



GORDON INSTITUTE
OF BUSINESS SCIENCE
University of Pretoria

The impact of Institutional Advancement in attracting Foreign Direct Investment in developing economies

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria in partial fulfilment of the requirements for the degree of Master of Business Administration

09 November 2011

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Abstract

This study examined the impact of in attracting Foreign Direct Investment (FDI) in developing economies. ‘Institutional Advancement ‘is defined as the degree to which a host country's institutional environment matches the standards well-established in developed market economies.

The World Governance Indicators developed by the World Bank were used as a measure to determine Institutional Advancement. The developing and developed economies were compared to determine whether Institutional Advancement had the same effect in attracting FDI in different economies. An additional variable, the Gross Domestic Product (GDP) was introduced to investigate whether the state of the economy in each of the economy types also impacted on inward FDI. Data was collected from 2000 to 2009, however the analysis was done from 2002 due to the absence of a report on the World Governance Indicators in 2001.

The results show that the World Governance Indicators did not present significant evidence that they impacted in attracting FDI in developing economies. GDP appeared to be a better predictor of FDI inflows than the World Governance Indicators in developing economies.

Key Words

Institutional Advancement, FDI, Developing Economies, GDP

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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09 November 2011

Acknowledgements

I would like extend my appreciation for the support I received from my family, friends and colleagues during my MBA journey; I will forever be grateful to you.

To Xolani Hlongwane, this is our product; I cannot find words to express my gratitude.

A special word of thanks goes to Professor Albert Wocke, my research supervisor, for his guidance, teaching and support and making the experience a lesson of a lifetime.

TABLE OF CONTENTS

Abstract.....	ii
Key Words	ii
Declaration	iii
Acknowledgements.....	iv
1. INTRODUCTION TO THE RESEARCH PROBLEM	1
1.1 Research Aim.....	6
1.2 Research Objectives.....	7
2. LITERATURE REVIEW	8
2.1 Institutional Theory and International Business Strategy	8
2.2 World Governance Indicators	11
2.3 Developing economies	16
2.4 Role of the Host Country	19
2.5 Economic state of the host country	21
2.6 Multinational Enterprises in emerging economies.....	22
2.7 Determinants of Foreign Direct Investment	24
Diagrammatic summary of the literature review	27
3. RESEARCH HYPOTHESES	28
4. RESEARCH METHODOLOGY	30
4.1 Research method and scope	30
4.2 Population, Sampling, Unit of Analysis, Variables	30
4.2 Data collection.....	31
4.4 Data analysis.....	33
4.4 Research Assumptions	36
4.5 Research Limitations	36
5. RESULTS.....	38
5.1 Hypothesis 1: Host country’s ability to attract FDI is a function of Voice and Accountability indicator.....	38
5.2 Hypothesis 2: Host country’s ability to attract FDI is a function of Government Effectiveness indicator.....	40
5.3 Hypothesis 3: Host country’s ability to attract FDI is a function of Control of Corruption indicator.....	42

5.4	Hypothesis 4: Host country’s ability to attract FDI is a function of Political Stability and Absence of Violence indicator.	43
5.5	Hypothesis 5: Host country’s ability to attract FDI is a function of Rule of Law indicator.....	45
5.6	Hypothesis 6: Host country’s ability to attract FDI is a function of Regulatory Quality.....	47
6.	DISCUSSION OF RESULTS	49
6.1	Hypothesis 1: Host country’s ability to attract FDI is a function of Voice and Accountability indicator.....	50
6.2	Hypothesis 2: Host country’s ability to attract FDI is a function of Government Effectiveness indicator.....	52
6.3	Hypothesis 3: Host country’s ability to attract FDI is a function of Control of Corruption indicator.....	53
6.4	Hypothesis 4: Host country’s ability to attract FDI is a function of Political Stability and Absence of Violence indicator.	55
6.5	Hypothesis 5: Host country’s ability to attract FDI is a function of Rule of Law indicator.....	57
6.6	Hypothesis 6: Host country’s ability to attract FDI is a function of Regulatory Quality.....	59
6.7	Contribution to theory	60
7.	CONCLUSION	63
8.	REFERENCES	67

List of Annexures

Annexure 1: FDI inflows: 2000 – 2009

Annexure 2: GDP: 2000 – 2009

Annexure 3: GDP Categories

1. INTRODUCTION TO THE RESEARCH PROBLEM

Institutions of a host country are viewed as a critical aspect in the location factor advantages that multinational enterprises (“MNEs”) take into account when considering establishing operations in foreign countries (Bevan, Estrin, & Meyer, 2004). The host countries on the other hand, through their representative governments, generally expect MNE investments, commonly referred to as Foreign Direct Investment (“FDI”) to benefit local economies. As a result, governments continuously devise means to attract MNE investors to bring in the required FDI (Meyer 2004).

The institutions of a host country play a significant role in determining whether MNEs will invest in respective countries (Meyer, Estrin, Bhaumik & Peng 2009). The degree of development of host country institutions has been a subject of interest for International Business scholars and as such Dikova & van Witteloostuijn (2007) presented the World Governance Indicators as a credible measure of Institutional Advancement, which is defined as the degree to which a host country's institutional environment matches the standards well-established in developed market economies. Dikova & van Witteloostuijn (2007) conducted the research with the aim of understanding country-level factors that impacted on the establishment and mode of entry of MNEs in transition economies.

Institutional Advancement is a key element of a country's institutional environment and the World Governance Indicators measure the advancement by assessing six elements: Voice and Accountability, Political Stability and Absence of Violence or

Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption (Dikova & van Witteloostuijn, 2007).

Previous studies in international business theory focused on the role host country institutions play in MNEs' entry decisions (Meyer et al. 2009), (Bhaumik and Gelb, 2005) and the effect of Institutional Advancement on MNE entry mode choice (Dikova and van Witteloostuijn 2007). Bevan et al. (2004) examined specific institutions that impacted on inward FDI in transition economies. As a result, the macro effect of country institutions, especially in developing economies on attracting FDI, needs to be further explored.

Institutional development or advancement of developed and developing countries differ widely (Meyer et al. 2009). Given these differences there is a need to understand whether the effect on ability to attract FDI would also differ between developing and developed economies. The aim of this research was to determine whether there is a positive relationship between Institutional Advancement and a country's ability to attract FDI in developing economies.

Economy characteristics in developing economies impact on whether a host country would realise economic growth benefits by attracting FDI (Nunnenkamp & Julius, 2004). Nunnenkamp & Julius (2004) argued that the host countries' capacity to absorb FDI productively was linked to their Gross Domestic Product (GDP) per capita. This assertion brought a further distinction on a country's ability to attract FDI. This study sought to explore this distinction by exploring whether developing economies with higher GDPs attracted more FDI than others. In addition, this study

aimed to establish whether there was a relationship between Institutional Advancement and the size of the GDP in attracting FDI.

The acknowledgment that the state of the economy impacts on FDI inflows was further noted in UNCTAD (2010), that strong global FDI recovery depended much on the steady economic recovery following the financial crisis and if developed economies recovered well in attracting the required FDI. UNCTAD (2010) proposed that the recovery process would manifest in higher GDPs and this study sought to find if stronger economies, whether in developed or developing economies, had a better opportunity to attract FDI and whether the state of their Institutional Advancement impacted on the attractiveness of the respective economies as host countries for FDI.

The rate at which developing economies attract FDI varies among countries (Datamonitor, 2011). In this regard, comparison is made between Brazil, Russia, India, China and South Africa - developing economies that are showing substantial FDI inflows (UNCTAD, 2011). South Africa shows substantially low inflows compared to the other four countries. Table 1 below illustrates, with data extracted from the World Investment Report, FDI inflows of these countries over the past four years, from 2007 to 2010 (UNCTAD, 2011). The variation provides an opportunity to investigate the country-level effects that impact on FDI inflows.

Table 1: FDI Inward Flows for selected developing countries

Country	FDI Inward Flows (millions of dollars)			
	2007	2008	2009	2010
Brazil	34 585	45 058	25 949	48 438
Russia	55 073	75 002	36 500	41 194

Country	FDI Inward Flows (millions of dollars)			
	2007	2008	2009	2010
India	25 350	42 546	35 649	24 640
China	83 521	108 312	95 000	105 735
South Africa	5 695	9 006	5 365	1 553

Developing economies are becoming the preferred destination for Foreign Direct Investment. In 2010, for the first time, developing and transition economies together attracted more than half of global FDI flows (UNCTAD, 2011). The developing economies have also experienced unprecedented growth in the last few years, with some African countries like Ghana, Mozambique and Angola recording highest growth rates of above 7% in 2011 (The World Bank, 2011).

Host countries, through their respective governments offer MNEs a location to do business. Skippari and Pajunen (2010) noted that host governments have a responsibility of realising broad economic, socio-cultural and political goals with the ultimate responsibility to their citizens. It is then incumbent on the host governments to create conducive environments by identifying factors that would seek to promote such investments (Skippari & Pajunen, 2010). Institutional development or advancement may serve this purpose as host countries would establish a reputation of being well-governed thus becoming a preferred destination for FDI.

BRIC, an acronym designating Brazil, Russia, India and China, came from a concept paper by a Goldman Sachs economist Jim O'Neill in 2003. BRIC describes countries with the fastest-growing economies, rapidly expanding middle classes and promising domestic markets; BRIC giving them the potential to overtake the G7 as

the world's best-performing economies by 2040. South Africa was included in this group, now making the acronym BRICS (Correspondents, 2011). The prominence of the BRICS economies in the world economic stage provides more opportunity for inward FDI and provides further justification to study the factors that impact on FDI inflows in developing economies.

During a public address in South Africa, United States of America (US) Assistant Secretary of State for Economic, Energy and Business Affairs, Jose Fernandez, affirmed the view that there was eagerness to do business in Africa (Engineering News, 2011). In this regard Jose Fernandez went further to recognise competition from other emerging economies and European countries as the scramble to capture Africa's rising consumer needs increases. This observation is further supported in the World Investment Report where it is noted that MNEs from developing and transition economies have increasingly been investing in Africa over the past few years accounting for 22 per cent of flows to the region over the 2005–2008 period, compared to 18% in 1995–1999 (UNCTAD, 2010, p. 9).

It is reported that in 2010, developed countries have not attracted the same level of FDI as in previous years (UNCTAD, 2010). UNCTAD's latest estimates show that FDI flows to this group of economies fell some 7% to US\$527-billion, despite the robust recovery in some countries. However within this group of countries there are variations in the extent of FDI inflows. Most notably, FDI in the United States surged by more than 40% over 2009 levels, an increase worth US\$56-billion, the single biggest increase in FDI among the major economic regions. This is in contrast to Europe where flows fell most sharply in 2010 (UNCTAD, 2010).

UNCTAD (2010) provided some possible explanations for the significant declines in FDI inflows in developed countries. The explanations include volatile flows related to transactions of financial affiliates, large disinvestments by some large multinational enterprises as well as uncertainties about sovereign debts of some of the countries (UNCTAD, 2010). This highlights the role host country institutions play and as such the need to understand the impact of Institutional Advancement in attracting FDI.

The contrast in FDI inflows between developed and developing economies led to another interesting question of whether Institutional Advancement impacted on attracting foreign direct investment irrespective of the economy type. This question became pertinent when using World Governance Indicators as a measure of Institutional Advancement, taking into account that there are different indicators being measured.

