sub–regions as well as motives behind the actions of investors.

1. Introduction

Many factors have an impact on the dynamics of global and regional streams of foreign direct investment (FDI). Among these is the process of economic growth, which plays a key role. Topical literature stresses the existence of a dependence between fluctuations in GDP and changes in level of FDI streams (D. A. Julius 1990). The observation of long–term trends in the area of global FDI demonstrates the occurrence of phases of increase and decline that are, to a great extent, convergent with the course of world economic cycles (UNCTAD 2009). The depth and duration of changes in the area of FDI is dependent on phases in economic cycle as well as other factors that are specific to individual regions and countries. In situations of crisis, the reactions of foreign investors, albeit delayed in terms of time due to the character of investment decisions, are inevitable. Any downturn or breakdown in economic growth ushers in a fall in global FDI streams. However, subject to crisis, the situation of individual regions of the world economy in terms of the flow of FDI may be varied—i.e. regions and countries may feel its effects unequally.

In this context, it is the objective of this article to provide a comparative analysis of the changing positions of new European Union member states and the developing countries of Asia in global and regional FDI flow as well as an assessment of the global financial crisis on the positions of these regions and selected countries in terms of FDI.

The analysis encompasses countries that acquired European Union membership within the framework of the 2004 and 2007 enlargement as well as the developing sub–regions of Asia—i.e. East Asia, South-East Asia, and South Asia.

2. FDI Trends in the World Economy under Conditions of the Global Economic and Financial Crisis

The second half of the 90s brought a rapid increase in FDI flows in the world economy. They amounted to USD 1.5 trillion in 2000 (UNCTAD 2002). Factors stimulating the increase in FDI flows in the 90s were:

- Mergers and acquisitions (M&A),
- Privatisation in Central and Eastern Europe,
- Integration processes (EU, NAFTA, MERCOUSUR),
- Economic growth.

After the record high levels of 2000, global flows declined sharply in 2001-2003. Global inflows of FDI amounted to only USD 560 billion in 2003, i.e. 2.7 times less than in 2000. The decrease in the global FDI flows reflected the worsening of the economic conditions in the world economy. Other factors influencing the decline in those years were: falling stock market valuations and lower corporate profitability, slowdown in the pace of corporate restructuring in some industries, winding down of privatisation in some countries, big drop in value of cross-border mergers and acquisitions (UNCTAD 2006).

According to the positive changes in an economic cycle, a recovery in FDI flows was observed in 2004- 2006**.** After four consecutive years of growth, global FDI inflows rose in 2007 by 30% to reach USD 1.98 trillion. This growth was well above the previous all-time set in 2000 (UNCTAD 2008). Factors stimulating the substantial increase in FDI flows in 2007 were as follows:

- Relatively high economic growth,
- Strong corporate performance in many parts of the world,
- Reinvested earnings,
- The significant depreciation of the dollar against other major currencies,
- Continued consolidation through cross border mergers and acquisitions.

In 2008, when the world economy experienced a sharpening financial an economic crisis, global FDI inflows fell to USD 1,697 billion (UNCTAD 2009). This means a decline of 14% in comparison with a record level in 2007. In comparison with a scale of global crisis, this fall in FDI flows would seem to be not so deep. However, preliminary data for 96 countries in the first quarter of 2009 suggest that the decrease in FDI flows continued. They fell a further 44% compared with the same period in 2008 (UNCTAD 2009).

As far as geographical trends is concerned, developed countries are the main sources of FDI flows in the world economy and the main recipient countries. The statistical data confirmed a phenomenon of 'cross-investment' among highly developed countries and prevailing dominance of these countries in both global FDI outward and inward stock and FDI inflows and outflows (UNCTAD 2008).

In 2007, 84% of FDI outflows originated in the highly developed countries and 69% of FDI inflows were located in the same countries. The crisis has changed the geographical structure of global FDI flows. The share of developed countries in global FDI outflows decreased to 81% in 2008. At the same time the more significant shift in global FDI inflows was observed. Only 57% of these inflows was located in developed countries, i.e. 12 percentage points less than in the previous year. The share of developing countries and transition economies in the global FDI inflows increased to 43% (UNCTAD 2009 and own calculations).

