Syrian Arab Republic

Damascus University

Faculty of economy

Field of banking & insurance

((Foreign Direct Investment – FDI – in Developing countries))

An overview

((SYRIA,EGYPT,MALAYSIA,VIETNAM))

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DAMASCUS

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- SYRIA ECONOMY: AN OVERVIEW:

The economy of Syria is based on a diversified economy that revolves around agriculture, oil, industry and tourism. Its GDP per capita expanded 80% in the 1960s reaching a peak of 336% of total growth during the 1970s. This proved unsustainable and the economy shrank by 33% during the 1980s. However the GDP per capita registered a very modest total growth of 12% (1, 1% per year on average) during the 1990s due to successful diversification. More recently, the IMF projected real GDP growth at 3.9% in 2009 from close to 6% in 2008. The two main pillars of the Syrian economy used to be agriculture and oil, which together accounted for about one-half of GDP. Agriculture, for instance, accounted for about 25% of GDP and employed 25% of the total labor force. However, poor climatic conditions and severe drought badly affected the agricultural sector, thus reducing its share in the economy to about 17% of 2008 GDP, down from 20.4% in 2007, according to preliminary data from the Central Bureau of Statistics. On the other hand, higher crude oil prices countered declining oil production and led to higher budgetary and export receipts.[1]

But Syria economy has moved from economy depends on central planning and restricts on private sector to 'social-market economy', through bring investments from Syrian capitalism who lives out Syria and bring investments from gulf countries.

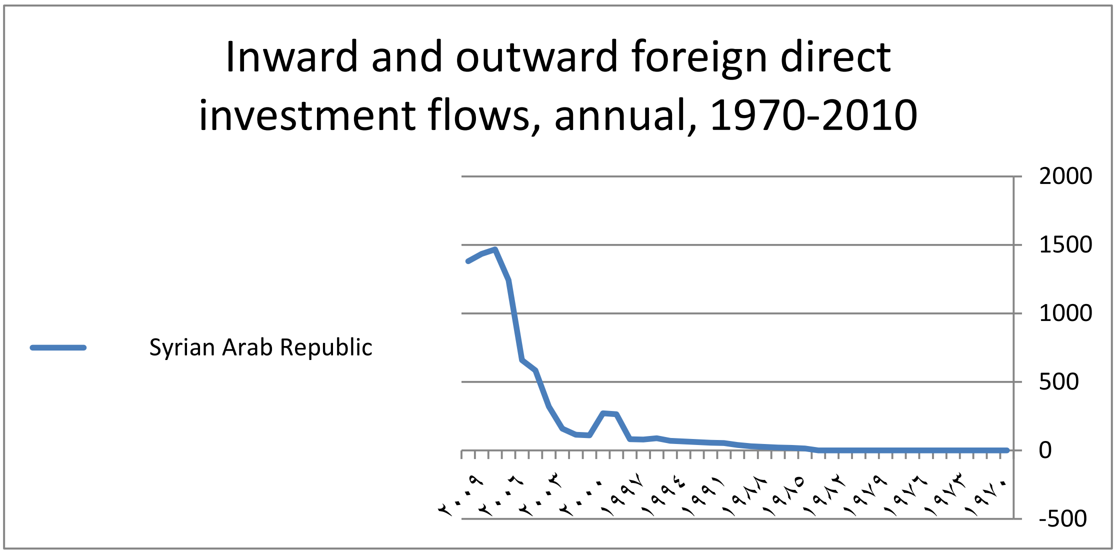
[1] Wikipedia, the free encyclope (web site on internet), Retrieved 2-5-2012.

- Foreign direct investment (FDI) in Syria:

This table shows (1970-2010) numbers of foreign direct investment in Syria:

FOREIGN DIRECT INVESTMENT	YEAR	FOREIGN DIRECT INVESTMENT	YEAR
54	1991	-0.1	1970
57	1992	0	1971
60	1993	0.01	1972
65	1994	-0.045	1973
70	1995	0.01	1974
89	1996	0.14	1975
80	1997	0.1	1976
82	1998	0.09	1977
263	1999	0	1978
270	2000	0.04	1979
110	2001	-0.04	1980
115	2002	0.04	1981
160	2003	0.095	1982
320	2004	-0.02	1983
583	2005	0.05	1984
659	2006	15	1985
1242	2007	20	1986
1467	2008	22	1987
1433.683	2009	27	1988
1380.894	2010	30	1989
-	2011	40	1990

RESOURCE: UNCTAD.ORG



We note from the chart that FDI still stability from 1979 to 1984, where amount of FDI range between -0.1 in 1970 to 0.05 in 1984, the FDI had started in 1985 where FDI is 15 million us dollar where in this period the Syrian government released decree 186 by supreme council of investment.

The FDI increasing between 1985 to1990 about 166.5%.

In 1991 released decree NO.10 and its amendment Decree # 7 of 2000, the FDI increasing about 64.81% between 1991 to 1996, this rate less than rate between 1985-1990, but amount of FDI inflows to Syria 1991-1996 was more than period between 1985-1990.

We can say the law of investment NO.10 can't import amount of foreign money from Arab countries or another countries in the world.