1.1 Research Aim

The aim of this study was to contribute to the understanding of the effect of Institutional Advancement in a developing economy's ability to attract foreign direct investment by specifically using the World Governance Indicators as a measure. This was done by introducing the effect of state of different economies, categorised in terms of developing and developed and thus introduced the GDP as a variable to test whether the state of the economy and its Institutional Advancement impacted on the ability to attract FDI. The study also aimed to isolate the most important components of Institutional Advancement by identifying the indicators that demonstrated more impact on FDI inflows than others.

1.2 Research Objectives

- Whether there was a common trend among developing economies regarding the impact of various World Governance Indicators in attracting FDI inflows?
- Whether similar trends occurred in developed economies and there was a distinction between developed and developing economies?
- Whether impacts on ability to attract FDI in developing economies?

2. LITERATURE REVIEW

This literature review section discusses Institutional Advancement by looking at the institutional theory as well as specific focus to the World Governance Indicators as a measure of Institutional Advancement. The section begins with an overview of institutional theory in International Business Strategy, followed by a brief discussion on developing economies. An account of the role host countries play in attracting FDI and the economic state of host countries is given. Various theories and determinants of FDI are briefly discussed along with the role and context of MNEs in emerging economies. The section is concluded with a diagrammatic presentation of the key theoretical elements of this study.

2.1 Institutional Theory and International Business Strategy

Peng, Wang and Jiang (2008) highlighted a definition of institutions as formal rules such as constitutions, laws and regulations and informal constraints that included norms of behaviour, conventions and self-imposed codes of conduct and further noted that an institutional system is complete only when both formal and informal institutions are taken into account. These factors define the nature of institutional environments of respective countries.

There is evidence that institutional theory impacted on the decisions of MNEs to invest in foreign locations and Brouthers & Hennart (2007) suggested that a country's institutional environment affected firm boundary choices because the institutional environment reflects the "rules of the game" by which firms participate in a given market. This study aimed at explaining whether the advancement of the institutional environment impacted on the choice by MNEs of

developing economies as destinations of foreign investment, taking into account the uniqueness of these economies and the distinction between developed economies.

Institutions may create barriers to FDI and lower the amount of incoming FDI while at the same time, institutions may induce foreign investors to overcome barriers (Meyer & Nguyen, 2005). In their study, Meyer & Nguyen (2005) presented the view that in developing economies, the objective was on creating environments that addressed the developmental needs of the government while at the same time focusing on economic growth and development. As a result of this assertion Institutional Advancement may either hinder or enhance the ability by developing economies to attract FDI.

On the other hand, Meyer & Sinani (2009) argued that the regulative elements of institutional frameworks are often targeted directly at economic behaviour and are therefore most commonly studied in International Business research. This observation highlighted the importance of assessing the state of economies when reviewing the impact of institutions in FDI inflows. On the other hand, the regulatory framework is a function of governments hence MNEs and foreign investors need to have credible measures to assess the quality of governance (Dikova & van Witteloostuijn, 2007).

While it seems fair to suggest that the institutional framework in any given country is always in some sort of transition, a hallmark of emerging economies is that they tend to have more “fundamental and comprehensive changes introduced to the formal and informal rules of the game that affect firms as players”(Peng et al. 2008,

p. 924). This evolving nature of emerging economies' institutional frameworks requires a measure to determine whether changes that occur would lead to changes in FDI inflows. Hence Dikova & van Witteloostuijn (2007) proposed that Institutional Advancement was a fair measure to achieve this objective.

Due to the changing nature of institutional frameworks in emerging economies, domestic and foreign firms are always pondering on whether the changes impacted on how businesses were operating, the timing of such changes and whether such changes impacted the rules of the games in so far as FDI is concerned. Consequently, this study viewed this question from the perspective of host countries and posed the question from the view of MNEs to assess whether the changing and in some instances, advancing institutional frameworks of developing economies, positively influenced inward FDI.

The observation made by Peng et al. (2008, p. 922) that, “institutions govern societal transactions in the areas of politics (e.g. corruption, transparency), law (e.g. economic liberalisation, regulatory regime), and society (e.g. ethical norms, attitudes toward entrepreneurship)” called for a country-level explanation or indicator of the state of advancement of a country's institutions.

In their study, Dikova & van Witteloostuijn (2007) suggested that future research had to consider examining the institutional forces that had greater impact upon the MNEs' activities in transitional economies. This was based on the observation that, “the social aspects of the institutional environment change very slowly over time in the order of centuries or millennia” (Dikova & van Witteloostuijn, 2007, p. 1015).

These theoretical observations highlight governance and regulatory environments as factors that play a prominent role in defining the Institutional Advancement factors that MNEs would consider in choosing a particular country as a foreign investment destination. Based on this observation, it appears that Government Effectiveness and Regulatory Quality are the two indicators that may impact on FDI inflows more than the others.

2.2 World Governance Indicators

There has been keen interest in the quality of governance of developing countries over the last two decades (Arndt, 2008). This led to the realisation that the World Governance Indicators (WGIs) were useful as a first tool for broad cross-country comparisons and for evaluating broad trends of governance over time (Kaufmann, Kraay, & Mastruzzi, 2008). Introduced in 1996, the six measures are: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption (Dikova & van Witteloostuijn, 2007).

Arndt (2008) observed that the use of WGIs outside of the World Bank's purposes was increasingly gaining popularity as foreign investors needed to understand governance factors and perceptions about governance in their prospective foreign investment destinations. International Business scholars have recognised this, with Dikova & van Witteloostuijn (2007) using WGIs in assessing the impact of Institutional Advancement in FDI mode of entry.

The WGIs are a realistic measure of Institutional Advancement as they are available and assess over 200 countries and are issued annually, since 2002 for public consumption (Kaufmann, Kraay, & Mastruzzi, 2008). These indicators encompass

the broadest range of institutional issues and years of measurement. In addition, the indicators are based on numerous individual variables measuring perceptions of governance drawn from a number of separate data sources constructed by different organisations (Kaufmann et al. 2008) This implies that these aggregate estimates are informative about changes over time in the relative institutional positions of individual countries (Dikova & van Witteloostuijn, 2007).

Prospective foreign investors can observe most aspects of the formal institutions. They can, for instance, study the relevant legal texts. In contrast, informal institutions are much less transparent and, therefore, a source of uncertainty (Meyer & Nguyen, 2005). This makes the WGI a reasonable measure of Institutional Advancement at a host country level.

The study by Dikova & van Witteloostuijn (2007) focused on Institutional Advancement in the context of a host country's formal rules of the game, which in the process of transition undergo important changes to secure market economy rule. Institutional Advancement in the Dikova & van Witteloostuijn (2007) study was presented as a dynamic concept pertaining to changes informal institutions over time a considerable period of time.

This study focused on the effect of formal or regulative institutions on the FDI inflows because such regulative forces are often targeted directly at economic behaviour, and are therefore most commonly studied in international business research (Dikova & van Witteloostuijn, 2007). This is against the understanding that the regulatory processes in developing economies are most likely to be the dominant force that influences MNEs entry decisions. Regulative forces include laws

and regulations, as well as political and other societal configurations Peng et al.(2008) which are most represented through government institutions and the regulatory environment.

The observation by the UNCTAD and the Global Investment Trends Monitor (2011), that developing economies were increasingly becoming a favoured destination for FDI prompted an assessment of the Institutional Advancement ratings of some of the countries that are reported to attract substantial amounts of FDI in the period 2005 to 2009, as reported in the World Investment Report, 2011. These countries include Brazil, India, Russia and China.

2.2.1 Voice and Accountability (VA)

The World Bank defined this indicator as a reflection of perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media (Kaufmann et al. 2008).

Table2: BRICs rating on Voice and Accountability: 2005 – 2009

Country	Voice and Accountability rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	62.5	60.58	59.62	61.06	61.61
Russia	27.88	22.6	21.15	22.11	22.75
India	62.02	59.62	58.65	59.13	60.19
China	6.73	5.77	4.81	5.29	5.21

2. 2.2 Political Stability and Lack of Violence (PV)

Political Stability reflects perceptions of the likelihood that the government will be destabilised or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism (Kaufmann et al. 2008).

Table 3: BRICs rating on Political Stability and Lack of Violence: 2005 – 2009

Country	Political Violence and Lack of Violence rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	43.75	41.83	36.54	38.28	54.25
Russia	20.19	22.60	22.60	24.88	21.70
India	25.96	21.15	18.75	17.70	13.21
China	35.10	31.73	30.29	31.10	29.72

2. 2.3 Government Effectiveness (GE)

The Government Effectiveness indicators reveals perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies (Kaufmann et al. 2008).

Table 4: BRICs rating on Government Effectiveness: 2005 – 2009

Country	Government Effectiveness rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	56.31	52.91	51.69	55.072	57.62
Russia	41.75	41.26	44.93	44.93	44.76
India	53.40	54.85	57.49	53.14	54.29
China	49.51	55.34	60.39	58.45	58.10

2.2.4 Regulatory Quality

Regulatory Quality reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development (Kaufmann et al. 2008).

Table 5: BRICs rating on Regulatory Quality: 2005 – 2009

Country	Regulatory Quality rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	55.61	53.664	53.40	54.59	55.24
Russia	45.85	33.17	39.32	34.78	35.24
India	47.80	47.32	47.09	42.99	44.291
China	48.29	43.41	49.51	48.79	46.19

2.2.5 Rule of Law

Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence (Kaufmann et al. 2008).

Table 6: BRICs rating on Rule of Law: 2005 – 2009

Country	Rule of Law rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	40.00	43.33	42.38	43.54	49.53
Russia	23.33	18.10	18.57	19.62	23.58
India	58.10	57.62	56.67	55.98	55.66
China	40.95	38.10	40.95	44.50	45.28

2.2.6 Control of Corruption

This indicator reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests (Kaufmann et al. 2008).

Table 7: BRICs rating Control of Corruption: 2005 – 2009

Country	Control of Corruption rating (percentile)				
	2005	2006	2007	2008	2009
Brazil	50.49	53.40	53.62	55.56	56.19
Russia	26.70	22.33	18.84	14.01	11.43
India	43.20	50.00	44.44	44.44	46.67
China	28.16	36.89	33.82	39.61	36.19

The above review of the Institutional Advancement of some of the developing countries that have attracted substantial FDI inflows over the years further justifies the need to examine whether the WGI's impacted on the ability to attract FDI in developed countries. The review shows that the countries that were analysed reflected low ratings in a number of the indicators. This also confirms the need to check whether some indicators matter more than others in the developing economies.

2.3 Developing economies

A developing economy is characterised by relatively low per capita income and rapid economic growth with elements of strong government interference, volatile national environments and vast market potential (Lou & Zhao, 2009). Developing economies are sometimes referred to as emerging economies and in this report these terms are used interchangeably. This definition gives an idea of the reasons

why developing economy governments would be keen to attract foreign direct investments to their countries, that is, to support their economic growth and development goals and enhance their growing markets (Lou & Zhao, 2009).

Peng et al. (2008) noted that emerging markets are characterised by institutional frameworks that provide for fundamental and comprehensive changes in the formal and informal rules of the game that in turn affects firms as players. This makes the study of the behaviour of the emerging markets interesting as the institutional changes are informed by economic and political ideological changes that affect the manner in which they view international business relations.

Developing economies are further characterised by institutional frameworks that have evolved and have gone through remodelling phases to position for market economy (Bevan et al. 2004). As a result of this phenomenon and unique evolution of institutions of developing economies in general, a structured approach into understanding how Institutional Advancement is important. Hence this study introduced the WGIs as a uniform measure.

