

ANALYSIS OF THE FOREIGN DIRECT INVESTMENT: THE CASE OF
PORTUGAL

Maria Nunes Moreira Cabral Rolo

Dissertation submitted as a partial requirement to obtain a Master's degree in Management

Supervisor:
Prof. Doutor António Freitas Miguel, Assistant Professor, ISCTE Business School,
Department of Finance

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RESUMO

Esta dissertação analisa a evolução do Investimento Direto Estrangeiro no mundo, dando-se especial destaque a Portugal. Em primeiro lugar, faz-se uma abordagem teórica do IDE, e em seguida, analisa-se dados relativos ao IDE a nível global e em Portugal.

A escolha do tema para a tese de mestrado, resulta da sua relevância nas economias mundiais e na portuguesa. Em Portugal, o IDE constitui uma prioridade para o Governo Português. Na verdade, esta fonte de financiamento, é uma alternativa aos empréstimos por via das instituições bancárias, que apresentam elevadas taxas de juros, ainda mais em situações de insegurança em resultado da crise económica e financeira vivida em Portugal nos anos após 2008. Como tal, torna-se importante perceber de que forma a crise afetou o IDE em Portugal, entender quais os determinantes que atraem investidores para Portugal, assim como que políticas e incentivos já foram implementadas pelo Governo Português de forma a captar mais IDE e o que ainda é necessário fazer de forma a melhorar.

Como pontos conclusivos destacam-se: (1) A nível mundial, os efeitos da crise foram sentidos no IDE em 2008, e sua recuperação ocorreu em 2010. (2) No caso de Portugal, os *inflows* registaram um declínio logo em 2007, tendo recuperado no ano seguinte. Relativamente aos *outflows*, estes também sofreram o impacto da crise em 2007, mas apenas recuperaram em 2011. (3) Ainda existem questões que têm de ser resolvidas de forma a atrair mais IDE, nomeadamente no que respeita a taxas, burocracia e à instabilidade de medidas políticas.

Palavras-Chave: Investimento, Investimento Direto Estrangeiro, Crise, Portugal

ABSTRACT

This dissertation analyses the evolution of the Global FDI, with emphasis on Portugal. Firstly, it is made a theoretical approach on FDI, and then it is analysed the data related with Global FDI and Portugal FDI.

The choice of topic for the master thesis results from its relevance for the economies of the world and specifically for the Portuguese economy. In Portugal, the FDI constitutes a priority for Portuguese Government. Indeed, this source of financing is an alternative to bank loans, which present high interest rates, even more when uncertainty arises, as a result of the 2008 economic and financial crisis experienced worldwide and more particularly in Portugal. For that reasons, it becomes essential to understand how the crisis affected FDI in Portugal, which determinants attract investors to Portugal, as what policies and incentives have already been implemented by the Portuguese Government in order to capture more FDI and what still needs to be done in order to improve this investment.

As conclusive points, it is possible to highlight: (1) Globally, the effects of the crisis were only felt in FDI in 2008, and were only able to recover in 2010. (2) In the case of Portugal, the inflows decline in 2007, recovering in the following year. As for the outflows, the impact of the crisis was also felt in 2007, but the recovering occurred only in 2011. (3) There are still issues that need to be addressed in order to attract more FDI, namely in terms of taxes, bureaucracy and policy measures.

Word-Key: Investment, Foreign Direct Investment, Crisis, Portugal

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EXECUTIVE SUMMARY

This dissertation is organised in two different parts: (1) the theoretical analysis of FDI; and (2) the data analysis. For the first part of this paper, it was collected theoretical information about Foreign Direct Investment. This starts with the definition of International business according to International Business: The New Realities manual. Then, based on the Organization for Economic Co-operation and Development (OCDE) and the Artige L. and Nicolini R papper it is defined the Foreign Direct Investment concept. It is also study the motivations for FDI, and although exists many authors that study this subject, this work focus on Dunning's Theory (1993) – The three motivations for FDI. Finally, this first part also studies the determinants, the forms and the benefits of FDI. In this, it is taken into account the opinions of several authors, such as Hill (2000); Dunning (1995) and Dermirhan & Masca (2008). The source of information used in this part is manuals of the study area, thesis and articles of authors that have been studying this subject.

Finally, for the second part of this thesis it was collected data about the overall evolution of FDI, as well as about the FDI in Portugal. In the particular case of Portugal, was gather figures regarding to the main countries that invest in Portugal, about the FDI distribution in Portugal and per sector. In both situations, the source of information is the International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD), *Banco de Portugal*, *Instituto Nacional de Estatística (INE)*, Organization for Economic Co-operation and Development (OCDE), *Pordata* and *Aicep*.

ACROYNMS

FDI – Foreign Direct Investment
PAEF - *Programa de Assistencia Econónmica e Financeira*
IDE – *Investimento Direto Estrangeiro*
UNCTAD – United Nations Conference on Trade and Development
OECD – Organization for Economic Co-operation and Development
INE – *Instituto Nacional de Estatística*
JV- Joint Ventures
CIS – Commonwealth of Independent States
SIDS – Small Island Developing States
IMF – International Monetary Fund
M&A- Mergers and Acquisitions
CCILA - *Câmara de Comércio e Indústria Luso-Alemã*
SEF - *Serviço de Estrangeiros e Fronteiras*
ARI - *Autorização de Residência para a atividade de Investimento*
UK – United Kingdom
NL – Netherland
AT –Austria
CH –Switzerland
CZ – Czech Republic
IE – Ireland
FR – France
DE – Germany
IT – Italy
PL – Poland
HU – Hungary
BE – Belgium
NL –Netherland
AT –Austria
LU – Luxembourg
ES – Spain
NO - Norway
SE – Sweden
EL – Greece
SL – Slovenia
PT – Portugal
RO – Romania
BG – Bulgaria
CY – Cyprus
DK – Denmark
EE – Estonia
FI – Finland
LV – Latvia
LT – Lithuania
MT – Malta
SK – Slovakia
IS – Iceland
GI – Gibraltar
USA – United States of America

CA – Canada
AU – Australia
JP – Japan
BM – Bermuda
IL – Israel
NZ – New Zealand
BJ – Benin
BF – Burkina Faso
CV – Cape Verde
CI - Cote D'Ivoire
GM – Gambia
DZ – Algeria
CG – Congo
ZA – South Africa
EG – Egypt
LB – Libya
GH – Ghana
TN – Tunisia
GN – Guinea
GW - Guinea-Bissau
ML – Mali
MU – Mauritius
NG – Nigeria
MR – Mauritania
NE – Niger
SH - Saint Helena
SN – Senegal
SL – Sierra Leone
TG – Togo
OCE – Oceania
CM – Cameroon
CF - Central African Republic
CD – Congo Democratic Republic
GQ - Rep. of Equatorial Guinea
GA – Gabon
ST - S.Tomé and Príncipe
KM – Comoros
DJ – Djibouti
ER – Eritrea
SO – Somalia
BW – Botswana
LS – Lesotho
MW – Malawi
NA – Namibia
SZ - Swaziland
SW – Zimbabwe
SS - South Sudan
MU – Mauritius
MA – Morocco
AO – Angola

MZ – Mozambique
SD – Sudan
KE – Kenya
BI – Burundi
TZ - United Rep. of Tanzania
ZM – Zambia
CH – China
HK - Hong Kong
KR - Republic of Korea
MO - Macao, China
TW - Taiwan Province of China
SG – Singapore
ID – Indonesia
MM – Myanmar
MY - Malaysia
VN - Vietnam
BN - Brunei Darussalam
PH - Philippines
TH - Thailand
TL – Timor Leste
IN – India
BD – Bangladesh
BT – Bhutan
PK – Pakistan
LK – Sri Lanka
IR - Islamic Republic of Iran
NP – Nepal
AF – Afghanistan
MV – Maldives
TR – Turkey
BR – Bahrain
AE - United Arab Emirates
SA - Saudi Arabia
SY - Syrian Arab Republic
QA – Qatar
IQ – Iraq
JO – Jordan
KW – Kuwait
LB – Lebanon
OM – Oman
PS - Palestinian Territory
YE – Yemen
MX – Mexico
CO – Colombia
PE – Peru
BR – Brazil
CL – Chile
AR – Argentina
SV - El Salvador
TT - Trinidad and Tobago

DO - Dominican Republic
CR - Costa Rica
KY - Cayman Islands
BO – Bolivia
BRV - Bolivarian Republic of Venezuela
EC – Ecuador
GY – Guyana
PY – Paraguay
SR – Suriname
UY – Uruguay
VE – Venezuela
BZ – Belize
GT – Guatemala
HN – Honduras
NI – Nicaragua
PA – Panama
AI – Anguilla
AG - Antigua and Barbuda
AW – Aruba
CU – Cuba
CUW – Curaçao
DM – Dominica
GD – Grenada
HT – Haiti
MS – Monserrat
AN - Netherland Antilles
KN - Saint Kitts and Nevis
LC - Saint Lucia
VC - Saint Vincent and the Grenadines
SXM – Sint Maarten
TC - Turks and Caicos Islands
RS – Serbia
AZ – Azerbaijan
RU - Russian Federation
KZ – Kazakhstan
TM – Turkmenistan
AL – Albania
UA – Ukraine
BY – Belarus
AM – Armenia
HR – Croatia
ME – Montenegro
BA - Bosnia and Herzegovina
KG – Kyrgyzstan
MD – Moldova
TJ - Tajikistan
GE - Georgia
MK – The Former Yugoslav Republic of Macedonia
GQ - Rep of Equatorial Guinea
ZM – Zambia

ET – Ethiopia
UG – Uganda
LR – Liberia
MG – Madagascar
RW – Rwanda
TD – Chad
KH – Cambodia
UZ- Uzbekistan
MN – Mongolia
LA - Lao People’s Democratic. Republic
BS – Bahamas
JM – Jamaica
BB – Barbados
VG - British Virgin Islands
SC – Seychelles
CK - Cook Islands
FJ – Fiji
PF - French Polynesia
KI – Kiribati
MH - Marshall Island
FM – Micronesia
NC - New Caledonia
PW – Palau
PG - Papua New Guinea Islands
WS – Samoa
SB - Solomon Islands
TO – Tonga
TV – Tuvalu
VU – Vanuatu
WF - Wallis and Futuna Islands
NR – Nauru
NU - Niue

INTRODUCTION

Portugal is one of the countries seriously affected by the 2008 crisis. Therefore, in May of 2011, it had to ask for external help. In result, it was created the PAEF (*Programa de Assistencia Económica e Financeira*), an agreement between the Portuguese Government, the European Union and the IMF. Through this program, Portugal is being able to recover slowly from its financial and economic situation. Nevertheless, the country still presents a high unemployment rate and a large public debt. In fact, in the third quarter of 2016, the unemployment rate was 10.5% (INE, 2016) and the public debt, in 2015, represented 129% of the Portuguese GDP (PORDATA, 2016). One of the biggest problems of Portugal is the fact that savings are negative, which makes necessary to resort to external funding sources. This can be made in two forms: bank loan or Foreign Direct Investment (FDI). Although and due to this economic and financial situation, the level of risk is high and as such the access to funding sources, as bank loans, is extremely difficult. In fact, the interest rates associated with these loans are high. However, in reality exist other sources of financing that can be used instead of the common bank loans, and it is the FDI.

The Foreign Direct Investment is the topic of this dissertation, with particular attention to the Portuguese case. This is a very important topic that over time has been subject of many studies. In Portugal, this source of funding has been a priority to the Portuguese Government, since this could help to lessen the difficulties of Portugal. In fact, by increasing the FDI is possible to promote the economic growth, namely increase jobs, exports and consumption. Due to all this, is necessary a detailed analysis of FDI in Portugal, so the necessary measures can be taken in order to be possible to attract more this type of investment.

The main challenge of this works is to emphasize the role of FDI, as a funding source. By the end of this thesis, it would be possible to realize what Portugal can offer to the host companies, in order to ensure their stay, make clear what are the main determinants, motives and types of FDI. In fact, expects to be a source of information about the FDI in general, as well as the FDI in Portugal that can be used by students, researchers and professionals. Another objective of this work is to analyze how the financial and economic crisis has affected the FDI in Portugal. In addition, it will be possible to understand what are the policies and incentives that should be

implemented, in order to attract even more investment and what Portugal is offering more than the other countries. After analysing the distribution of FDI per sector in Portugal, will be easier to know which sector receives more Foreign Direct Investment. Furthermore, it aims to show if FDI can help to improve the Portuguese situation. Finally, this dissertation will give me the opportunity to develop a topic that I always had interest in, as well as put into practise the knowledge acquire during the MSc Management program.

This dissertation is structure in two different parts: (1) the theoretical analysis of FDI, and (2) the data analysis. The first part, presents the concept of International Business and Foreign Direct Investment. In addition, it describes the different forms that FDI can take, and its determinants and motives. The second part uses data on FDI, in order to analyze the overall evolution of Foreign Direct Investment around the world, and the particular situation of FDI in Portugal. In the Portugal case, is study the distribution of FDI in Portugal by sector, the main countries that invest in Portugal and it is refer the principal determinants that lead investors to choose Portugal to invest in. Finally, it is also study the main measures adopted by the Portuguese Government, as well as what it is still necessary to improve in order to attract more FDI to our country.

CHAPTER 1: LITERATURE REVIEW

1. International Business

According to (Cavusgil, Knight & Riesenberger, 2014), the international Business is “the performance of trade and investment activities by firms across national borders”. This can adopt two different forms: international trade or international investment. The first one is related with the exchanges of products and services to foreign countries. The exchanges made do not include only money and physical goods. It can include, for example, patents and copyrights - rights to use assets and data from other country. The international trade can be done through exporting or importing of goods, materials and services. According to *Instituto Nacional de Estatística* (INE, 1994), the definition of import is “goods which enter the statistical territory of the Member State from a non-Member State”. On the other hand, the definition of export is “goods which leave the statistical territory of the Member State bound for a non-Member State”. From the exporting process derivate, an outbound flow while from the importing activity results an inbound flow (Cavusgil *et al.*, 2014). Regarding to the international investment, this is related to the transfer of assets to another country or the acquisition of assets in that country (Cavusgil *et al.*, 2014). In fact, the international investment can assume two types, the international portfolio investment or foreign direct investment (FDI). According to Cavusgil S., *et al* (2014) the international portfolio investment is the “passive ownership of foreign securities”, like stocks and bonds. It is a passive ownership since it does not necessarily involve an active management or control over the assets. The other type, namely the foreign direct investment, is the theme of this dissertation, and will be analyzed with more detailed in the following Sections.

2. Foreign Direct Investment Concept

After explaining what international business is, it is also important to define Foreign Direct Investment concept. The Organization for Economic Cooperation and Development (OECD) defines the Foreign Direct Investment as a “category of investment that reflects the objective of establishing a lasting interest by a resident enterprise in one economy (direct investor) in a enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor” (OECD, 2008). Other definition of FDI comes from Agiomirgianakis, Asteriou & Papathoma (2003), which describe the Foreign Direct Investment as a capital flows that result from the behavior of the multinational companies.

According to Cavusgil S., *et al.* (2014) the FDI is a form of Internationalization strategy that obligates the firm to have a physical presence on the country that they invest. In fact, the investors opt for acquire a significant control interest of a foreign company or install its subsidiary in the foreign country (Markusen *et. al* 1995 from Akpansung & Okon, 2013). The investors do this, since it allows them to gain control over the production, distribution and all other activities of the firm in which they have invested (Moosa, 2002). Actually, in order to be recognized as FDI is necessary 10% or more of firm’s capital ownership. Normally, these investments have a long-term perspective and implicates a lot of planning (Cavusgil *et al.*, 2014). The FDI will allow the increase of the economic growth, the technical innovation and the enterprise restructuring (Bevan & Estrin, 2000). In addition, the FDI gives the possibility to enter in a new market and marketing channels, the construction of cheaper production facilities, access to new technology, products, skills and sources of financing (Khrawish & Siam, 2010). Although, it is important to refer that FDI implicates the use of many resources, a local presence in the host country and has higher risks comparatively to the other forms of enter in a foreign country. It is also possible to affirm that FDI constitutes a complex process. This is due to the fact that besides the transfer of capital also exists the transfer of skills and knowledge. On the other hand, it must be taken into account that FDI bring to the host country technology, management know-how and gives the possibility to access to bigger markets, as well as to international production networks (UNCTAD, 1999). Also, should be noted that there are many different ways to do FDI, namely invest in foreign companies, as well as buy assets, properties and equipment’s from a foreign country. Nevertheless, the forms of FDI will

be analyzed in more detail later in Section 5. Another normal mistaken belief about FDI is the fact that Foreign Direct Investment is not determined by the nationality of the investor, but by its residency (IMF, 2003). Finally, it should be mention that in the moment that a company takes on a FDI, it turns into a multinational enterprise (Hill, 2001).

Regarding to the FDI flows, it is important to refer the both types, the inflow and the outflow. The FDI inflows are the investments performed by non-resident investors in a country. On the other hand, the FDI outflows are the investments made by the resident investors of a country in a different country (Sârbu & Gavrea, 2014).

3. Motives for Foreign Direct Investment

In general, companies opt for FDI, since they pretend to be more competitive on the global market (Cavusgil et al., 2010). However, is still important to consider the motivations of FDI. In fact, several authors, like Agarwal (1980), Parry (1985) and Itaki (1991), have been studying the motives for FDI. And, due to this, exist many theories trying to clarify the motives of FDI (Dermirhan & Masca, 2008). In fact, there are many motivations for FDI, but according to Dunning (1993) the motivations can be classified in three main types: Market Seeking; Resource Seeking and Efficiency Seeking (Dermirhan & Masca, 2008).

3.1 Market Seeking

Market Seeking can also be called horizontal FDI. It refers to investments that are made in the same industry in which the company operates in their home country. Regarding to the market seeking motivations, firstly companies can choose to enter in a foreign country with the objective to assist the local and regional market. Normally, this implicates the replication of the production facilities in the new market (Dermirhan & Masca, 2008). According to Gavusgil, *et al.* (2014), companies opt for access to a new market in order to gain access to new markets or opportunities, to follow key customers and to compete with key rivals in their own markets. In fact, this can be motivated by the obstacles that companies have in accessing the local markets. Examples of this obstacles are tariffs and transports costs (Dermirhan & Masca 2008). In addition, companies decide to produce their products/services near to their customers, since this allows to decrease the transportation costs and to increase the customer service. This also, gives possibility to companies to understand better the customer needs and

satisfy clients before competition. Furthermore, the organization can choose to enter in the key rivals own market, and in this case the home companies are going to spend resources in order to protect their market. This leads to the impairment of the rivals (Cavusgil *et al.*, 2010).

It is important to refer that this hypothesis is more expensive and riskier than exporting and licensing. It is more costly, because in order to enter in a foreign market the company has to establish production facilities or purchase a foreign organization. In addition, it is riskier since this type of investment involves the establishment in the host country, and for that reason, one of the risks is the cultural differences (Mehmed & Osmani, 2004).

In this case, the market size and the market growth have an important role (Dermirhan & Masca 2008). In fact, investors look for big local markets and markets that have fast grow rate (Akpansung & Okun 2013). In addition, the consumer specific preference in the host country and the structure of the market are other elements taken into account (Dunnig, 2004). Finally, this type of investment is usual in the industries of production consumer goods and in the industrial product (Sârbu & Gavrea, 2014).

3.2 Resources Seeking

This type of investment can also be called vertical or export- oriented FDI (Dermirhan & Masca 2008). In this case, companies go to a new market, since they pretend to find the resources that do not have on their own markets. As well as, find resources that have lower costs than on their home country. In fact, there are companies that choose to enter in a new market, in order to have access to raw materials. This is the case of the oil; mining and crop-growing industries that need to locate their production in the places where the raw materials are. Other motive of Resource Seeking FDI is to gain access to knowledge and other assets. If companies allocate on their host country, this will give them the possibility to understand better their target market, to have access to market knowledge, to know more about the distribution system and the customers. Finally, companies can be driven by the access to technological and managerial know-how available from the key market (Gavusgil *et al.*, 2014). Additionally, and according to Dermirhan and Masca (2008) one of the main drivers here is the availability of low-cost labor. Other important factors here are the availability of skilled labor and the productivity (Khravish & Siam, 2010).

It is important to refer that the Vertical Foreign Direct Investment can assume two forms: backward vertical FDI and forward vertical FDI. The backward vertical FDI happens when the investments made abroad are from a previous level in the value of chain, in order to make available the inputs to the companies. This is normally the case of extractive industries. On the other hand, the forward vertical FDI are foreign investments made in the following level in the value of chain (Mehmed & Osmani, 2004).

3.3 Efficiency Seeking

Efficiency Seeking occurs when an organization enters in a new country, in order to benefit from economies of scale and scope (Dermirhan & Masca, 2008). Normally, this type of investments occurs in a more advanced stage of foreign investment, since it aims to consolidate the investments by increasing the efficiency (Sârbu & Gavrea, 2014). In fact, companies choose to produce in countries in which one or more of the production factors are cheaper in relation to their productivity (Akpansung & Okun, 2013). In this case, the motivation is to economize in the production factors in order to maximize the profits (Artige & Nicolini, 2005). In addition, companies opt for FDI in order to reduce sourcing and production costs. This is possible through the choosing of inexpensive labor and cheap inputs in the production process. In other cases, companies can choose to change the location of their productions to near the customers, since organizations are highly sensitive to the changes of the customer needs. Additionally, companies can be motivated by the government incentives. Normally, government offer incentives, such as subsidies and tax concessions in order to attract FDI. Finally, companies decide to invest through FDI since this allows avoiding trade barriers, such as tariffs (Cavusgil *et al.*, 2014).

4. Determinants of Foreign Direct Investment

It is important to give a special attention to the FDI determinants, in order to have a clear understanding of this type of investment. Actually, by analyzing the determinants is possible for the countries to understand the factors that attract investors the most. In fact, these factors define the applicability of the investment in the host country (Agiomirgianakis, Asteriou & Papatoma, 2006). Many authors have been studying this particular subject, since there is a large number of determinants and there is not a unanimous decision on which ones are more

important. According to Dunning's (1995), FDI determinants are complex and there is not a single explanation for them (Coy and Cormican, 2014). Finally, it is important to refer that the importance of each determinant depends on the country in which the investor is from (Mellahi, Guermat, Frynas & Al-Bortanami, n.d). In other words, the importance of determinants is relative. In fact, is influenced by investors motivations, the sector in each the investments is made and the strategy of the investor (Mephokee, Cholpaisan & Roopsom, 2012). Next will be exposed some of the most important determinants, such as market size, openness, political risks and government policies.

4.1 Market Size

This determinant is measured by GDP and GDP per capita (Artige & Nicoli, 2005). The market size has an influence, since investors intend to move to countries that have a large market and the option to expand, as well as markets with higher purchasing power. In fact, large markets are more able to fit both domestic and foreign companies and give the possibility to produce in bigger scale, with the chance to reach scale and scope economies. Although, it should be take into consideration the fact that large markets can possibly mean the existence of more competition pressure. It is also important to refer that the Market Size is the key determinant for the horizontal FDI, although is not important for the vertical FDI (Artige & Nicolini, 2005). Actually, this determinant is one of the most important and it has been used as an explanatory variable in many empirical studies on the determinants of FDI (Dermirhan & Masca 2008). In addition, it is considered one of the major factors to explain FDI flows (Mellahi *et al.*, 2001).

Many authors study the relationship between GDP and GDP per capita and FDI. According to Ang's (2008) in the real GDP and FDI inflows variables have a significant and positive relationship (Dermirhan and Masca, 2008). Regarding GDP per capita and FDI relationship, some authors, like Schnieder and Frey (1985), Tsai (1994) and Asiedu (2002) show that these two variables have a positive relationship (Dermirhan and Masca, 2008). This means that a higher GDP per capita leads to an increase on the FDI. The importance of market size on influencing the FDI is also presented by Dunning (1973) and Obadan (1982) (Akpansung and Okon, 2013).