3. The Impact of the Global Crisis on Foreign Direct Investment Flows into the New European Union Member Countries

As a group, the European Union remains the main net exporter of capital in the form of FDI in the world economy. Prior to the crisis, the share of this group in cumulative FDI outward stock reached 52% of all investment on a worldwide economic scale and over 45% in cumulative FDI inward stock. In 2008 these shares dropped to 50% and 43%, respectively. This bears witness to the decrease in capital involvement of European investors abroad as well as the appearance of disinvestment (UNCTAD 2009 and own calculations).

New European Union member states are net importers of capital in the form of FDI. Their position in global and European Union capital flow continues to be of little weight. Less than 4% of the cumulative FDI inward stock was a party to the twelve new European Union member states in 2008. In the previous year this share amounted to 3.5%, which means that in spite of the crisis the new member states increased their share, albeit only slightly, in cumulative FDI, while the whole of the EU27 decreased its share by two percentage points (UNCTAD 2009 and own calculations). However, most of the FDI is placed in the old member states. The share of the new member states in total cumulative FDI made throughout the whole of the EU27 achieved a level of barely 9.2% in 2008 as compared with 8.1% in the previous year.

Changes in FDI inflows and outflows portray changes in the behavior of investors during times of crisis even more clearly. Both FDI flowing out of the European Union and that flowing into it decreased in absolute value in 2008. The former was at a level of USD 837 billion and was smaller by almost 30% compared with the previous year. European Union FDI inflow achieved a level of USD 503 billion, which marked a decrease by over 40% as compared with the year 2007. These data confirm that the European Union as a whole felt the effects of the crisis in the realm of FDI flows more strongly than developed countries in general, although the situation of the group as a whole was also not favorable. A total of 17% less FDI flowed out of the developed countries in 2008 than in the previous year. The value of FDI inflow was 29% lower than a year earlier (UNCTAD and own calculations).

The results of the worldwide economic collapse in the form of decreased streams of FDI were not felt equally by the individual member states of the European Union, however. It is especially the situation of new member states that is varied in terms of susceptibility to crisis in the area of FDI inflow. In Table No. 1 these countries have been grouped relative to fall, growth, or stabilization of FDI inflow in 2008 as compared with the record 2007. On the other hand, Table No. 2 depicts the dynamics of change in the level of FDI inflow and outflow to and from the new member states as a whole and to individual European Union member states in the crisis year 2008.

The group of countries that experienced a fall in FDI inflow encompasses both old and new member states. Among the new member countries that noted a fall in FDI streams are the Baltic States—**Estonia, Lithuania, and Latvia**. A serious decrease in FDI inflow to these countries is linked with the economic difficulties they are going through. Also in this group are **Bulgaria, Malta, and Poland**. The greatest fall in FDI inflow to new member states as compared with 2007 was noted by Latvia – 36.5%, Estonia – 28%, Poland – 28%, and Bulgaria – 21% (UNCTAD 2009 and own calculations). As is seen in the example of Poland, which did not undergo a collapse in the banking sector and maintains a slightly positive economic growth rate, the decrease in involvement by foreign investors cannot be explained exclusively by changes in the GDP of the recipient country.

There are a total of five new member states in the group of European Union countries that noted an increase in FDI inflow in 2008—i.e. **Romania**, **Czech Republic**, **Hungary**, **Slovakia**, and **Slovenia**, where in the case of **Cyprus** the FDI streams remained at a level almost identical with those of the previous year. A surprisingly large increase in FDI streams was noted by Romania (i.e. 34%) and this is also the case of Slovenia (26%). The increase of FDI inflow to the remaining countries was not as great. FDI growth was noted by Hungary (by 7%), Slovakia (by 5%), and by the Czech Republic (by 3%) (UNCTAD 2009 and own calculations).

In addition to the breakdown in economic growth, it is necessary to take into account additional factors with an impact on the behavior of investors under crisis situations in explaining the varied positions of the member states of the European Union with respect to FDI inflow. It seems that the nature of foreign investment made in the given country as well as motives behind the actions of the investors are of importance (K. Kalotay and S. Filipov 2009). For example, if one is faced with a quest for sales markets (market–seeking) aimed at sales on the internal market, then any fall in the buying power of the population tied to restrictions in employment under crisis conditions has a negative effect on the position of companies involved in such operations. Investments targeting efficiency (efficiency–seeking) may feel the crisis negatively if it leads to a fall in demand on international markets for goods manufactured by companies with foreign capital. This particularly pertains to export–oriented production in industries characterized by production capacity surpluses—e.g. the automotive industry. On the other hand, crisis conditions may uncover new business potential coupled with favorable locations offering lower production costs. In spite of the crisis, there are new investments made with the participation of foreign capital in certain new European Union member states.