We note also the FDI up to 263 million us dollar in 1999 and 270 in 2000, where FDI inflows to Syria in 2000 equal 1.01 time the FDI inflows to Syria between 1970-1992 about 22 years the economy of Syria suffers closing.

After year 2000 the FDI inflows to Syria up and growth specially after the war on Iraq, where the price of oil upper and increasing of revenue that come from sales the oil to the world from Arab countries this surplus of money in gulf countries was searching for investment and access to market, so the Syrian economy the best to receive this money from gulf countries aspect and other the huge of money of Syrian investors outside Syria, estimated this Syrian money in the world about 135 billion us dollar because Syria the first country through 1970th between Arab countries in escape money to outside which exceed amount debts of Syria in that period.

We note from chart the FDI hit peak in 2008 which value of FDI equal 1433.683 million us dollar.

During the period 2004-2006, the Syrian Arab Republic enjoyed robust economic growth and fairly stable foreign direct investment inflows. After having quadrupled in 2004 to reach US$ 693 million, FDI inflows dropped slightly to US$ 636 million in 2005 and US$ 600 million in 2006. As a percentage of GDP, FDI inflows remained below 3 per cent, significantly lower than in neighboring Jordan and Lebanon. The gradual liberalization process initiated by the new Government in 2000 has led to a general improvement in the business climate, but regional political uncertainties and a relatively weak legal and regulatory environment continue to deter foreign investors. Before 2004, the oil and gas sector was by far the most important destination of FDI to the Syrian Arab Republic, accounting for 80-90 per cent of total inflows. Royal Dutch Shell (Netherlands) and Petro-Canada are among the international oil companies that have undertaken significant investments in oil and gas exploration and production in recent years. In 2004, the share of FDI directed to the oil and gas sector dropped to 50 per cent as agricultural activities benefited from increased foreign participation[2].

In 2005, following the partial liberalization of the banking sector, several Lebanese banks created joint ventures with Syrian counterparts.11 In that year, Lebanon accounted for two thirds of total FDI flows to the Syrian Arab Republic. In 2007, two new Islamic banks were established with foreign participation. In January 2007, the Syrian Government passed its long-awaited new investment law. This law not only aims to regulate FDI flows to the Syrian Arab Republic, but also to increase inflows by providing investors with a set of incentives, including the freedom to transfer money and profit, the freedom to own real estate, the protection of investors and a new dispute settlement mechanism. Furthermore, a new investment authority has been established and efforts are being directed towards the development of a single window for investors in order to speed up the process of starting a business and combat bureaucracy. Given significant business opportunities in the

2 FOREIGN DIRECT INVESTMENT REPORT, United Nations, New York, 2008, 08-0286, page 12-13.

industrial and service sectors, the perspectives for the Syrian Arab Republic to attract higher FDI inflows appear to be relatively favorable[3].
According to UNCTAD worldwide used database on FDI, Syria has a cumulative FDI
Inflows during the period (1995-2003) around US$ 1.3 billion, at an annual average of US$140 million. Syria cumulative FDI inflows comprised 2.7% of total cumulative inflows of 21 Arab Countries (Acs), and 0.8% of total cumulative inflow to developing countries (DCs).
Cumulative FDI inflows (Million dollars)[4]:

	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total
Syria	100	89	80	82	263	270	110	115	150	1259
Total ACs	255	3582	7288	8740	2495	2629	7711	5378	8617	46695
Total DCs	113300	152700	193224	194055	231880	252459	219721	157612	172033	1686984
World	331100	386100	481911	690905	1086750	1387953	817574	678751	559576	6420620

Source: UNCTAD, World Investment Report, various issues.

Considering the matrix of FDI performance and potential indices developed by UNCTAD,Syria was in the group of above potential countries back in 1988-1990, but the changing circumstances affected its position and shifted it adversely to the under-performers group in the periods: 1999-2000, and 2000-2002[5]:

	HIGH FDI PERFORMANCE	**LOW FDI PERFORMANCE**
HIGH FDI POTENTIAL	**Front-runners**	**Below potential**
LOW FDI POTENTIAL	**Above potential** **Syria**	**Under-performers** **Syria**

Legend:
- Front-runners: countries with high FDI potential and performance;
- Above potential: countries with low FDI potential but strong FDI performance;
- Below potential: countries with high FDI potential but low FDI performance;
- Under-performers: countries with both low FDI potential and performance

[3] Same pervious resource, page 13.
[4] FDI strategy for Syria, Strengthening of the Country ,Investment Promotion Capability ,Report on ANIMA Technical Assistance Mission ,Mona S. Bseiso ,August 2005, p.12.
[5] Same pervious resource.

- Egypt ECONOMY: AN OVERVIEW :

The economy of Egypt was highly centralized under President Gamal Abdel Nasser. In the 1990s, a series of International Monetary Fund arrangements, coupled with massive external debt relief resulting from Egypt's participation in the Gulf War coalition, helped Egypt improve its macroeconomic performance. Since 2000, the pace of structural reforms, including fiscal, monetary policies, privatization and new business legislations, helped Egypt move towards a more market-oriented economy and **prompted increased foreign investment.** The reforms and policies have strengthened macroeconomic annual growth results which averaged 5% annually but the government largely failed to equitably share the wealth and the benefits of growth have failed to trickle down to improve economic conditions for the broader population, especially with the growing problem of unemployment and underemployment among youth under the age of 30 years. A youth protest demanding more political freedoms, fighting corruption and delivering improved living standards forced President Mubarak to step down on February 11, 2011. **After the revolution Egypt's foreign exchange reserves felt from $36 billion in December 2010 to only $16.3 billion in January 2012**, also in February 2012 Standard & Poor's rating agency lowered the Egypt's credit rating from B+ to B in the long term[6].