4.2 Openness

This determinant results from the ratio of export plus imports to GDP (Dermirhan & Masca 2008). According to Mephokee, Cholpaisan & Roopsom (2012), this determinant “represents the free trade policy that eliminates barriers to trade, creates investment facilities and promotes intellectual property rights protection.” (Mephokee *et al.* 2012, p. 69). Therefore, the relative size of the export sector is going to be an indicator of this determinant (Akpansung & Okon 2013). In addition, the openness factor represents the country’s competitiveness position in relation to the international trade and exposure (Stoian & Filippaios, 2008). It is also important to refer that, normally low levels of openness are linked with horizontal FDI. On the other hand, the vertical flows of FDI requires higher levels of openness (Walsh & Yu, 2010).

In fact, there is not exist a unanimous conclusion about openness and FDI relationship, as is possible to verify from the following authors. To Kravis and Lipsey (1982), Culem (1988), Edwards (1990) the openness has a strong positive effect on FDI (Dermirhan and Masca, 2008). In addition, Nonnenberg and Medonca (2004) find a correlation between FDI and the degree of openness (Krawish & Siam, 2010). According to Hunady & Orviska (2014) this determinant has a significant relationship with FDI. In fact, according to these authors it is expected for a country to attract more FDI if that country has a more open economy. This idea is also supported by Stoian & Filippaios (2008), which state that if a country has high levels of openness in its economy then the probability of investing in that country increases. On the other hand, Schmitz and Bieri (1972) find that these two variables have a weak positive relationship (cited in Dermirhan and Masca, 2008).

Finally, due to the acknowledgment of the importance of this determinant, in the past years several countries have implemented an open door policy to FDI (O`Meara, 2015).

4.3 Labor Costs and Productivity

Labor costs and productivity are two other determinants of FDI. Regarding the impact of the wages on the FDI, some authors like, Goldsbrough (1979), Saunders (1982), Flamm (1984), Schneider and Frey (1985), Culem (1988) and Shamsuddin (1994) find that high wages discourage FDI (Dermirhan and Masca, 2008). Kinoshita and Mody (1997) also show that low-cost labor increases FDI (Coy and Cormican, 2014). In addition, to Cheng and Kwan

(2000) the labor costs have a negative impact on FDI. According to Mellahi *et al.*, (2001), lower costs of labor increases the attractiveness of FDI. However, Groh and Wich (2009) find that low-cost labor is not a crucial determinant of FDI. Instead, they argue that should be paid a detail attention to the combination of labor costs and productivity (Coy and Cormican, 2014). Nevertheless, some authors, like Cheng and Kwan (2000), believe that what leads to an increase on FDI is the workforce, which needs to be highly productive (cited in Coy and Cormican 2014, p. 10).

4.4 Political Risk

There are mixed findings in the literature regarding the relationship between political risk and FDI, as well as in the measurement of this determinant. According to Dermirhan and Masca (2008), authors like Jarperson, Aylward & Knox (2000) and Hausmann & Fernandez –Arias (2000) state that there is no relationship between these two variables. However, Schneider and Frey (1985) find an inverse relationship between political risks and FDI (Júlio, Pinheiro-Alves and Tavares, 2013).

Regarding to the measurement of this determinant, Edwards (1990) includes both political instability and political violence indices, in order to measure the political risk (Dermirhan and Masca, 2008). He concludes that political instability is significant to measure this determinant, although the political violence is not significant. This idea is also defended, in Mellahi *et al.*, (2001) that finds that political instability has an impact on the FDI inflow. In fact, for some investors the risk instability is one of the most important factors in the investment decision (Ahargoni (1996) cited in Mellahi *et al.*, (2001)).

4.5 Economic and Financial Stability

After mention the political risk as a determinant, another determinant of FDI is the economic and financial stability. In this case, the most used indicator to measure this determinant is the inflation rate. In fact, a country that has a high inflation rates show signs of economic instability that can damage the attractiveness of FDI (Assunção, Forte & Teixeira, 2011). In addition, it is important to refer that according to Lim (2001) the political risk and economic instability hold back the FDI (Coy and Cormican, 2014). Mellahi *et al.*, (2001), also support this idea, and states that political and economic stability are important determinants to FDI. Therefore, is

necessary to include both political and economic stability, in order to have a positive effect on FDI.

This determinant is also related to the economic and financial crisis. Moreover, according to Hunady & Orviska (2014), the financial and economic crises have a negative effect on FDI. For that, same reason, it is important to understand in which way an economic and financial crisis affect FDI.

4.6 Exchange Rate Valuation

The exchange rate constitutes another determinant of FDI. For some authors like Walsh & Yu (2010), the exchange rate valuation is a determinant of FDI. According to them, if firms decide to invest in a country that has a weaker real exchange rate, then it can benefit from low prices and increase profits in the case of the company export its products. Froot & Stein (1991) also defend this idea - countries that have weaker currencies attracts more FDI (Walsh & Ju, 2010).

4.7 Government Policies

The government policies are another FDI determinant. In fact, governmental policies can assume the form of tariffs, taxes, subsidies, regulatory regime and privatization policy (Agiomirgianakis et al., 2006). This is going to influence the FDI. For example, when the government imposes high tariffs that will lead to the increase of investment costs and the decrease of profitability. In this scenario, investors are not so propitious to invest. In resume, the government policies are going to influence the attractiveness of the host country (Brewer (1993) cited in Mellahi et al., 2001). According to Krawish and Siam (2010), the policy framework contains the economic, political and social stability; regulation for entry in new market; standards of treatment of foreign affiliates; policies for the functioning and structure of the markets; international agreements of FDI; privatization, trade and tax policies.

4.8 Corruption

Corruption constitutes another determinant of FDI. In fact, according to some authors, including Bénassy-Quéré, Coupet & Mayer (2007) and Cleeve (2008) the levels of corruption influence the capacity of development and the institutional quality of a country (Assunção *et*

al., 2011). Actually, high levels of corruption implicate bigger transaction costs (in the case of entering in a new market), leading to the decrease of the attractiveness of FDI (Stoian & Filippaios, 2008).

Stoian & Filippaios (2008) and Assunção *et al.* (2011) find a negative relation between corruption and FDI. Pournarakis and Varsakelis (2004) discover that countries that present fair systems of laws, less levels of corruption and high levels of freedom tend to attract more FDI (Stoian & Filippaios, 2008).

4.9 Business Facilitation

Business facilitations refers to the simplicity in which the business are led in the new country (Krawish & Siam, 2010). Here, the factors of this determinant that contribute to attract more FDI are the investment promotion and incentives; costs associated with corruption and administrative efficiency; development of the financial institutions; enforceability of contracts and protection of property rights. (Krawish & Siam, 2010). In addition, this determinant can be measured by promotion efforts; deliver of incentives, in order to attract investors, and reduction of corruption and bureaucracy (UNCTAD, 1998).

Artige & Nicolini (2005) find that regulatory, bureaucracy and judicial environments are key criteria to attract FDI. In fact, bureaucratic barriers discourage the investors, as such, the government of the host country implements a series of actions in order to reduce this barrier and attract more foreign investors. An example of these actions is the acceleration in the approval process. Overall, is important to note that this determinant itself is not sufficient to make FDI happen, although should not be underestimated (UNCTAD, 1998).

4.10 Infrastructures and Institutions

Infrastructures and Institutions includes roads; ports; railways; supply energy; telecommunication systems; water; sanitation and institutional development (Dermirhan and Masca 2008; Akpansung and Okon 2013). Once again, there is not a unanimous agreement about the importance and the existence of relationship between this determinant and FDI. According to Jordaan (2004) the existence of good quality and well-developed infrastructures leads to an increase on FDI (Dermirhan and Masca,2008). Cheng and Kwan (2000) find that

the existence of good infrastructures makes more attractive FDI (Coy and Cormican, 2014). However, to Mody *et al* (1998) the existence of high quality infrastructures is not primary driver for FDI. In fact, what raises FDI are infrastructure improvements (cited in Coy and Cormican 2014).

Regarding institutions, the quality of them are a significant determinant of FDI. According to Blonigen (2005), if a country has a reduced legal protection of assets this leads to the rise of expropriation of assets, which reduces the attractiveness of FDI. It is also important to refer that the measurements of this determinant and its comparability with other countries are not precise.

4.11 Taxes

There is not a unanimous opinion about the relationship between tax incentives and FDI. In fact, some studies find that taxes have a significant negative impact on the attraction of FDI, including Hartman (1994), Grubert and Mutti (1991), Hines and Rice (1994) (Dermirhan and Masca, 2008). According to Eicher, Helfman & Lenkoski (2011) lower taxes attract more FDI (Coy and Cormican 2014). Hunady & Orviska (2014) find that corporate taxes are a key determinant of Foreign Direct Investment. In fact, many governments, such as Ireland, have lower taxes in their countries in order to attract more FDI.

On the other hand, some authors find that there is not a significant relationship between these two variables. This is the case of Root and Ahmed (1979), Lim (1983), Wheeler and Mody (1992) and Jackson and Markowski (1995) (Dermirhan and Masca 2008). In fact, Wheeler and Mody`s (1992) add that corporate taxes do not have an important role in the attraction of the foreign investors (Coy and Cormican,2014).

4.12 Other Determinants

Other important determinants include human capital; the availability of natural resources; country risks; incentives; financial market regulations and stable banking system; the level of trade protection; the maturity of legal system; transport costs; costs factors and economic growth. According to Noorbakhsh *et al.* (2001) the existence of high skilled labor has an important role on the attraction of FDI (Coy and Cormican, 2014). This idea is also defended

by Cheng and Kwan (2000), which affirm in their study that education has a positive effect on FDI, although it is not statistically significant. In fact, for some authors (Brooks, Hasan, Lee, Son & Zhuang, 2010) it is necessary to exist intensive skilled labor in order to, improve the productivity and technological innovation (Assunção et al., 2011). To Miyamoto (2003) the human capital constitutes a key condition in order to benefit from FDI and has an important role in attracting FDI (Khraswish & Siam, 2010). The Availability of Natural Resources is another determinant of FDI. Although it should be noted that this determinant by itself is not enough for FDI to happen (UNCTAD, 1998). According to the UNCTAD (1998) report, this determinant explains a lot of the FDI inward in both developing; developed countries and countries in transition. Another determinant is the Country Risk, which is represented by the credit rating of the host country. Credit rating will influence the economic, the political and institutional performance. In fact, this determinant is influenced by the development of the private sector, industrial development, government balance, reserves and corruption (Bevan & Estrin, 2000). Incentives are also a determinant of FDI. Some governments decide to implement incentives, such as lower corporate taxes and loans guarantees (Dadush, 2013), in order to attract more investment. Although it is important to refer that according to Mephokee *et al.*, (2013) these incentives are not a key determinant of FDI.

In addition, Ozturk's (2007) mention some other determinants, such as Financial Market Regulations and Stable Banking System, that have an impact on FDI (Coy and Cormican, 2014). The Level of Trade Protection that the host country has is another FDI determinant. Blonigen (2005) states that if a country has high level of trade protection, then this leads to the increase of exportation and the decrease of the attractiveness of FDI, as companies want to avoid these costs of trade transportation. According to Coy and Cormican (2014), the Maturity of the Legal System is also a determinant of FDI. Several authors, including Baniak & Cukrowski (2005) and Naudé & Krugell (2007) show that the quality, the stability and the transparency of the legal system are important drivers in the attraction of FDI (Coy and Cormican 2014). Transport Costs are also a determinant of FDI. In this case, is relevant for both the horizontal and vertical FDI (Artige & Nicolini, 2005). To Branard (1997), FDI and transport costs are positively correlated (Artige & Nicolini, 2005). In addition, other determinant of FDI is the Costs Factors. This is associated with the availability of labor and raw materials (Feath, 2009 and Barauskaite, 2012). Finally, the economic growth is also an important determinant. According to Lunn (1980), Schneider and Frey (1985) and Culem (1988), this determinant has a significant positive effect on FDI (Dermirhan and Masca, 2008).

This is also supported by Gastanaga *et al.* (1998) and Schneider and Frey (1985) (Akpansung and Okon, 2013).

5. Forms of Foreign Direct Investment

When investing abroad, investors and companies can do it in different ways, namely through Mergers and Acquisitions, Greenfield investments and Joint Ventures. There are two important decisions that need to be taken by companies, in order to decide the best form to enter in the host country. Firstly is necessary to determine the level of control they are willing to give away. Regarding the level of control, if the objective is an equity-based entry, then it should be formed a joint ventures (in the case of partially control) or an owned subsidiary (in the case of total control). In the case of non-equity entry, they have two alternatives, licensing or exportation. After this is necessary to determine how to entry in the host country. In this case, the company or the investor can choose to buy an existing firm (Acquisition), to create a new company with a local firm (Mergers) or constructing a new one (Greenfield Investment). However, it is important to refer that this decision is extremely important, since the right choice allows reducing risks and costs.

5.1 Greenfield Investments

This type of investment abroad requires the construction of new facilities, such as factories and stores (Mehmed & Osmani, 2004). Therefore, it is build an owned subsidiary. This option should be taken in markets with low levels competitiveness (Wang, 2009). It is also important to refer that this form promotes the internal growth.

The advantages of a Greenfield investment are the fact that for this type of investments is not necessary business partners and it is easier to develop a new strategy as well as policy for the new company. On the other hand, the disadvantages of a Greenfield investment includes difficulties in enter in a new market as well as cultural differences (Barauskaite, 2012). Additionally, companies usually have to wait for more time to make the investment profitable.

5.2 Mergers and Acquisitions

This investment is made by purchasing abroad an existing company. The foreign company can buy the minority (up until 49%), majority (more than 50%) or the full (100%) existing company. This form of investment is the best option for companies that pretend to enter in a market that has already well-established competitors and other global competitors that are interested in entering in the same market (Wang, 2009). Actually, this type of investment is, in many cases, preferred to the Greenfield form, since it has a shorter time of execution. In addition, some investors choose to acquiring firms since this allows them to use the existing company valuable strategic assets, such as “trademarks or patents, brand loyalty, production systems, customer relationships, distribution systems.” (Mehmed & Osmani, 2004). Other advantage of this form of FDI is the level of risk. In fact, the acquisition or merger of firms is less risky than Greenfield. Furthermore, other advantage of mergers and acquisitions is the chance to access to more a detail information about the host market, since the partner has access to it. On the other hand, the difficulties in finding the right partner and the possibility of conflicts between the partners are the disadvantages of mergers and acquisitions (Barauskaite, 2012). Regarding to the method of acquisition used, normally the must use method is the capital movement, although there are some other ways of payments, such as transfer of assets.

5.3 Joint Ventures

A Joint Venture (JV) is an arrangement between at least two companies that form a new firm in order to achieve a certain objective. For that same reason, these companies gather both resources and skills. This can include facilities such as access to new markets, distribution channels and technologies. Since the companies are working together, they are both responsible for the losses as well as the profits. However, it is important to refer that these firms maintain their own entities although a new firm is created. Regarding to the motivations behind pursuing JV. In fact, companies can opt for a JV in order to consolidate its business or to transfer important skills that they do not have but its partner has. In addition, companies can pursue this type of investment since they intend to enter in a new market or leverage the existence skills by complementing with the skills of the partner.

The main advantage of joint ventures is the fact that by collaborating with a local company in the host country is possible to have access to a more relevant information about the host market. In addition, doing a partnership with a local firm it facilitates the entree in a new market as well as the access to the distribution channels. Other advantage of pursuing JV is the possibility to have access to new skills and the development of the existing ones. On the other hand, the main disadvantage is the difficulty in finding the right partner (Barauskaite, 2012). Other weakness of JV is the possible conflicts that can arise from cultural and strategy differences, which can lead to important losses.

Regarding the process of creating a new JV. Firstly, it is important for the companies to correct define the synergies and objectives that they pretend to achieve. Then, it is necessary to find the right partner that has the same objectives for the JV. In fact, this is an extremely important decision. After this step, it can be formalized the partnership, by a contract. It is necessary in this agreement to establish important issues such as, the definition of the resources that will be used and each other contributions; the objectives that are going to be achieved and issues related to equity and management control.

6. Benefits of FDI

It is important to refer the main benefits coming from the FDI. One of the advantages of Foreign Direct Investment is the transfer of capital, technology and management resources. According to Jenkins and Thomas (2002) the transfer of capital brings economic growth to the host economy (Kurtishi-Kastrati, 2013). Feldstein (2000), presents several advantages coming from the transfer of capital. Firstly, allows the companies to reduce their risk, once they can opt to diversify. In addition, it helps companies to stay out of practising bad policies due to the regulation on capital flows (Kurtishi-Kastrati, 2013). Regarding to the transfer of technology, according to Hill (2000) this can assume two forms: by incorporating on the production process or by incorporating on the product (Kurtishi-Kastrati, 2013). Is also important to mention that according to OECD (1991), the transfer of capital has a positive effect on the host country productivity and on the economic growth (Kurtishi-Kastrati, 2013). Therefore, it is possible to say that FDI allows increasing the productivity as well as the economic growth of the host country.

Other benefit of Foreign Direct Investment is the creation of jobs. Actually, the company can do this both directly and indirectly. Directly create jobs by investing in the host country and employing people. On the other hand, indirectly create jobs in result of the increase of the local spending by the new employees of the foreign company. This idea is also supported by Kurtishi-Kastrati (2013), in which he concludes that one job directly created by FDI generates approximately 1.6 more jobs indirectly.

The effects on competition are another benefit that comes from the FDI. According to OECD (2002) by investing abroad companies can benefit from reaching higher productivity, lower prices and have a better allocation of the resources. This will lead to economic development, since the companies of the host country has to improve their capital investments, in order to compete with the new competition (Kurtishi-Kastrati, 2013).

Finally, it is important to refer the benefit that FDI can bring to the society of host country. In fact, the presence of the company can help to improve the conditions of the host community, namely the environmental and social issues, since exist the creation of jobs as well as the improvement of the skills and capabilities of the workers. In fact, FDI promotes the transfer of management resources. This can be made by training the workforce and by the transferring the skills and practices. For doing this, it is possible to raise the managerial efficiency in operations (Kurtishi-Kastrati, 2013).

CHAPTER 2: DATA ANALYSIS

After the literature review about FDI, we now will analyse the data on FDI. This includes two parts: Global FDI and Portugal FDI. In the first part, we analyse the evolution of the Global FDI, then we move on to the analysis of FDI in Portugal. In both, we study the growth of FDI inflows, FDI outflows, Greenfield Investments and M&As.

In order to analyse the FDI around the world, we divide the countries into the following groups:

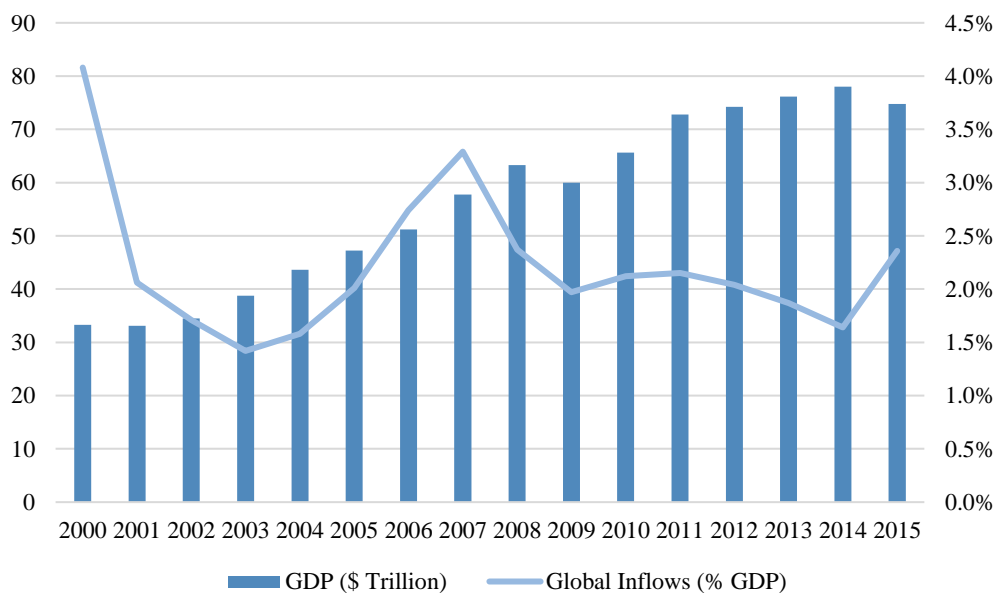
- **Developing Countries** – this group takes into account Africa and Asia countries, namely North; West; Central; East; Southern Africa and East and South-East Asia, East, South-East, South and West Asia.
- **Developed Countries** – this includes North America; Europe and European Union Countries and Asia pacific countries.
- **Transition Countries** – South-East Europe and CIS.
- **Least Developed Countries**- Africa and Asian countries
- **Landlocked Developing Countries** – these include 31 countries.
- **Latin America and the Caribbean** – includes South and Central America; Caribbean and Oceania
- **Small Island Developing States (SIDS)**

1. Evolution of Foreign Direct Investment – Global FDI

After the World War II FDI had a fast increased. This was due to the beginning of the unrestricted movements of capital (Hills, 2001). Between 1984 and 1998, the total FDI flow increased more than 900 percent (Hills, 2001). The rapid growth of FDI was due to the decline of trade barriers, dramatic political and economic changes in most of developing countries and to the globalization of the world's economy (Hills, 2001).

Firstly, we analysed the Global FDI inflows and outflows together, since globally, inflows and outflows are the same (should exist a balance between them, in global terms). Therefore, we only focus on one of the indicators. Graph 1 represents the Global FDI inflows (in percentage of the GDP) and the Global GDP, between 2000 and 2015. In Appendix 1, it is possible to see with more detail the information related with the values of Global FDI inflows and outflows and Global GDP, during this period of analysis.

Graph 1- The Global FDI Inflows (% GDP) and the Global GDP



Source: UNCTAD 1998, 2012, 2016

In 2000, the Global FDI contributed around 4 % for the total of the GDP, which was the biggest contribution during the time of analysis. In the following year, the Global FDI decreased and this was due to the decline of cross-border mergers and acquisitions in industrial countries, as well as the adjustment occurred in world equity markets (IMF, 2003). Interestingly, the Global FDI increased in 2007, despite the world financial and economic crisis. According to UNCTAD (2008), the global economic and financial crisis did not have a huge effect on the FDI flows of 2007, since the crisis started on the second half of 2007. In fact, in this year the Global Inflow represented around 3% of the Global GDP, which constituted the second highest value during this period of analysis. In 2008, however, the effects of the economic and financial crisis were felt and, the Global flows suffered an important decrease. The flows were only able to recover in 2010. This increase was the result of the improvement of the economic growth, the increase of the corporate profitability and the rise of the value of the stock valuations (UNCTAD, 2010).

Finally, in 2015, the Global FDI growth and was able to achieve the biggest value since the global economic and financial crisis of 2008. According to UNCTAD (2016), this raise was the result of the corporate reconfigurations. In this year, the Global inflows represented around 2 % of the Global GDP.

1.1 The Evolution of the Inflows in the Different Zones

After analysing the evolution of the Global FDI, is now necessary to study in more detail the evolution of the inflows and outflows of the groups that were mentioned before. We start by studying the evolution of the inflows.

Table 1 shows the evolution of Developed Countries inflows, from 2006 to 2015.