4. Developing Asia and the global FDI stock and flows

Developing countries as a whole are important recipients of FDI on the global scale. The cumulated FDI located in these countries amounted to USD 4.3 trillion in 2008, i.e. about 29% of the global FDI inward stock. This share remains rather stable in longer period. At the same time, developing countries have been gaining a growing share in the FDI outward stock. Their share in the global FDI outward stock increased from 8.1% to 14.5%, i.e. 6.4 percentage points during years 1990-2008. In absolute terms, they accounted for USD 2.4 trillion located abroad in 2008 (UNCTAD 2009 and own calculations).

Among developing countries, **Asia and Oceania** have experienced an especially growing interest of foreign direct investors. This region remains as a whole a net importer of foreign capital in the form of foreign direct investment. Two sub-regions of developing Asia, i.e. **East Asia and South-East Asia**, have an important position as recipients of FDI. They received 9.1% and 4.4% of the global FDI inward stock respectively in 2008. Shares of other sub-regions , i.e. **South Asia and Oceania** were less than 1% (UNCTAD 2009 and own calculations).

At the same time, processes of modernization and internationalization of domestic economies are observed in developing sub-regions of Asia, which resulted in the involvement of domestic firms in businesses abroad. The share of Asia and Oceania in the global FDI outward stock increased from 3.7% in 1990 to 10.5% in 2008. This growing share was strongly influenced by East Asian investment abroad which amounted to 8.6% of the global FDI outward stock in 2007 and 7.4% in 2008 (UNCTAD and own calculations).

As far as annual FDI flows are concerned, developing countries and the analyzed sub-regions of Asia experienced a changing dynamics of these flows as other countries did in 1990-2008. Some sudden decreases in the FDI inflows into developing countries were observed during the period of an economic slowdown in the world economy. However, the recovery was quicker in the analyzed Asian sub-regions than in other regions and countries.

In 2004-2007, i.e. before the global financial crisis, **East Asia** received more than USD 100 billion annually. The inflow reached the level of USD 156.7 billion in 2007. The FDI inflows into other developing sub-regions of Asia grew systematically as well. The high attractiveness of the analyzed sub-regions were connected with economic growth, conducive investment conditions, and regional integration processes.

As a whole, developing countries felt the effects of the global crisis in 2008 to a lesser extent in the sphere of foreign direct investment. Total FDI inflow to developing countries increased by 17% as compared with the year 2007. A similar increase in FDI was noted by the countries of Asia and Oceania—16.8% (UNCTAD 2009 and own calculations). Table No. 3 presents the dynamics of FDI inflow and outflow to and from specific Asian sub–regions in the year 2008. The data it contains indicate that in spite of the crisis, three of Asia's sub–regions—i.e. South Asia, East Asia, and West Asia—noted significant increases in FDI streams. They amounted to 49% in the case of South Asia, 24% for East Asia, and 16% for West Asia. A fall in FDI inflow occurred in South-East Asia (-14%) and Oceania (-30%), however.

Developing countries invested 2.5% more abroad than in 2007, while Asia and Oceania as entire regions invested 1.3% less in 2008 than in the previous year. FDI outflow indicators for specific sub–regions of Asia and Oceania demonstrate significant variation. East Asia increased its involvement aboard by 22.5%, Oceania by 12%, and South Asia by 2.4%. The remaining sub–regions restricted their activities abroad by about 30% (UNCTAD 2009 and own calculations).

FDI is concentrated in a handful of Asian developing countries. 90% of the total FDI inflows coming into this region were located in **China, Hong Kong /China, Singapore, India, Thailand, Malaysia, Indonesia, Vietnam and Pakistan**.

Major foreign investors involved in developing regions of Asia come from developed countries, however intra-regional investment is observed as well. For instance, the available data on major investing countries in ASEAN show that the European Union as a whole accounted for 25.5% of the total FDI inflows into this grouping in 2006 and this share slightly diminished. The second major investing country was Japan which accounted for 20.6%. Its share increased by about 4 percentage points in comparison to 2004. The share of ASEAN countries investing in other partner countries of the grouping amounted to 11.9% and was higher about 4 percentage points than in 2004. The important investors were Singapore, Thailand, Malaysia and Indonesia. The share of the USA amounted to 7.4% and the share of investors coming from East Asia - 7.8%. Among the later were Hong Kong/China, Republic of Korea, China and Taiwan (ASEAN data).