Governments in emerging economies are increasingly aware of the role played by FDI as an instrument to deepen their integration into the world economy (Gammeltoft, Pradhan, & Goldstein, 2010). The role of emerging market governments, its institutions and the characteristics of domestic firms, are crucial factors in determining the role played by MNEs in the economic development of their countries. These governments have a responsibility of balancing the needs of their citizens by formulating policies that address achievement of economic growth and development. One vehicle that can be used to achieve the balance in achieving

citizen's expectation and economic growth is through attracting FDI into respective developing countries (Meyer, 2004).

The economic growth of most developed countries is stagnant (Peng et al. 2008). As a result, MNEs are increasingly looking to the emerging economies for their new locations to take advantage of the growing markets in those economies. This is further supported by the observation made by Singh, Mc David, Birch & Wright (2008) that developing economies have significantly adjusted their policies and laws to in the last two decades to provide for more liberal regimes that would encourage inflow of foreign direct investment. As a result of the observation that developing economies are becoming a preferred destination for FDI this study sought to make contribution in understanding the impact of Institutional Advancement of the host countries on inward FDI.

Guillen & Garcia-Canal (2009) highlighted the uniqueness of institutional environments of emerging markets, along with their high growth rates and potential. The institutional environment factors range from policy frameworks (Bhaumik & Gelb, 2005), the legal framework and its enforcement, property rights, information systems, and regulatory regimes (Meyer & Sinani, 2009) and formal and informal elements that shape the rules of the game in a given country (Peng et al. 2008). The World Governance Indicators provide a mechanism to understand the context in which these institutional elements originate and therefore provides a comprehensive approach to understanding the peculiarity of the Institutional Advancement of developing countries.

2.4 Role of the Host Country

Meyer (2004) argued that a solid understanding of the role of MNEs in emerging economies is vital both for policymakers and for MNEs themselves. Policymakers are influencing the regulatory regime under which both MNEs and local business partners operate. They are interested in understanding how foreign direct investment influences economic development and national welfare. The expectation that FDI will benefit the local economy has motivated many governments to offer attractive incentive packages to entice investors (Meyer, 2004). In order to come up with attractive incentives it is necessary that the host countries understand the most crucial factors that would attract the multinational enterprises into the country so as to direct the incentives appropriately.

Bevan et al. (2004) observed that multinational enterprises recognised a host country's institutional environment as a distinctive locational advantage. This influences strategies of the MNEs including the extent and nature of investment in a particular location. The respective countries seeking FDI therefore have a responsibility of ensuring that the institutions support and are attractive for inward FDI. In addition, national institutions affect the attractiveness of a given country both as a host and home to MNE activity (Dunning & Lundan, 2008). Thus a combination of formal and informal institutions influence the kinds of ownership advantages firms are likely to develop when investing in a particular location.

Narula and Dunning (2010) argued that the sudden exposure of emerging economies to international competition did not necessarily facilitate the institutional restructuring of country governments. Liberalisation of the respective

economies did not always take place gradually but required rapid changes towards a multilateral view on hitherto domestic issues. To this end, institutional inertia in many cases meant that countries were quick to see the costs of globalisation as outweighing the benefits associated with it. Although by the mid-2000s many countries had largely overcome institutional inertia, old import institution era perceptions continued to shape the flavour of policies (Narula & Dunning, 2010). This phenomenon to a large extent has shaped how emerging market governments designed their policies and institutions with regards to MNE presence and foreign direct investment. It is for this reason that respective potential host economy need to develop their institutions and this study assessed whether that level of institutional development and governance was consistent across all developing economies.

Host countries define how the formal institutions are configured, with the majority of developing countries favouring a centralised model of government (Meyer & Nguyen, 2005). The manner in which regulatory and policy decisions are taken and implemented in turn influences how MNEs interact with the host government. Meyer and Nguyen (2005) noted that MNEs always sought to utilise such interaction to their advantage by understanding the manner in which the rules of the game are set out.

A major challenge for foreign investors in emerging economies is the rapid change of institutions (Meyer & Nguyen, 2005, p 69). Such changes manifest in regulatory reforms that in turn affect foreign investors. It is interesting to understand how the

impact of institutional environment affects the attractiveness of foreign investors to a host country.

2.5 Economic state of the host country

The classification of various host countries only in terms of either developing or developed economies does not reflect the state of advancement or development of their economies. The difference between host country and home country factors of MNEs is a subject of the resourcing-seeking theory of international business studies (Tsang & Yip, 2007). Tsang & Yip (2007, p1156) adopted the resource exploitation and exploration theoretical framework and argued that, “when MNCs invested in host countries that are less developed than their home countries, they have the opportunity to exploit their resources in these countries; in contrast, when they invest in host countries that are more developed than their home countries, they face the prospect of resource exploration.”

By following the argument that MNEs, in their resource-seeking motive preferred to invest in countries that were less developed than their country of origin, the state of development of the host countries became an interesting factor to consider. This prompted the review of economic distance literature, which is defined as, “the level of economic development of the host country relative to that of the home country,” Tsang & Yip (2007, p. 1156). The assessment of the level of development of a host country and the respective attractiveness to foreign investors then needed to be further explored.

The study by Tsang & Yip (2007) recognised GDP per capita as a variable commonly used by researchers and organisations, such as the United Nations, to measure a

country's level of economic development. Economic distance was measured as the difference in the real per capita GDP between the country of origin and a host country of an MNE.

In line with the assertion that economic distance does impact on FDI inflow Tsang & Yip (2007) further noted that its significance to the host country may be measured by relating the host country's GDP and its population. In this study the host country's GDP, along with the WGI was used to answer the question whether the state of the economy and its Institutional Advancement impacted on the ability to attract FDI.

2.6 Multinational Enterprises in emerging economies

Narula and Dunning (2010) defined an MNE as a set of establishments in different locations, which are actively coordinated and controlled, without involving ownership in the different locations and that these enterprises play a growing role as catalysts, participants and instigators of development in the global economy arena. MNEs exist to take advantage of economic conditions and ownership advantages that would lead to efficient production of goods and services in foreign locations (Guillen & Garcia-Canal, 2009).

MNEs play an important role in the development of many emerging economies, linking rich and poor economies and in transmitting capital, knowledge, ideas and value systems across borders (Blumentritt & Rehbein, 2008). The emerging economies recognise the need to attract more FDI with governments like South Africa moving towards adopting policy and regulatory frameworks that promoted positive foreign investor environments (National Treasury, 2011).

The motivation for MNEs to invest in foreign locations is to exploit institutional advantages that are offered by various economies and host countries (Bevan et al. 2004). Developing economies have established institutions that encourage and seek to attract foreign direct investment. In South Africa, the government's objective for direct investment aimed to maintain an open environment for inward FDI to encourage new inflows of foreign capital. This meant expected benefits for employment, growth and competition while safeguarding public interests relating to strategic cross-border acquisitions and supporting the overall policy framework for the management of the macroeconomic benefits (National Treasury, 2011).

In line with the goal of creating the balance between the host country expectations and business objectives of the MNEs, Jakobsen and Jakobsen (2011) argued that MNEs do bring the much needed capital to poor countries by exploiting economies of scale, provide employment opportunities and have significant, positive spillover effects on local suppliers. Developing economies have an objective of providing growth opportunities for their country and through these activities MNEs do contribute to economic development (Meyer, 2004).

As emerging economies are intensively engaged in global competition, enterprises in these economies become increasingly important to governments where these enterprises have a heightened role in accommodating their governments' social and economic concerns, such as steering economic growth, advancing technological infrastructure, and enhancing national competitiveness (Narula & Dunning, 2010). In addition, there is mounting evidence that countries with more open and

transparent systems have been more successful in achieving growth and more MNEs are setting up local operations there (Meyer et al. 2011).

2.7 Determinants of Foreign Direct Investment

Faeth (2009) proposed that in analysing FDI, scholars should not use only a single theoretical model but look at a broad combination of factors that include ownership advantages, market size and policy variables, among others. In supporting this assertion, Faeth (2009) identified nine theoretical models of FDI, with three being most relevant for this study. These include ownership advantages as determinants of FDI, determinants of FDI in the Ownership, Location, and Internalisation (OLI) framework and policy variables as determinants of FDI. Each of these is briefly discussed below:

a. Ownership advantages as determinants of FDI

The view held by Faeth (2009) is that workforce skills, managerial resources, scale economies and firm size are amongst the firm's ownership advantages that have an effect on FDI and MNE activity. In this sense host governments need to position their institutions and policies in a manner that facilitates these factors for MNEs to consider their countries for international investment purposes. This is in line with the description provided by Goldstein and Pusterla (2010) that the drivers of FDI can be classified as push and pull factors, where the latter refers to opportunities and challenges provided by host economies while the former refers to home country's characteristics that stimulate companies to move abroad. The balance that the prospective host countries create between the pull and push determinants of FDI will form a compelling case for attracting MNE's FDI. These observations explain the

importance of the host country institutions in attracting investors in setting up enterprises in respective countries.

b. Determinants of FDI in the OLI framework

This theory, based on Dunning's OLI framework noted that a variety of factors determined the level of MNE activity, depending on whether their focus is on ownership, location or internalisation advantages of the host countries. These factors include market size, regime type, and industry disputes and Faeth (2009) found that their combination impacts on FDI. In reviewing the institutional framework of host countries on FDI it was then meaningful to consider how the institutions affected ownership, location and internalisation advantages of countries. The factors identified by Faeth (2009) as determinants of FDI in the OLI framework are also institutional development factors.

c. Policy variables as determinants of FDI

In looking at the policy variables theory, Faeth (2009) observed that FDI can be seen as a game between MNEs and the host country. In practical terms this means the bargaining that takes place between the host country and MNE on factors related to areas of government intervention in FDI is influenced by the competitive structure of the economy, political stability, level of infrastructure and competition from other host governments.

Most indicators suggest that the level and intensity of MNE activities in terms of share of inward FDI in the overall economic activity of individual economies have increased generally and across the board in most developing countries. However, there is no convincing evidence to support the view that increased inward MNE

activity necessarily implies that this will result in greater or more rapid industrial development (Narula & Dunning, 2010). Even though the volume still heavily favours the developed economies, FDI in developing economies have become increasingly important from the 1990s (Rasiah, Gammeltoft, & Jiang, 2010).