Table 1 – Evolution of inflows in the Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Developed Countries	982	1320	1032	652	700	817	787	680	522	963

Source: UNCTAD 2008, 2010, 2012, 2013, 2014, 2015, 2016

From Table 1 it is possible to see that until 2007, the inflows from this zone have grown. In fact, in 2007, the FDI inflows of Developed Countries achieved \$1320 billion. In 2008, the inflows decreased, as the result of the economic and financial crisis, reaching \$1032 billion (UNCTAD, 2014). Indeed, from the 38 countries of this zone, 23 have registered decreases in their inflows (UNCTAD, 2009). The recover only happen in 2010, year in which, the inflows reached \$700 billion. It should also be mentioned that in 2015, the inflow from this zone managed to increase 84.4%, reaching \$963 billion. Actually, it was the first time in three years that this indicator has increased (UNCTAD, 2016). As is possible to verify, the inflows did not complete recover from the economic and financial crisis. Actually, the values of the inflows after crisis were lower than the inflows pre-crisis.

As it was mentioned above, Developed Countries include the Europe and European Union Countries, North America and Asia Pacific. Table 2 represents the Evolution of the Europe and European Union Countries inflows (\$ Billion).

Table 2 – Evolution of inflows in the Europe and European Union (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Europe	640	907	578	437	432	478	483	323	306	504
European Union	585	859	561	391	385	426	447	320	292	440

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

From 2006 to 2007 the inflows from both Europe and European Union Countries, increased, reaching in 2007, \$907 billion and \$859 billion, respectively. In 2007, the second major receiver of FDI, in the developed countries, was United Kingdom (UNCTAD, 2008). Although, in 2008, was Belgium that assume this position. In 2008, the inflows of Europe and European Countries decreased, and were only able to recover in 2011.

In 2015, the Europe inflows had a major growth of 65%, achieving \$504 billion. The same situation happened with the European Union inflows, which reached \$440 billion. According to UNCTAD (2016), this was due to the huge increases of the Ireland inflows. Indeed, Ireland inflows increased 222.9% achieving \$101 billion. Finally, during 2015, Ireland was the second

major receiver of FDI from developed countries (UNCTAD, 2016). Appendix 2 presents the detailed evolution of the inflows from some of these countries, between 2006 and 2015.

The North America inflows, are represented on Table 3. Appendix 3, shows more detailed information regarding the evolution of Canada and USA inflows.

Table 3 – Evolution of inflows in the North America (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
North America	297	333	368	166	226	270	232	283	165	429

Source: UNCTAD 2012,2013, 2014,2015, 2016

In this case, the effects of the economic and financial crisis were only felt in 2009. In this year, the inflows were \$166 billion. However, in the following year North America inflows were able to grow, reaching \$226 billion. Finally, in 2015, the North America inflows had a huge raise (160%) achieving \$429 billion. It is possible to conclude therefore that this area was able to completely recover from the economic and financial crisis of 2008. It should be mentioned that during this period of analysis USA was the major receiver from the North America area, as well as from the world.

Finally, Appendix 4 shows the inflows of some countries from the Asia Pacific, between 2006 and 2015. In 2008, despite the financial and economic crisis, the inflows from Australia, Japan, Israel and New Zealand managed to increase achieving \$47.0 billion, \$24.0 billion, \$10.8 billion and \$4.0 billion, respectively. Only Bermuda, registered a decrease in its inflows, reaching \$0.2 billion. The effects of the economic and financial crisis were in 2009. Indeed, in this year all the countries registered declines in their inflows. Australia, Bermuda and Israel were able to recover in the following year. However, Japan and New Zealand inflows only recovered in 2012 and 2011, respectively. Moreover, it is possible to conclude that during the period of analysis the biggest receiver of FDI was Australia. However, it should be mention that in 2014 and 2015 the Australia inflows have fallen, and according to UNCTAD (2016), this was mainly because of the disinvestment on the oil and gas industry.

Regarding Developing Countries inflows, as mentioned before, this group is composed by Africa (North; West; Central; East; Southern and South Africa) and Asia (South; West and East and South East Asia). The Table 4, below, presents the evolution of this zone, since 2006 and until 2015.

Table 4 – Evolution of inflows in the Developing Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Developing Countries	427	589	669	464	625	670	659	662	699	765

Source: UNCTAD 2008, 2012, 2013, 2014, 2015, 2016

In 2008, the inflows of this zone continued to increase, despite the economic and financial crisis. In fact, was only in 2009 that inflows were affected by the Global crisis. During 2010, the inflows of the Developing Countries were able to recover, reaching \$625 billion. From this year until 2015, the inflow continued to grow, achieving \$765 billion, in 2015. As it is possible to see, the values of the inflows before the crisis were lower than the values after the crisis. So, is possible to sustain that the Developing Countries inflows have recovered from the economic and financial crisis.

After analysing the Developing Countries inflows in general, we now look at the inflows in Africa and Asia. In Africa the inflows from 2006 to 2015, are represented in Table 5.

Table 5 – Evolution of inflows in Africa (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Africa	36.8	51.3	59.3	54.4	43.6	47.8	55.2	52.2	58.3	54.1

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

In 2007, Africa inflows achieved \$51.3 billion. The major investors were from USA and Europe (UNCTAD, 2008). Moreover, the main receivers of FDI were Nigeria, Egypt and South Africa (UNCTAD, 2008). In the following year, despite the financial and economic crisis the Africa inflows managed to continue to increase, reaching \$59.3 billion. The main investors in Africa, during this period, were developed countries (UNCTAD, 2009). The impact of the

economic and financial crisis on the inflows was felt in 2009, and the inflows were only able to recover in 2011. As it is possible to see, in 2015, the Africa inflows suffered a fell of 7.2%, reaching \$54.1 billion (UNCTAD, 2016). According to UNCTAD (2016), this was the result of the fall in oil prices, depreciation of the currency and the rise of their inflation rate. Finally, it should be noted that, according to UNCTAD (2016), it is projected that the inflows to Africa, in 2016, will growth because of the liberalization actions taken by the Governements, as well as the privatization of some stated-owned companies.

In addition, from Table 6 is possible to see the evolution of the FDI inflows, for the North, West, Central, East, Southern and South Africa, between 2006 and 2015.

Table 6 – Evolution of inflows in North, West, Central, East, Southern and South Africa (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
North Africa	23.0	24.0	23.1	18.1	15.7	7.6	15.8	12	11.6	12.6
West Africa	7.0	9.6	12.5	14.7	12.0	19.0	17.0	14.5	12.1	9.9
Central Africa	2.7	5.6	5.02	5.6	7.8	7.4	9.0	7.9	9.1	5.8
East Africa	2.4	4.0	4.4	3.9	4.5	4.8	5.5	6.8	8.0	7.8
Southern Africa	1.4	8.0	14.2	12.0	3.5	9.1	8.1	11	17.5	17.9
South Africa	-	-	-	-	-	-	-	-	-	1.8

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

As is possible to see from the table, since 2006 until 2010, North Africa was the biggest receiver of FDI in Africa. Since 2011 and until 2013, the place was occupied by West Africa. From 2014 to 2015, the largest receiver of FDI was Southern Africa. Appendix 5 shows the evolution of the inflows, of the countries in this zone, between 2006 and 2015.

Table 7 presents the evolution of Asia inflows from 2006 to 2015.

Table 7 – Evolution of inflows in Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Asia	291	365	396	324	412	427	410	431	468	541

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

In 2009, the inflows registered a decreased, achieving \$324 billion. However, in the following year, the inflows managed to recover, reaching approximately \$412 billion. Since 2013 and until 2015, the inflows from this zone growth, achieving \$541 billion (UNCTAD, 2016). Therefore, it is possible to affirm that this zone overcome the economic and financial crisis. Indeed, the values after crisis are bigger than the values registered before crisis.

As it was mentioned before, Asia region is subdivided in three groups: East and South East Asia; South Asia and West Asia. Firstly, the evolution of the East and South-East Asia inflows, is represented in Table 8.

Table 8 – Evolution of inflows in East and South-East Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East and South-East Asia	196	251	245	210	314	330	330	350	383	448
East Asia	132	165	195	164	203	234	213	221	258	322
South-East Asia	64	86	50	46	111	96	117	129	125	126

Source: UNCTAD 2010, 2012, 2013, 2014, 2015, 2016

As is possible to see, from 2008 and until 2009, the inflows dropped, as a result of the economic and financial crisis. However, in the following year were able to recuperate and, until 2015, the inflows of East and South-East Asia growth, reaching \$448 billion, in 2015. In more detail, in 2011, the inflows of this zone, represented 22% of the Global FDI inflows in this period

(UNCTAD, 2012). Finally, from the Table 8 it is possible to conclude that during the period of analysis, the East Asia had receive more FDI than South-East Asia. In Appendix 6 we show the evolution of the inflows from some countries of this zone. China and Hong Kong (China) were the major receivers of FDI from this zone.

The second subgroup of Asia zone is South Asia. The evolution of this subgroup, from 2006 to 2015, is shown in the Table 9.

Table 9 – Evolution of inflows in South Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
South Asia	28.0	34.5	56.7	42.4	35.1	44.4	32.4	36.0	41.0	50.5

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

The effects of the economic and financial crisis, were felt in 2009. In this year, the inflows decreased to \$42.4 billion. The inflows in South Asia, were only able to recover in 2011. Moreover, since 2013 and until 2015, the inflows from this zone managed to increase, reaching \$50.5 billion, in 2015. Appendix 7 shows detailed evolution of the inflows in the countries of this zone. From that, is possible to conclude that the biggest receiver of FDI, during 2006 to 2015, was India. In fact, in 2015 India turn to be the tenth receiver of FDI, in the world (UNCTAD, 2016).

Finally, the last subgroup of Asia zone is West Asia. The following table represents the evolution of West Asia inflows, from 2006 to 2015.

Table 10 – Evolution of inflows in West Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
West Asia	67.0	79.6	93.5	71.4	63.2	52.8	48.0	46.0	43.3	42.4

Source: UNCTAD 2010, 2011, 2012, 2013, 2014, 2015,2016

In fact, inflows, in 2008, did not suffered with the economic and financial crisis. According to UNCTAD (2009), this increase is the result of the growth of the Saudi Arabia inflows. Since 2009 until 2015, the inflows from this zone has been decreasing, reaching \$42.4 billion, in 2015. This decrease is not only the result of the economic and financial crises, but it is also, due to the successive crisis, such as the political tension, which lead to conflicts, in this zone (UNCTAD, 2015). Appendix 8 presents detailed inflows for countries in this zone. From that, is possible to conclude that during this period of analysis, Turkey was the biggest receiver of FDI, in 2006, and from 2012 and until 2015, while between 2007 and 2011, the biggest receiver of FDI was Saudi Arabia.

Next, we move on to study the Latin America and the Caribbean inflows. From Table 11 is possible to see the inflows for this zone.

Table 11 – Evolution of inflows in Latin America and the Caribbean (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Latin America and the Caribbean	98	172	211	84	167	193	191	176	170	168
Central America	26	39	36	22	33	32	30	56	37	42
South America	43	72	93	58	131	157	155	115	128	121
Caribbean	29	61	82	4	3	4	6	5	5	5

Source: UNCTAD 2012, 2013, 2015, 2016

From 2006 to 2008, the Latin America and Caribbean inflows registered a huge increased, passing from \$98 billion to \$211 billion. In the following year, the Latin America and the Caribbean inflows dropped and, according to UNCTAD (2010), this was result of the global economic and financial crisis. However, the inflows managed to increase, in 2010. In addition, since 2012 to 2015, the inflows decreased to \$168 billion, in 2015. It should be noted that,

during this period of analysis, the sub region of Latin America and Caribbean that received the highest levels of FDI was South America.

In more detail, in 2006, the major receiver of FDI was Mexico, although, from 2007 to 2015, this place was occupied by Brazil. The evolution of these two countries inflows, as well as some other countries from this zone, are represented in Appendix 9.

Now it is time to analyse the Transition Economies inflows. This component is composed by the South-East Europe and CIS countries. From the Table 12, is possible to verify the evolution of the inflows.

Table 12– Evolution of inflows in Transition Economies (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transition Economies	54.3	93.4	117.7	70.5	63.6	79.3	64.8	85.0	56.5	35.0
South-East Europe	9.6	13.2	7.01	6.3	4.6	8.0	3.6	4.8	4.6	4.8
CIS	43.5	78.4	109	63.4	58.2	70.3	60.3	78.8	50.1	28.8

Source: UNCTAD 2008, 2010, 2012, 2013, 2014, 2015,2016

The inflows achieved the highest value, in 2008, regardless the economic and financial crisis. In fact, the effects of the crisis were felt in 2009, and the inflows were only able to recover in 2011. In this year, the inflows reached \$79.3 billion. From 2013 to 2014, the inflows decreased 51.7% due to the regional conflicts, the decrease in oil prices and the international sanctions (UNCTAD, 2015). During all the period of analysis, the CIS inflows were much larger than the South-East European inflows. In Appendix 10, is possible to verify the growth of the inflows of some countries of this zone. For the period of this analysis, the major receiver of FDI was Russian Federation.

Moreover, in Table 13 is represented the evolution of the Least Developed Countries, from 2006 to 2008.

Table 13– Evolution of inflows in Least Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Least Developed	12	15	19	17	24	22	23	21	26	35

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

From 2006 until 2008, the inflows registered an increase. Indeed, in 2008, the inflows from this zone managed to grow, despite the Global economic and financial crisis (UNCTAD, 2009). In 2009, the inflows suffered a slight decrease, but recovered in the following year. As is possible to see, the Least Developed Countries were able to overcome the crisis. In fact, the values of the inflows in the years after crisis are bigger than the values in the years before crisis. Moreover, it is also important to refer that China and USA are the major investors in this zone (UNCTAD, 2016). As it was mentioned before, this zone includes countries from Africa, Asia and Oceania. The information regarding to the evolution of the FDI of some countries in this zone is on Appendix 11. From that is possible to say that during this period of analysis there is not a predominant receiver of FDI. Sudan was the major receiver from 2006 to 2008. In the following year was Angola. In 2010, Dem. Rep. of Congo occupied this place. From 2011 to 2014, the major receiver of FDI was Mozambique. Finally, in 2015 was once again Angola.

The growth of the Landlocked Developing Countries inflows is represented in Table 14.

Table 14 – Evolution of inflows in Landlocked Developing Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Landlocked Developing	12	15	28	26	26	36	35	30	30	25

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

In 2009, the inflows of this zone dropped to \$26 billion. According to UNCTAD (2011), this decrease was the result of the small size of these economies, due to geographical disadvantages; high transportation costs and bad quality of the infrastructures. The recovery of the inflows

only happened in 2011. From 2012 and until 2015, the inflows decreased, reaching \$25 billion, in 2015. Appendix 12 shows more detail information regarding the evolution of the inflows in some countries of this zone, during this period of analysis.

Lastly, Table 15 shows the evolution of the Small Island Developing States.

Table 15– Evolution of inflows in Small Island Developing States (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Small Island Developing States	5.6	7.0	8.7	4.6	4.7	6.2	6.6	6.0	7.1	5.0

Source: UNCTAD 2012, 2013, 2014, 2016

As it was mentioned before, this zone is composed by 29 islands (UNCTAD, 2010). From Africa, Latin America and the Caribbean; Asia and Oceania (UNCTAD, 2011). The inflows registered a growth from 2006 to 2008. In 2009, the inflows dropped to \$4.6 billion, which corresponds to the lowest value during this analysis. According to the UNCTAD (2010), this was because of the size of the market, the fewer amount of natural and human resources that exists in this zone and due to the high transactions costs. The inflows recovered in 2011, achieving \$6.2 billion. In addition, from 2014 to 2015, the inflows of this zone decreased 31.7%, to \$5 billion. Therefore, it is possible to sustain that this zone has not recovered totally from the economic and financial crisis. Appendix 13 shows the evolution of the inflows, of some countries of this zone. From that, is possible to conclude that the major receiver of FDI was the British Virgin Islands.

1.2 The Evolution of the Outflows in the Different Zones

Similar to the inflows analysis, is now necessary to study the evolution of the outflows in the different zones. In the Table 16, we present the growth of the Developed Countries outflows.

Table 16– Evolution of outflows in Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Developed Countries	1152	1890	1599	820	983	1280	918	826	801	1065

Source: UNCTAD 2008, 2012, 2013, 2014, 2015, 2016

From 2006 to 2007, the outflow increased from \$1152 billion to \$1890 billion. In fact, according to UNCTAD (2008), the growth in 2007 was because of the big amount of the financial resources that came from large corporate profits. In 2008, the outflows of this zone decreased. Indeed, from the 37 countries of this zone, 24 had suffered decrease on their outflows (UNCTAD, 2009). It should be mentioned, that despite the decrease on the outflows in 2008 and 2009, the Developed Countries managed to be the major source of FDI (UNCTAD, 2010). The outflows recovered in 2011, to \$1280 billion. Finally, in 2015, the outflows raised 33%, and according to the UNCTAD (2016), this was due to Europe and Japan. It also should be noted that this value represents practically three quarters of the global FDI (UNCTAD, 2016).

The evolution of the Europe and European Union outflows is represented the Table 17.

Table 17 – Evolution of outflows in the Europe and European Union (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Europe	794	1329	1045	400	586	559	411	320	311	576
European Union	692	1258	984	352	479	492	352	273	296	487

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

From the Table, firstly it is possible to conclude that in the period of analysis the outflows of the European Countries were mostly bigger from the European Union Countries. In 2008, both outflows declined, and were only able to recover in 2010. The Europe outflows, since 2011 until 2014, decreased, reaching \$311 billion, in 2014. Regarding the European Union outflows, in 2011, they continued to growth. From 2013 until 2015, the outflow raised to \$487 billion. Finally, in 2015, Europe outflows have also increased, accomplishing \$576 billion. In fact, Europe, in 2015, was the biggest outward investor region, being that way able to recover from four years of decrease (UNCTAD, 2016).

The evolution of the outflows in some countries of this zone is represented in Appendix 14. During this period of analysis, the major outward investor from this zone is not always the same. Indeed, German occupied this place in 2006, 2010 and 2014. United Kingdom was the biggest investor abroad, in 2007 and 2011. In 2008, this place was taken by Belgium. In the following year, France was the first country. In 2013 and 2015, the main outward investor from this sub region was Netherland. Finally, it should be noted that in 2014, UK outflows registered a negative value. According to UNCTAD (2015), this was because of Vodafone-Verizon disinvestment.

Regarding North America, the Table 18 shows the evolution of this zone outflow.

Table 18 – Evolution of outflows in North America (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
North America	270	458	388	328	313	449	374	363	372	367

Source: UNCTAD 2012, 2013, 2015, 2016

The outflows from 2008 and until 2010 have decreased. However, in 2011, the outflows recovered, reaching \$449 billion. Moreover, from 2014 to 2015 the outflows decreased to \$367 billion. Therefore, it is possible to conclude that this zone did not completely recover from the economic and financial crisis, since the value in 2015 is lower than the value of the outflow in 2007.

Appendix 15 presents the evolution of the USA and Canada outflows, between 2006 and 2015. From that, is possible to conclude that USA was a much bigger investor abroad than Canada, during this period. In fact, USA was the major investor abroad from all the Developed countries. To conclude, it is important to refer that the USA has been a greater FDI investor, and this was due to their strong economy, the existence of large corporate profits and cash flows (Hills, 2001).

The last subgroup of the Developed Countries zone is Asia Pacific. Appendix 16 shows the evolution of the outflows from some countries of this sub region. During whole the period of analysis, the main outward investor, from this sub region, was Japan. Indeed, in 2015, Japan was the second major investor in foreign countries from the developed countries.

Next, we analyse the Developing Countries outflows. Table 19 shows the evolution of the Developing Countries outflows.

Table 19 – Evolution of outflows in Developing Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Developing Countries	239	330	338	235	358	374	358	409	446	378

Source: UNCTAD 2008, 2012, 2013, 2014, 2015, 2016

The outflows from this region were affected by the economic and financial crisis in 2009, and were able to recover in the following year. In fact, in 2010, the outflows were \$358 billion. In addition, in 2015, the outflows from this zone accomplished \$378 billion, which represented a decrease comparing to the previous year. However, and by looking to the table is possible to sustain that Developing Countries outflows have recovered entirely from the crisis, since the values of the outflows after crisis are bigger that the values pre crisis.

As it was mentioned before, this zone is composed by two subgroups: Africa and Asia outflows. Firstly, will be study the Africa outflows. In the Table 20, we present Africa outflows, from 2006 to 2015.

Table 20 – Evolution of outflows in Africa (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Africa	8	11	5	6	9	6	12	16	15	11

Source: UNCTAD 2008, 2012, 2013, 2014, 2015, 2016

In 2008, the indicator achieved \$5 billion, which represent a decrease when comparing to the previous two years. According to UNCTAD (2009), this was because of the huge disinvestment of South African enterprises. In the following year, the outflows managed to increased, accomplishing \$6 billion. Finally, from 2014 to 2015 the outflows declined to \$11 billion.

In more detail, Table 21 shows the evolution of the Southern Africa, North Africa, East Africa, West Africa and Central Africa outflow, between 2006 to 2015.

Table 21 – Evolution of outflows in Southern, North, East, West and Central Africa (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Southern Africa	6.3	4.0	-5.8	1.4	2.4	2.0	5.1	12.7	11.8	6.8
North Africa	1.1	5.6	8.8	2.5	4.8	1.5	3.1	0.4	0.8	1.8
East Africa	0.04	0.1	0.1	0.1	0.2	0.2	0.3	0.1	0.2	0.3
West Africa	0.7	1.3	1.7	2.1	1.3	2.6	3.5	2.2	2.3	2.0
Central Africa	0.1	0.1	0.1	0.05	-0.03	-0.04	0.4	0.1	0.2	0.4

Source: UNCTAD 2010, 2011, 2012, 2013, 2014, 2015, 2016

During the period of analysis the sub region with the biggest investment abroad was Southern Africa in 2006, as well as from 2012 and until 2015. From 2007 and until 2010, this place was

occupied by North Africa. Finally, in 2011, the major outward investor of this zone was West Africa.

The growth of the outflows in some countries of this zone is presented in Appendix 17. From that, it is possible to conclude that the major outward investor was mainly occupied by South Africa.

The second group of Developing Countries is Asia. Table 22 shows the Asia outflows.

Table 22 – Evolution of outflows in Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Asia	151.4	238.5	236.4	215.0	291.5	318.6	302.4	359.0	398.0	332.0

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

The outflows, from 2008 and until 2009 have decreased, as the result of the global economic and financial crisis. During 2010 and 2011, the outflows grew, reaching \$318.6 billion. The same situation happened between 2012 and 2014, and the outflows in 2014, achieved \$398 billion (UNCTAD, 2016). Finally, in 2015, this indicator suffered a decline of 17% to \$332 billion (UNCTAD, 2016). However, it is possible to sustain that the outflows from this zone have completely recovered from the global crisis.

The East and South-East Asia outflows are represented in the Table 23.

Table 23 – Evolution of outflows in East and South-East Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East and South-East Asia	114.0	186.8	176.8	180.6	257.4	275.3	270.9	312.0	365.1	293.0
East Asia	85.4	127.1	143.0	139.1	196.3	213.3	216.2	233.2	290.0	226.0
South East Asia	28.6	60.0	34.0	41.5	61.1	62.0	54.7	78.8	75.3	66.7

Source: UNCTAD 2010, 2011, 2012, 2013, 2014, 2015, 2016

Due to the economic and financial crisis, the outflows, in 2008, dropped to \$176.8 billion. Although, in the following year the outflows managed to recover, achieving \$180.6 billion. In 2015, the outflows declined to \$293 billion. Nevertheless, it is possible to conclude that this zone was able to recover completely from the crisis. In fact, after the crisis the outflows achieved are bigger than the values registered before the crisis. Finally, it is also possible to conclude that East Asia outflows were always bigger than South East Asia outflows, during the period of analysis.