The global crisis had an impact on the volume of FDI inflow to the individual countries of the analyzed Asian sub–regions. Table No. 4 sees those countries grouped by increase, decrease, or stability in the FDI inflow in 2008. Table No. 5, for its part, contains data depicting the dynamics of the FDI inflow to selected Asian countries in 2008. The listing shows just how varied the situation of individual countries is, in spite of the overall positive indicators for the given sub–region.

The position of East Asia in world FDI streams is determined by the strong position of China as both a receiver of FDI and as a country investing abroad. A total of USD 108 billion flowed into this country in 2008. This put **China** in third place as a main received of FDI in the world economy. At the same time, China invested over USD 52 billion abroad in the form of FDI. This was a spectacular increased by 132% as compared with the previous year. Significant increases in FDI inflow were also the case of the **Republic of Korea** (by 189%) and **Hong Kong / China** (16%), even though in terms of absolute FDI inflow volumes the level of this item is very different. A total of USD 63 billion was invested in Hong Kong in 2008, while the value going to the Republic of Korea was USD 7.6 billion. Both these countries have significant outgoing streams of capital in the form of FDI. Hong Kong investments abroad amounted to USD 60 billion in 2008. The value for the Republic of Korea was USD 12.8 billion. The Republic of Korea is a net exporter of capital in the form of FDI. However, what can be observed is a decrease in FDI outflow from Hong Kong (-2%) as well as from the Republic of Korea (-18%). At the same time, in East Asia, a strong fall in the FDI streams was observed in the case of Taiwan (a drop of 30% as compared with the year 2007).

The situation is also varied in the case of South Asia. In this sub–region, the main country receiving FDI is **India**, which was the recipient of USD 42 billion in 2008. This signified an increase by 65% as compared with the previous year. India invests significant capital abroad in the form of FDI. In 2008 this amounted to almost USD 18 billion, where these investments grew by over 2% as compared with the previous year. Growth in streams was also noted by Sri Lanka (25%). However, there was an insignificant fall (less than 3%) in the case of Pakistan. The absolute value of FDI streams in these countries is incomparable with those flowing into India, however.

South-East Asia is the sub–region that is most clearly already feeling the negative effects of the crisis. Only three countries of this sub–region noted growth in FDI inflow—i.e. **Indonesia** (14%), **Vietnam** (20%), and **Myanmar** (10%). The remaining countries experienced a fall in FDI inflow. In the case of Malaysia and Thailand, it amounted to -4% and -9%, respectively. In the case of **Singapore** it was -28% and -48% for the **Philippines** (UNCTAD 2009 and own calculations).

5. The Importance of FDI for the New EU Member States and Developing Asian Economies

Two simple indicators confirm the growing importance of FDI stocks and flows for both the new European Union member states and the developing economies of Asia. These are (UNCTAD 2009):

- FDI stocks as a percentage of the GDP, and
- FDI flows as a percentage of the gross fixed capital formation (GFCF).

The data for the first indicator (compare Tables No. 6 and No. 7) show that in the case of new European Union member states, the cumulative FDI inward stock compared with the GDP generated by those countries has relatively great weight. In 2008 the average indicator for the whole of the European Union amounted to 35%, while for the twelve new countries it was almost 54%. The crisis brought about a decrease in the indicator by five percentage points. Individual countries show significant variety in this indicator, which ranges from 27% for Lithuania to 108% for Malta.

In the case of the developing countries of Asia and Oceania, this indicator was at an average level of 23% and also fell in the crisis year 2008 by six percentage points as compared with the previous year. In specific sub–regions and countries, the indicator was varied. Its highest level was achieved in South-East Asia—i.e. 44%—and was greater in 2008 by one percentage point than in the preceding year. This was in spite of the fall in FDI inflow to most countries of this sub–region. In its turn, the lowest level for the indicator was reached in South Asia (10%).

Changes in the cumulative FDI outward stock for the analyzed world economic region as a percentage of the GDP bears witness to the increasing role of the developing countries of Asia, especially East Asia and South-East Asia, in the export of capital. This indicator achieved a level of 15% in total for Asia and Oceania as well as 20% and 22% for East Asia and Southeast Asia, respectively. For new European Union member states, this indicator was at a level of 11%, with an average for the EU27 amounting to 44%.