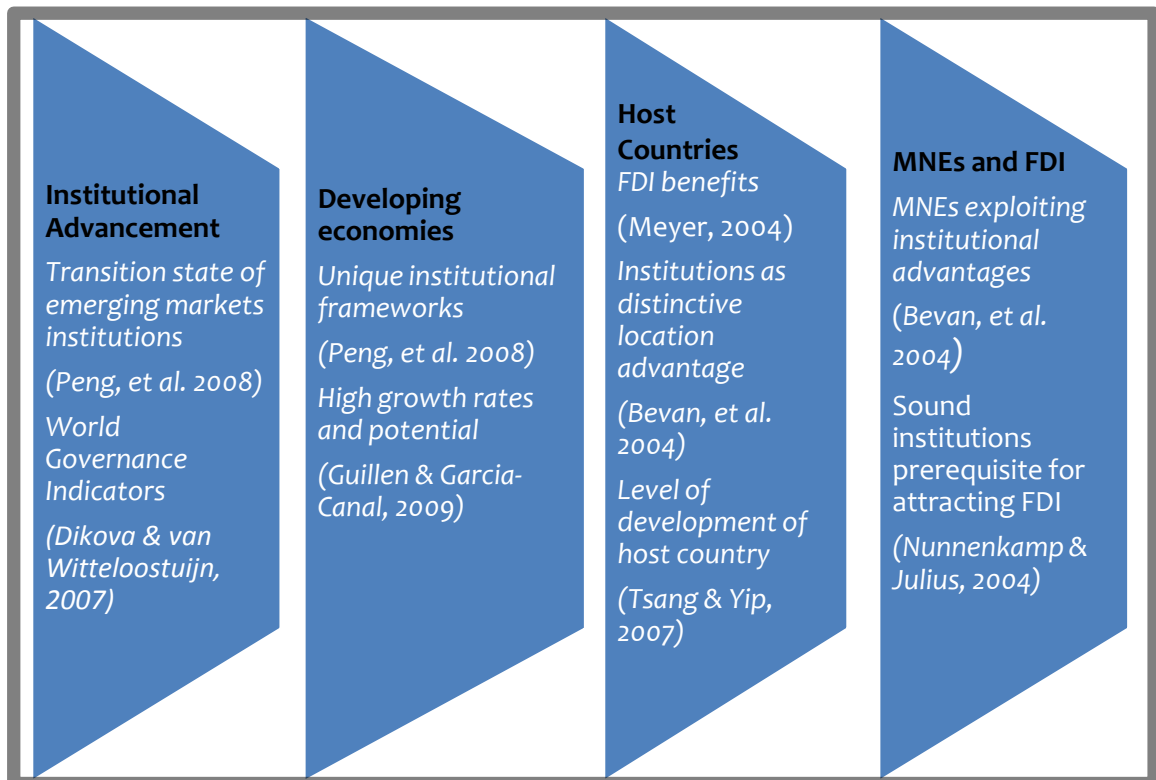
Bevan, et al. (2004) found that, in transition economies, the impact of Institutional Advancement on FDI did not hold at an aggregate level. The focus of their study was on specific institutions such as private ownership of business, banking sector reform, foreign exchange and trade liberalisation, and legal development. However, a critical insight from Bevan, et al. (2004, p. 61) was that, foreign investors appeared to react positively to government policy that facilitated both exploitation and augmentation of their own resources and capabilities. This finding suggests that host governments with an objective of attracting foreign direct investment should be aware of the MNE expectations and develop institutional frameworks that complement their respective governments' objectives and those of foreign investors.

The development of sound institutions is a prerequisite for attracting, and benefiting from FDI from both market-seeking and efficiency-seeking foreign investors (Nunnenkamp & Julius, 2004). This observation further asserts the view that host governments as well as MNEs need a comprehensive mechanism to measure the state of development of host institutions. This will help MNEs to determine their foreign locations by taking advantage of institutional advantages while host governments would use such measures to gauge the extent to which their respective institutions are geared towards attracting the required FDI.

Diagrammatic summary of the literature review

The diagram below highlights the relationship between the key theoretical elements discussed above, with developing economies as a starting point of the study. The role and expectations from host countries and country institutions of developing countries were also discussed and Institutional Advancement was presented with the key input being the introduction of WGIs as a measure. Lastly, the three elements impact on MNEs and FDI inflows. The key discussion points and respective authors are mentioned with the view of showing the critical arguments that were made relating to this study.

Diagram 1: Literature Review summary



3. RESEARCH HYPOTHESES

Hypotheses are characterised by assignment of variables to cases in a statement that the researcher is making or trying to prove (Blumberg et al. 2008). The development of hypothesis in this study flows from literature review conducted and outlined in the previous section.

From the literature review we deduced that Institutional Advancement impacted on FDI inflow. The need by foreign investors to understand the institutions of emerging economies was also identified along with a need to have a measure to assess the extent of Institutional Advancement of these economies at an aggregate level. This led to the observation that the ability to attract FDI is proportional to a combination of governance factors.

The legal framework and institutions are of pivotal concern to businesses operating in emerging markets, especially when they are still unfamiliar with the local environment (Meyer & Nguyen, 2005). In this regard the institutional framework of host countries influences enterprise entry decisions including their ownership and corporate governance systems. The governance indicators that most represent this observation by Meyer & Nguyen (2005) are Government Effectiveness and Regulatory Quality.

Meyer & Sinani (2009) argued that the regulative environment of host countries is often targeted directly at economic behaviour and therefore most commonly studied in international business research. This is further highlighted by Bartkus & Davis's (2010) belief that regulatory processes in transition economies are influential

in MNE decision-making with regards to the mode of foreign entry and establishment.

In view of the observations drawn from literature review six hypotheses were developed as follows:

Hypothesis 1: Host country's ability to attract FDI is a function of Voice and Accountability indicator.

Hypothesis 2: Host country's ability to attract FDI is a function of Government Effectiveness indicator.

Hypothesis 3: Host country's ability to attract FDI is a function of Control of Corruption indicator.

Hypothesis 4: Host country's ability to attract FDI is a function of Political Stability and Absence of Violence indicator.

Hypothesis 5: Host country's ability to attract FDI is a function of Rule of Law indicator.

Hypothesis 6: Host country's ability to attract FDI is a function of Regulatory Quality indicator.

4. RESEARCH METHODOLOGY

4.1 Research method and scope

Cross-sectional analysis has frequently been employed to analyse aggregate FDI flows (Bevan et al. 2004). The same approach was adopted in this study, with data for various countries collected from secondary sources. A quantitative research method was adopted due to the fact that research hypotheses were developed (Blumberg et al. 2008). The scope of the research was limited to the study of the impact of World Governance Indicators on Foreign Direct Investment inflows over a 10 year period from 2000 to 2009 in developing economies, including how the economic well-being of developing economies also affected this relationship.

4.2 Population, Sampling, Unit of Analysis, Variables

The population of this study was all the countries that were recognised by UNCTAD as active economies during the period 2000 to 2009. This was the 210 countries that UNCTAD reported as having generated FDI inflows between 2000 and 2009. GDP and WGI data for the same countries was also collected. The population and the sample would have been the same, as an observation of all economies was ideal, however, lack of information for some variables led to omission of some countries.

A sample of 175 countries was determined by excluding countries with missing information on any of the years on any of the variable, that is, either FDI inflow, GDP or WGIs during the period of the study. The total number of developed economies was 36 and 139 countries were developing economies.

The FDI was the dependent variable and the independent variables being the six WGI and the GDP. The variables were identified to examine the research hypothesis, which are:

Hypothesis 1: Host country's ability to attract FDI is a function of Voice and Accountability indicator.

Hypothesis 2: Host country's ability to attract FDI is a function of Government Effectiveness indicator.

Hypothesis 3: Host country's ability to attract FDI is a function of Control of Corruption indicator.

Hypothesis 4: Host country's ability to attract FDI is a function of Political Stability and Absence of Violence indicator.

Hypothesis 5: Host country's ability to attract FDI is a function of Rule of Law indicator.

Hypothesis 6: Host country's ability to attract FDI is a function of Regulatory Quality indicator.

4.2 Data collection

Data was collected for FDI inflow, Gross Domestic Product (GDP) and World Governance Indicators for the period 2000 to 2009. The approach in collecting data for each variable is outlined below.

4.2.1 FDI Inflow

Data collection was done through gathering information from secondary public sources. The United Nations Conference of Trade and Development (UNCTAD)

published FDI inflow data for all economies that are recognised by the United Nations. FDI inflow data was extracted from the World Investment Report as follows:

Table 8: Data collection of FDI inflows for the period 2000 - 2009

World Investment Report (year)	FDI Data period
2003	FDI inflows for 2000
2004	FDI inflows for 2001 and 2002
2006	FDI inflows for 2003 and 2004
2011	FDI inflows for 2005, 2006, 2007, 2008 and 2009

FDI inflow data was represented in millions of dollars for all the countries and data as extracted from UNCTAD World Investment Reports for FDI inflow for 2000 – 2009 for developed and developing economies is supplied as **Annexure 1**.

UNCTAD when reporting on FDI inflows classifies economies in terms of either developed or developing. Developing economies are further classified as either least developing, landlocked or small-island developing economies (UNCTAD, 2011). This study did not take this further categorisation into account, instead the size of the economies was recognised in terms of the respective GDPs for the developed and developing economies, as will be explained further in the section on data analysis.

The UNCTAD classification of developing and developed economies was used as a base for classifying data that was collected from other sources. The World Bank, for instance, does not classify countries as developing or developed economies when reporting on WIGs and the GDP. However, countries in these reports were then

classified according to the UNCTAD classification to ensure consistency of analysis and reporting.

4.2.2 Gross Domestic Product

Data for the GDP was sourced for all countries from the World Bank website at current United States dollar rates for the period 2000 to 2009. This is supplied as part of this report as **Annexure 2**.

4.2.3 World Governance Indicators

Ratings for each of the six World Governance indicators (WGI) were sourced from the World Bank website for the period 2000 to 2009. We however realised that the indicators for the year 2001 were not available. This is due to the fact that until 2003 the World Bank only published the WGIs every second year (Kaufmann et al. 2008). In this case, only the WGIs for 2000 and 2002 were available and this affected the analysis of data for the ten year period as a result analysis was done from 2002 to 2009. There were no further adjustments done to the WGI data and as a result it is not supplied as an annexure to this report. The WGIs are available on www.govindicators.org.

4.4 Data analysis

Countries were categorised into groups based upon the largest GDP value between 2002 and 2009 per country. The distribution below provides a distribution and a box plot of the natural log of the largest GDP figures per country (developing and developed economies). The \log_e (natural log) of the largest GDP figures were grouped according to the following percentiles:

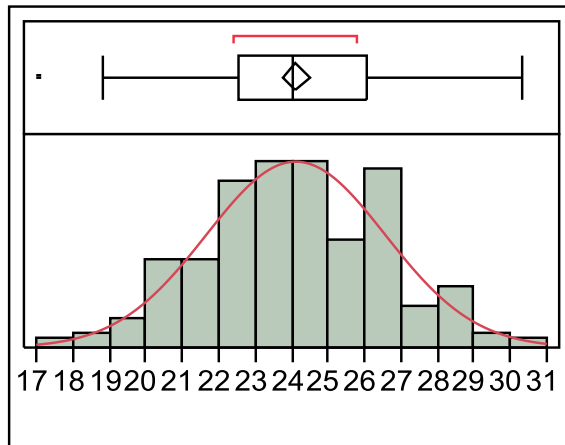
Table 9: GDP categorisation

Category	Percentile
1	GDP \leq 10%
2	10% < GDP \leq 25%
3	25% \leq GDP < 50%
4	50% < GDP \leq 75%
5	75% < GDP \leq 90%
6	GDP > 90%.

The idea behind categorisation was to separate economies that were similar with regards to their GDP into groups and then to treat the groups as entities. This gave rise to 6 GDP categories for developed and developing economies. **Annexure 3** gives the report of the countries that fall in each of the categories.

The above approach ensured that the natural log of positive numbers was obtained for the GDP and FDI values, taking into account that the logarithmic function is not defined for negative values. As a result of this approach the maximum GDP for each country was determined. The following distribution and a table present these GDP values:

Diagram 2: Distribution Log Largest GDP



The countries were grouped according to their largest GDP values in the following manner:

Table 10: GDP groups according to their values

GDP Group	Percentile	Value
1	<=10	GDP <= 20.729
2	10-25	20.729 < GDP <= 22.5263
3	25-50	22.5623 < GDP <= 24.016
4	50-75	24.016 < GDP <= 26.0386
5	75-90	26.0386 < GDP <= 27.2996
6	=>90	GDP > 27.2996

Each of the WGIs were treated individually as independent variables together with the Lag Log GDP and Log FDI as dependent variables. Twelve regression models were created per WGI, per economy type and per GDP category.