Appendix 18 shows the evolution of the outflows from some countries of the East and South-East Asia, during this period of analysis. Indeed, it is possible to conclude that the major outward investor from the East and South-East Asia varies across years: Hong Kong (China), from 2006 to 2011 and in 2014. In the remaining years, the major investor abroad was China. It should be noted that 2015, was characterized by the increase of China investments abroad and by the decrease of the investments made by Hong Kong investors. In fact, China was the third biggest investor abroad, from the developing countries.

Table 24 shows the growth of South Asia outflows. From 2006 to 2008, the South Asia outflows had a major increase, from \$15.0 billion to \$21.6 billion. Since 2009 and until 2013, the outflows decreased, reaching \$2.2 billion, which was the lowest outflow value during this period of analysis. During 2015, the outflow decrease, once again, registering \$8.0 billion. Therefore, it is possible to affirm that this zone outflows did not recover entirely from the economic and financial crisis.

Table 24 – Evolution of outflows in South Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
South Asia	15.0	17.7	21.6	16.3	16.3	12.9	10.0	2.2	12.0	8.0

Source: UNCTAD 2010, 2011, 2012, 2016

The evolution of the outflows from some countries that belong to the South Asia, from 2006 to 2015, is presented on Appendix 19. During this period, the major outward investor was India.

Finally, the evolution of West Asia outflows is presented in Table 25.

Table 25– Evolution of outflows in West Asia (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
West Asia	23	18	38	18	18	30	23	45	20	31

Source: UNCTAD 2008, 2010, 2012, 2015, 2016

From 2006 to 2007 the outflows decreased, reaching \$18 billion. It should be noted, that 94% of the outward, in 2007, have come from Kuwait, Saudi Arabia, the United Arab Emirates, Qatar, Bahrain and Oman (UNCTAD, 2008). However, during 2008, the outflow managed to grow, achieving \$38 billion. In 2009 and 2010, the outflows of this zone decreased. According to the UNCTAD (2010, 2011), this was due to the global crisis, as well as the protection measures taken by the government. Moreover, in 2013, the outflows achieved \$45 billion, which was the highest outflow value, during the period of analysis. Finally, in 2015, the outflows increased, to \$31 billion.

The growth of the outflows from some West Asia countries is shown in Appendix 20. From that is possible to conclude, that the United Arab Emirates was the main outward investor since 2006 and until 2008, as well as from 2014 and 2015. In addition, from 2009 until 2013 the main investor was Kuwait.

Regarding to the Latin America and the Caribbean zone, Table 26, shows the evolution of this zone outflows.

Table 26 – Evolution of outflows in Latin America and the Caribbean (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Latin America and the Caribbean	80.0	80.3	96.0	13.4	57.3	48.3	41.5	32.3	31.4	33.0
Central America	8.2	12.0	1.4	9.6	15.4	13.0	23.0	14.0	9.0	9.0
South America	35.5	14.5	35.9	3.5	42.0	34.3	16.6	16.7	21.1	23.04
Caribbean	36.0	54.0	59.0	0.171	-0.4	1.1	2.0	1.6	1.45	1.0

Source: UNCTAD 2010, 2011, 2012, 2013, 2014, 2015, 2016

From 2006 to 2008, the Latin America and the Caribbean outflows increased, reaching \$96 billion, in 2008. In 2009, the outflow decreased, but were able to recover in the following year. Moreover, in 2015, the outflows grew, in result of the modifications in the debt flows (UNCTAD, 2016). From Table 26, it is possible to conclude that this zone did not recover totally from the economic and financial crisis. Finally, Caribbean was the biggest outward investor from this zone, from 2006 to 2008. In 2009 and 2012, it was Central America that occupied this place. In the remaining years, the largest investment came from South America.

The evolution of the outflows from some Latin America and Caribbean countries, from 2006 to 2015, is presented in Appendix 21. The major outward investor was Brazil in 2006, 2008

and 2010, and the Cayman Islands in 2007. Mexico was the biggest investor abroad from this zone in 2009, 2012 and 2013. In the remaining years, the major outward investor was Chile.

Table 27 shows the growth of the Transition Economies, from 2006 to 2015.

Table 27 – Evolution of outflows in Transition Economies (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transitions Economies	24.0	51.6	61.7	47.2	50.5	55.7	33.2	76.0	72.0	31.1
South East Europe	0.4	1.5	0.5	0.1	0.3	0.4	0.4	0.5	0.5	0.4
CIS	23.3	50.0	61.0	47.1	50.0	55.1	32.5	75.2	71.3	30.5

Source: UNCTAD 2008, 2010, 2011, 2012, 2014, 2015, 2016

From 2006 to 2008, the outflows increased from \$24 billion to \$61.7 billion. In the following year, the outflows dropped to \$47.2 billion. Since 2010 to 2011, the Transition Economies outflows increased. According to UNCTAD (2011), this progress was the result of the improvement of commodity prices and economy recovery. The outflow achieved its highest value, in 2013, \$76.0 billion. However, in the next year the outflow decreased to \$72.0 billion. This situation was due to restrains in the international financial markets and the huge depreciation of their currency (UNCTAD, 2015). This decrease continued in 2015, mainly because of the currency depreciation and the restrains of the capital markets (UNCTAD, 2016).

Appendix 22 shows the evolution of the outflows, from some countries of this zone. Actually, during this period of analysis, the major outward investor was Russia Federation. It also should be noted, that the Russian outflows were to Cyprus, Switzerland, Netherlands and Bermuda (UNCTAD, 2015).

The evolution of the Landlocked Developing zone is presented in Table 28.

Table 28– Evolution of outflows in Landlocked Developing Countries (\$ Billion)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Landlocked Developing	3.7	4.2	4.1	9.5	6.4	2.3	4.0	7.0	3.6

Source: UNCTAD 2012, 2014, 2015, 2014

From 2006 to 2008, the Landlocked Developing Countries outflows registered a huge increase, moving from \$0.5 billion to \$4.2 billion. In 2009, the outflows dropped but were able to recover in the following year. Finally, in 2015 the outflows dropped to \$3.6 billion. In fact, this outflow is lower than the outflows registered in the years before the crisis. Therefore, it is possible to say that this zone did not recover from the crisis.

Appendix 23 shows the growth of the outflows from countries that belong to this zone. It is possible to say that during this period of analysis, with the exception of 2006 and 2015, the major outward investor was Kazakhstan. In the remaining years, this place was occupied by the Azerbaijan.

Table 29 shows the evolution of the Least Developed Countries outflows, since 2006 to 2015.

Table 29 – Evolution of outflows in Least Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Least Developed Countries	0.7	1.6	-1.7	1.1	3.1	4.1	4.7	7.5	5.2	2.6

Source: UNCTAD 2012, 2013,2014, 2016

The outflows from this zone, in 2008, registered a huge decline, reaching \$-1.7 billion. However, since 2009 and until 2013, the outflows increased, reaching \$7.5 billion. From 2014 to 2015, this indicator has decreased to \$2.6 billion. However, it is possible to affirm that this

zone recover from the Global crisis. Appendix 24 represents the progress of the outflows of some Least Developed Countries.

Finally, the Small Island Developing States outflows are presented in Table 30.

Table 30 – Evolution of outflows in Small Island Developing States (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Small Island Developing States	0.9	0.8	1.3	0.3	0.7	2.3	2.0	2.6	1.8	1.4

Source: UNCTAD 2012, 2013, 2014, 2016

In 2008, the outflows increased, reaching \$1.3 billion. However, in the following year, the outflows from this zone were affected by the Global crisis and have registered a huge decrease. In 2010, this indicator was able to recover. Finally, since 2014 and until 2015, the outflows from this zone dropped, registering \$1.4 billion. As is possible to verify, the outflows from this zone recover entirely from the economic and financial crisis. Appendix 25 shows the evolution of the outflows from Small Island Developing countries. From that, is possible to conclude that the major outward investor from this zone, between 2006 and 2015, is British Virgin Islands.

1.3 The Evolution of the Greenfield Investments and Cross-Border Mergers and Acquisitions

After analysing the Inflows and the Outflows of the different zones around the world, is now time to study the Greenfield Investments and Cross-Border Mergers and Acquisitions. As it was mention in the Section 5, the FDI can be implemented in different forms, such as Greenfield Investment and Cross-Border Mergers and Acquisitions. This part of this thesis, intends to analyse the evolution of these two forms, from 2006 to 2015.

Regarding Greenfield Investments, Table 31 shows the evolution of the Announced Greenfield Investments, from 2006 to 2015.

Table 31 – Evolution of the Announced Greenfield Investments (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Announced Greenfield Investments	817.5	804.5	1294.3	958.1	819	865.3	631	831	706	766

Source: UNCTAD 2016

In 2007, the amount of the global Announced Greenfield investments decreased. However, in 2008 this indicator was able to recover, reaching \$1294.3 billion, which constitutes the highest value during this period of analysis. In 2009, this indicator dropped, accomplishing the \$958.1 billion. It should be noted, that during the period of 2008 and 2009, both Developing and Transition Economies collect more Greenfield investment than the Developed Countries (UNCTAD, 2010). In addition, from 2014 to 2015, the Global Announced Greenfield investments, growth 8%, reaching the \$766 billion. Finally, and by looking to the table is possible to verify that the values of the Announced Greenfield investments after the crisis are lower than the values registered before the crisis. Therefore, it is possible to conclude that this indicator does not recover from the global crisis.

Table 32 shows the number of Greenfield FDI projects, from 2006 to 2015.

Table 32– Evolution of the number of Greenfield Investments

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number	12868	13065	17307	14755	15425	16783	15107	16523	15022	14381

Source: UNCTAD 2012, 2016

Until 2009 this indicator as a similar behaviour to the Global Announced Greenfield investment. Although, in 2010, this indicator increased, while the Announced Greenfield investments decreased. In 2015, however, the number of Greenfield projects decreased, but the Announced Greenfield investments increased. From that, is possible to conclude that not all the announced projects were completed.

Finally, the Table 33 represents the Cross-Border M&As, starting in 2006 and until 2015.

Table 33 – Evolution of Cross-Border M&As (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cross-Border M&As	1118	1637	707	288	347	553	328	263	432	721

Source: UNCTAD 2008, 2012, 2015, 2016

In the 2008, this indicator decreased to \$707 billion. According to UNCTAD (2009), this was the result of the economic and financial crisis. This situation continued, in 2009. Since 2010 and until 2011, the M&As growth, accomplishing \$553billion, in 2011. During 2014 and until 2015 the Cross-Border M&As increased, reaching \$721 billion. It should be noted that, in 2014, there was a growth on the acquisitions in manufacturing and in the services sector. In fact, the manufacturing represented more 77 percent of the gross-value of the cross-border Mergers and Acquisitions; and the services represent 36% (UNCTAD, 2015). It is also important to refer that the USA companies, are responsible for one third of the biggest M&As, in the world (UNCTAD, 2015). As is possible to verify and similar to the Greenfield Investments, this indicator was not able to totally recovery from the Economic and Financial crisis.

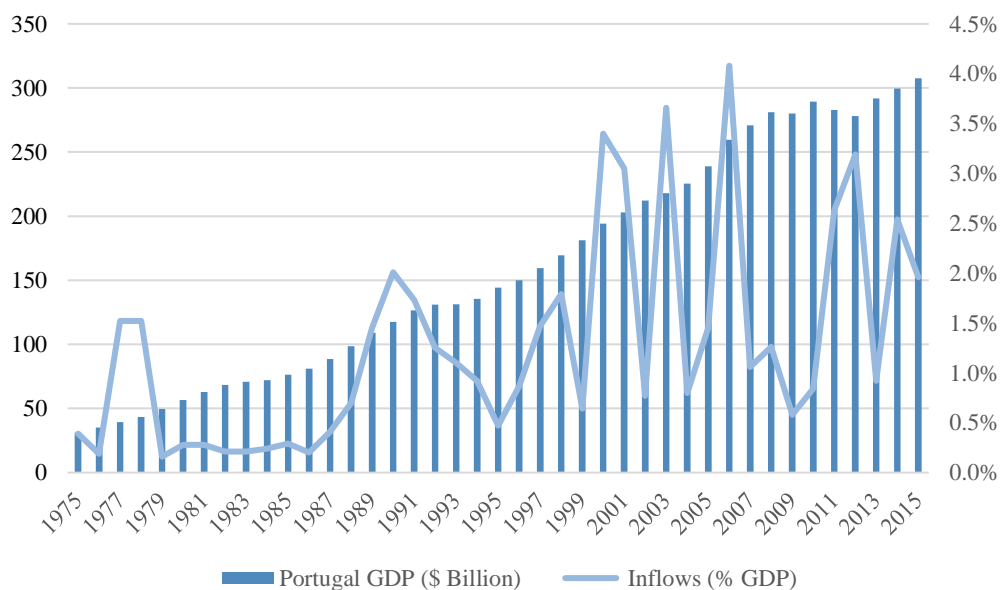
2. Evolution of Foreign Direct Investment – Portugal

2.1 Evolution of the Portugal Inflows and Outflows

After analyzing the evolution of the FDI around the world and its forms, it is essential to study the evolution of the FDI received by Portugal (Inflows) and the Investments made by Portuguese investors outside (Outflows). Firstly will be analyzed the FDI inflows of Portugal and then, the outflows.

The Graph 3 shows the evolution of the Foreign Direct Investment inflows of Portugal (% GDP) and the GDP of Portugal, from 1975 to 2015.

Graph 2 – Evolution of Portugal FDI Inflows and the Portuguese GDP (\$ Billion)



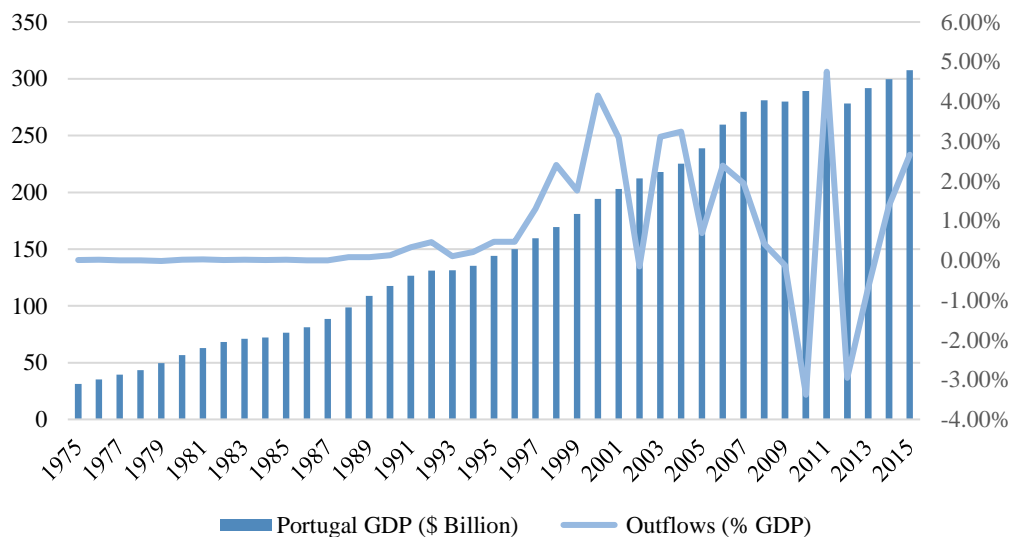
Source: UNCTAD 2015, 2016; OECD

Firstly, it is possible to conclude that the inflows are not regular. The year, in which Portugal received the most FDI was 2006, reaching \$10594 billion. In this year, the Portuguese inflows represented 4.1% of the Portuguese GDP. On the other hand, the lowest amount was achieved in 1977 (0.060 billion). Although, this year does not correspond to the lowest impact that inflows has on GDP. In fact, this happened in 1976 (0.19%). Regarding to the economic and

financial crisis, is possible to affirm that the inflows decreased in 2007. Indeed, the inflows registered a huge decrease, from \$10594 billion (in 2006) to \$2875 billion (in 2007). It should be noted, that in the following year the inflows registered a slightly recover. Finally, in the Appendix 26 is possible to see in more detail the amount of the Portuguese inflows, during this period of analysis.

Regarding to the Portuguese FDI Outflows, is possible to conclude from the Graph 4 that similar to what happened with FDI Inflows, the evolution of the FDI Outflows, from 1975 and until 2015, does not have a regular behavior.

Graph 3 – Evolution of Portugal FDI Outflows and the Portuguese GDP (\$ Billion)

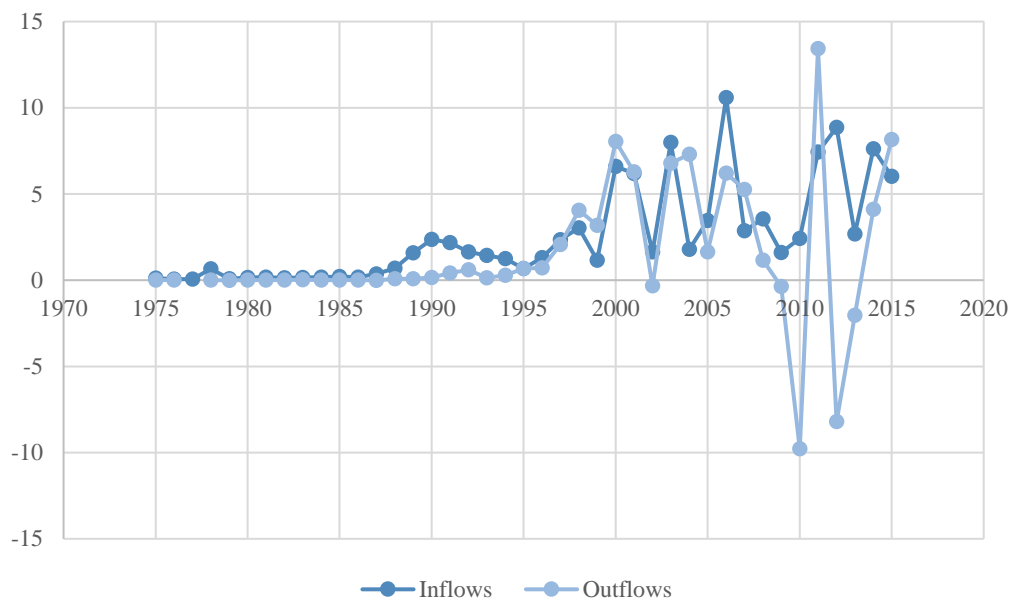


Source: UNCTAD 2015, 2016; OECD

It is important to refer that in several years, this indicator registered negative values. This means that Portugal instead of invest abroad, actually disinvested. The lowest value was registered in 2010 (\$ -9782 billion). However, during this period, the major outward investment was made in 2011 (\$13435billion). In this year, the outflows contributed 4.75% to the Portuguese GDP. Finally, it is important to refer that from 2014 to 2015 the outflows increased, from \$4108 billion to \$8167 billion. This shows that Portugal was able to overcome the Financial and Economic crisis. Moreover, Appendix 27 shows the evolution of the Portuguese FDI outflows, during this period of analysis.

To conclude, the Graph below shows the relation between the inflows growth, such as the outflows. From these years, the evolution of both indicators was irregular, and it was the outflows that registered the greatest discrepancy. Moreover, it should be noted, that the inflows were always positive, contrary to what happened with the outflows during the period of analysis. Finally, by looking to the Graph is possible conclude that, in 2015, the value of the outflows was bigger than the value of the inflows. This means that Portugal, in this year invested more outside than received investment.

Graph 4 –Comparison of Portugal FDI Inflows and the Portuguese Outflows (\$ Billion)



Source: UNCTAD 2015, 2016; OECD

2.2 Evolution of the Greenfield Investment and Mergers and Acquisitions

Moreover and after analyzing the FDI inflows and outflows, is also important to study the evolution of the Mergers and Acquisitions and the Greenfield Investments made in Portugal, as well as the ones done by the Portuguese investors, from 2003 until 2015. Firstly, will be analyzed the M&As and then, the Greenfield Investments.

In order to study the evolution of the M&As it is necessary to separate these indicator in two groups: Net Sales and the Net Purchases. During this period of analysis, the evolution of both indicators was not regular, as is possible to verify in the Table 34.

Table 34 – Evolution of the M&As Net Sales and Net Purchases and the impact on the Global M&As (\$ Billion)

	M&As Net Sales (\$ Billion)	Impact on the Global M&As (%)	M&As Net Purchases (\$ Billion)	Impact on the Global M&As (%)
2003	-0.375	-0.23	1.013	0.61
2004	1.129	0.57	0.431	0.22
2005	1.648	0.31	-2.060	-0.39
2006	0.537	0.09	0.767	0.12
2007	1.574	0.15	4.071	0.39
2008	-1.312	-0.21	1.330	0.22
2009	0.504	0.18	0.723	0.25
2010	2.773	0.80	-8.965	-2.58
2011	0.911	0.16	1.642	0.30
2012	8.225	2.51	-4.735	-1.44
2013	7.557	2.88	-0.578	-0.22
2014	2.464	0.57	-0.602	-0.14
2015	1.706	0.24	-0.378	-0.05

Source: UNCTAD 2012, 2016

The highest value of M&As Net Sales was in 2012 (\$8.225 billion), while the M&As Net Purchases was in 2007 (\$4.071 Billion). It should be noted that during this period of analysis, the indicator M&As Net Purchases recorded many negatives values. This means that the foreign investors are not purchasing, instead they are disinvesting (selling companies). Regarding, to the impact of the crisis on this indicator, as is possible to see from the table, was registered in 2008. In fact, from 2007 to 2008 it was recorded a huge decrease.

Regarding to the analysis of the evolution of the Announced Greenfield Investments, is necessary to separate it by the world as a destination (made by Portuguese investors) and the world as an investor (made in Portugal). Table 35 shows this evolution, from 2003 to 2015.

Table 35– Evolution of the Announced Greenfield Investment made in Portugal and by Portuguese Investors and the impact on the Global Greenfield Investments (\$ Billion)

	Greenfield Investment – World as a Destination (\$ Billion)	Impact on the Global Greenfield Investments (%)	Greenfield Investment- World as a Investor (\$ Billion)	Impact on the Greenfield Investments (%)
2003	4.955	0.69	2.674	0.37
2004	10.520	1.63	2.309	0.36
2005	0.838	0.13	1.156	0.18
2006	4.382	0.54	1.654	0.20
2007	6.459	0.80	4.678	0.58
2008	6.341	0.49	11.806	0.91
2009	5.473	0.57	9.223	0.96
2010	2.756	0.34	5.092	0.62
2011	1.602	0.19	2.032	0.23
2012	1.228	0.19	2.228	0.35
2013	1.732	0.21	3.337	0.40
2014	1.207	0.17	2.781	0.39
2015	2.754	0.36	1.694	0.22

Source: UNCTAD 2015, 2016

As is likely to verify from the Table above, it is possible to conclude that the evolution is not regular. During this period of analysis, the major amount of Greenfield Investments received in Portugal, was in 2008 (\$11.806 billion). Moreover, the year in which the main Greenfield Investments made by Portuguese investors was in 2004 (\$10.520 billion). In this case, the effects of the economic and financial crisis were felt in 2009. In fact, in this year was registered huge decreases in this indicator. To conclude, in the Table 35 is also possible to verify the impact that these two indicators have on the Global Greenfield Investments.

Finally, it is important to compare the number of deals of these two types of Foreign Direct Investment. Regarding to the Cross-Border M&As number of deals, from the Table 36 is possible to conclude that from 2003 until 2015, the evolution is irregular. Moreover, it is important to refer that, during this period, the number of M&As net sales is higher or equal to the M&As net purchases, excepted in 2008. In this year, the number of M&As net purchases deals was 75, while the number of M&As Net sales was 71. The Table 36 also shows the evolution of the Announced Greenfield Investments made in Portugal and completed by Portuguese Investors, from 2003 to 2015. Similar to Cross-Border M&As net sales and net purchases, the evolution of the Announced Greenfield Investments deals is not steady. In fact, from 2003 and until 2008, was higher the number of Announced Greenfield investments deals made by Portuguese investors. However, since 2008 and until 2014, the situation reversed and was bigger the number of Announced Greenfield Investments deals made in Portugal. This shows that, before the crisis, in this type of investments, the Portuguese used to invest more abroad rather than the foreign individuals used to invest in Portugal. Although, it seems that Portuguese investors are beginning to investing more abroad again. Actually, in 2015, the number of deals was the same.