The shaping of the second indicator—FDI inflow as a percentage of gross fixed capital formation (GFCF)—confirms that in 2008 the developing countries of Asia weathered the crisis relatively well. Essentially, the level of this indicator did not change for the total of countries of Asia and Oceania as compared with the previous year. It was at a level of 10.7% in 2008 as compared with 11% in 2007. In East Asia and South Asia the level of this indicator increased. For Oceania it was lower by seven percentage points, which confirms the previously stressed differentiation in attractiveness of individual sub–regions for foreign investors under crisis conditions.

As to the EU27, the level of the indicator for 2008 amounted to 13% and fell by a total of ten percentage points in comparison with the previous year, which reflected the drastic fall in FDI inflow to those countries. Data for the new member states also confirm the fall in external supply of investment processes in those countries in the face of crisis. The analyzed indicator amounted to 27.2% in 2008 and compared with the previous year it was lower by 7.5 percentage points. Against a backdrop of the whole of the European Union, the new member states were dependent on foreign capital in their economic development to a greater extent.

6. The Importance of FDI for the New EU Member States and Developing Asian Economies

Factors encouraging FDI inflows into the analyzed regions of the world economy are country or region-specific. The following aspects can be treated as the most important:

- economic growth,
- scale of the market,
- resource endowment
- conducive investment conditions, and
- regional integration processes.

In the period before the crisis, the combination of these factors appeared in both the developing countries of Asia and the new EU Member States and encouraged foreign investors.

According to UNCTAD, countries of Asia and Oceania have been introducing changes in their national policies towards foreign investors which are evaluated as conducive to FDI (UNCTAD 2008). An in–depth analysis of the policies of China, Republic of Korea and India confirms that these countries carry out relatively liberal policies towards foreign investors, although they do not give up influencing foreign investors' decisions in their economies. All the analyzed countries used fiscal and financial incentives as well as special instruments such as economic zones, technology and industrial parks. The host countries formulate certain requirements that should be met by foreign investors.

These usually are related to an amount of invested capital, ownership forms, character of investment and its localization (J. Witkowska 2009).

Intra-regional integration initiatives and regional trade agreements, i.e. ASEAN, SAARC, SPARTECA, APEC, are also significant for creating a favorable framework for FDI flows in a longer term. These agreements should be considered as means of facilitating mutual trade and investment in the region. Removing trade barriers could stimulate capital movements in the form of FDI in the future (J.D. Rodrigues-Delgado 2007; The EU and SAARC http://www.ec.europa.eu; SPARTECA 1996; S. Urata, M. Ando, K. Ito 2007).

The attractiveness of the new European Union member states to foreign investors was strongly strengthened by the fact that these countries were brought into the unified European market. The undertaking of harmonization with European Union requirements in many fields introduced transparency and stability to economic rules—something very much desired by foreign investors. Economic growth coupled with a favorable set of placement advantages fostered investment. Moreover, the new member states undertook active policies for attracting foreign investors by applying complex instruments (J. Witkowska 2007). This bore fruit in significantly increasing the streams of FDI inflow to those countries in the period following their entry into the European Union, mainly from other member countries.

The global crisis had an impact on both analyzed regions. However, what is visible is the greater "resistance" of certain countries and sub–regions to crisis phenomena than is the case in highly developed countries. The countries and sub–regions that are utilized by foreign investors as a platform for exports feel the effects of the crisis faced with conditions of the collapse of export markets for consumer goods. In light of UNCTAD projections and preliminary results for the first quarter of 2009, the breakdown of FDI streams is unavoidable, including in the case of those countries that, in 2008, did not feel the effects of the crisis in the sphere of FDI (UNCTAD 2009).

The position of the developing sub–regions of Asia in worldwide cumulative FDI stock and flows is significantly stronger than that of the new European Union member states. The investment attractiveness of this region of the world economy, in spite of the currently worse situation of South-East Asia, remains high. Asia may be seen as a world economic powerhouse in a phase of existing the crisis.