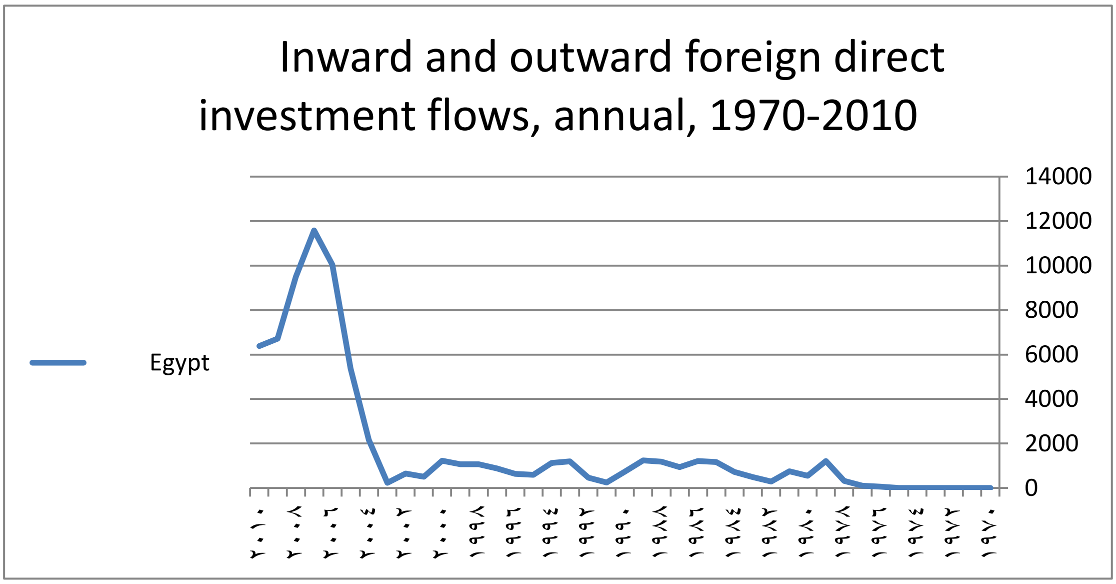
[6] Wikipedia, the free encyclope (web site on internet), Retrieved 2-5-2012.

- Foreign direct investment (FDI) in Egypt:

The table below shows the values of FDI in Egypt between 1970 to 2010 according to UNCTAD:

FOREIGN DIRECT INVESTMENT	YEAR	FOREIGN DIRECT INVESTMENT	YEAR
253	1991	0.68	1970
459	1992	2.31	1971
1206.5	1993	0.03	1972
1133.4	1994	0.7	1973
595.2	1995	0.13	1974
636.4	1996	8	1975
886.9	1997	61	1976
1075.5	1998	104.78	1977
1065.3	1999	318.17	1978
1235.4	2000	1216.29	1979
509.9	2001	548.29	1980
646.9	2002	752.57	1981
237.4	2003	293.57	1982
2157.4	2004	490	1983
5375.6	2005	729.14	1984
10042.8	2006	1177.57	1985
11578.1	2007	1217.43	1986
9494.6	2008	947.71	1987
6711.6	2009	1190	1988
6385.6	2010	1250.18	1989
-	2011	734	1990

RESOURCE: UNCTAD.ORG



We note from the chart that no FDI between 1970 to 1974 exceptional the year 1971 which amount 2.31 million us dollar, actually the FDI started inflows to Egypt in 1975 about 8 million us dollar.

The rate of increasing of FDI between 1975 to 1976 about 662.5%

Since 2004, the Egyptian Government has undertaken a wide-ranging programme of reforms aimed at creating a more market-oriented and business friendly environment, with a special focus on attracting foreign direct investment. Enhanced macroeconomic stability – including lower inflation, restructured public debt, a stable foreign exchange market and a higher level of foreign reserves – coupled with successful tax and administrative reforms have considerably improved the investment climate in Egypt and have resulted in significant foreign capital inflows. From a low of US$ 450 million in 2003, net FDI increased to US$ 10.0 billion in 2006 and to US$ 11.6 billion in 2007. Net FDI flows to Egypt in 2007 were thus approximately 25 times higher than in 2003. As a percentage of GDP, net FDI flows rose from a mere 0.6 per cent in 2003 to 8.8 per cent in 2006.