Each model has the following form:

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{WGI})$$

Results of the regression models formed the key source of this research study results that are discussed in Chapters 5 and 6. The models tested for significance in relation to the analysis of variance and variation.

The analysis involved examining two variables at a given point in time. These included the relationship between FDI inflows and each of the World Governance Indicators as well as between the lagged GDP and FDI inflows. These Bivariate relationships were reported in the form of graphs, with an explanation of the empirical relationship between the variables. The use of bivariate analysis helped to determine values for the dependent variables.

4.4 Research Assumptions

In order to conduct the research and achieve the research aim, certain assumptions were made. The aim of the study was to examine the impact of World Governance Indicators on FDI inflows in developing economies, taking into account their state of the economies, using the GDP as measure.

There are a number of factors that influence foreign investors to locate in a particular host country, including the strategies of the MNEs and other resource and location advantages that host countries have to offer. These factors were purposefully not taken into consideration. In addition, other specific institutional factors like tax structures and unique individual circumstances of the respective countries. For the purpose of this study, all developing and developed economies were treated as a group, without taking into account the dominant features of particular groups of countries in each category.

4.5 Research Limitations

There are two significant limitations that impacted on this study. The first one was time limitation. Due to the limited period of the project data collection and analysis was limited to the eight years, from 2002 to 2009.

The second limitation was a methodological one, relating to the fact that there was no contextual analysis done to understand the factors and assumptions made in developing the World Governance Indicators. This limitation is also related to the duration of this research project and if that was not the case some rich insights would have been drawn into the analysis of the impact of WGIs on FDI inflows.

5. RESULTS

This section details the results of the regression analysis for all the indicators and the results are discussed for each of the three hypotheses developed for this study.

Regression models were run for each World Governance Indicator (WGI) in an attempt to predict the FDI inflows for each GDP category. The results are presented in tables for reporting the Adjusted R^2 which explains the percentage variation in the dependent variable (Log FDI). Analysis of Variance (Anova) results indicate the significance of the model and significance is denoted by probability values less than 0.05. An asterisk next to the parameter estimates indicate significance at the 0.05 level of significance

Each of the indicators was treated individually as independent variables together with the Lag Log GDP and Log FDI as dependent variable. 12 Models are created per Indicator (per economy type and per GDP category). At the end of each of these 12 models the best Linear Fit as indicated by $AdjR^2$ and ANOVA and parameter estimates are extracted per economy type and a bivariate fit with the prediction of FDI against the actual FDI is provided.

5.1 Hypothesis 1: Host country's ability to attract FDI is a function of Voice and Accountability indicator.

For developing countries the best prediction for FDI was for GDP category1, with 35% variation in FDI explained by a significant model with significant parameter (intercept, log GDP and VA) estimates.

For developed countries the best prediction for FDI was for GDP category 6, with 20% variation in FDI explained by a significant model and parameter estimates (log GDP and VA) significant.

The following table summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the VA indicator as predictors.

Table 11: Voice and Accountability indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0,351	<0.0001	-9.975*	1.316*	0.0215*
2	0.266	0.0007	-1.829*	0.898*	0.0238*
3	0.187	<0.0001	-5.295*	1.079*	0.0082*
4	0.238	<0.0001	-2.966	0.957*	0.0153*
5	0.011	.2328	12.372	0.394	0.007
6	0.389	<0.0001	5.145	0.701*	-0.0149*
Developed Economies					
1					
2					
3	0.133	0.446	4.630	0.819*	-0.031
4	0.215	0.0010	0.1591	0.845*	0.0074
5	0.210	<0.0001	-10.3289	1.269*	-0.0026
6	0.196	0.0004	-1.7022	0.748*	0.0522*

An asterisk indicates significance at the 0.05 level of significance

The following linear fits relate the predicted FDI values with the actual FDI values for developing and developed economies.

Diagram 3: Bivariate Fit of Log FDI by Predictive Formula VA Developed Economy

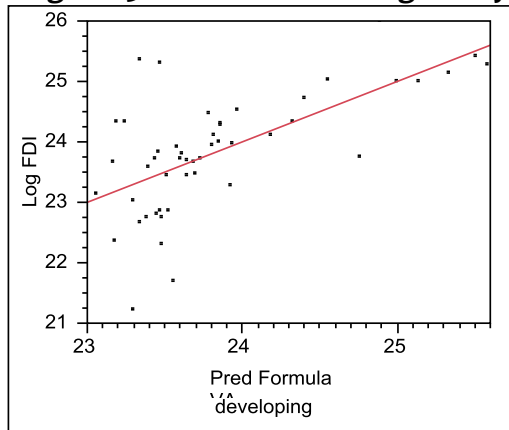
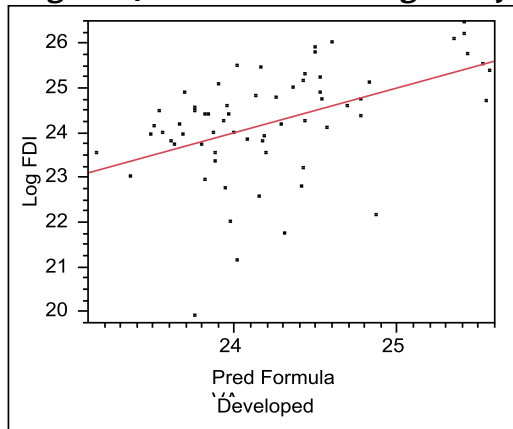


Diagram 4: Bivariate Fit of Log FDI by Predictive Formula VA Developing Economy



5.2 Hypothesis 2: Host country’s ability to attract FDI is a function of Government Effectiveness indicator.

For developing countries the best prediction for FDI was for GDP category6, with 43% variation in FDI explained by a significant model with significant parameter (log GDP and GE) estimates. For developed countries the best prediction for FDI was for GDP category5, with 22% variation in FDI explained by a significant model and parameter estimates (only log GDP) significant.

The following table summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the GE indicator as predictors.

Table 12: Government Effectiveness indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0.381	0.0001*	-4.493	1.062*	0.022*
2	0.239	0.0001*	-3.697	0.990*	0.021*
3	0.215	0.0001*	-2.512	0.950*	0.013*
4	0.217	0.0001*	-1.490	0.897*	0.012*
5	0.178	0.0001*	10.874	0.417	0.020*
6	0.429	0.0001*	1.110	0.889*	-0.030*
Developed Economies					
1					
2					
3	0.112	0.0643	0.745	0.926*	-0.015
4	0.212	0.001*	-0.924	0.923*	-0.003
5	0.218	0.001*	-9.823	1.221*	0.006
6	0.153	0.002*	5.396	0.602*	0.020

An asterisk indicates significance at the 0.05 level of significance

Diagram 5: Bivariate Fit of Log FDI by Predictive Formula GE Developing Economy

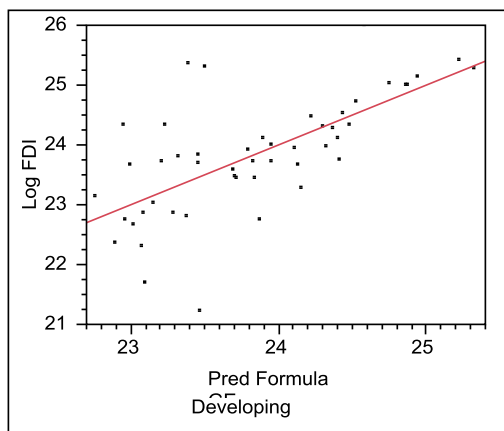
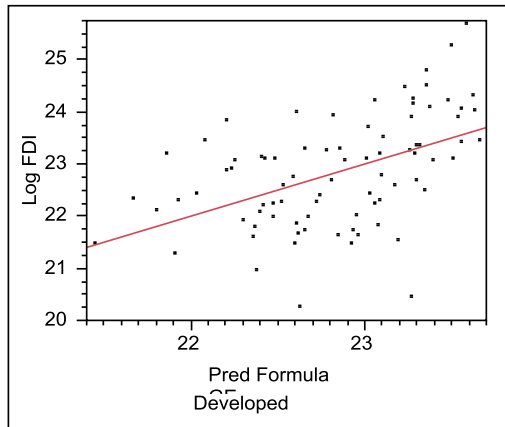


Diagram 6: Bivariate Fit of Log FDI by Predictive Formula GE Developed Economy



5.3 Hypothesis 3: Host country’s ability to attract FDI is a function of Control of Corruption indicator.

For developing countries the best prediction for FDI was for GDP category1 and category6, with 39% variation in FDI explained by a significant model with significant parameter (log GDP and CC) estimates.

For developed countries the best prediction for FDI was for GDP category4 and category5, with 20% variation in FDI explained by a significant model and parameter estimates (log GDP) significant.

Table 12 summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the CC indicator as predictors.

Table 13: Control of Corruption indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0.382	0.0001*	-6.220	1.134*	0.023*
2	0.218	0.0001*	-4.268	1.017*	0.020*
3	0.196	0.0001*	-3.947	1.020*	0.009*
4	0.190	0.0001*	-2.127	0.938*	0.003
5	0.223	0.0001*	10.421	0.437	0.021*
6	0.390	0.0001*	1.642	0.835*	-0.018*
Developed Economies					
1					
2					

3	0.121	0.055	2.985	0.842*	-0.018
4	0.213	0.0011*	-0.264	0.878*	0.002
5	0.214	0.0001*	-8.911	1.189*	0.005
6	0.156	0.0018*	5.405	0.606*	0.019

An asterisk indicates significance at the 0.05 level of significance

The following diagrams show linear fits that relate to the predicted FDI values with the actual FDI values for developing and developed economies.

Diagram 7: Bivariate Fit of Log FDI by Predictive Formula CC Developed Economy

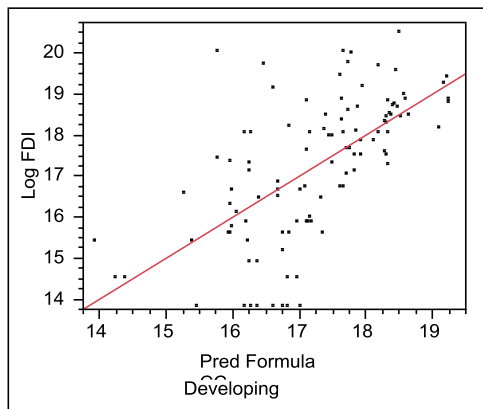
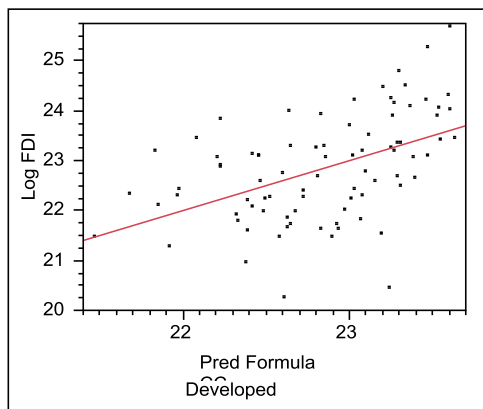


Diagram 8: Bivariate Fit of Log FDI by Predictive Formula CC Developed Economy



5.4 Hypothesis 4: Host country's ability to attract FDI is a function of Political Stability and Absence of Violence indicator.

For developing countries the best prediction for FDI was for GDP category1, with 32% variation in FDI explained by a significant model with significant parameter (intercept, log GDP and PV) estimates.

For developed countries the best prediction for FDI was for GDP category 6, with 22% variation in FDI explained by a significant model and parameter estimates (Intercept, log GDP and PV) significant.

The table below summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the **PV** indicator as predictors.