7. Conclusions

1. The developing countries of Asia and the member states of the European Union are net importers of capital in the form of FDI. Their economic development is dependent on external capital supply.
2. The position of the developing countries of Asia in global capital flows is significantly stronger than that of the new European Union member states, which is weighed by the economies of countries such as China and India. This is confirmed by the share of the analyzed world economic regions in the cumulative FDI inflow on a global scale as well as the level of annual FDI inflow to those regions.
3. The role of foreign capital in the economic development of new European Union member states seems greater, which is borne witness to by high cumulative FDI inflow as a percentage of the GDP of those countries. Among the developing sub–regions of Asia, only South-East Asia achieves a relatively high level of this indicator.
4. Subject to conditions of global crisis, Asia and Oceania as a whole noted growth in FDI inflow by almost 17% in 2008, while the new European Union member states saw a fall of 2%. Bearing in mind the fact that FDI inflow into the whole of the European Union decreased in that same year by 40%, it may be concluded that the new European Union member states as a group only felt the crisis to an insignificant extent.
5. The situation inside the analyzed regions is varied. South-East Asia and Oceania noted a fall in FDI inflow while there was significant increase in annual FDI streams in South Asia and East Asia. Among the new European Union member states there are those into which increased FDI streams flowed (Romania, Czech Republic, Hungary, Slovakia, and Slovenia), while the remaining countries felt a fall in FDI inflow. The varied situation of individual countries and sub–regions is dependent on not only economic growth processes, but also on the character of local investments in the individual countries and sub–regions as well as the motives behind the actions of investors.

Table 1. Groups of European Union Member States by Changes in Level of Direct Foreign Investment Inflows, 2007–2008

European Union member states noting a fall in FDI inflow (-)	**European Union member states noting growth in FDI inflow (+)**	**European Union member states noting relative stability in FDI inflow (+-)**
Austria	Czech Republik	Cyprus
Belgium	Denmark	
Bulgaria	Greece	
Estonia	Hungary	
Finland	Luxembourg	
France	Portugal	
Germany	Romania	
Ireland	Slovakia	
Italy	Slovenia	
Latvia	Spain	
Lithuania	Sweden	
Malta		
Netherlands		
Poland		
United Kingdom		

Source: UNCTAD (2009) and own calculations.

Table 2. The Dynamics of FDI Inflows and Outflows, European Union Countries, 2008, Previous year = 10

EU Member States	FDI inflows		FDI outflows	
	USD billions	Previous year =100	USD billions	Previous year =100
UE 27	503.5	59.8	837.0	70.2
UE 12	69.7	92.2	12.7	36.9
Austria	13.5	45.8	28.2	84.5
Belgium	59.7	53.9	68.3	72.7
Bulgaria	9.2	78.6	0.7	267.0
Cyprus	2.2	99.4	1.5	122.2
Czech Republik	10.7	102.8	1,9	117.4
Denmark	10.9	116.1	28,9	163.9
Estonia	2.0	72.0	1.1	62.7
Finland	-4.2	-34.0	1.6	21.3
France	117.5	74,4	220,0	97.9
Germany	24.9	44.2	156,5	87.1
Greece	5.1	265.5	2.7	49.7
Hungary	6.5	107.0	1.7	44.4
Ireland	-20.0	-81.1	13.5	63.8
Italy	17.0	42.4	43.8	48.3
Latvia	1.4	63.5	0,2	69.0
Lithuania	1.8	90.0	0.4	60.0
Luxembourg	3.0	-9.5	-24.9	-43.0
Malta	0.9	92.3	0.3	896.8
Netherlands	-3.5	-2.9	57.6	201.7
Poland	16.5	73.1	3.6	75.4

Portugal	3.5	115.6	2.1	38.4
Romania	13.3	134.1	-0,3	-97.8
Slovakia	3.4	104.6	0.3	67.2
Slovenia	1.8	126.2	1.4	79.8
Spain	65.5	232.6	77.3	80.5
Sweden	43.7	197.8	37.4	98.8
United Kingdom	96.9	52.9	111.4	40.4

Source: UNCTAD (2009) and own calculations.

Table 3. The Dynamics of FDI Inflows and Outflows, Developing Countries of Asia, 2008, Previous year = 100

Regions	**FDI inflows**		**FDI outflows**	
	USD Billions	**Previous year =100**	**USD Billions**	**Previous year =100**
Developing economies	620.7	117.3	292,7	102.5
In which: Asia and Oceania	388.7	116.8	220.2	98.7
In which: West Asia	90.3	116.3	33,7	69.7
East Asia	187.0	124.4	136.2	122.5
South Asia	50.7	149.1	18.2	102.4
South-East Asia	59.9	86.2	32.1	70.1
Oceania	0.9	70.0	0.1	112.2

Source: UNCTAD (2009) and own calculations.