Major policy reforms by the Egyptian Government have included the establishment of a new Ministry of Investment and the reorganization of the General Authority for Investment and Free Zones (GAFI). In both entities, key positions have been filled by professionals with strong private sector experience. Having a clear mandate to promote foreign direct investment, GAFI now serves as a one-stop shop for investment. The success of policy reforms in Egypt is exemplified by the fact that the World Bank Doing Business Report 2008 ranked Egypt as the top reformer globally, moving up from 165th position (out of 175) in 2006 to rank 126th (out of 178) in 2008. Even more remarkable is the development in the category ‘starting a business’, in which the country moved up 70 places to occupy 55th position in the 2008 report. That improvement is primarily due to the efforts of GAFI in reducing the time-consuming and burdensome procedures required to start a business and in decreasing the minimum required capital from 694.7 per cent of income per capita to only 12.9 per cent. Furthermore, in 2005 the Egyptian Government introduced a new tax law (The Income Tax Law No. 91 of 2005), which helped to create a more effective overall tax system by providing investors, both domestic and foreign, with uniform tax treatment and a number of tax incentives. By decreasing the average tax rate, widening the tax base and improving the tax collection system, this new tax law has contributed significantly to the improvement of the investment climate in Egypt Recent data published by the Central Bank of Egypt indicate that in 2006 and 2007, greenfield investment outside the petroleum sector accounted for approximately 50 per cent of total FDI inflows. With FDI flows to Egypt surging, the geographical distribution of investors has undergone important changes. The share of Arab investment as a proportion of total FDI has increased, mainly due to large transactions in the telecommunications and finance sectors. In 2006, direct investment from Arab countries accounted for 25 per cent of gross FDI inflows to Egypt. In the last few years, companies based in Kuwait, Lebanon, Saudi Arabia and the United Arab Emirates have undertaken major investments in Egypt. About 33 per cent of total FDI flows to Egypt in 2006 originated from the European Union and 29 per cent from the United States of America. In addition to major transactions in the telecommunications and banking industries, there have been significant FDI inflows in the energy and construction sectors. In December 2007, Lafarge S.A. of France, the world's largest cement maker, announced the acquisition of Egypt’s Orascom Construction

Industries Cement Group for US$ 12.9 billion, thus gaining access to a region that is undergoing a construction boom. The deal exemplifies the fact that Egypt is increasingly perceived by international investors as a gateway to Africa and the Arab region. The strong improvement in its business climate, coupled with the large number of investment opportunities, is likely to render Egypt one of the most attractive destinations for FDI in the region[7].

[7]FOREIGN DIRECT INVESTMENT REPORT, United Nations, New York, 2008, 08-0286, page5.

- MALAYSIA ECONOMY: AN OVERVIEW:

The Economy of Malaysia is a growing and relatively open state-oriented and newly industrialised market economy. The state plays a significant but declining role in guiding economic activity through macroeconomic plans. In 2007, the economy of Malaysia was the 3rd largest economy in South East Asia and 28th largest economy in the world by purchasing power parity with gross domestic product for 2008 of $222 billion with a growth rate of 5% to 7% since 2007[9] In 2010, GDP per capita (PPP) of Malaysia stands at US$14,700. In 2009, the nominal GDP was US$383.6 billion, and the nominal per capita GDP was US$8,100.

Since it became independent in 1957, Malaysia's economic record has been one of Asia's best. Real gross domestic product (GDP) grew by an average of 6.5% per year from 1957 to 2005. Performance peaked in the early 1980s through the mid-1990s, as the economy experienced sustained rapid growth averaging almost 8% annually. High levels of foreign and domestic private investment played a significant role as the economy diversified and modernized. Once heavily dependent on primary products such as rubber and tin, Malaysia today is a middle-income country with a multi-sector economy based on services and manufacturing. Malaysia is one of the world's largest exporters of semiconductor components and devices, electrical goods, solar panels, and information and communication technology (ICT) products[8].

[8]Wikipedia, the free encyclope (web site on internet), Retrieved 2-5-2012.

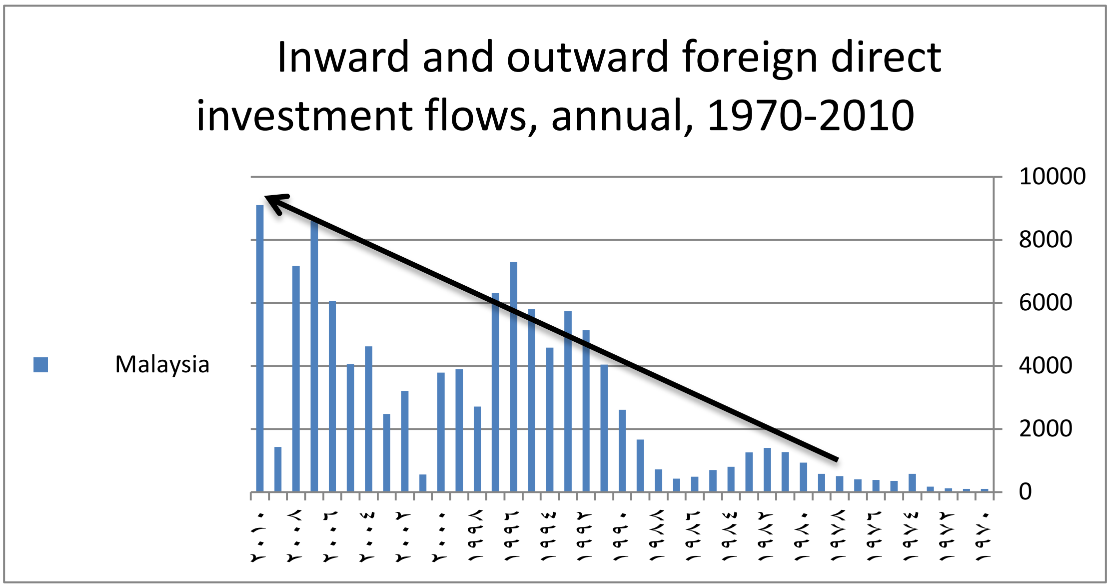
- FOREIGN DIRECT INVESTMENT IN MALAYSIA:

The table below and chart are showing the evolution the FDI through historical annual from 1970 to 2010:

FOREIGN DIRECT INVESTMENT	YEAR	FOREIGN DIRECT INVESTMENT	YEAR
4043	1991	94	1970
5138	1992	100	1971
5741	1993	114	1972
4581	1994	172	1973
5815	1995	570.82	1974
7297	1996	350.49	1975
6323	1997	381.26	1976
2713.995728	1998	405.89	1977
3895.263158	1999	499.99	1978
3787.631579	2000	573.47	1979
553.9473684	2001	933.9	1980
3203.421053	2002	1264.69	1981
2473.157895	2003	1397.2	1982
4624.210526	2004	1260.53	1983
4065.31136	2005	797.48	1984
6060.253314	2006	694.71	1985
8594.666	2007	488.87	1986
7171.978188	2008	422.68	1987
1429.910079	2009	719.42	1988
9102.974459	2010	1667.87	1989
-	2011	2611	1990

RESOURCE: UNCTAD.ORG

- FOREIGN DIRECT INVESTMENT IN MALAYSIA:



Policy emphasis on promoting FDI in Malaysia dates back to 1968 when the Investment Incentives Act was enacted. However, it was not until the enactment of the FTZ Act in 1971 and the subsequent opening of the first free trade zone in Penang in 1972 that FDI began to play a significant role. Foreign investment regime was further liberalized as part of the structural adjustment reforms implemented in response to the macroeconomic crisis in the mid-1980s. These reforms, which coincided with a move by firms in the United States, Japan, South Korea, and Taiwan to relocate production bases in low-cost countries in response to rising domestic wages, set the stage for an FDI boom in Malaysia.[9]

We note from the chart the FDI growth from 1970 to 1974 rate 507.255%, then the FDI decreasing in 1975 and 1976.

The FDI in Malaysia had achievement four peaks from 1970 to 2010:

9

Foreign Direct Investment in Southeast Asia: Is Malaysia Falling Behind? , Prema-chandra Athukorala and Swarnim Waglé ,Arndt-Corden Department of Economics ,Crawford School of Economics and Government ,Australian National University, page3.

1. The first was in 1982 which equal 1397.2 million us dollar.
2. The second was in 1996 which equal 7297 million us dollar
3. The third was in 2007 which equal 8594 million us dollar.
4. The fourth was in 2010 where value of FDI was 9102 million us dollar.

During the period following the Asian financial crisis (1997-98) there has, however, been a notable slowdown in FDI inflows to Malaysia compared to its own record over the previous two decades and, more importantly, relative to other major FDI-receiving countries in the region, so we note from the chart the FDI had drop from value in million us dollar about 6323 in 1997 to 2713 million us dollar in 1998, rate

-57% through the Asian financial crisis.

However the FDI in Malaysia keep down the value that recorded in 1997 before the financial crisis till 2005, after that we note the FDI restarted growth to reach to 6060 million us dollar in 2006 and increase to 8594 million us dollar in 2008, but the shock for FDI inflows to Malaysia was in 2009 the peak of global financial crisis where the rate of decrease in FDI was more than -80% by compare between 2008 before the crisis and 2009 peak the crisis, we can say Malaysia has damaged in the crisis in 2009 more than the crisis was in 1998.

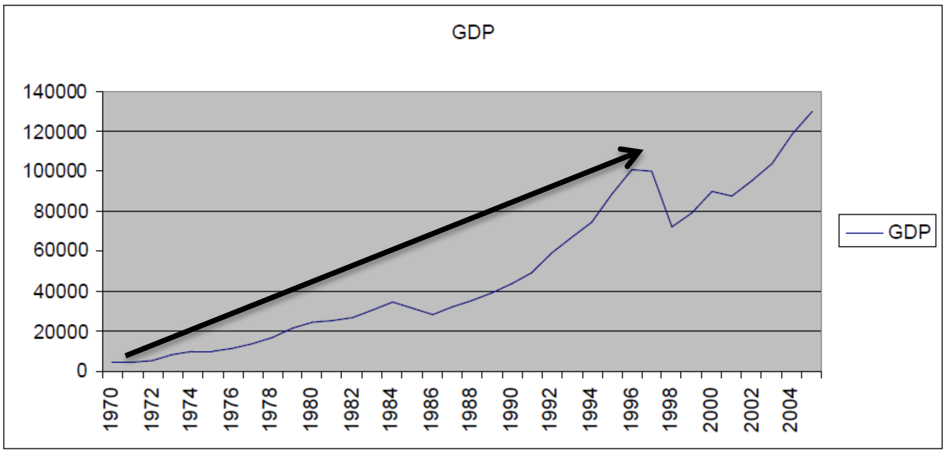
Although the crisis Malaysia successes to achieve upper FDI through 40 years ago in 2010 in value 9102 million us dollar.