Table 36 – Evolution of the number of Announced Greenfield Investment made in Portugal and by Portuguese Investors and Cross-Border M&As Net Sales and Net Purchases deals.

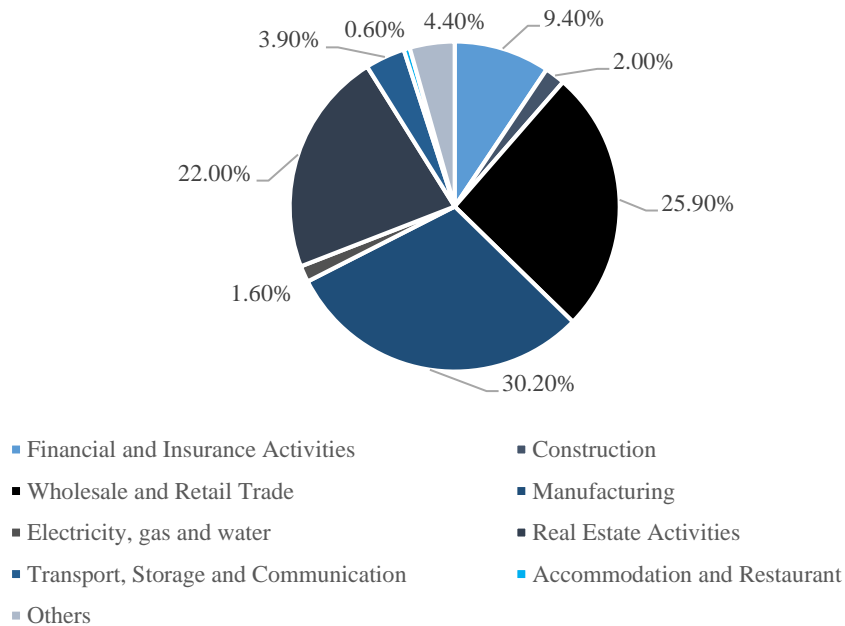
	M&As Net Sales (Number)	M&As Net Purchases (Number)	Greenfield Investment- World as a Destination (Number)	Greenfield Investment- World as a Investor (Number)
2003	45	26	59	51
2004	36	29	83	39
2005	60	25	34	24
2006	52	38	61	33
2007	71	52	81	69
2008	71	75	82	107
2009	31	31	58	65
2010	40	38	59	74
2011	28	23	42	63
2012	35	19	27	50
2013	29	14	60	69
2014	29	10	34	68
2015	63	19	52	52

Source: UNCTAD 2016

2.3 Distribution of the Foreign Direct Investment by Sector

Is now important to study how is made the distribution of the FDI by sector. In this section, we analyze the main invested sectors in Portugal, as well as the major sectors where Portugal invests abroad, in the years of 2006, 2010, 2011 and 2012. It should be note that only these years are going to be analyzed, since it was only possible to collect data for these years.

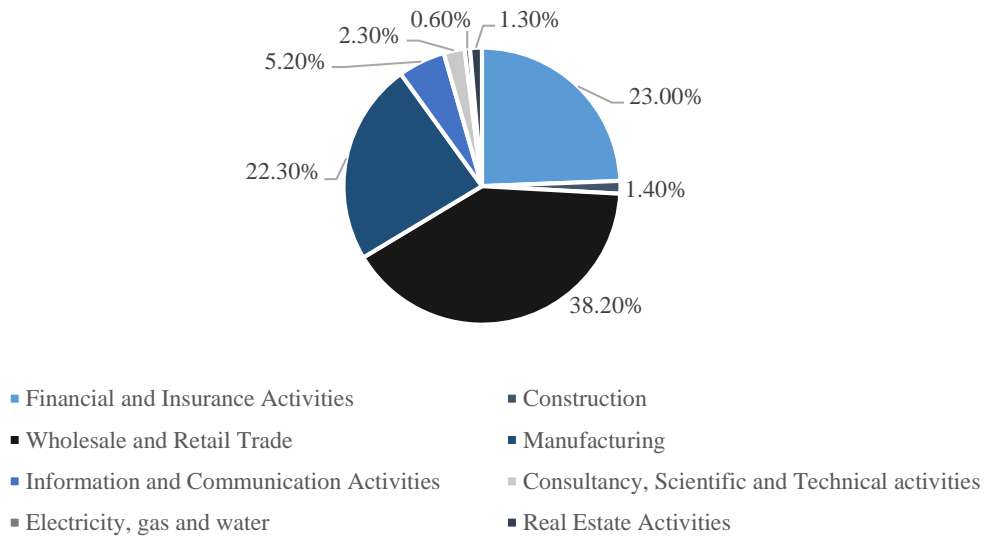
In 2006, the main invested sectors in Portugal (%) are represented on the graph below. From it is possible to conclude that the most invested sector was the Manufacturing (30.20%), while the least invested was Accommodation and Restaurant (0.60%).

Graph 5 – The Main Invested Sectors in Portugal (2006)

Source: AICEP

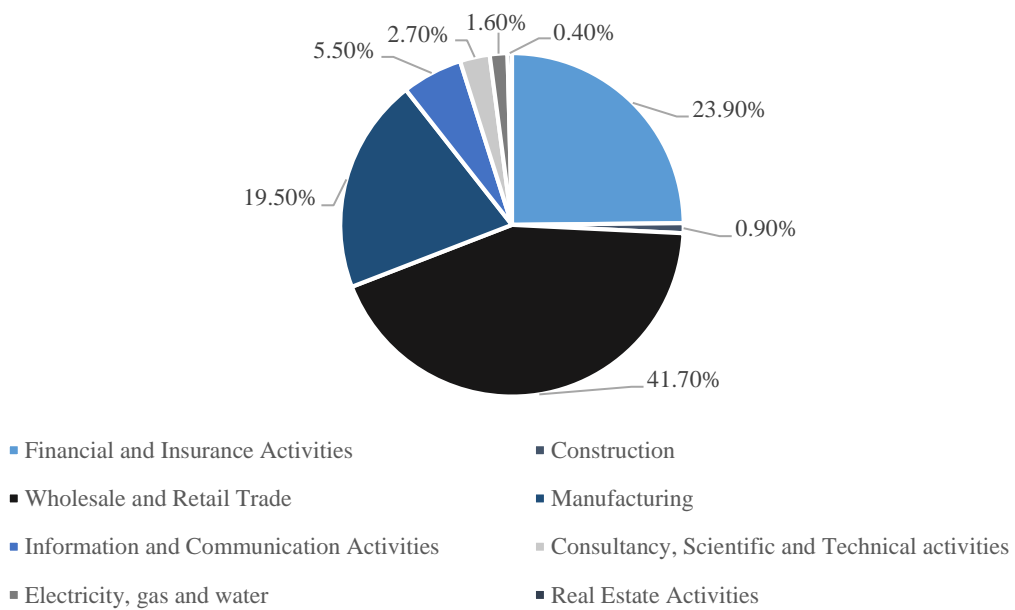
Moreover, in 2010, the most invested sector was the wholesale and retail trade (38.20%). On the other hand, during this year the least invested sector was Electricity, Gas and Water (0.60%). The Wholesale and Retail Trade continued to be the major receiver of investment, in 2011 and 2012, registering 41.70% and 34.10%, respectively. Regarding, to the sector that received the smallest amount of investment, in both years, was the Real Estate Activities (0.40% and 0.70%, respectively). In the Graphs 6,7 and 8 it is possible to see in more detail the percentages of the most invested sectors, from 2010 to 2012. From this, it is possible to conclude that most investments were made in the services sector.

Graph 6 – The Main Invested Sectors in Portugal (2010)



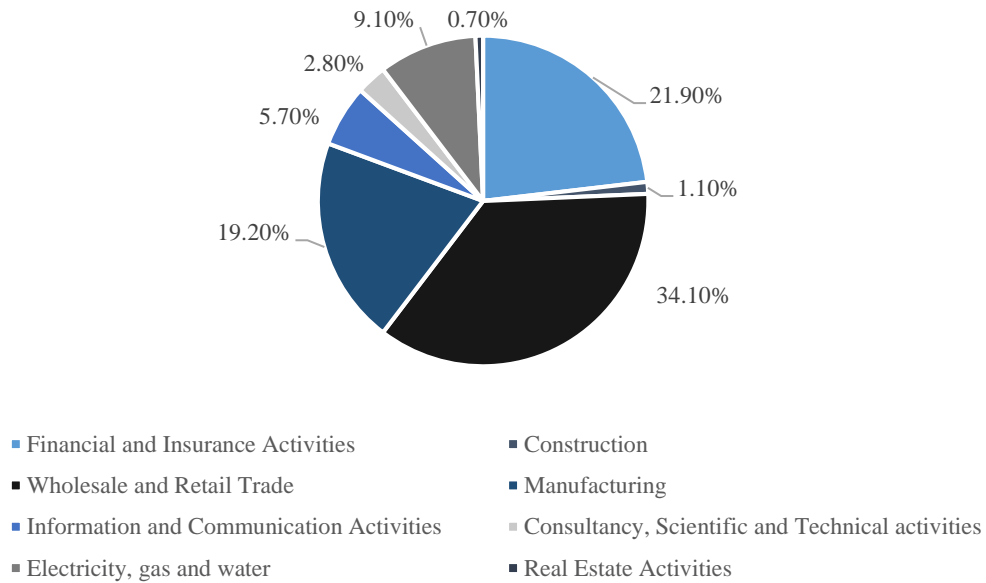
Source: AICEP

Graph 7 – The Main Invested Sectors in Portugal (2011)



Source: AICEP

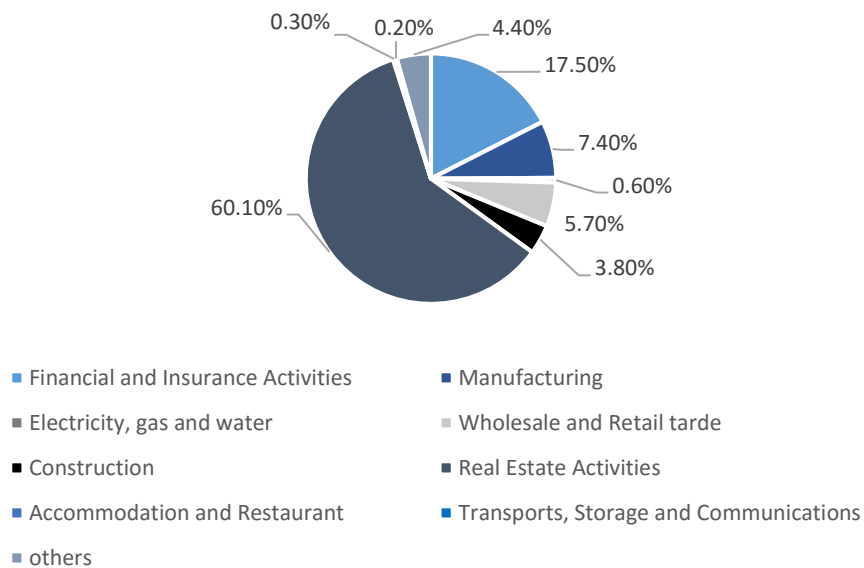
Graph 8 – The Main Invested Sectors in Portugal (2012)



Source: AICEP

Next, we look into the most important sectors in which Portuguese invest abroad. As it is possible to see from the Graph 19, in 2006, the largest investment was made in Real Estate Activities (60.10%). On the other hand, during this period, the sector that received the least investment was transports, storage and communications (0.20%).

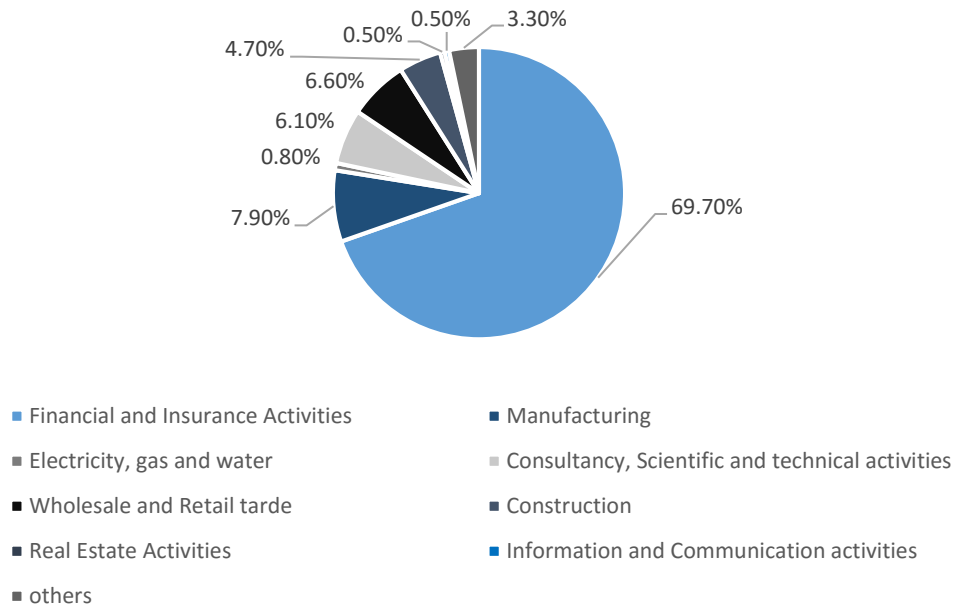
Graph 9 – The Main Invested Sectors by Portuguese Investors (2006)



Source: AICEP

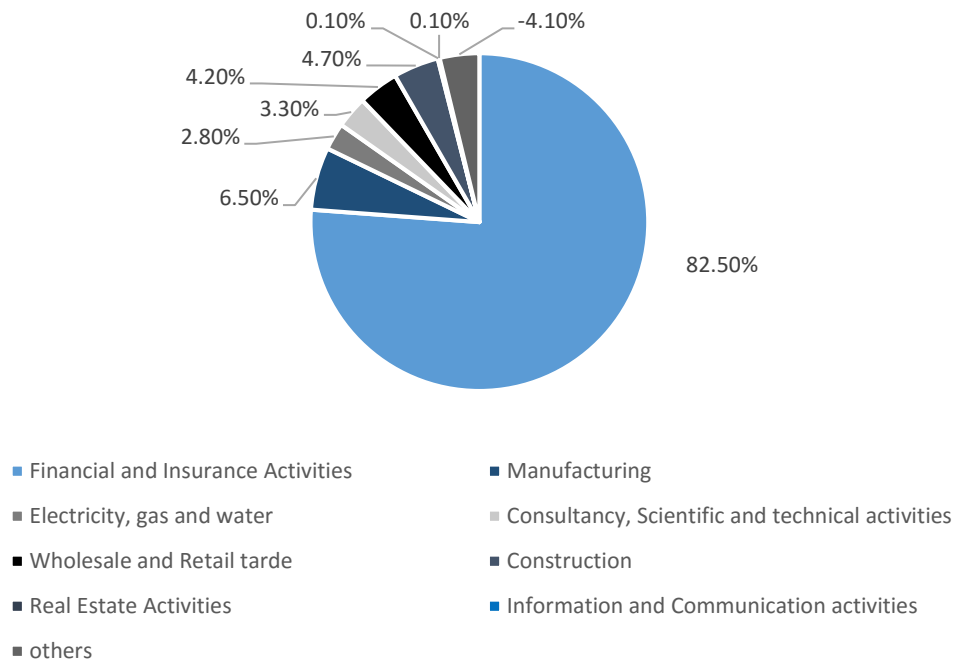
From 2010 and until 2012, the most invested sector was the Financial and Insurance Activities, registering 69.70%, 82.50% and 75.80%, respectively. During these years, the sector that received the smallest amount were the Real State Activities and the Information and Communication Activities, as is possible to see in the Graphs 10; 11 and 12. It is important to refer, that the Portuguese investors, during 2010 and 2012, changed deeply the sectors where they invested in, since the most invested sector in 2006 was the least invested sector during this period.

Graph 10 – The Main Invested Sectors by Portuguese Investors (2010)



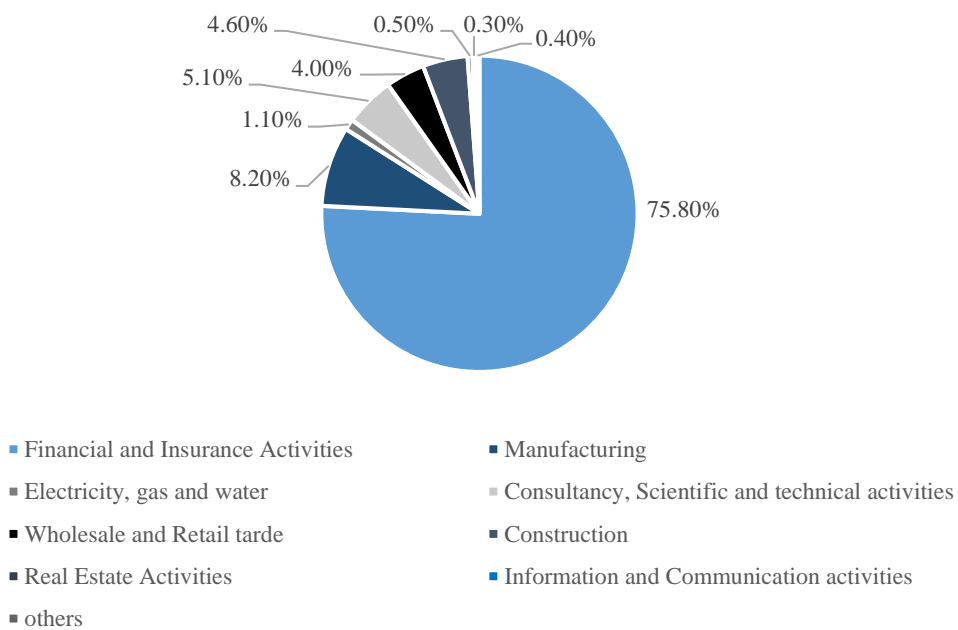
Source: AICEP

Graph 11 – The Main Invested Sectors by Portuguese Investors (2011)



Source: AICEP

Graph 12 – The Main Invested Sectors by Portuguese Investors (2012)



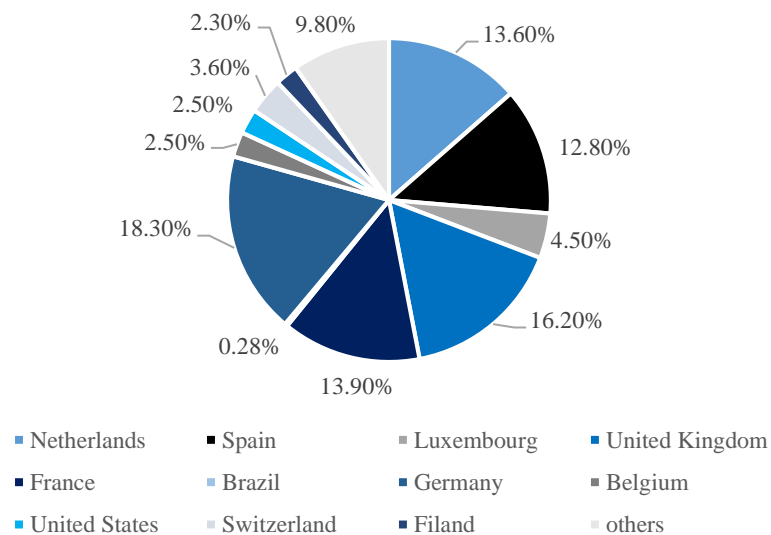
Source: AICEP

2.4 Main Countries that Invest in Portugal

After studying the distribution of the FDI in Portugal by sectors, is now necessary to analyze the main countries that invest in Portugal. Similar to the last subject was only possible to collect data for the years 2006, 2010, 2011, 2012, 2014 and 2016.

In 2006, the major outward investor was United Kingdom (16.20%), as is possible to see on the Graph 13.

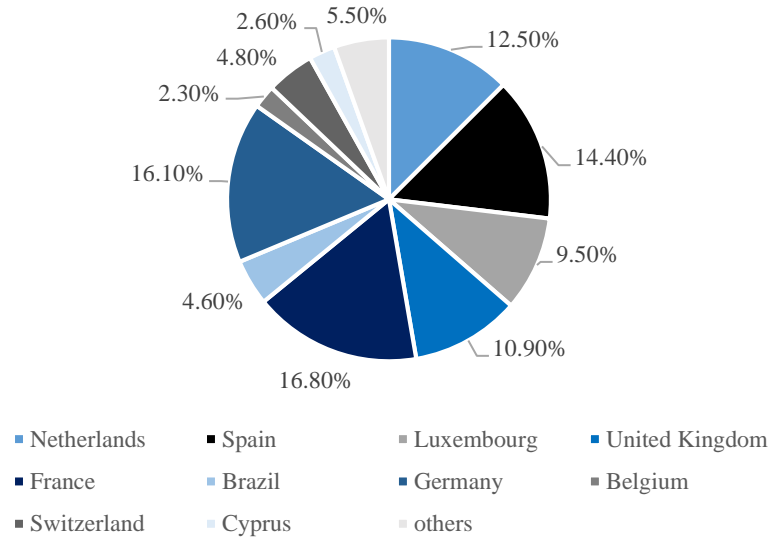
Graph 13 – The Main Investing Countries in Portugal (2006)



Source: AICEP

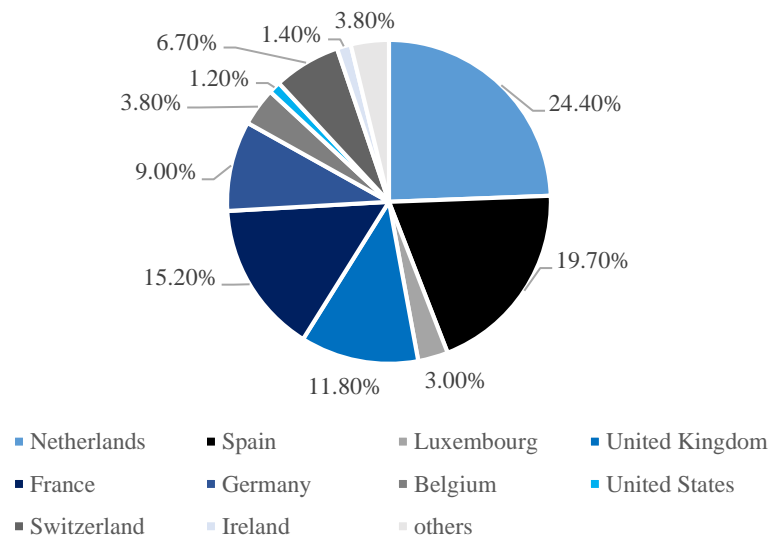
Moreover, in 2010, this place was occupied by France (16.80%). In the following year, the main investor in Portugal was Netherlands (24.20%) and in 2012, the biggest outward investor was Spain (18.20%). Finally, in both 2014 and 2016 the major investor in Portugal was Netherlands, once again, registering 41% and 25.60%, respectively. Although, from the Graphs 14,15,16,17 and 18 it is possible to see in more detail the distribution of the investment received by countries.