Table 14: Political Stability and Absence of Violence indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0.324	0.0001*	-11.847*	1.425*	0.016*
2	0.211	0.0001*	-4.065	1.008*	0.017*
3	0.210	0.0001*	-5.394	1.075*	0.013*
4	0.214	0.0001*	-1.820	0.915*	0.010*
5	0.155	0.0003*	9.793	0.480	0.017*
6	0.341	0.0001*	-3.648	1.009*	-0.011
Developed Economies					
1					
2					
3	0.109	0.067	2.655	0.801*	-0.004
4	0.212	0.0011*	-0.510	0.887*	0.003
5	0.211	0.0001*	-10.745	1.281*	-0.002
6	0.216	0.0002*	13.760*	0.439*	-0.028*

An asterisk indicates significance at the 0.05 level of significance

The following linear fits relate the predicted FDI values with the actual FDI values for developing and developed economies.

Diagram 9: Bivariate Fit of Log FDI by Predictive Formula PV Developing Economy

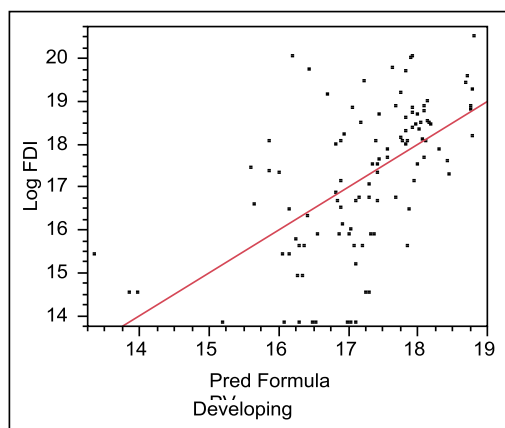
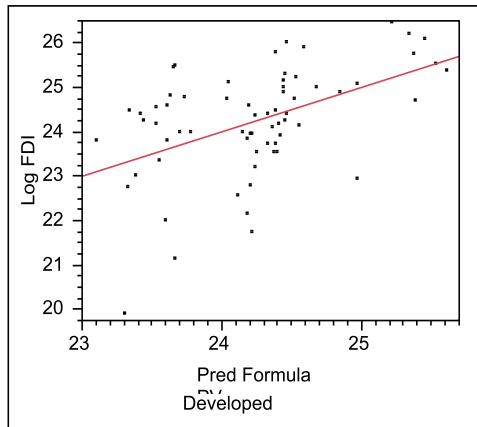


Diagram 10: Bivariate Fit of Log FDI by Predictive Formula PV Developed Economy



5-5 Hypothesis 5: Host country’s ability to attract FDI is a function of Rule of Law indicator.

For developing countries the best prediction for FDI was for GDP category1 and category6, with 34% and 46% variation in FDI respectively explained by significant models with significant parameter (intercept, log GDP and RL) estimates for category1 and significant parameter(log GDP and RL) estimates for category 6.

For developed countries the best prediction for FDI was for GDP categories 4 and 5, with 21% variation in FDI explained by a significant model and parameter estimates (log GDP) significant.

The following table summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the RL indicator as predictors.

Table 15: Rule of Law indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0.344	0.0001*	-10.388*	1.354*	0.019*
2	0.231	0.0001*	-3.736	0.991*	0.020*
3	0.200	0.0001*	-4.188	1.028*	0.010*
4	0.222	0.0001*	-1.722	0.906*	0.013*
5	0.248	0.0001*	10.410	0.436	0.022*

6	0.457	0.0001*	0.665	0.877*	-0.021*
Developed Economies					
1					
2					
3	0.107	0.069	1.286	0.835*	0.003
4	0.211	0.0011*	-0.828	0.913*	-0.001
5	0.210	0.0001*	-9.764	1.239*	-2.261
6	0.149	0.0023*	6.480	0.581*	0.014

The following linear fits relate the predicted FDI values with the actual FDI values for developing and developed economies.

Diagram 11: Bivariate Fit of Log FDI by Predictive Formula RL Developing Economy

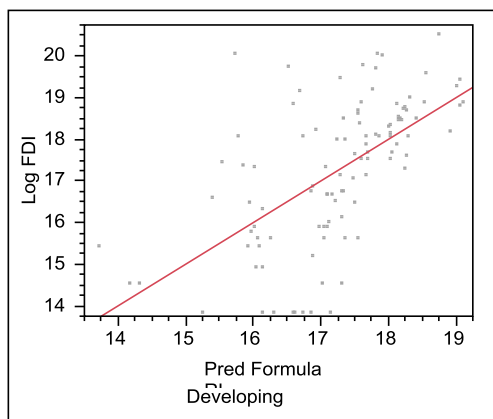
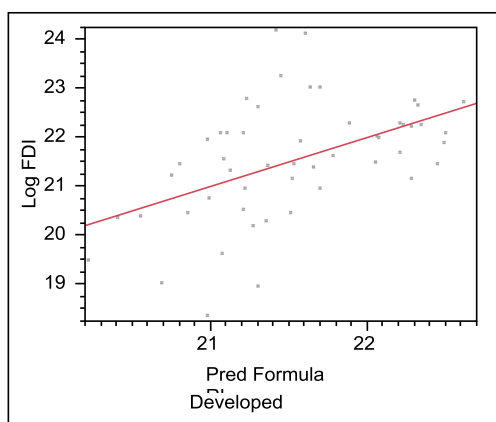


Diagram 12: Bivariate Fit of Log FDI by Predictive Formula RL Developed Economy



5.6 Hypothesis 6: Host country's ability to attract FDI is a function of Regulatory Quality.

For developing countries the best prediction for FDI was for GDP category 1, with 39% variation in FDI explained by a significant model with significant parameter (intercept, log GDP and RQ) estimates.

For developed countries the best prediction for FDI was for GDP category 6, with 21% variation in FDI explained by a significant model and parameter estimates (log GDP and RQ) significant.

The following table summarises the results of 12 multiple linear models in an attempt to predict the FDI with GDP and the RQ indicator as predictors.

Table 16: Rule of Law indicator for Developing and Developed Economies

Developing Economies					
GDP Category	Adj R ²	Significance of Model	Intercept	P1	P2
1	0.389	0.0001*	-2.755	0.973*	0.023*
2	0.236	0.0001*	-0.502*	0.835*	0.027*
3	0.228	0.0001*	-1.557	0.901*	0.016*
4	0.256	0.0001*	-1.290	0.880*	0.018*
5	0.264	0.0001*	10.937	0.412	0.023*
6	0.354	0.0001*	0.228	0.888*	-0.017
Developed Economies					
1					
2					
3	0.154	0.0307*	-1.013	0.719*	0.060
4	0.233	0.0006*	0.933	0.767*	0.021
5	0.217	0.0001*	-9.372	1.186*	0.011
6	0.212	0.0002*	1.031	0.647*	0.053*

An asterisk indicates significance at the 0.05 level of significance

The following linear fits relate the predicted FDI values with the actual FDI values for developing and developed economies.

Diagram 14: Bivariate Fit of Log FDI by Predictive Formula RQ Developing Economy

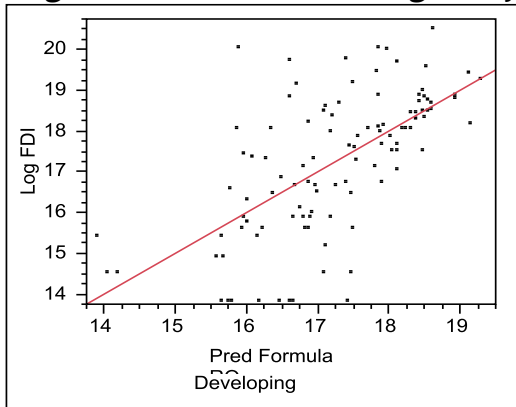
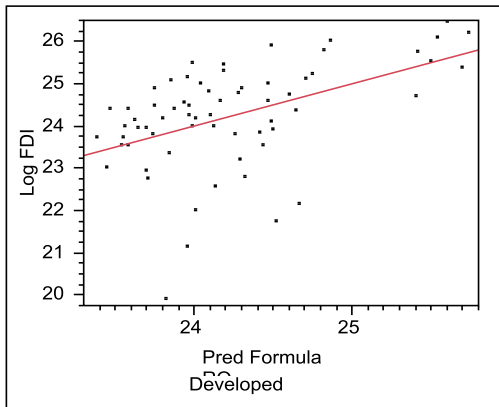


Diagram 14: Bivariate Fit of Log FDI by Predictive Formula RQ Developed Economy



6. DISCUSSION OF RESULTS

This study builds upon Dikova & van Witteloostuijn's (2007) finding that Institutional Advancement, as measured by the World Governance Indicators, impacted on the FDI mode of entry in transition economies. We examined the impact of Institutional Advancement in attracting FDI in developing economies by formulating hypotheses that examined whether all the six World Governance Indicators impacted on FDI inflows.

To categorise the GDP of both developed and developing countries an index was broken down as depicted in table 9 below. A range of GDP values were taken for the period from 2000 to 2009. The GDP categories are such that the lowest GDP economies, which are economies that fall within ten percent of the range, are represented in category 1. The same pattern is used all the way to the highest GDP economies represented in category six which will be economies with highest GDP at 90% or above.

Table 17: GDP Categories

Category	Percentile
1	GDP ≤ 10%
2	10% < GDP ≤ 25%
3	25% ≤ GDP < 50%
4	50% < GDP ≤ 75%
5	75% < GDP ≤ 90%
6	GDP > 90%.

The function below represents the model used to establish the relationship between the three variables which are Voice and accountability, GDP and FDI inflows.

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{WGI})$$

The discussion of the results is done in line with the hypothesis and will be outlined in the subsections below.

6.1 Hypothesis 1: Host country's ability to attract FDI is a function of Voice and Accountability indicator.

Hypothesis 1 is represented by the following function for Voice and Accountability

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{VA})$$

and further discussed in detail below

6.1.1 Voice and Accountability: Developing economies

In GDP category 1 of developing economies the model can only explain 35% of the variations in the relationship between the Voice and Accountability governance indicator and FDI inflow to the developing host economy. Parameters one and two denoted by P_1 and P_2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and VA.

In the case of Voice and Accountability the model implies that for every positive unit change in the indicator, the developing economy will attract 0.0215 units of FDI. Additionally and within the same category of the GDP, every unit of GDP will attract 1.316 units of FDI inflow accumulatively. This holds true using the same model in the same category of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of VA and GDP is achieved at GDP category 1.

6.1.2 Voice and Accountability: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship from the model in the was achieved in GDP 4 at 21.5% at which unit change in the Voice and Accountability indicator results in 0.0074 units in FDI. This clearly highlights the efficiency with which the developing economies are able to attract FDI using this indicator with everything else being equal.

Additionally and within the same category of the GDP, every unit of GDP will attract 0.898 of FDI compared to 0.0238 of FDI by VA variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance and efficiency to attract FDI inflow per unit of VA and GDP is achieved at Category 4 GDP.

It must, however, be noted that the levels of significance in the model are way too low to predict FDI inflows into host countries of both developed and developing markets and therefore means that the Voice and Accountability even with a good GDP is not a significant variable to be used to attract FDI inflows to a host country.

6.2 Hypothesis 2: Host country's ability to attract FDI is a function of Government Effectiveness indicator.

Hypothesis 2 is represented by the following function for Government Effectiveness

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{GE})$$

and further discussed in detail below

6.2.1 Government effectiveness: Developing economies

In GDP category 1 of developing economies the model can only explain 43% of the variations in the relationship between the Government Effectiveness governance indicator and FDI inflow to the developing host economy. Parameters one and two denoted by P1 and P2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and GE.