FDI inflows to Malaysia affected on GDP growth, Malaysia has a consistent record of economic growth in GDP over the period 1970–2005, averaging an annual rate of about 7 per cent[10].

From tow charts below we will see trend of GDP and FDI, there is relationship between GDP and FDI:

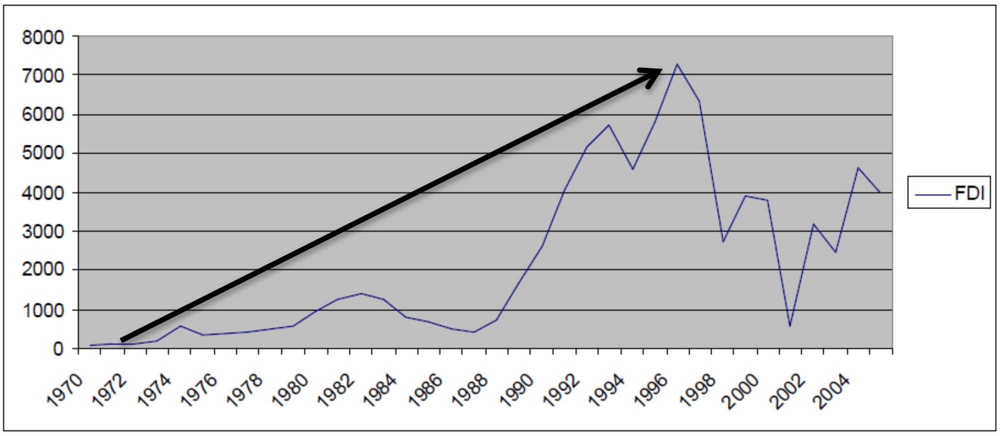
10 FDI and Economic Growth in Malaysia, Karimi, Mohammad Sharif and Yusop, Zulkornain, University Putra Malaysia, 26. March 2009, page4.

(Millions US$)



RESOURCE: FDI and Economic Growth in Malaysia, Karimi, Mohammad Sharif and Yusop, Zulkornain, University Putra Malaysia, 26. March 2009, page 7.

(Millions US$)



RESOURCE: FDI and Economic Growth in Malaysia, Karimi, Mohammad Sharif and Yusop, Zulkornain, University Putra Malaysia, 26. March 2009, page 7.

- VIETNAM ECONOMY: AN OVERVIEW:

The economy of Vietnam is a developing planned economy and market economy. Since the mid-1980s, through the reform period, Vietnam has made a shift from a highly-centralized planned economy to a socialist-oriented market economy which use both directive and indicative planning (see Five-Year Plans of Vietnam). Over that period, the economy has experienced rapid growth. Nowadays, Vietnam is in the period of integrating into the world's economy, as a part of globalization. Almost all Vietnamese enterprises are SMEs. Vietnam has been rising as a leading agricultural exporter and an attractive foreign investment destination in Southeast Asia.

In 2011, the nominal GDP reached $121.6 billion, with nominal GDP per capita of $1328.6. According to a forecast in December 2005 by Goldman-Sachs, **Vietnamese economy will become the 35th largest economy in the world with nominal GDP of $ 436 billion and nominal GDP per capita of 4,357 USD by 2025**. According to a forecast by the PricewaterhouseCoopers in 2008, Vietnam may be the fastest growing of emerging economies by 2025, with a potential growth rate of almost 10% per annum in real dollar terms that could push it up to around 70% of the size of the UK economy by 2050.

Vietnam has been listed in the Next Eleven and CIVETS countries[11].

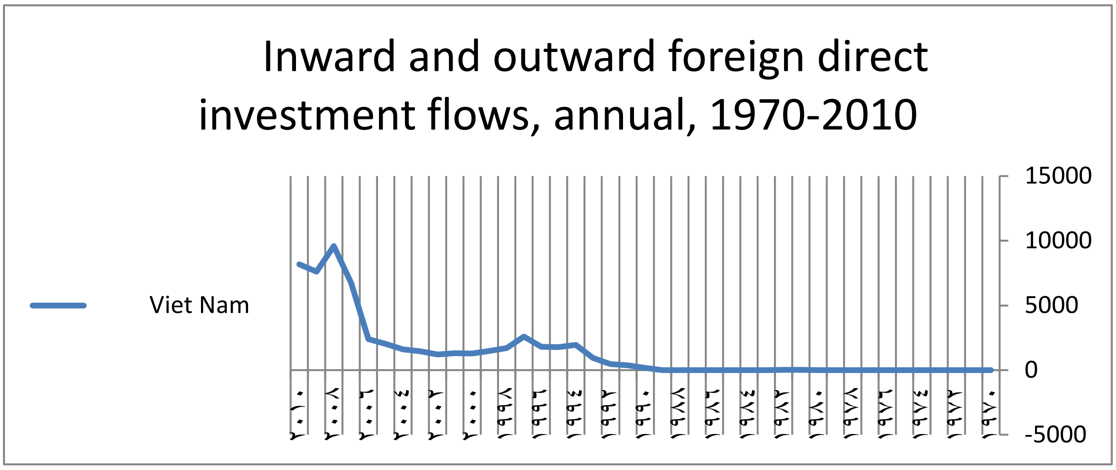
[11] Wikipedia, the free encyclope (web site on internet), Retrieved 2-5-2012.