Table 4. Groups of Developing Asian Countries by Changes in level of Direct Foreign Investment Inflows, 2007–2008

Countries noting growth in FDI inflow (+)	**Countries noting a fall in FDI inflow (-)**	**Countries noting relative stability in FDI inflow (+-)**
East Asia: ChinaHong Kong/China Republic of Korea Macao/China Mongolia South Asia: Afghanistan Bangladesh India Sri Lanka South-East Asia: Indonesia Myanmar Viet Nam	East Asia: Taiwan North Korea South Asia: Bhutan Iran Nepal Pakistan South-East Asia: Brunei Darussalam Cambodia Laos Malaysia Philippines Singapore Thailand Oceania Fiji French Polynesia Kiribati Marshal Islands Micronesia New Caledonia Palau Papua New Guinea Tonga	South Asia Maldives Oceania Vanuatu

Source: UNCTAD (2009) and own calculations.

Table 5. The Dynamics of FDI Inflows and Outflows, Selected Developing Asian Countries, 2008, Previous year = 100

Countries	FDI inflows		FDI outflows	
	USD billions	Previous year =100	USD billions	Previous year =100
China	108.3	129.7	52.2	232.1
Kong/China	63.0	115.9	59.9	98.0
Republic of Korea	7.6	289.3	12.8	81.9
Taiwan	5.4	69.9	10.3	92.7
India	41.6	165.4	17.7	102.3
Pakistan	5.4	97.3	0.04	46.5
Sri Lanka	0.8	124.7	0.1	112.7
Indonesia	7.9	114.3	5.9	126.2
Malaysia	8.1	95.9	14.1	126.8
Philippines	1.5	52.1	0.2	6.7
Singapore	22.7	72.0	8.9	36.5
Thailand	10.1	89.8	2.8	152.7
Viet Nam	8.1	119.5	0.1	66.7
New Caledonia	0.5	71.1	0.02	328.6

Source: UNCTAD (2009) and own calculations.

Table 6. FDI stocks as a percentage of GDP, the new EU Member States, 1990, 2000, 2007, 2008 (%)

Region/Country	FDI inward stocks as a percentage of GDP				FDI outward stocks as a percentage of GDP			
	1990	2000	2007	2008	1990	2000	2007	2008
UE 27 **In which:**	10.6	25.6	40.9	35.1	11.3	35.3	48.1	44.2
UE 12	..	33.0	59.1	53.7	..	2.3	10.0	11.3
Bulgaria	0.5	21.5	92.3	92.2	0.6	0.5	1.5	2.5
Cyprus	..	32.0	86.5	83.4	0.1	6.2	31.4	42.3
Czech Republic	..	38.2	57.7	52.7	..	1.3	4.0	4.6
Estonia	..	47.0	78.0	68.8	..	4.6	27.6	28.8
Hungary	1.5	47.7	70,5	41.4	0.4	2.7	13.2	9.2
Latvia	..	26.6	38.6	33.9	..	0.3	2.9	3.2
Lithuania	..	20.4	38.3	27.2	..	0.3	4.1	4.2
Malta	18.9	58.1	100.7	108.4	..	4.9	15.7	18.0
Poland	0.2	20.0	33.8	30.7	0.1	0.6	4.7	4.1
Romania	-	18.8	36.7	36.7	0.2	0.4	0.6	0.5
Slovakia	..	23.3	53.6	48.4	..	1.8	2.1	2.0
Slovenia	..	17.0	22.5	20.0	..	4.5	13.3	15.9

Source: UNCTAD, 2008, 2009.

Table 7. FDI stocks as a percentage of GDP, East Asia, South Asia, South-East Asia and Oceania, 1990, 2000, 2007, 2008 (%)

World/Region/Country	FDI inward stocks as a percentage of GDP				FDI outward stocks as a percentage of GDP			
	1990	2000	2007	2008	1990	2000	2007	2008
World in which:	9,1	18,1	27,9	24.5	8,5	19,4	28,9	26,9
Developed economies	8,1	16,2	27,2	24.7	9,5	21,3	33,9	33.0
Developing economies in which:	13,6	25,2	29,8	24.8	4,0	12,9	16,5	14.0
Asia and Oceania In which:	16,0	25,5	28,6	22.8	3,2	14,8	18,5	15.3
East Asia	25,9	32,1	35,0	23.1	5,4	23,2	28,0	20.3
South Asia	1,5	4,5	6,5	9.8	0,1	0,4	1,9	3.5
South-East Asia	18,2	44,9	43,0	44.1	2,8	15,1	20,3	21.7
Oceania	20,5	26,2	28,1	30.8	1,1	5,4	2,6	4.5

Source: UNCTAD, 2008, 2009.