In the case of Government Effectiveness the relationship with FDI is inversely proportional, meaning that a positive unit change in the indicator will result in a negative unit change in FDI. This is of concern and may either imply that the FDI inflow is unaffected by this indicator at all or that perhaps the model was ineffective and not fit to explain this relationship.

In direct translation of the result, in this case, the model implies that for every positive unit change in government effectiveness, the developing economy will lose 0.030 units of FDI. Additionally and within the same category of the GDP, every unit of GDP will attract 0.889 units of FDI inflow accumulatively. This holds true using the same model in the same category of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the

proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of GE and GDP is achieved at GDP category 6.

6.2.2 Government Effectiveness: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship from the model in the was achieved in GDP 4 at 21.8% at which unit change in the Government Effectiveness indicator results in 0.006 units in FDI. This clearly highlights the efficiency with which the developing economies are able to attract FDI using this indicator with everything else being equal.

Additionally and within the same category of the GDP, every unit of GDP will attract 1.221 of FDI compared to 0.006 of FDI by GE variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance and efficiency to attract FDI inflow per unit of GE and GDP is achieved at GDP Category 5.

6.3 Hypothesis 3: Host country's ability to attract FDI is a function of Control of Corruption indicator.

Hypothesis 1 is represented by the following function for Control of Corruption

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{CC})$$

and further discussed in detail below

6.3.1 Control of Corruption: Developing economies

In GDP category 1 of developing economies the model can only explain 39% of the variations in the relationship between the Control of Corruption governance indicator and FDI inflow to the developing host economy. Parameters one and two denoted by P1 and P2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and CC.

In the case of Control of Corruption the relationship with FDI is inversely proportional, meaning that a positive unit change in the indicator will result in a negative unit change in FDI inflow. This is of concern and may either imply that the FDI inflow is unaffected by this indicator at all or that perhaps the model was ineffective and not fit to explain this relationship as it would mean capital outflow.

In direct translation of the result, in this case, the model implies that for every positive unit change in government effectiveness, the developing economy will lose -0.018 units of FDI as denoted by a negative symbol. Additionally and within the same category of the GDP, every unit of GDP will attract 0.835 units of FDI inflow accumulatively. This holds true using the same model in the same category of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of CC and GDP is achieved at GDP category 6.

6.3.2 Control of Corruption: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship

from the model in the was achieved in GDP category 4 and 5 with 21.8% variation at which unit change in the Control of Corruption indicator results in 0.002 and 0.005 units of FDI inflow respectively. This clearly highlights the efficiency with which the developing economies are able to attract FDI using this indicator with everything else being equal.

Additionally and within the same category of the GDP, every unit of GDP will attract 0.878 and 1.189 of FDI inflows respectively compared to 0.002 and 0.005 respectively of FDI Inflows by CC variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in the governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance and efficiency to attract FDI inflow per unit of CC and GDP is achieved at GDP Categories 4 and 5.

6.4 Hypothesis 4: Host country's ability to attract FDI is a function of Political Stability and Absence of Violence indicator.

Hypothesis 4 is represented by the following function for Political Stability and Absence of Violence

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P_1(\text{lag log}_e \text{ GDP}) + P_2(\text{PV})$$

and further discussed in detail below

6.4.1 Political stability and absence of violence: Developing economies

In GDP category 1 of developing economies the model can only explain 32% of the variations in the relationship between the Political Stability and Absence of Violence governance indicator and FDI inflow to the developing host economy. Parameters

one and two denoted by P1 and P2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and PV.

In the case of Political Stability and Absence of Violence, the relationship with FDI is explained by every positive unit change in the Political Stability and Absence of Violence, the developing economy will gain 0.016 units of FDI Inflow. Additionally and within the same category of the GDP, every unit of GDP will attract 1.425 units of FDI inflow accumulatively. This holds true using the same model in the same category of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of PV and GDP is achieved at GDP category 1.

6.2.2 Political Stability and Absence of Violence: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship from the model in the was achieved in GDP category 6 at 21.6% at which unit change in the Political Stability and Absence of Violence indicator results in -0.028 units in FDI. The indicator in this category is totally ineffective and does not determine the ability of the host economy to attract FDI.

Additionally and within the same category of the GDP, every unit of GDP will attract 0.439 of FDI compared to -0.028 of FDI by PV variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change

in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance and efficiency to attract FDI inflow per unit of PV and GDP is achieved at GDP Category 6.

6.5 Hypothesis 5: Host country's ability to attract FDI is a function of Rule of Law indicator.

Hypothesis 6 is represented by the following function for Rule of Law

$$\text{Log}_e \text{FDI} = \text{Intercept} + P1(\text{lag log}_e \text{GDP}) + P2(\text{RL})$$

and further discussed in detail below

6.5.1 Rule of Law: Developing economies

In GDP category 1 and category 6 of developing economies the model can only explain 34% and 46% of the variations respectively in the relationship between the Voice and Accountability governance indicator and FDI inflow to the developing host economy. Parameters one and two denoted by P1 and P2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and RL.

In the case of Rule of Law the relationship with FDI is positively associated at GDP category 1 and inversely proportional in category 6, meaning that a positive unit change in the indicator will result in 0.019 gain in category 1 and a negative unit change of -0.021 in FDI in category 6. This is of concern and may either imply that the FDI inflow is unaffected by this indicator at all or that perhaps the model was ineffective for category 6 and not fit to explain this relationship.

In direct translation of the result, in this case, the model implies that for every positive unit change in the Rule of Law, the developing economy will earn 0.019 at GDP category 1 and lose -0.021 units of FDI at category 6. Additionally and within the GDP category 1 and 6, every unit of GDP will attract 1.354 and 0.877 units of FDI inflow accumulatively. This holds true using the same model in the same categories of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of RL and GDP is achieved at GDP category 1 and 6.

6.6.2 Rule of Law: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship from the model in the was achieved in GDP category 5 at 21.% at which unit change in the Rule of Law indicator results in -2.261 units of FDI inflow. This is again cause for concern as it implies capital outflow when the rule of law is upheld, however the interpretation is that the indicator is ineffective.

Additionally and within the same category of the GDP, every unit of GDP will attract 1.239 of FDI compared to -2.261 of FDI by RL variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance

and efficiency to attract FDI inflow per unit of RL and GDP is achieved at GDP Category 5.

6.6 Hypothesis 6: Host country's ability to attract FDI is a function of Regulatory Quality.

Hypothesis 1 is represented by the following function for Regulatory Quality

$$\text{Log}_e \text{ FDI} = \text{Intercept} + P1(\text{lag log}_e \text{ GDP}) + P2(\text{RQ})$$

and further discussed in detail below

6.6.1 Regulatory Quality: Developing economies

In GDP category 1 of developing economies the model can only explain 39% of the variations in the relationship between the Regulatory Quality governance indicator and FDI inflow to the developing host economy. Parameters one and two denoted by P1 and P2 are proportionality coefficients that define the relationship between the resultant FDI inflow and independent variables GDP and RQ.

In the case of Regulatory Quality the relationship with FDI is governed by a positive unit change in the indicator will result in 0.023 unit change in FDI inflow. Additionally and within the same category of the GDP, every unit of GDP will attract 0.973 units of FDI inflow accumulatively. This holds true using the same model in the same category of GDP.

In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developing economies, the highest significance and efficiency to attract FDI inflow per unit of RQ and GDP is achieved at GDP category 1.

6.6.2 Regulatory Quality: Developed economies

For the developed economies, there is no data in categories one and two because the GDP figures in these are too low. The highest significance of the relationship from the model in the was achieved in GDP 6 at 21.% at which unit change in the Government Effectiveness indicator results in 0.053 units of FDI inflow. This clearly highlights the efficiency with which the developing economies are able to attract FDI using this indicator with everything else being equal.

Additionally and within the same category of the GDP, every unit of GDP will attract 0.647 of FDI compared to 0.053 of FDI by GE variable units of FDI inflow accumulatively. In this category the FDI inflow is influenced more by the unit change in the GDP than it is by the unit change in governance indicator as can be read from the proportionality coefficients. For developed economies, the highest significance and efficiency to attract FDI inflow per unit of RQ and GDP is achieved at GDP Category 6.

6.7 Contribution to theory

The model used in this study revealed that the Institutional Advancement as measured by the WGIs were not significant enough in explaining the reasons for countries to attract FDI. Dikova & van Witteloostuijn (2007) found that Institutional Advancement impacted on the mode of entry of MNEs in transition economies. The fact that this study did not find significant evidence to conclude that WGIs contributed to FDI location decisions may imply that the decisions to locate in specific countries is not an outcome of an analysis of Institutional Advancement.

Institutional Advancement is only taken into account only in deciding on the appropriate mode of entry.

The study conducted by Meyer and Sinani (2009) presented arguments regarding the regulative elements of institutions that are targeted at economic behaviour. On the other hand, Institutional Advancement is in line with Peng et al. (2008)'s observation that institutions governed societal transactions in the areas of politics, law and society. To this end, this study submits that the World Governance Indicators assess the respective countries at a macro level along the areas observed by Peng et al. (2008). Decisions to locate in a foreign location, on the other hand are influenced by the regulatory environment which has an immediate relationship with economic factors that MNEs are concerned about.

This study has contributed in explaining that Institutional Advancement does not impact on attracting FDI in developing economies. The quality of governance is assessed in determining the ownership structures of MNEs than helping decide on whether to invest in a foreign location. The resource and transaction cost decisions seem to outweigh the institution factors at the establishment or entry decision level.

Further contribution is on the impact of the GDP of the host country in attracting FDI. The model used in the study showed that FDI inflow was influenced more by variations in GDP than the specific indicators or changes in the ratings. The assessment of the BRIC countries done in the literature review of this report confirms this finding. Countries like China and Russia recorded the lowest rankings in indicators such a Voice and Accountability, Control of Corruption and Political

Stability and Lack of Violence and yet the record impressive FDI inflows consistently over the same period of the negative WGI rankings. This is in part explained by the growth rates of these emerging economies which implies that foreign investors are keen to set up their businesses in these and similar developing economies.

7. CONCLUSION

The institutions of host countries play a critical role in attracting foreign investors. A distinction lies in whether the assessment of the institutions is on making decisions about investing in a foreign location or the ownership structure that the MNE will adopt. The impact of Institutional Advancement on host countries remains an important factor. We have observed that the high-level aspects of Institutional Advancement as measured by the World Governance Indicators are not highly significant; however, this does not mean host country institutions do not matter.

The literature reviewed for the purposes of this study revealed that the regulatory and policy elements of institutions play a major role in helping investors decide on foreign locations. It is incumbent on the host country governments to develop and ensure implementation of policies that would facilitate FDI inflows.

In a study by Meyer & Nguyen (2005) it was presented that institutions may either create barriers to FDI or induce foreign investors to overcome barriers. Although the WGIs, according to this study do not provide enough evidence that they impact on FDI inflows it is important for host countries in developing economies to create institutional frameworks that promote FDI inflows.

Institutional Advancement was defined as the degree to which a host country's institutional environment matches the standards well-established in developed market economies (Dikova & van Witteloostuijn, 2007). In the study we observed the variation between the impact of the indicators between developed and developing economies. These are presented either by the extent or size of the GDP

or the minimal impact changes in WGI ratings have on developed economies' FDI inflows. This implies that the gap between the development of the institutions of developing and developed economies exist or at least the perception that the developed economies have more advanced institutions.