Graph 14 – The Main Investing Countries in Portugal (2010)



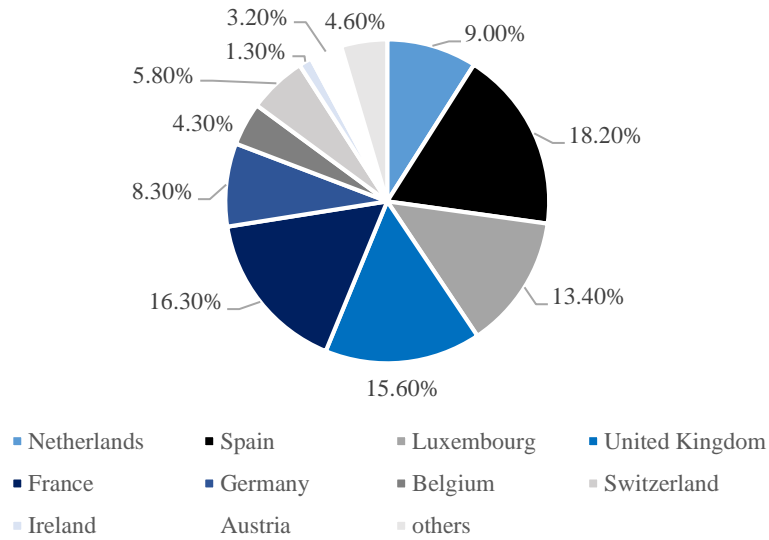
Source: AICEP

Graph 15 – The Main Investing Countries in Portugal (2011)



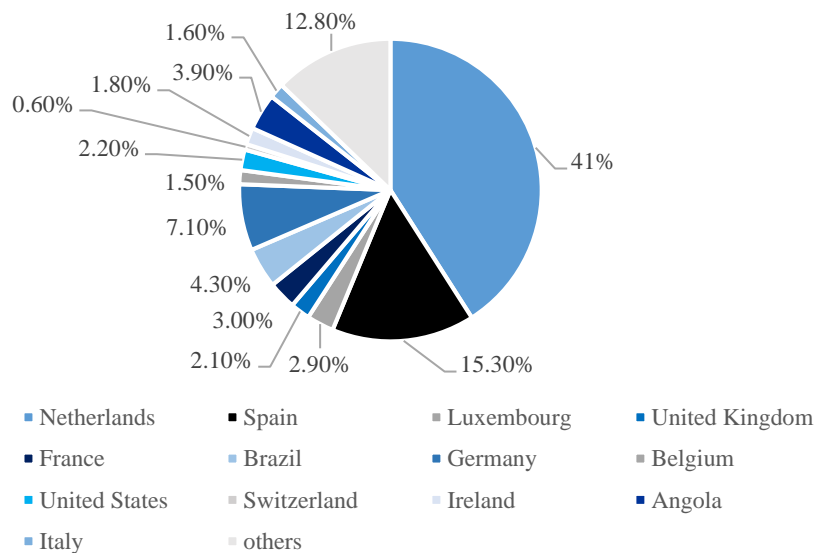
Source: AICEP

Graph 16 – The Main Investing Countries in Portugal (2012)

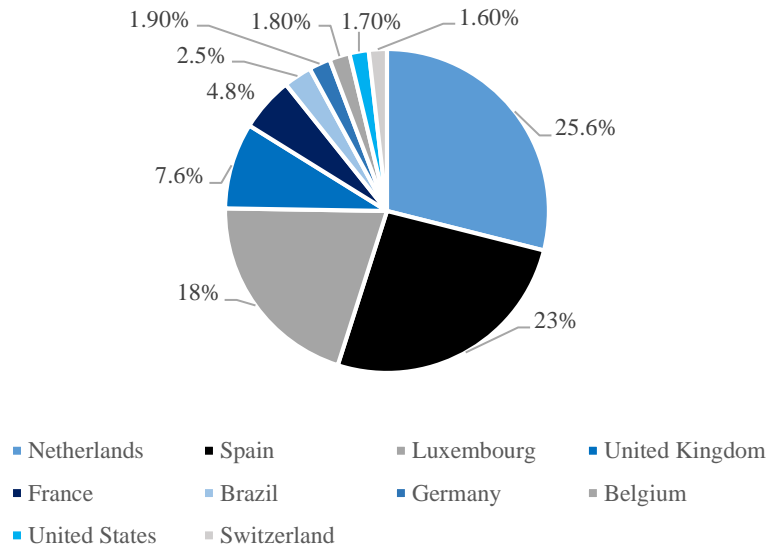


Source: AICEP

Graph 17 – The Main Investing Countries in Portugal (2014)



Source: AICEP

Graph 18 – The Main Investing Countries in Portugal (2016)

Source: AICEP

Therefore, the main conclusion that can be taken from this is that the major investors in Portugal are countries that belong to the European Union.

2.5 The Portuguese Context for the FDI

After the analyses of FDI in the world and with special attention to the Portuguese situation, it is important to mention some measures that have been taken by the Portuguese Government in order to attract more FDI, as well as the most important characteristics of Portugal that invite foreign investment.

Firstly, it is important to refer that the high-energy costs in Portugal, constitutes a barrier to the attraction of FDI. For that reason, one of the bets of the Portuguese Government is the Renewable Energies, such as wind energy, water energy, solar energy and earth energy. It should be note that earth energy includes the biomass, wave and biogas energy. In fact, Portugal presents advantageous conditions to the renewable energies industry. In relation to the wind energy, Portugal is in one of the top three countries in the European Union with the highest installed capacity per capita. In addition, Portugal is the 9th European country with the higher

number of solar panels installed (Aicep, 2013). Moreover, and in order to encourage even more the use of the renewable energies, the Government imposed financial and fiscal benefits for the companies that uses the energy coming from the renewables. In fact, according to the Regulatory Decree 22/99 of 6th October, the solar energy equipment have a 7.14% depreciation rate, for a four-year useful life.

As is possible to notice in Table 37 the government expects to achieve, in 2020 the following numbers: wind energy is expected to achieve 5,300 MW; water energy 8,940 MW; solar energy 720 MW and Earth energy to reach 769 MW (Aicep,2013). Moreover, until 2020 the Portuguese Government intends that 34.5% of the energy consumption comes from the renewable energy (Aicep, 2013). From the Table 37 is possible to see the evolution of the total installed power in renewables energies, between 2005 and 2013.

Table 37 - Total Installed Power in Renewables

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2020
Wind Energy	1,047	1,681	2,446	3,037	3,519	3,863	4,301	4,450	4,630	5,300
Water Energy	4,752	4,784	4,787	4,792	4,821	4,837	5,261	5,284	5,540	8,940
Solar Energy	2.9	4.4	14.5	58.5	104.1	122.9	157.7	225.5	277.9	720
Earth Energy	20.2	32.2	36.4	36.4	121	134	148.3	165.8	178	769
- Biomass	12	24	24	24	101	106	105	105	113	
-Wave Energy									0.3	
-Biogas	8.2	8.2	12.4	12.4	20	28	43.3	60.8	64.7	

Note: the measures are MW

Sources: Direção Geral da Energia e Geologia; Aicep

Moreover, the fact that in Portugal the organizations have high taxation rates leads to some investors to give up of investing in our country. In fact, some authors and political decisors, affirm that Portugal has high taxation rates. One example of this is Alexandre Patricio Gouveia, a manager, political and commentator, which in result of the Forum for Competitiveness, affirm

that the reduction of the tax on collective income to 12.5%, would lead to the increase of FDI in Portugal (Palma-Ferreira, 2017). This means that the European Union should have a harmonization of the tax rates, so there is a fair competition. In this case, Portugal would probably be able to compete with countries, like Ireland, that has the lowest tax rate of the EU (Caetano, 2015). Although, it should be noted that the Portuguese Government has already decreased this tax, from 23% to 21% (from 2015 to 2016).

One more measure taken by the Portuguese Government, in order to attract FDI, is the fiscal grants. Actually, the government wants to increase, in 2017, the fiscal grants for investments above 10 million euros. This measure also intends the decrease of the number of obstacles that exist on the tax system as well as on the capitalization of companies. In addition, the government also wants to extend the credit line for investments above the 5 million euros, as the decrease of the bureaucracies related with the access of financing (*Lusa*, 2016).

Moreover, has been created financial and tax incentives to attract this source of investment. One example of these incentives is for the productive and the R&D investments. Regarding to the productive investments, the financial incentives aims to new products or services; new methods or processes of production and to innovation projects (at least nationwide scope). In this case, the incentives are on the loans and cash grants. The loans have 8 years to refund the value and 35% of the loan is interest-free. In relation to cash grants, 50% of the incentive is up to loan conversion, based on the performance of the project (Aicep, 2016). The Tax incentives over the productive investments only happen when the project has a relevant impact on the national economy, helps the reduction of the regional asymmetries, creates jobs and promotes innovation. In here, the incentives are on the Corporate Income Tax Credit (Pwc, 2016). Actually, the rate is from 10% to 25% of the investment. Furthermore, the investments with value bigger or equal to 3 million euros (made until the 31th of December of 2020), are also exempt of the Municipal Property Tax, Municipal Tax, as well as the Stamp Tax Transaction. It is important to note that these incentives can happen until 10 years after the investment has been made. Regarding to the R&D investment, the financial incentives are only for investments that create new products or services; different methods and production processes. In here, the financial incentives imposed are cash grants until 1.000.000 euros, as well as the access to a 25% rate for the eligible expenses. The tax incentives in this case, are a 32.5% base rate in the Corporate Income Tax Credit. In addition, there is a 50% rate on the increase of the expenses suffered during the period (comparing with the average of the expenditures from the two prior

fiscal years) until the value of 1.500.000 euros. It is important to refer, that from this R&D investments, the expenses that are eligible to this incentives mention before are costs related with R&D activities, as well as costs associated with the registration and purchase of patents; acquisition of services from third parties and the purchase of technical and scientific instruments and equipment (Aicep, 2016).

The government also supports companies that employ individual with ages between 18 and 30 years, with at least the primary education, in internships. This needs to be for a period of at least 9 months. The entity responsible for this initiative is the IEFP. In this situation, the government is responsible for more than 20% of the month salary and the costs related with the social security contributions (Aicep, 2016). The Table 38 shows, with more detailed the contribution of the government to the salaries based on the level of education:

Table 38 - Contribution of the government to the salaries based on the level of education

	Government Monthly Support (euros)
Primary education	438.16
Secondary education	505.23
Secondary vocational educational	538.77
Post-secondary non-tertiary	572.31
Tertiary education	656.15

Source: Aicep, 2016

Another obstacle for the FDI in Portugal is the high levels of bureaucracy. Since this discourage investors, that choose to invest in other countries. For that reason the Portuguese Government has been trying to make it easy to do business in Portugal and therefore, has been implement measures such as, is only need 2.5 days and three procedures to begin a new business (aicep, 2016). In fact, Portugal has already been recognized by its efforts on this subject: is the 23rd easiest country in the world to do business, according to The World Bank, and is the 2nd country in the EU-28, where it is easy to create a new company (Aicep, 2016).

Moreover, the high qualification of the workforce is a component in the attraction of FDI. In fact, Portugal has been presenting high levels of engineer quality, which have led to the increase

of FDI in Portugal. In fact, and according to *Câmara de Comércio e Indústria Luso-Alemã* (CCILA) this constitutes one of the reasons for German companies to decide to invest in Portugal (Palma-Ferreira, 2017). In addition and according to Aicep, 61% of the Portuguese speaks at minimum one language. Additionally, Portugal presents high qualified Management Schools, ranked in the 26th position, and in the area of R&D, Portugal is in the 21st position related to the Quality of Scientific Research Institutions (Aicep, 2016).

The quality of the infrastructures constitutes an improvement to attract FDI. In fact, and according to Aicep data, Portugal ranks the 15th position as the country, in the overall quality of infrastructures, with the better infrastructures (among 140 countries). In more detail, Portugal is the fourth country with the better quality roads in the world; is the 25th country regarding to the quality of the port infrastructures; achieved the 24th position in relation to the quality of air transport. Finally, accomplished the 25th rate based on the quality of railroad infrastructures (Aicep, 2016).

Another advantage of investing in Portugal is the market that the investors have access. In fact, they have access to a market of 500 million potential consumers (through the EU) plus more 250 million consumers (Portuguese speaking consumers, such as Brazil; Cape Verde; East-Timor; Mozambique; Guinea-Bissau; Equatorial Guinea; Sao Tome and Principe and Angola). In addition, and since Portugal belongs to the European Union trades, present some gains, such as free trade and non-tariff barriers. In fact, according to the World Bank, Portugal is in the first place in Trading Across Borders Rank in 2016 (Aicep, 2016).

Other advantage of selecting Portugal to invest it is related with life quality. In fact, Portugal has multiple characteristics that makes it a good place to live, like safety, the weather, large amount of cultural activities and initiatives. It is important to mention that this quality has already been recognized. According to the Financial Times, Lisbon constitutes the 2nd best city to do investments (Aicep, 2016).

The Real Estate constitutes an important component of the FDI in Portugal. In fact, Portugal, in March, occupied the 4th place as the best place to invest in real state, by the TheMoveChannel (principal international real estate independent website). The first place is occupied by Spain, followed by Emirates and America (Pedro, 2017).

Finally, is essential to speak about the ARI (*Autorização de Residência para a atividade de Investimento*) initiative, which is also known as Golden Visa. This was a form of the Portuguese government to attract FDI. In fact, this gives the possibility to third country nationals to get a temporary residence permit, in order to do business activities. This also provides a Visa Waiver to come into national territory (SEF, 2017). According to SEF, the receiver of the Golden Visa has the possibility to live and work in Portugal. In here, it must be refer, that is necessary that the beneficiaries stay in Portugal in the first year, at least 7 days and in the following years, the minimum of 14 days. In addition, recipients can move freely in the Schengen area. Moreover, it also allows the family reunification (this means that if one or more family member has a Golden Visa, this permits that other members of the family come to Portugal also), as well as offers the chance to apply for permanent residence, as Portuguese citizenship (for this to happen is necessary that all the requirements are full field). Regarding to the requirements necessary for the attribution of the ARI, is necessary that at least one of these components is accomplished:

- There is a capital transfer of at least one million dollar;
- The investment creates the minimum of 10 jobs;
- Needs to occur an acquisition of real estate property, with a value of at least 500 thousand euros;
- The acquisition of real estate property, with values of at least 350 thousand euros. This need to be placed in urban regeneration areas and the objective is the reconstructing or real estate which the construction was made more than 30 years ago;
- Capital transfer of more than 350 thousand euros. This need to be used for research activities made by public or private scientific research institutions;
- Capital Transfer of at least 250 thousand euros for financing artistic productions or support artist. Here it is included investments made in order to restoring the national heritage;
- Transfer of capital with a minimum of 500 thousand euros, which the destination is the acquisition of shares from investment funds or venture capital. The main goals is to capitalize small and medium companies. It should be noted that this organizations need to present a solid capitalization plan, as way to benefit from this capital transfer.

The main users of this form of investment, until June (2017), is China with 3.428; Brazil with 423; South Africa with 192; Russia with 178 and Lebanon with 100 (Lusa, 2017). This

initiative is for all the individuals from third country that have investment activities in individual name as well as by a company that can be created in Portugal or other EU member state (SEF, 2017).

In order to have a clear idea of the importance of this form of investment, since the beginning (8 October of 2012) and until June of 2017, it already achieved 3163 million euros. From this value 309 million represents the transfer of capital and the remaining 2853 million euros are related with the acquisition of real estate. In total, 5145 ARI were given: 4.849 by the acquisition of real estate and 288 by the transfer of capital (Lusa, 2017). Moreover, since 2013 it were given 8434 residence permissions to family members (Lusa, 2017). In more detailed and according to SEF (*Serviço de Estrangeiros e Fronteiras*), this form of investment has increased 17% in the first semester (2017), relating to the first semester of 2016. In fact, it was registered 596 million euros, in this period (Lusa, 2017). Although, is important to refer that in June the Golden Visa reached the 39250.091 million euros, which represented a decline of 60%, when comparing with June of 2016. From the total value of June of 2017, the acquisition of real estate represented the majority, 36.010.204 million euros. The remaining 3.239.887 euros were related to the transfer of capital (Lusa, 2017).

CONCLUSIONS

This thesis studies the role of FDI, as a funding source. The objective is to understand the main determinants, motives and types of FDI. In addition, and particularly in the case of Portugal, we want to understand the impact of FDI on the national economy; what Portugal can offer to the host companies, and identify the measures taken by the government in order to attract more FDI, since this has been a priority to the Portuguese Government. Moreover, this work wants to see how the financial and economic crisis affected this type of investment in Portugal.

We first conclude that there are different definitions for FDI, although during this work is highlighted the OECD definition. In fact, FDI is described as a “category of investment that reflects the objective of establishing a lasting interest by a resident enterprise in one economy (direct investor) in a enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor” (OECD, 2008). Another assumption that can be taken about this form of investment, and it is a normal misunderstanding, is the fact that FDI is not based on the nationality of the investor, but on his residence (IMF, 2003). Moreover, and after the realization of this dissertation is possible to establish the main motivations for the choice of pursuing FDI. In fact many theories exist regarding the motives behind FDI, however, during this study it was highlighted the three main types of motivations according to Dunning’s Theory (1993): Market Seeking; Resource-Seeking and Efficiency-Seeking. The first one talks about investments that are made in the same industries. Another motive can be Resource Seeking, and in this case, the companies/investors enter in a new market as way to find resources that do not exist on their own countries. The last motivation is the efficiency seeking and this take place when a company decides to enter in a foreign market with the objective of benefit from economies of scale and scope. This work also studies the determinants of FDI, and regarding that we conclude that from the large number of existing determinants, the level of importance of each one is relative, and depends on factors such as investor’s motivation and strategy. In this thesis, we study in detailed factors such as market size, openness and government policies.

It is also possible to conclude that FDI constitutes a complex process, due to the large components that requires such as, the use of many resources, the presence in the host country as well as, transfer of capital, skills and knowledge. For that reason, it can be said that this type

of investment has high risks. However, it is essential to understand that FDI brings several advantages for investors/companies, such as to the host countries. Regarding the gains for the investors/companies, the FDI gives the possibility to enter in a new market (avoiding the normal barriers to entry); allows companies to reach lower prices, better allocation for their resources; higher productivity (OECD, 2002), as well as gives the chance for companies to access to large and/or international markets. The FDI brings to the host countries benefits such as economic growth, technical innovation and the development of the environmental and social issues. This last component is consequence of the creation of jobs and the development of the workforce skills.

Another conclusion that can be taken from this study is the fact that FDI can assume three forms: Mergers and Acquisition (purchase of an existing company that is placed in a foreign country), Greenfield Investments (construction of an owned subsidiary) and Joint Ventures (agreement between the minimum of two organization that has the same objective and constitute a new one company). Choosing the correct option would allow a reduction of risks and costs.

In the data analysis of this work was analysed the evolution of the Global FDI and the particular case of Portugal. Relatively to the Global FDI, the period of analysis was from 2000 to 2015. In here, it was studied the overall evolution of the flows, as well as verify the impact of the economic and financial crisis on the flows. Moreover, it was also studied the evolution of the inflows and outflows, from 2005 until 2015, of the following different groups: Developed countries (Europe and European countries; North America and Asia Pacific countries), Developing countries (Africa and Asia), Transition countries (South East Europe and CIS), Least Developed Countries, Landlocked Developing Countries, Latin America and the Caribbean and Small Island Developing States.

After this analyse there are some conclusions that can be taken. Indeed, the effects of the economic and financial crisis on the Global FDI flows were only felt in 2008. The flows were only able to recover in 2010. However, the values achieved were lower than the values registered in 2007. For that reason, it is possible to conclude that Global FDI does not recover completely from the Global crisis. In addition, as regards to Global FDI, we also analyse data regarding to Greenfield investments and Cross-Border Mergers and Acquisitions. From the analysis made is possible to affirm that before the crisis the value of the Cross-Border Mergers

and Acquisitions was bigger than the value of the Greenfield investments. However, since 2008 and until 2015 it occurred the reverse situation. Another conclusion, which can be taken from the data collected, is that Cross- Borders M&As were more affected by the economic and financial crisis, than Greenfield investments.

During the thesis, was also study the particular case of Portugal, and in this case was firstly analysed the inflows and outflows, from 1975 to 2015. Similar to what happened with the Global FDI flows, this work intended to study the impact of the economic and financial crisis on the flows. Relatively to the inflows, registered a decreased in 2007, and in the following year had a slightly recover. On the other hand, the flows of the investments made by the Portuguese investors (outflows) were affected by the economic and financial crisis also in 2007, but were only able to recover in 2011. Nevertheless, it can be conclude that the outflows completed recover from the crisis, although it took a long time for this to occur. In addition, it should be mention that during several years the outflows registered negative values, which means that existed disinvestment by the Portuguese investors abroad.

In the analysis of the Portuguese case, it was also consider the distribution of FDI by sectors. In here, it was studied the main sectors invested in Portugal and the major sectors in which Portuguese investors invest abroad. For both cases, was analyse the distributions for 2006, 2010, 2011 and 2012. In relation to the distribution of the foreign investment in the Portuguese sectors, can be conclude that, in 2006 the most invested sector was the Manufacturing and in the remaining years was the Wholesale and Retail Trade. During this period of analysis the most invested sectors by the Portuguese investors (abroad), was the Real Estate Activities (2006) and the Financial and Insurance Activities (from 2010 until 2012). It was also study the main countries that invest in Portugal, in 2006; from 2010 to 2012; in 2014 and in 2016. From the data collected in these years, it was possible to conclude that were mainly European Union countries that invest in Portugal.

Lastly, it is important to refer that in order to attract more FDI, Portugal needs to solve some important issues. In fact, and according to the World Economic Forum 2016, some of the most difficult factors for doing business in Portugal are: taxes, bureaucracy; instability of the political measures; restricted labour regulation; tax regulations; access to credit; corruption; political instability and existence of insufficient infrastructures. Some of these factors were analysed during this thesis. It is necessary to give a special attention to these issues, as the

resolution of them would lead to the growth of FDI in Portugal. However, and due to the efforts made by the Portuguese Government to increase FDI, Portugal presents a large number of competitive advantages that are important and attract many investors, which were mentioned during this dissertation. It is also important to refer that there exist a series of political and economic changes in the world that can be a benefit to the attraction of foreign investment to Portugal. An example of this is the Brexit, in which Portugal has the chance to attract the companies that eventually are going to leave the UK.