References

The EU and South Asian Association for Regional Co-operation (SAARC), http://www.ec.europa.eu/external_relations

Foreign Direct Investment Statistics, ASEAN Secretariat, http://www.aseansec.org

D.A. Julius (1990), *Global Companies and Public Policy. The Growing Challenge of Foreign Direct Investment*, Printer Publishers, London

K. Kalotay, S. Filipov (2009), *The global crisis and FDI in new Europe*, Expert article 383, Baltic Rim Economies, 31.8.2009, Bimonthly Review 2009, No 4

J.D. Rodrigues-Delgado (2007), SAFTA: Living in a World of Regional Trade Agreements, IMF Working Paper WP/07/23

SPARTECA (1996), South Pacific Regional Trade and Economic Co-operation Agreement, A Reference Handbook for Forum Island Country Exports, Forum Secretariat

UNCTAD (2009), World Investment Report 2009. Transnational Corporations, Agricultural Production and Development, UN, New York and Geneva

UNCTAD (2008), World Investment Report 2008. Transnational Corporations and the Infrastructure Challenge, UN, New York and Geneva

UNCTAD (2006), World Investment Report 2006. FDI from Developing and Transition Economies: Implications for Development, UN, New York and Geneva

UNCTAD (2002), World Investment Report 2002. Transnational Corporations and Export Competitiveness, UN, New York and Geneva

S. Urata, M. Ando, K. Ito (2007), *Survey on Investment Liberalization and Facilitation. Obstacles to FDI in the APEC Economies: A Study Based on the JMC Firm Survey, Japan Machinery Center for Trade and Investment, APEC Investment Experts Group, APEC Committee on Trade and Investment*

J. Witkowska (2007) *Foreign Direct Investment in the Changing Business Environment of The European Union's New Member States*, 'Global Economy Journal', Vol. 7, Issue 4, http://bepress.com.gej/vol17/iss4/2

J. Witkowska (2009), *Policies with Respect to Foreign Investors in the New Member States of the European Union and in the Developing Countries of Asia: A Comparative Aspects*, Comparative Economic Research, Vol 12, No 1/2/2009

Streszczenie

BEZPOŚREDNIE INWESTYCJE ZAGRANICZNE W NOWYCH KRAJACH CZŁONKOWSKICH UNII EUROPEJSKIEJ I ROZWIJAJĄCYCH SIĘ KRAJACH AZJI W WARUNKACH GLOBALNEGO KRYZYSU FINANSOWEGO I EKONOMICZNEGO. ASPEKTY KOMPARATYWNE

Celem niniejszego artykułu jest analiza porównawcza zmieniającej się pozycji nowych krajów członkowskich UE i rozwijających się krajów Azji w globalnych i regionalnych przepływach BIZ, a także ocena wpływu globalnego kryzysu finansowego na pozycję tych regionów i wybranych krajów w zakresie BIZ. Analizą zostały objęte kraje członkowskie UE, które uzyskały członkostwo w ramach rozszerzenia z 2004r. i 2007r. oraz rozwijające się sub-regiony Azji, tj. Azja Wschodnia, Południowo-Wschodnia i Południowa. Z przeprowadzonej analizy wynika, że pozycja rozwijających się krajów Azji w globalnych przepływach kapitałowych jest znacznie silniejsza niż nowych krajów członkowskich UE, o czym decyduje skala gospodarek takich krajów jak Chiny i Indie. W warunkach globalnego kryzysu, Azja i Oceania jako całość odnotowały w 2008r. wzrost napływu BIZ o prawie 17%, a nowe kraje członkowskie UE – spadek o 2%. Sytuacja wewnątrz analizowanych regionów jest wysoce zróżnicowana pod względem odczuwalnych skutków kryzysu w sferze BIZ. Jest to zależne nie tylko od procesów wzrostu gospodarczego, ale także od charakteru inwestycji lokowanych w poszczególnych krajach i sub-regionach oraz motywów, jakimi kierują się inwestorzy.