- FOREIGN DIRECT INVESTMENT IN VIETNAME:

The table below shows numbers of FDI inflows to Vietnam between 1970 to 2010 depends on UNCTAD data:

FOREIGN DIRECT INVESTMENT	YEAR	FOREIGN DIRECT INVESTMENT	YEAR
375.190278	1991	0.07	1970
473.945856	1992	1.82	1971
926.303715	1993	-0.89	1972
1944.515936	1994	1.03	1973
1780.4	1995	1.25	1974
1803	1996	4.09	1975
2587.3	1997	-0.34	1976
1700	1998	-0.01	1977
1483.92	1999	0.463333333	1978
1289	2000	-0.06	1979
1300.27	2001	1.666666667	1980
1200.11	2002	17.91	1981
1450	2003	13.05	1982
1610.1	2004	0.131111111	1983
2021	2005	0.69	1984
2400	2006	-0.08	1985
6739.007627	2007	0.04	1986
9578.997494	2008	10.3637037	1987
7600	2009	7.68	1988
8173.333	2010	4.07	1989
-	2011	180	1990

RESOURCE: UNCTAD.ORG



FDI inflows to Vietnam was very weakness before year 1986, Since the Vietnamese economic **reforms in 1986**, Vietnam's economy has been among the fastest growing countries in ASEAN. Foreign direct investment (FDI) flows are an important factor helping economic growth and development in Vietnam.

The first "Law on Foreign Investment" was introduced by the National Assembly of Socialist Republic of Vietnam in December 1987. The law states that Vietnam welcomes and encourages foreign organizations and nationals to invest capital and technology in Vietnam "on the basis of respect for national independence and sovereignty, full observance of the Laws of Vietnam, equality and mutual benefit. The State shall guarantee the ownership of the invested capital and other rights of the foreign investors, and extend to the latter favorable conditions and easy formalities"[12].

Value of FDI in 1987 was 10 million us dollar, FDI increasing rate from 199o to 1994 about 980%.

Vietnam didn't effect by financial crisis in 1997-1998 in Asian in FDI inflows, although FDI increasing in this period (97-98) rate -34, 28%, but this ratio consider less than Malaysia
(-57%).

To attract FDI inflows into Vietnam, the crucial legal changes were made in Decree 852 of January 1996 and the amended Foreign Investment Law 2000. Decree 852 placed FDI coordination and planning under the direct control of the provincial People's Committee's Department of Planning

[12] Vietnam Permanent Mission to the United Nations, http://www.un.int/vietnam/dev_bus/Foreign%20direct%20investment%20in%20Vietnam.htm.

and Investment (DPI). The Foreign Investment Law allowed provinces to sign directly small FDI projects (below $10 million)[13].

We note from the chart Vietnam peaked in 2008 at 9578 before the global financial crisis, in 2009 and 2010 the FDI decreasing to down level from 2008.

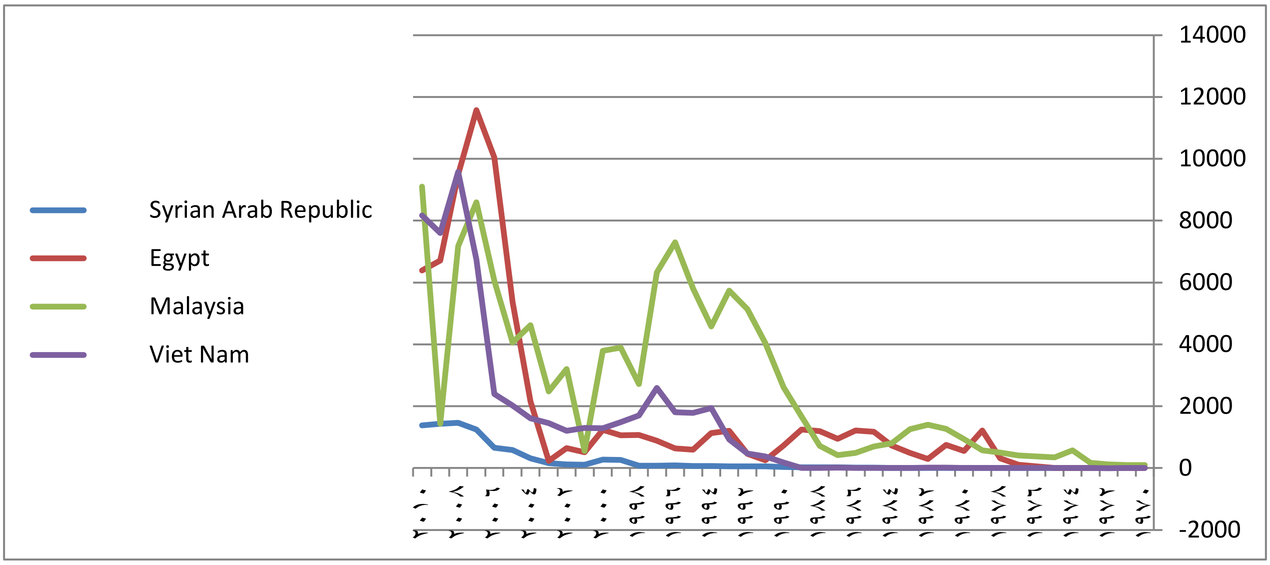
Foreign Direct Investment plays an important role in the Vietnam economy: FDI companies contributed 13.3 % to the GDP, 35% to the industrial output, 23% to export, 25% to total state budget revenues in 2001 but provided only 0.3% of overall employment[14].