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APPENDICES

Appendix 1 – Global FDI Inflows and Outflows (\$ Trillion), Average Global FDI, Global GDP (\$ Trillion) and the impact on GDP (%)

	Global FDI Inflows (\$ Trillion)	Global FDI Outflows	Average Global FDI	GDP Global (\$ Trillion)	Impact on GDP (%)
	1	2	3 = (1+2)/2	4	5= 3/4 * 100
2000	1.359	1.163	1.261	33.299	3.79%
2001	0.684	0.583	0.634	33.133	1.91%
2002	0.590	0.497	0.544	34.474	1.58%
2003	0.551	0.529	0.540	38.743	1.39%
2004	0.688	0.898	0.793	43.633	1.82%
2005	0.950	0.819	0.885	47.265	1.87%
2006	1.402	1.352	1.377	51.213	2.69%
2007	1.902	2.165	2.034	57.742	3.52%
2008	1.498	1.704	1.601	63.262	2.53%
2009	1.181	1.099	1.140	59.973	1.90%
2010	1.390	1.392	1.391	65.645	2.12%
2011	1.567	1.558	1.563	72.807	2.15%
2012	1.511	1.309	1.410	74.222	1.90%
2013	1.427	1.311	1.369	76.176	1.80%
2014	1.277	1.318	1.298	78.037	1.66%
2015	1.762	1.474	1.618	74.753	2.16%

Source: UNCTAD 1998, 2012, 2016

Appendix 2 – Inflows from some Europe and European Union Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UK	156	200	89	91	58	42	55	48	52	40
NL	14	119	4.5	39	-7	24	20	51	52	73
AT	8	31	7	9	3	11	4	6	9	4
CH	44	32	15	29	29	-0.20	-	7	69	69
IE	-6	25	-16	26	43	24	45	45	31	101
FR	72	96	64	31	14	32	17	43	15	43
DE	56	80	8	24	66	68	28	12	1	32
IT	43	44	-11	20	9	34	0.1	24	23	20
PL	19.6	23.6	14.8	12	12.8	16	12.4	3.6	12.5	7.5
HU	7	4	6	2	2	6	14	3	8	1
CZ	5	10	7	3	6	2	8	4	6	1
BE	59	93	194	75	43	78	6	14	-9	31
LU	32	-28	17	27	39	9	143	15	12	25
ES	31	64	77	10	40	28	26	33	23	9

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SE	29	29	37	10	0.1	13	16	5	4	13
EL	5	2	5	2	0.3	1	2	3	2	-0.3
SL	0.7	1	2	-0.01	0.1	1	0.3	-0.2	1	1
PT	11	3	4	2	2	7	9	3	8	6
RO	11	10	14	5	3	2	3	4	3	3
BG	8	12	10	3	2	3	1.7	2	2	2
CY	2	2.2	1	4	40	-21	7	-13	0.3	5
DK	3	12	2	0.4	-9	11	0.4	1	4	4
EE	2	3	2	2	2	1	2	0.5	0.5	0.2
FI	8	13	-1	0.7	7	3	4	-0.2	17	8
LV	2	2	1	0.1	0.4	1.5	1	0.9	0.6	0.6
LT	2	2	2	-0.01	0.8	1	0.7	0.5	-0.2	0.9
MT	2	0.8	0.9	-9	6	22	14	12	12	10
SK	5	4	5	-0.01	2	4	3	-0.6	-0.3	0.8
IS	4	7	0.9	0.1	0.2	1	1	0.4	0.5	-0.1
NO	7	8	10	17	17	15	19	4	8	-4
GI	-	0.2	0.2	0.2	0.7	8	1	-1	-1	-0.4

Source: UNCTAD 2011, 2012, 2014, 2015, 2016

Appendix 3 – Inflows of Canada and USA (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CA	60	117	62	23	28	40	43	72	59	49
USA	237	216	306	144	198	230	188	212	107	380

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

Appendix 4 – Inflows of some Asia Pacific Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
OCE	1.3	1.1	2.3	1.9	2.2	1.3	4.0	3.0	2.0	2.3
AU	31.0	45.5	47.0	32.0	36.4	59.0	59.0	57.0	40.0	22.3
JP	-6.5	23.0	24.0	12.0	-1.3	-1.8	1.7	2.3	2.1	-2.3
BM	0.3	0.6	0.01	-0.1	0.3	-0.3	0.1	0.1	-0.003	-0.2
IL	15.0	9.0	10.8	4.6	6.3	8.7	8.5	12.4	6.7	11.6
NZ	4.5	3.0	4.0	0.8	-0.1	4.2	3.4	1.8	2.5	0.9

Source: UNCTAD 2009, 2010, 2012, 2013, 2014, 2015, 2016

Appendix 5 – Inflows of some African Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BJ	0.05	0.26	0.17	0.13	0.18	0.16	0.23	0.36	0.41	0.23
BF	0.03	0.34	0.11	0.10	0.04	0.14	0.33	0.49	0.36	0.17
CV	0.13	0.19	0.26	0.17	0.16	0.16	0.13	0.07	0.14	0.09
CI	0.32	0.43	0.45	0.38	0.34	0.30	0.33	0.41	0.44	0.43
GM	0.07	0.08	0.070	0.001	0.02	0.07	0.09	0.04	0.03	0.01
DZ	1.80	1.60	2.60	2.70	2.30	2.60	1.50	1.70	1.51	-0.59
CG	1.90	2.30	2.50	1.30	0.93	2.20	2.15	3.00	5.50	1.50
ZA	-0.53	5.70	9.20	7.50	3.60	4.20	4.60	8.30	5.70	1.80
EG	10.00	11.60	9.50	6.70	6.40	-0.5	6.00	4.30	4.60	7
LB	2.00	3.90	3.30	3.30	1.90	-	1.40	0.70	0.05	0.73
GH	0.64	0.86	1.20	2.90	2.50	3.20	3.30	3.23	3.40	3.20
TN	3.30	1.60	2.70	1.70	1.50	1.15	1.60	1.12	1.10	1.00
GN	0.13	0.39	0.38	0.14	0.10	0.96	0.61	0.14	0.07	0.09
GW	0.02	0.02	0.005	0.02	0.03	0.03	0.01	0.02	0.03	0.02
ML	0.08	0.07	0.18	0.75	0.41	0.56	0.40	0.31	0.14	0.15
MU	-	0.34	0.38	0.25	0.43	0.43	0.59	0.29	0.42	0.21
MR	0.16	0.14	0.34	-0.003	0.13	0.59	1.40	1.13	0.50	0.50
NE	0.05	0.13	0.34	0.80	0.94	1.10	0.84	0.72	0.82	0.53
NG	4.90	6.10	8.20	8.70	6.10	9.00	7.13	5.60	4.70	3.10
SH	0	0	-	-	-	-	-	-	-	-
SN	0.22	0.30	0.40	0.32	0.27	0.39	0.28	0.31	0.40	0.35
SL	0.06	0.10	0.06	0.11	0.24	0.95	0.72	0.43	0.40	0.52
TG	0.08	0.05	0.02	0.05	0.09	0.71	0.12	0.18	0.05	0.05
CM	0.02	0.19	0.02	0.74	-0.001	0.36	0.74	0.57	0.55	0.62
CF	0.04	0.06	0.12	0.04	0.06	0.04	0.070	0.002	0.003	0.003
CD	0.26	1.80	1.70	0.86	3.00	1.70	3.30	2.10	1.80	1.70
GQ	0.47	1.20	-0.80	1.60	2.70	2.00	0.99	0.73	0.32	0.32
GA	0.27	0.27	0.77	0.57	0.50	0.70	0.83	0.77	1.00	0.62
ST	0.04	0.04	0.08	0.02	0.05	0.03	0.02	0.006	0.03	0.03
KM	0.001	0.008	0.005	0.01	0.008	0.02	0.01	0.004	0.005	0.005
DJ	0.11	0.20	0.23	0.08	0.04	0.08	0.11	0.29	0.15	0.12
ER	0	0.007	0.04	0.09	0.09	0.04	0.04	0.04	0.05	0.05
SO	0.10	0.14	0.09	0.11	0.11	0.10	0.11	0.45	0.43	0.16
BW	0.49	0.50	0.52	0.13	0.22	1.40	0.49	0.40	0.52	0.39
LS	0.09	0.11	0.19	0.09	0.05	0.15	0.14	0.12	0.16	0.17
MW	0.07	0.12	0.20	0.05	0.10	0.13	0.13	0.12	0.13	0.14
NA	0.39	0.73	0.72	0.51	0.79	1.12	1.13	0.80	0.43	1.10
SZ	0.12	0.04	0.11	0.07	0.14	0.09	0.09	0.03	-0.03	-0.12
ZW	0.04	0.07	0.05	0.11	0.17	0.39	0.40	0.40	0.55	0.42
SS	-	-	-	-	-	-	0.16	-0.79	-0.42	-0.28
MU	-	-	-	-	0.43	0.43	0.59	0.29	0.42	0.21
MA	2.40	2.80	2.50	2.00	1.60	2.60	2.70	3.30	3.60	3.20
AO	-0.04	-0.89	1.70	2.20	-3.2	-3.0	-6.90	-7.10	2.00	8.70

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MZ	0.15	0.43	0.59	0.90	1.00	3.60	5.60	6.20	5.00	3.70
SD	3.50	2.40	2.60	1.70	2.10	1.70	1.30	1.70	1.30	1.70
KE	0.05	0.73	0.10	0.12	0.18	0.34	0.26	0.51	1.10	1.40
TZ	0.40	0.58	1.40	0.95	1.80	1.20	1.80	2.10	2.05	1.50
ZM	0.62	1.30	0.94	0.43	0.63	1.10	2.40	1.80	3.20	1.70

Source: UNCTAD 2009, 2011, 2012, 2013, 2014, 2015, 2016

Appendix 6 – Inflows of some East and South-East Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East Asia										
CH	72.7	84.0	108.0	95.0	114.7	124	121.1	124	129	135.6
HK	45.0	62.1	67	55.5	72.3	96.2	70.4	75.0	114.0	174.9
KR	5.0	9.0	11.2	9.0	10.0	9.8	9.5	13.0	9.0	5.0
MO	1.6	2.3	3.0	1.0	3.0	0.7	4.1	5.0	3.0	4.0
TW	7.4	7.8	5.4	3.0	2.5	-2	3.2	3.5	2.8	2.4
South-East Asia										
SG	36.7	47.0	12.2	23.8	55.1	48.3	57.2	66.1	68.5	65.3
ID	5.0	7.0	9.3	5.0	14	19.2	19.1	19.0	21.9	16.0
MM	0.4	1	1	0.03	7.0	1.1	0.5	1.0	0.9	3
MY	6.0	9.0	7.1	1.4	9.1	12.2	9.2	12.1	10.9	11.1
VN	2.4	7.0	10	8.0	8.0	7.5	8.4	9.0	9.2	12.0
BN	0.4	0.3	0.3	0.4	0.5	0.7	0.8	1.0	0.5	0.2
PH	3.0	3.0	1.3	2.0	1.3	1.9	2.4	2.5	6.8	5.2
TH	10.0	11.4	8.5	5.0	10.0	9.5	-	-	12.6	-
TL	0.008	0.009	0.04	0.05	0.03	0.05	0.04	0.1	0.05	0.04

Source: UNCTAD 2009, 2012, 2013, 2014, 2015 2016

Appendix 7 – Inflows of some South Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
IN	20.3	25.4	47.1	36.0	27.4	36.2	24.2	28.2	34.6	44.2
BD	0.8	0.7	1.1	0.7	0.9	1.1	1.3	1.6	1.5	2.2
BT	0.1	0.003	0.02	0.1	0.1	0.03	0.05	0.01	0.03	0.01
PK	4.2	5.6	5.4	2.3	2	1.2	0.9	1.3	1.9	0.9
LK	0.5	0.6	0.8	0.4	0.5	1.0	0.9	0.9	0.9	0.7
IR	1.6	2	1.9	3	3.6	4.2	4.7	3.1	2.10	2.05
NP	-0.01	0.01	0.001	0.04	0.09	0.1	0.09	0.07	0.03	0.05
AF	0.2	0.2	0.1	0.08	0.2	0.1	0.1	0.1	0.1	0.1
MV	0.1	0.1	0.1	0.2	0.2	0.4	0.2	0.4	0.3	0.3

Source: UNCTAD 2011, 2012, 2013, 2014, 2015, 2016

Appendix 8 – Inflows of some West Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TR	20.2	22.0	19.8	8.6	9.1	16.1	13.3	12.3	12.1	17.0
BR	3.0	1.7	1.8	0.3	0.2	0.1	1.5	3.7	1.5	-1.5
AE	13.0	14.2	13.7	4.0	8.80	7.2	8.83	9.5	10.8	11.0
SA	17.1	23.0	38.0	32.0	29.2	16.3	12.2	8.9	8.0	8.14
SY	0.7	1.2	1.46	2.6	1.47	0.8	-	-	-	-
QA	3.5	4.7	3.8	8.1	5.0	1.0	0.4	-0.8	1.0	1.1
IQ	0.4	1.0	1.9	1.6	1.4	1.9	3.4	5.1	4.8	3.5
JO	3.5	2.6	2.8	2.4	1.7	1.49	1.51	1.81	2.0	1.3
KW	0.1	0.1	-0.01	1.1	1.3	3.3	2.9	1.4	1.0	0.3
LB	3.1	3.4	4.3	4.5	3.7	3.2	3.2	2.7	3.0	2.3
OM	1.6	3.3	3.0	1.5	1.2	1.8	0.9	0.9	0.7	0.8
PS	0.02	0.03	0.05	0.3	0.2	0.3	0.06	0.2	0.2	0.1
YE	1.1	0.9	1.5	0.1	0.2	-0.5	-0.5	-0.1	-1.8	-1.2

Source: UNCTAD 2009, 2011, 2012, 2015, 2016

Appendix 9 – Inflows of some Latin America and the Caribbean Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MX	20.0	31.4	28.3	17.7	26.4	23.6	20.4	46.0	25.7	30.3
CO	6.6	9.0	11.0	8.0	6.4	14.6	15.0	16.2	16.3	12.1
PE	3.5	5.5	7.0	6.4	8.5	7.7	12.0	9.3	7.9	6.9
BR	18.8	35.0	45.0	26.0	83.75	96.2	76.1	53.1	73.1	64.6
CL	7.4	13.0	15.5	12.0	16.6	16.7	25.0	18	21.2	20.2
AR	5.5	6.5	9.7	4.0	11.3	10.8	15.3	10.0	5.1	11.7
SV	0.2	1.6	0.9	0.4	-0.2	0.2	0.5	0.2	0.3	0.4
TT	0.8	0.8	3.0	0.7	0.5	1.8	2.5	2.0	2.5	1.6
DO	1.1	1.7	2.9	2.2	2.0	2.3	3.1	2.0	2.2	2.2
CR	1.5	1.9	2.0	1.3	1.5	2.1	2.3	3.1	2.7	2.9
KY	15.0	23.2	19.6	20.4	12.0	19.0	8.1	18.2	23.7	19.0
BO	0.3	0.4	0.5	0.4	0.6	0.9	1.1	1.8	0.6	0.5
EC	0.3	0.2	1.2	0.3	0.2	0.6	0.6	0.7	0.8	1.1
GY	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.1
PY	0.1	0.2	0.2	0.1	0.2	0.6	0.7	0.1	0.3	0.3
SR	-0.2	-0.2	-0.2	-0.1	-0.3	0.1	0.2	0.2	0.2	0.3
UY	1.5	1.3	2.1	1.5	2.3	2.5	2.5	3.0	2.2	1.7
VE	-0.5	1.5	1.7	-1.0	1.6	5.7	6.0	2.7	0.3	1.6
BZ	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.1
GT	0.6	0.7	0.7	0.6	0.8	1.0	1.3	1.3	1.4	1.2
HN	-	1.0	1	-0.5	1.0	1.0	1.1	1.1	1.1	1.2
NI	0.3	0.4	0.6	0.4	0.5	0.9	0.8	0.8	0.9	0.8
PA	2.5	1.8	2.2	1.3	2.7	3.2	3.2	4.0	4.3	5.0
AI	0.1	0.1	0.1	0.04	0.01	0.04	0.04	0.04	0.08	0.09

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AG	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2
AW	0.2	-0.5	0.02	-0.01	0.2	0.5	-0.3	0.2	0.2	-0.02
CU	0.03	0.06	0.02	0.02	0.09	0.1	-	-	-	-
CUW	-	0.1	0.1	0.06	0.09	0.07	0.06	0.02	0.07	0.2
DM	0.03	0.05	0.06	0.06	0.04	0.04	0.06	0.03	0.04	0.04
GD	0.1	0.2	0.1	0.1	0.06	0.05	0.03	0.1	0.04	0.1
HT	0.2	0.1	0.03	0.1	0.2	0.1	0.2	0.2	0.1	0.1
MS	0.004	0.007	0.013	0.003	0.004	0.002	0.003	0.004	0.006	0.004
AN	-0.02	-	-	-	-	-	-	-	-	-
KN	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
LC	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
VC	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1
SXM	-	0.1	0.1	0.04	0.03	-0.05	0.01	0.03	0.05	0.01
TC	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-

Source: UNCTAD 2009, 2011, 2012, 2013, 2014, 2015, 2016

Appendix 10 – Inflows of some Transition Economies Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RS	4.3	3.4	3.0	2.9	1.7	5.0	1.3	2.1	2.0	2.3
AZ	-0.6	-4.7	0.01	0.5	0.6	1.5	2.0	2.6	4.4	4.0
RU	30.0	57.0	75.0	36.6	31.7	37.0	30.2	53.4	29.2	9.8
KZ	6.3	11.0	16.8	13.2	11.6	14.0	13.3	10.3	8.4	4.0
TM	0.7	0.9	1.3	4.5	3.6	3.4	3.13	3.7	4.2	4.3
AL	0.3	0.7	1.0	1.0	1.1	0.9	0.9	1.3	1.11	1.0
UA	5.6	10.0	11.0	4.8	6.5	7.2	-	-	0.4	3
BY	0.4	1.8	2.2	1.9	1.4	4.0	1.4	2.2	1.8	1.6
AM	0.5	0.7	0.9	0.8	0.5	0.7	0.5	0.4	0.4	0.2
HR	3.5	5.0	6.2	3.4	1.2	1.7	1.5	0.9	3.7	0.2
ME	0.6	0.9	1.0	1.5	0.8	0.6	0.6	0.4	0.5	0.7
BA	0.6	1.8	1.0	0.3	0.4	0.5	0.4	0.3	0.5	0.2
KG	0.2	0.2	0.4	0.2	0.4	0.7	0.3	0.6	0.2	0.4
MD	0.3	0.5	0.7	0.2	0.2	0.3	0.2	0.2	0.2	0.2
TJ	0.3	0.4	0.4	0.02	0.07	0.2	0.2	0.1	0.3	0.2
GE	1.2	1.8	1.6	0.7	0.8	1.1	0.9	0.9	1.8	1.4
MK	-	0.7	0.6	0.2	0.2	0.5	0.1	0.3	0.3	0.2

Source: UNCTAD 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016

Appendix 11 – Inflows of some Least Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Africa										
GQ	0.5	1.2	-0.7	1.6	2.7	2.0	1.0	0.7	0.3	0.3
ZM	0.6	1.3	0.9	0.4	0.6	1.1	2.4	1.8	3.2	1.7
CD	0.3	1.8	1.7	0.9	3.0	1.7	3.3	2.1	1.8	1.7
MZ	0.2	0.4	0.6	0.9	1.0	3.6	5.6	6.2	5.0	3.7

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TZ	0.4	0.6	1.4	1.0	1.8	1.2	1.8	2.1	2.05	1.5
ET	0.5	0.2	0.1	0.2	0.3	0.6	0.3	1.3	2.1	2.2
AO	-0.04	-0.9	1.7	2.2	-3.2	-3.0	-6.9	-7.1	2.0	8.7
UG	0.6	0.8	0.7	0.8	0.5	0.9	1.2	1.1	1.1	1.1
LR	0.1	0.1	0.3	0.2	0.5	0.8	1.0	1.1	0.3	0.5
MG	0.3	0.8	1.2	1.0	0.8	0.8	0.8	0.6	0.4	0.5
RW	0.03	0.1	0.1	0.1	0.3	0.1	0.3	0.3	0.5	0.5
TD	-	-0.3	0.5	0.4	0.3	0.3	0.6	0.5	-0.7	0.6
SD	3.5	2.4	2.6	1.7	2.1	1.7	2.3	1.7	1.3	1.7
Asia										
BD	0.8	0.7	1.1	0.7	0.9	1.1	1.3	1.6	1.5	2.2
KH	0.5	0.9	0.8	0.9	1.3	1.4	1.8	1.9	1.7	1.7

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

Appendix 12 – Inflows of some Landlocked Developing Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ZM	0.6	1.3	0.9	0.4	0.6	1.1	2.4	1.8	3.2	1.7
ET	0.5	0.2	0.1	0.2	0.3	0.6	0.3	1.3	2.1	2.2
AZ	-0.6	-4.7	0.01	0.5	0.6	1.5	2.0	2.6	4.4	4.0
TM	0.7	0.9	1.3	4.5	3.6	3.4	3.1	3.7	4.2	4.3
KZ	6.3	11.0	16.8	13.2	11.6	14.0	13.3	10.3	8.4	4.0
UZ	0.2	0.7	0.7	0.8	1.6	1.6	0.6	0.6	0.6	1.1
MN	0.2	0.4	0.8	0.6	1.7	4.7	4.5	2.1	0.4	0.2
LA	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.4	0.7	1.2

Source: UNCTAD 2011, 2012, 2014, 2015, 2016

Appendix 13 – Inflows of some Small Island Developing States (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Caribbean Islands										
BS	1.5	1.6	1.5	0.9	1.1	1.5	1.1	1.1	1.6	0.4
TT	0.9	0.8	2.8	0.7	0.5	1.8	2.5	2.0	2.5	1.6
JM	0.8	0.9	1.4	0.5	0.2	0.2	0.4	0.6	0.6	0.8
BB	0.3	0.5	0.5	0.2	0.4	0.4	0.3	-0.04	0.5	0.3
VG	7.5	31.8	51.7	46.5	51.2	57.8	74.5	112.1	50.0	51.6
African Islands										
MU	0.1	0.3	0.4	0.8	2.5	1.6	0.3	3.3	1.8	2.1
SC	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.2
Asia Islands										
MV	0.1	0.1	0.2	0.2	0.2	0.4	0.2	0.4	0.3	0.3
OCE										
CK	0.003	0.003	0.001	0.01	-	-	0.001	0.003	-	0.001

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FJ	0.34	0.4	0.3	0.2	0.4	0.4	0.4	0.3	0.3	0.3
PF	0.03	0.06	0.01	0.02	0.1	0.1	0.2	0.1	0.05	0.1
KI	0.001	0.001	0.003	0.003	-0.01	0.001	-	0.001	0.01	0.002
MH	0.01	0.2	0.04	-0.01	0.1	0.1	-0.02	0.2	-0.3	-0.1
FM	0.001	0.02	-0.01	0.001	0.001	0.001	0.001	0.001	0.001	0.001
NC	0.7	0.4	1.7	1.2	1.4	1.7	2.8	2.2	1.8	1.9
PW	0.001	0.004	0.01	-0.01	0.003	0.01	0.02	0.02	0.04	-0.01
PG	-0.01	0.1	-0.03	0.4	0.03	-0.3	0.03	0.02	-0.03	-0.03
WS	0.02	0.01	0.1	0.01	0.001	0.02	0.03	0.01	0.02	0.02
SB	0.03	0.1	0.1	0.1	0.2	0.1	0.02	0.1	0.02	0.02
TO	0.01	0.03	0.004	0.02	0.03	0.04	0.03	0.1	0.1	0.01
TV	0.01	0.0	0.002	0.002	0.001	-	0.002	0.001	0.001	0.001
VU	0.1	0.1	0.04	0.03	0.1	0.1	0.1	-0.02	-0.02	0.03
WF	0	0.001	0.001	0.001	0.001	0.001	-	-	-	-

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

Appendix 14 – Outflows of some Europe and European Union Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DE	119	171	73	69	126	78	62	40	106	94
FR	111	164	155	101	48	51	32	25	43	35
NL	71	56	68	26	69	35	6	70	56	113
UK	86	225	183	21	48	96	21	-19	-82	-61
IE	15	21	19	27	22	-1	23	29	43	102
CH	76	51	45	26	86	48	43	39	-3	70
LU	8	73	15	8	23	11	90	25	23	39
BE	51	80	221	15	-8	46	34	18	5	39
IT	44	96	67	21	33	54	8	25	27	28
NO	21	10	20	19	23	19	20	8	18	19
SE	27	39	30	26	20	30	29	20	9	24
ES	104	137	75	13	38	41.2	-4	14	35	35
EL	4	5	2	2.1	2	2	0.7	-0.8	1.0	0.4
PT	6	5	1	-0.4	-10	13	-8	-2	4	8
DK	8	21	13	4	1	11	7	7	8	13
AT	14	39	29	11	10	22	13	16	5	12
BG	0.2	0.3	1	-0.1	0.3	0.3	0.3	0.2	1	1
CY	1	1	3	0.4	38	-17	11	-11	1.3	10
CZ	2	2	5	1	1	-0.3	2	4	2	2
EE	1	2	1	1	0.2	-2	1	0.4	-0.2	0.4
FI	5	7	9	6	10	5	8	-2	-1	-11
HU	4	4	2	2	1	5	12	2	4	2
LV	0.2	0.4	0.2	-0.1	0.02	0.1	0.2	0.4	0.3	0.02
LT	0.3	0.6	0.3	0.2	-0.01	0.1	0.4	0.2	0.1	-0.01
MT	0.03	0.01	0.5	-7	-0.4	10	3	3	2	-0.2
PL	9	5	4	4	6	1	3	-0.5	2	3
RO	0.4	0.3	0.3	-0.1	0.01	-0.03	-0.1	-0.3	-0.4	0.3

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SK	0.5	1	1	1	1	1	0.01	-0.3	-0.1	-0.2
SL	1	2	1	0.2	-0.02	0.2	-0.3	-0.2	0.3	-0.1
IS	6	10	-4	2	-2	0.02	-3	0.5	-0.3	-0.6
IL	11	5	6	1	9	9	3	6	4	10

Source: UNCTAD 2011, 2012, 2013, 2014, 2015, 2016

Appendix 15 – Outflows of USA and Canada (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
USA	224	394	308	267	288	397	318	308	317	300
CA	46	65	79	40	35	52	56	55	56	67

Source: UNCTAD 2011, 2012, 2013, 2014, 2015, 2016

Appendix 16 – Outflows of some Asia Pacific Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
JP	50.3	74.0	128.0	75.0	56.2	107.6	122.5	135.7	113.6	128.7
AU	25.4	17.0	30.6	16.0	20.0	1.7	6.7	1.6	0.003	-16.7
BM	0.6	0.1	0.3	0.02	-0.01	-0.3	0.2	0.1	0.1	-0.1
IL	11.2	8.6	7.2	1.8	8.7	9.2	3.3	5.5	3.7	9.7
NZ	0.2	3.7	0.4	-1.0	0.7	2.5	-0.5	0.5	0.1	0.2

Source: UNCTAD 2011, 2012, 2014, 2015, 2016

Appendix 17 – Outflows of some African Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ZA	6.1	3.0	-3.1	1.2	-0.1	-0.3	3.0	6.6	7.7	5.3
AO	0.2	0.9	-2.6	0.01	1.3	2.1	2.7	6.0	4.3	1.9
NG	0.3	0.9	1.1	1.5	0.9	0.8	1.5	1.2	1.6	1.4
LB	0.5	4.0	6.0	1.2	2.7	0.1	2.5	0.01	0.1	0.9
TG	-0.01	-0.001	-0.01	0.04	0.04	1.1	0.4	-0.02	0.4	0.2
MA	0.4	0.6	0.5	0.5	0.6	0.2	0.4	0.3	0.4	0.6
EG	0.1	0.7	1.9	0.6	1.2	0.6	0.2	0.3	0.3	0.2
TN	0.03	0.02	0.04	0.1	0.1	0.02	0.01	0.02	0.02	0.03
DZ	0.04	0.3	0.3	0.2	0.2	0.5	-0.04	-0.3	-0.02	0.1
CG	-	-	-	-	0.004	0.1	-0.03	-0.002	0.01	-0.01
SD	0.01	0.01	0.1	0.1	0.1	0.1	-	-	-	-
BJ	-0.002	-0.01	-0.004	0.03	-0.02	0.1	0.02	0.1	0.02	0.03
BF	0.001	0	0.01	0.01	-0.004	0.1	0.1	0.1	0.1	0.03
CV	-	0	0	0.001	0	0.001	-0.01	-0.01	-0.01	-0.003
CI	-	-	-	-0.01	0.03	0.02	0.01	-0.01	0.02	0.01
GM	-	-	-	-	-	0.06	0.01	0.05	0.02	0.02
GH	-	-	0.01	0.01	0.01	0.03	0.001	0.01	0.01	0.2
GN	-	-	0.1	-	-	0.001	0.002	-	0.001	0.001
GW	0	-0	-0.001	-0.003	0.01	0.001	-	-	0.003	-

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LR	0.3	0.4	0.4	0.4	0.4	0.4	1.4	0.7	-	-
ML	0.001	0.01	0.001	-0.001	0.01	0.004	0.02	0.003	0.001	0.001
MR	0.01	0.004	0.004	0.004	0.02	0.002	0.001	0.01	0.03	0.02
NE	-0.001	0.01	0.02	0.1	-0.1	0.01	0.002	0.1	0.1	0.1
SN	0.01	0.03	0.1	0.1	0.002	0.05	0.1	0.03	0.03	0.03
SL	-	-0.001	-	-	0.01	-	-	-	-	-
BI	-	0	0.001	-	-	-	-	-	-	-
CM	-0.05	-0.01	-0.002	-0.1	-0.04	-0.1	-0.1	-0.1	-0.1	-0.1
CF	-	-	-	-	-	-	-	-	-	-
TD	-	-	-	-	-	-	-	-	-	-
CD	0.02	0.01	0.1	0.04	0.01	0.1	0.4	0.4	0.3	0.5
GQ	-	-	-	-	-	-	-	-	-	-
GA	0.1	0.1	0.1	0.1	-0.01	-0.1	0.1	-0.2	-0.04	-0.04
RW	-	0.01	-	-	-	-	-	0.01	0.002	-
ST	0.003	0.003	0	0	0	0	-	0.001	0.004	0.003
KM	-	-	-	-	-	-	-	-	-	-
DJ	-	-	-	-	-	-	-	-	-	-
ER	-	-	-	-	-	-	-	-	-	-
ET	-	-	-	-	-	-	-	-	-	-
KE	0.02	0.04	0.04	0.05	0.002	0.01	0.02	0.01	0.03	0.2
MG	-	-	-	-	-	-0.001	0.001	-	-	-
MU	0.01	0.1	0.1	0.04	0.1	0.2	0.2	0.2	0.1	0.1
SC	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.01
SO	-	-	-	-	-	-	-	-	-	-
UG	-	-	-	0.03	0.04	-0.01	0.05	-0.05	0.03	-
TZ	-	-	-	-	-	-	-	-	-	-
BW	0.1	0.1	-0.1	0.01	-0.001	0.01	-0.01	-0.1	-0.1	-0.1
LS	-	0.002	-0	0.002	-	-	-	-	-	-
MW	-	0.01	0.02	-0.001	0.04	0.1	0.1	-0.05	-0.1	-0.02
MZ	0	-0	-0	0.003	0.002	0.003	0.003	-	0.1	0.02
NA	-0.01	0.003	0.01	-0.003	-0.004	-0.01	0.01	0.01	0.06	-0.1
SZ	-0.001	0.02	-0.01	0.01	0.001	-0.01	-0.01	-	-0.004	-0.003
ZM	-	0.1	-	0.3	1.1	-0.002	-0.7	0.1	-0.2	-0.3
SW	0	0.003	0.01	-	0.04	0.04	0.05	0.1	0.1	0.02

Source: UNCTAD 2012, 2013, 2014, 2015, 2016

Appendix 18 – Outflows of some East and South-East Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East Asia										
CH	21.2	26.5	56.0	56.5	69.0	74.7	87.8	107.8	123.1	128.0
KR	-	21.6	19.6	17.4	28.3	30.0	30.6	28.4	28.0	27.6
TW	7.4	11.0	10.3	6.0	11.6	12.8	13.1	14.3	12.7	15.0
HK	45.0	67.9	57.1	59.2	88.03	96.0	84.07	81.02	125.1	55.1
MO	0.6	0.02	-0.1	-0.01	-0.4	0.1	0.5	1.7	0.7	0.9
MN	0.1	0.01	0.01	0.1	0.1	0.1	0.04	0.04	0.1	0.01

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South East Asia										
SG	18.6	37.0	7.0	26.2	35.4	31.5	18.3	39.6	39.1	35.5
MY	6.0	11.0	15.0	7.8	13.4	15.2	17.1	14.1	16.4	9.9
TH	1.0	3.0	4.0	4.2	8.2	6.3	10.6	12.0	4.4	8.0
ID	2.7	4.7	6.0	2.2	2.7	8.0	5.4	6.6	7.1	6.3
BN	0.02	-0.01	0.02	0.01	-0.1	0.1	0.3	0.9	0.4	0.5
KH	0.01	0.001	0.02	0.02	0.02	0.03	0.04	0.05	0.04	0.05
LA	0.04	0.04	-0.08	0.001	-0.001	-	-	0.001	0.002	0.001
MM	-	-	-	-	-	-	-	-	-	-
PH	0.1	3.5	2.0	0.4	0.6	0.3	1.7	3.6	6.8	5.6
TL	-	-	-	-	0.03	-0.03	0.01	0.01	0.01	0.01
VN	0.1	0.2	0.3	0.7	0.9	1.0	1.2	2.0	1.2	1.1

Source: UNCTAD 2009, 2010, 2012, 2013, 2014, 2015, 2016

Appendix 19 – Outflows of some South Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
IN	14.3	17.2	21.1	16.0	16.0	12.5	8.5	1.7	12	7.5
IR	0.4	0.3	0.4	0.1	0.2	0.2	0.2	0.2	0.1	0.1
PK	0.1	0.1	0.05	0.1	0.05	0.04	0.1	0.2	0.1	0.02
LK	0.03	0.1	0.1	0.02	0.04	0.1	0.1	0.1	0.1	0.1
BD	0.01	0.02	0.01	0.03	0.02	0.01	0.04	0.03	0.04	0.05
AF	-	-	-	0.1	0.1	0.1	0.1	-	-	-
BT	-	-	-	-	-	-	-	-	-	-
MV	-	-	-	-	-	-	-	-	-	-
NP	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD 2011, 2012, 2013, 2014, 2015, 2016

Appendix 20 – Outflows of some West Asia Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
KW	8.2	9.8	9.0	8.6	5.9	10.8	6.7	16.5	-10.5	5.4
QA	0.1	5.2	3.7	3.2	2.0	10.1	1.8	8.0	6.7	4.0
TR	0.9	2.1	2.5	1.6	1.5	2.3	4.1	3.5	6.7	4.8
SA	-0.04	-0.1	3.5	2.2	4.0	3.4	4.4	4.5	5.4	5.5
AE	11.0	15.0	16.0	3.0	2.0	2.2	2.5	8.8	9.02	9.3
BR	1.0	1.7	1.6	-1.8	0.3	-0.9	0.5	0.5	-0.4	0.5
IQ	0.3	0.01	0.03	0.1	0.1	0.4	0.5	0.2	0.2	0.2
JO	-0.1	0.05	0.01	0.1	0.03	0.03	0.01	0.02	0.1	0.001
LB	0.9	0.9	1.0	1.1	0.5	1.0	1.0	2.0	1.2	0.6
OM	0.3	-0.04	0.6	0.1	1.5	1.2	0.9	0.01	1.7	0.9
PS	0.1	-0.01	-0.01	0.07	0.1	-0.1	0.03	-0.05	0.2	0.2
SY	-0.01	0.002	0.002	-0.003	0	-0	-	-	-	-
YE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.01	0.01

Source: UNCTAD 2009, 2010, 2011, 2012, 2013, 2014, 2015 2016

Appendix 21 – Outflows of some Latin America and the Caribbean Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CL	2.2	5.0	9.2	6.2	10.5	13.6	17.0	8.4	12.0	15.5
MX	5.6	8.3	1.2	9.6	15.1	12.6	22.5	13.1	8.3	8.1
CO	1.1	0.9	2.5	3.5	5.5	8.4	-0.6	7.7	3.9	4.2
AR	2.4	1.5	1.4	0.7	1.0	1.5	1.1	0.9	2.0	1.1
BR	28.2	7.1	20.5	-10.1	22.1	11.1	-5.3	-1.2	2.2	3.1
BRV	0.003	0.004	0.01	-0.003	2.5	-0.4	4.5	0.8	1	-1.1
KY	8.0	9.3	13.4	6.3	9.4	7.0	3.2	11.0	8.7	8.3
PA	2.2	3.6	0.2	2.3	0.3	0.7	-0.3	0.3	0.3	0.5
PE	-	0.1	0.7	0.4	0.3	0.1	0.1	0.1	0.1	0.1
EC	0.01	-0.01	0.05	0.05	0.1	0.1	0.04	0.06	0.1	0.1
GY	-	-	-	-	-	-	-	-	-	-
PY	0.01	0.01	0.01	0.1	0.1	-0.1	0.01	0.002	-0.03	-0.01
SR	-	-	-	-	-	0.003	-0.001	-	-	-
UY	-0.001	0.1	-0.01	0.02	-0.1	-0.01	-0.003	0.01	0.04	0.03
VE	1.5	0.04	1.6	2.6	2.5	-0.4	4.3	0.8	1.0	-1.1
BZ	0.001	0.01	0.003	0	0.001	0.001	0.001	0.001	0.002	-
CR	0.1	0.3	0.01	0.01	0.03	0.1	0.5	0.3	0.1	0.1
SV	0.02	-0.1	-0.1	-	-0.01	-	-0.002	0.003	-	-
GT	0.04	0.03	0.02	0.03	0.02	0.02	0.04	0.03	0.1	0.1
HN	-0.001	0.001	-0.001	0.004	-0.001	0.002	0.2	0.1	0.02	0.1
NI	0.02	0.01	0.02	-0.03	0.02	0.01	0.07	0.1	0.1	0.1
AI	-	0.001	0.002	0	-	-	-	-	-	-
AG	-	0.002	0.002	0.004	0.01	0.003	0.004	0.01	0.01	0.01
AW	-0.01	0.04	0.003	0.001	0.01	0.003	0.003	0.004	0.01	0.01
CU	-0.002	-	-	-	-	-	-	-	-	-
CUW	-	0.01	-0.001	0.01	0.01	-0.03	0.01	-0.02	0.04	0.03
DM	-	0.01	0	0.001	-	-	0.002	0.002	0.002	0.002
DO	-0.1	-0.02	-0.02	0.1	-0.2	-0.1	0.3	-0.4	0.2	0.02
GD	-	0.02	0.01	0.001	0.003	0.003	0.003	0.001	0.001	0.001
HT	-	-	-	-	-	-	-	-	-	-
JM	0.1	0.1	0.1	0.1	0.1	0.1	-0.02	-0.1	-0.002	0.004
MS	-	0	0	0	-	-	-	-	-	-
AN	0.06	-	-	-	-	-	-	-	-	-
KN	-	0.01	0.01	0.01	0.003	0.002	0.002	0.002	0.002	0.002
LC	-	0.01	0.01	0.01	0.01	0.004	0.004	0.003	0.003	0.003
VC	-	0.002	0	0.001	-	-	-	-	-	-
SXM	-	0.004	0.01	0.001	0.003	0.001	-0.004	0.004	-0.001	-0.001
TC	0.01	0.01	0.01	0.01	0.01	0.01	-	-	-	-
CK	0	0.1	1.0	0.01	0.5	0.8	1.3	2	1.3	1.6
FJ	0.001	-0.01	-0.01	0.003	0.01	0.001	0.002	0.004	0.04	-0.04
PF	0.01	0.01	0.03	0.01	0.04	0.03	0.04	0.07	0.03	0.04
KI	0	0	0.001	-0.001	0	0.001	-	-	0.01	0.002
MH	-0.01	0.01	0.04	-0.03	-0.05	0.03	0.03	0.01	-0.05	-0.001

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FM	-	-	-	-	-	-	-	-	-	-
NR	-	-	-	-	-	-	-	-	-	-
NC	0.03	0.01	0.06	0.06	0.08	0.04	0.1	0.1	0.1	0.1
NU	-0.002	0.004	0.002	-0	-	0.001	-	-	-	-
PW	-	-	-	-	-	-	-	-	-	-
WS	-	-	-	-0.001	-	0.001	0.011	-	0.004	0.002
SB	0.01	0.012	0.004	0.003	0.002	0.004	0.003	0.003	0.001	0.01
TO	0.001	0.002	0.002	0.01	0.003	0.01	0.01	0.01	0.011	0.01
TV	-	-	-	-	-	-	-	-	-	-
VU	0.001	0.001	0.001	0.001	0.001	0.001	0.001	-	0.001	0.002
WF	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD 2008, 2010,2011,2012, 2013, 2014, 2015, 2016

Appendix 22 – Outflows of some Transition Economies Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RU	23.2	46.0	56.0	43.3	41.1	48.6	28.4	70.7	64.2	26.6
KZ	-0.4	3.2	3.7	3.2	7.9	5.4	1.5	2.3	3.6	0.6
AZ	0.7	0.3	0.6	0.3	0.2	0.5	1.2	1.5	3.2	3.3
RS	0.1	0.9	0.3	0.02	0.2	0.3	0.3	0.3	0.4	0.2
GE	-0.02	0.1	0.1	-0.02	0.1	0.1	0.3	0.1	0.4	0.1
AL	0.01	0.02	0.1	0.04	0.01	0.03	0.02	0.04	0.03	0.04
BA	0.004	0.07	0.02	0.01	0.05	0.02	0.07	0.04	0.02	0.02
HR	0.3	0.3	1.4	1.2	0.1	0.1	-0.1	-0.2	1.9	0.01
ME	0.03	0.2	0.1	0.05	0.03	0.02	0.03	0.02	0.03	0.01
MK	0	-0.001	-0.01	0.01	0.01	-	-0.03	0.03	0.01	-0.02
AM	0.003	-0.002	0.02	0.1	0.01	0.2	0.02	0.03	0.02	0.01
KG	-0	-0.001	-0	-0	-0	-0	-	-	-	-
BY	0.003	0.02	0.03	0.1	0.1	0.1	0.1	0.2	0.03	0.1
MD	-0.001	0.02	0.02	0.01	0.004	0.02	0.02	0.03	0.04	0.02
TJ	-	-	-	-	-	-	-	-	-	-
TM	-	-	-	-	-	-	-	-	-	-
UA	-0.1	0.7	1.0	0.2	0.7	0.2	1.2	0.42	0.1	-0.1
UZ	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD 2011, 2012, 2013, 2014, 2015, 2016

Appendix 23 – Outflows of some Landlocked Developing Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
KZ	-0.4	3.2	3.7	3.2	7.9	5.4	1.5	2.9	3.6	0.6
AZ	0.7	0.3	0.6	0.3	0.2	0.5	1.2	1.5	3.2	3.3
MN	0.1	0.01	0.01	0.1	0.1	0.1	0.04	0.04	0.1	0.01
SW	0	0.003	-	0.01	0.04	0.04	0.05	0.03	0.1	0.02
BF	0.001	0	0.01	0.01	-0.004	0.1	0.1	0.1	0.1	0.03
NE	0.001	0.01	0.02	0.1	-0.1	0.01	0.002	0.1	0.1	0.5

Source: UNCTAD 2012, 2014, 2015, 2016

Appendix 24 – Outflows of some Least Developed Countries (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
AO	0.2	0.9	-2.6	0.01	1.3	2.1	2.7	6.0	4.3	1.9
TG	-0.01	-0.001	-0.02	0.04	0.04	1.1	0.4	0.02	0.4	0.2
CD	0.02	0.01	0.1	0.04	0.01	0.1	0.4	0.4	0.3	0.5
YE	0.1	0.1	0.1	0.1	0.1	0.1	0.01	0.01	0.01	0.01
BF	0.001	0	0.01	0.01	-0.004	0.1	0.1	0.1	0.1	0.03
NE	-0.001	0.01	0.02	0.1	-0.1	0.01	0.002	0.1	0.1	0.1
KH	0.01	0.001	0.02	0.02	0.02	0.03	0.04	0.05	0.04	0.05

Source: UNCTAD 2012, 2015, 2016

Appendix 25 – Outflows of some Small Island Developing States (\$ Billion)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TT	0.4	0	0.7	-	-	1.1	1.7	2.1	1.3	1.0
BS	0.3	0.5	0.4	0.2	0.2	0.5	0.1	0.3	0.4	0.2
BB	0.04	0.1	-0.01	-0.1	0.3	0.4	-0.1	0.1	-0.02	0.1
MU	0.01	0.1	0.1	0.04	0.1	0.2	0.2	0.2	0.1	0.1
MH	-0.01	0.01	0.04	-0.03	-0.1	0.03	0.03	0.01	-0.05	-0.001
PG	0.001	0.01	-0	0.004	-	0.001	0.1	-	-	0.1
BV	27.2	43.7	44.1	35.1	53.4	60.0	54.1	103.0	81.2	76.2
KY	8.0	9.3	13.4	6.3	9.4	7.0	3.2	11.0	8.7	8.3

Source: UNCTAD 2012, 2016

Appendix 26 – Evolution of Portugal FDI Inflows, the Portuguese GDP and the Impact on the GDP (\$ Billion)

	FDI Inflows (\$ Billion)	GDP Portugal (\$ Billion)	Impact on GDP (%)
1975	0.122	31.229	0.39
1976	0.066	35.216	0.19
1977	0.060	39.496	1.52
1978	0.66	43.460	1.52
1979	0.082	49.701	0.16
1980	0.160	56.670	0.28
1981	0.179	62.963	0.28
1982	0.145	68.297	0.21
1983	0.150	70.871	0.21
1984	0.170	72.006	0.24
1985	0.218	76.396	0.29
1986	0.166	81.164	0.20
1987	0.367	88.547	0.41
1988	0.692	98.510	0.70
1989	1.577	108.932	1.45
1990	2.363	117.424	2.01
1991	2.186	126.623	1.73
1992	1.637	130.930	1.25
1993	1.440	131.306	1.10
1994	1.250	135.395	0.92
1995	0.675	144.138	0.47
1996	1.312	149.986	0.87
1997	2.340	159.520	1.47
1998	3.027	169.417	1.79
1999	1.157	181.095	0.64
2000	6.600	194.195	3.40
2001	6.196	202.959	3.05
2002	1.637	212.224	0.77
2003	7.984	217.958	3.66
2004	1.792	225.307	0.80
2005	3.464	238.842	1.45
2006	10.594	259.580	4.08
2007	2.875	270.910	1.06
2008	3.549	281.181	1.26
2009	1.611	280.018	0.58
2010	2.424	289.290	0.84
2011	7.428	282.734	2.63
2012	8.869	278.161	3.19
2013	2.672	291.753	0.92
2014	7.614	299.616	2.54
2015	6.031	307.509	1.96

Source: UNCTAD 2015, 2016; OECD

Appendix 27 – Evolution of Portugal FDI Outflows, the Portuguese GDP and the Impact on the GDP (\$ Billion)

	FDI Outflows (\$ Billion)	GDP Portugal (\$ Billion)	Impact on GDP (%)
1975	0.004	31.229	0.01
1976	0.007	35.216	0.02
1977	-	39.496	-
1978	0.002	43.460	0.00
1979	-0.006	49.701	-0.01
1980	0.014	56.670	0.02
1981	0.016	62.963	0.03
1982	0.009	68.297	0.01
1983	0.017	70.871	0.02
1984	0.008	72.006	0.01
1985	0.015	76.396	0.02
1986	-0.002	81.164	0
1987	-0.016	88.547	0
1988	0.077	98.510	0.08
1989	0.085	108.932	0.08
1990	0.148	117.424	0.13
1991	0.414	126.623	0.33
1992	0.601	130.930	0.46
1993	0.138	131.306	0.11
1994	0.283	135.395	0.21
1995	0.679	144.138	0.47
1996	0.712	149.986	0.47
1997	2.073	159.520	1.30
1998	4.058	169.417	2.40
1999	3.191	181.095	1.76
2000	8.055	194.195	4.15
2001	6.280	202.959	3.09
2002	-0.323	212.224	-0.15
2003	6.776	217.958	3.11
2004	7.309	225.307	3.24
2005	1.644	238.842	0.69
2006	6.210	259.580	2.39
2007	5.261	270.910	1.94
2008	1.166	281.181	0.41
2009	-0.367	280.018	-0.13
2010	-9.782	289.290	-3.38
2011	13.435	282.734	4.75
2012	-8.206	278.161	-2.95
2013	-2.043	291.753	-0.70
2014	4.108	299.616	1.37
2015	8.167	307.509	2.66

Source: UNCTAD 2015, 2016; OECD