FDI inflows to Vietnam focused on industries sector, such as: oil Gas, manufacturing and processing industries like garments and footwear, food products, beverages.

[13] DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN VIETNAM, Thu Thi Hoang, page 959.

[14] International Monetary Fund Conference on Foreign Direct Investment, Hanoi ,August 16-17, 2002 Foreign Direct Investment in Viet Nam: Results, Achievements, Challenges and Prospect Le Dang Doanh ,Adviser to the MPI –Minister ,Hanoi, Vietnam.

- **COMPARTIVES FDI TO (SYRIA-EGYPT-MALAYSIA-VIETNAM):**



We note from chart that FDI of Malaysia was higher more than another countries until year 2000, FDI of Egypt rapid growth after year 2004 to becomes above FDI of Malaysia and other countries specially in year 2007, there is similarity trend of Vietnam and Egypt , for FDI of Syria its deferent from FDI another countries.

Almost Vietnam started attract FDI more than Malaysia specially after year 2007, this matter will make from Vietnam a new place to investment instead of Malaysia and increase share of Vietnam from total FDI to Asian countries and this something will make GDP of Vietnam growth and increase.

For Syria's FDI we say that FDI didn't achieve high level compare with Vietnam or Egypt or Malaysia also.

We note from chart that Malaysia was most affect from global financial crisis cause increase FDI in 2009 to 1429 million us dollar this bottom point equal top FDI in Syria in same year.

We can say that FDI in Syria very late compare with other countries.

Average FDI in Malaysia through 40 years ago about 2735 million us dollar per year, for average FDI in Vietnam from 1970 to 2010 about 1382.423 million us dollar per year.

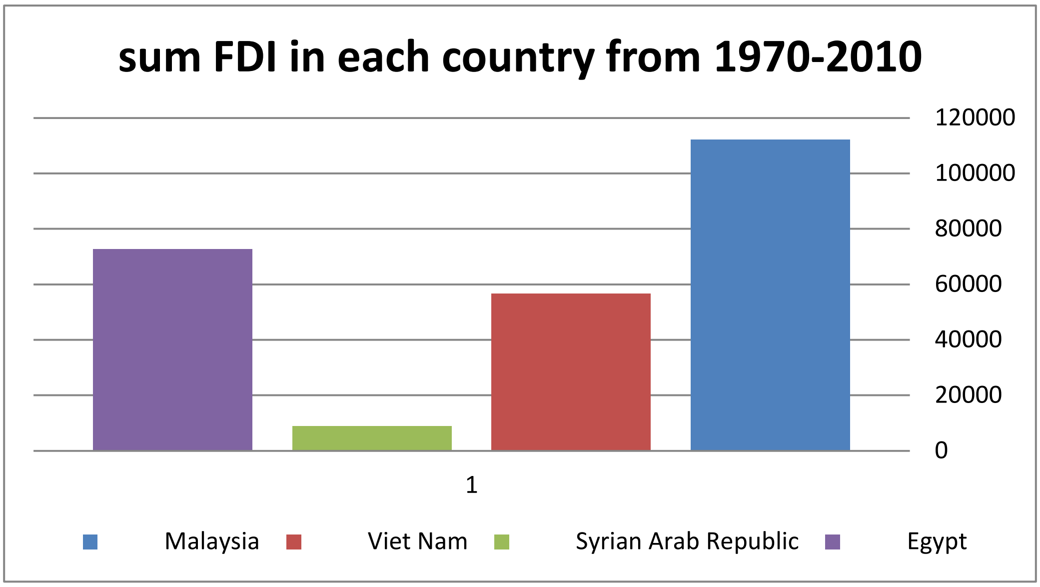
The average FDI inflows to Egypt through 40 years ago till now about 1773.879 million us dollar per year.

For Syria the average per year from 1970 to 2010 about 212.5597 .

Average FDI in Malaysia higher average FDI in Syria about 12.9 times per year.

Average FDI in Vietnam higher than Syria about 6.51 times per year.

Average FDI in Egypt higher than average FDI of Syria more 8.36 times.



- CONCLUSION:
  1. FDI started in these countries after strong desire from government to bring FDI into them countries.
  2. All FDI which flow to Malaysia and Vietnam and Egypt focused on industries sectors and manufacturing and ICT, for Syria the FDI focused on services sectors instead of industries sectors.
  3. Vietnam consider special case between these countries because its success to achieve a high rate FDI through three years ago, which become a new place for investors in the world after global financial crisis.
  4. Egypt has success to bring FDI after 2003 to exceed Malaysia in FDI in year 2005.
  5. There is strong relationship between growth of GDP of Malaysia and its FDI growth.
  6. Syria still till now suffers from weakness in FDI compare with other countries.
  7. For bring FDI to countries must do:

I. Release laws investment to encourage foreign money inflow to the country.
II. Create free zone and give freeing taxes for companies.
III. Set overall planning to determine the sectors needs foreign money to invest inside it (industries, ICT, manufacturing).

THE END

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