The observation that the rate at which developing economies attracted Foreign Direct Investment varied among various countries (Datamonitor, 2011) clarified the argument that the level of economic activity in a host country also impacted on FDI inflows. The analysis done for Brazil, Russia, India and China confirmed their WGIs were relatively low yet they attracted FDI effectively.

It was noted that developing economies are becoming the preferred destination for FDI. This new phenomenon of FDI being hosted in locations that were previously known for less-developed institutions may bring the importance of WGIs and country governance to the fore in the future. Literature has revealed that the evolving nature of developing economies' institutions makes them an interesting area to study. This brings about the interesting dimensions noted by Peng et al. (2008) regarding informal institutions in developing economies. It may be interesting to understand whether the economic development needs that the developing economies, as observed by Meyer & Nguyen (2005) impact on the informal institutions of developing economies. This is as host governments are grappling with the broad economic, socio-cultural and political goals in the developing economies, (Skippari and Pajunen 2010).

The growing popularity of the WGIs outside the World Bank's own purposes may gain momentum in the coming years. This, coupled with the drive by foreign

investors to locate in emerging economies and African countries that do not have sophisticated business risk assessment mechanisms may promoted the usefulness of the indicators as a measure of attractiveness of countries for foreign investments.

The possible explanations provided by UNCTAD (2010) for the significant declines in FDI inflows in developed countries included transactions of financial affiliates, large disinvestments by some large multinational enterprises as well as uncertainties about sovereign debts of some of the countries. The limitation of this study is that the methodology for the development of the WGIs and its composite elements were not taken into account as part of the model.

During the data analysis phases we observed that there is a correlation between the WGIs thus making it difficult to test them as one variable. This needs further investigation to determine whether the development of advancement on one indicator impacts on the others as well.

The use of FDI inflows in assessing the impact of Institutional Advancement in attracting FDI was sufficient for the purpose of this study. Future studies, however, may focus on whether the inflows are sustained or affected by declining or improving institutional framework. This may be assessed by using the stock of FDI and track whether there are increases or decreases over longer periods of time that are correlated to the WGI rankings.

In conclusion, the study found that there were no prominent WGIs that appeared to impact on FDI inflows more than the others. All the WGIs did not present significant evidence that they impacted in attracting FDI in developing economies and the GDP

appeared to be a better predictor of FDI inflows than the World Governance Indicators in developing economies. The common trend among developing economies regarding the impact of various World Governance Indicators in attracting FDI inflows is that in both economy types there is no significant evidence of impact of attracting FDI.

The aim of this study was achieved as there was a need to provide a comprehensive understanding of country institutions on FDI inflows. Previous studies only focused on specific institutions like tax incentives, regulatory environments, without suggesting a uniform measure to assess the impact of institutional frameworks of developing economy' host countries. The study also introduced the GDP as a variable to test whether the state of the economy and its Institutional Advancement impacted on the ability to attract foreign direct investment. This study found that the GDP was a better indicator than the World Governance Indicators to achieve this.

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Annexure 1: FDI Inflows for developed and developign countries: 2000 - 2009

FDI inflows (Millions of Dollars)

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Developed Economy	Austria	8 840	5 919	952	7144	3685	10 784	7 933	31 154	6 858	7 011
2	Developed Economy	Belgium	44 369	44 102	14 759	33375	42044	34 370	58 893	93 429	142 041	23 595
3	Developed Economy	Bulgaria	1 002	813	905	2097	3443	3 920	7 805	12 389	9 855	3 351
4	Developed Economy	Cyprus	804	652	614	891	1079	1 186	1 864	2 234	4 050	5 725
5	Developed Economy	Czech Republic	4 984	5 693	8 483	2101	4974	11 653	5 463	10 444	6 451	2 927
6	Developed Economy	Denmark	33 818	11 525	6 637	2595	-10722	12 871	2 691	11 812	2 216	2 966
7	Developed Economy	Estonia	387	542	284	919	1049	2 869	1 797	2 725	1 731	1 838
8	Developed Economy	Finland	8 015	3 732	7 920	3319	3537	4 750	7 652	12 451	-1 035	-4
9	Developed Economy	France	43 250	50 476	48 906	42498	31371	84 949	71 848	96 221	64 184	34 027
10	Developed Economy	Germany	198 276	21 138	36 014	29202	-15113	47 439	55 626	80 208	4 218	37 627
11	Developed Economy	Greece	1 089	1 560	51	1275	2101	623	5 355	2 111	4 499	2 436
12	Developed Economy	Hungary	2 764	3 936	2 845	2137	4654	7 709	6 818	3 951	7 384	2 045
13	Developed Economy	Ireland	25 843	9 659	24 486	22781	11159	-31 689	-5 542	24 707	-16 453	25 960
14	Developed Economy	Italy	13 375	14 871	14 545	16415	16815	19 975	39 239	40 202	-10 845	20 073
15	Developed Economy	Latvia	411	163	384	292	699	707	1 663	2 322	1 261	94
16	Developed Economy	Lithuania	379	446	732	179	773	1 028	1 817	2 015	2045	172
17	Developed Economy	Luxembourg	44 370	44 101	116 984	3943	3958	6 564	31 843	-28 260	9 785	30 196
18	Developed Economy	Malta	622	281	-428	958	309	676	1 840	1 006	845	760
19	Developed Economy	Netherlands	63 854	51 927	25 571	21742	442	39 046	13 976	119 383	3 577	34 514
20	Developed Economy	Poland	9 341	5 713	4 131	4589	12873	10 293	19 603	23 561	14 839	13 698
21	Developed Economy	Portugal	6 787	5 892	1 844	8593	2367	3 930	10 902	3 055	4 665	2 706
22	Developed Economy	Romania	1 037	1 157	1 144	2213	6517	6 483	11 367	9 921	13 910	4 847
23	Developed Economy	Slovakia	1 925	1 584	4 123	756	1261	2 429	4 693	3 581	4 687	-50
24	Developed Economy	Slovenia	137	369	1 606	333	827	588	644	1 514	1 947	-582
25	Developed Economy	Spain	37 523	28 005	35 908	25926	24761	25 020	30 802	64 264	76 993	9 135
26	Developed Economy	Sweden	23 242	11 910	11 647	4886	12609	11 896	28 941	27 737	36 771	10 322
27	Developed Economy	United Kingdom	118 764	52 623	27 776	16778	56214	176 006	156 186	196 390	91 489	71 140
28	Developed Economy	Gibraltar	138	12	27	62	102	122	137	165	159	172
29	Developed Economy	Iceland	175	176	126	318	645	3 071	3 843	6 824	917	83
30	Developed Economy	Norway	5 829	2 062	872	3484	2473	5 413	6 415	5 800	10 781	14 074
31	Developed Economy	Switzerland	19 255	8 856	5 648	16505	750	-951	43 718	32 435	15 149	26 964
32	Developed Economy	Canada	66 791	27 487	21 030	7615	1533	25 692	60 294	114 652	57 177	21 406
33	Developed Economy	United States	314 007	159 461	62 870	53146	122377	104 773	237 136	215 952	306 366	152 892
34	Developed Economy	Australia	13 071	4 006	13 978	9722	42390	-24 246	31 050	45 397	46 843	25 716
35	Developed Economy	Bermuda	10 627	13 346	2 711	2292	14772	44	261	577	-146	-88
36	Developed Economy	Israel	5 011	3 549	1 721	3941	1753	4 818	15 296	8 798	10 875	4 438
37	Developed Economy	Japan	8 323	6 241	9 239	6324	7816	2 775	-6 507	22 550	24 426	11939
38	Developed Economy	New Zealand	3 347	1 911	823	3695	2580	1 548	4 526	3 138	4 598	-1293

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
39	Developing Economy	Algeria	438	1 196	1 065	634	882	1 081	1 795	1 662	2 594	2 761
40	Developing Economy	Egypt	1 235	510	647	237	2157	5 376	10 043	11 578	9 495	6 712
41	Developing Economy	Libyan Arab Jamahiriya	-142	-101	-96	142	-354	1 038	2 013	4 689	4 111	2 674
42	Developing Economy	Morocco	215	2825	481	2429	1070	1 654	2 449	2 805	2 487	1 952
43	Developing Economy	Sudan	392	574	713	1349	1511	2 305	3 534	2 426	2 601	2 682
44	Developing Economy	Tunisia	779	486	821	584	639	783	3 308	1 616	2 758	1 688
45	Developing Economy	Benin	56	41	41	45	64	53	53	255	171	135
46	Developing Economy	Burkina Faso	23	8	9	29	14	34	34	344	137	171
47	Developing Economy	Cape Verde	34	9	12	14	20	82	131	190	209	119
48	Developing Economy	Côte d' Ivoire	235	273	230	165	283	312	319	427	446	381
49	Developing Economy	Gambia	44	35	43	-1	2	45	71	76	70	47
50	Developing Economy	Ghana	115	89	59	137	139	145	636	855	1 220	1 685
51	Developing Economy	Guinea	10	2	30	83	98	105	125	386	382	141
52	Developing Economy	Guinea-Bissau	1	1	1	4	2	8	17	19	6	14
53	Developing Economy	Liberia	21	8	3	372	207	83	108	132	395	218
54	Developing Economy	Mali	78	104	102	132	101	225	82	65	180	109
55	Developing Economy	Mauritania	40	92	118	214	5	814	106	138	338	-38
56	Developing Economy	Niger	9	26	8	11	20	30	51	129	566	739
57	Developing Economy	Nigeria	930	1104	1281	2171	2127	4 978	4 898	6 087	8 249	8 650
58	Developing Economy	Saint Helena	0	0	0	0	0	0	0	0	0	0
59	Developing Economy	Senegal	62	39	54	52	77	52	210	273	272	208
60	Developing Economy	Sierra Leone	5	2	4	3	26	83	59	97	53	33
61	Developing Economy	Togo	41	71	53	34	59	77	77	49	24	50
62	Developing Economy	Burundi	12	0	0	2	-1	1	0	1	14	10
63	Developing Economy	Cameroon	31	75	176	0	0	225	309	284	270	337
64	Developing Economy	Central African Republic	1	5	6	3	-13	32	35	57	117	42
65	Developing Economy	Chad	116	453	1030	713	478	-99	-279	-69	234	462
66	Developing Economy	Congo	168	76	152	323	668	1475	1925	2275	2483	2083
67	Developing Economy	Congo, Democratic Republic of	23	82	117	158	15	0	-256	1808	1727	664
68	Developing Economy	Equatorial Guinea	109	931	323	1431	1664	769	470	1243	-794	1636
69	Developing Economy	Gabon	-43	-88	251	206	323	242	268	269	209	33
70	Developing Economy	Rwanda	8	4	7	5	8	14	31	82	103	119
71	Developing Economy	São Tomé and Príncipe	4	3	3	1	-2	16	38	35	33	14
72	Developing Economy	Comoros	0	1	0	1	0	1	1	8	8	9
73	Developing Economy	Djibouti	3	3	4	14	39	22	108	195	229	100
74	Developing Economy	Eritrea	28	12	20	22	-8	-1	0	0	0	0
75	Developing Economy	Ethiopia	135	20	75	465	545	265	545	222	109	221
76	Developing Economy	Kenya	111	5	28	82	46	21	51	729	96	141
77	Developing Economy	Madagascar	69	84	8	95	53	86	295	773	1169	1066
78	Developing Economy	Mauritius	277	32	33	63	14	42	105	339	383	257
79	Developing Economy	Mayotte	0	0	0	0	0	5	0	0	0	0

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
80	Developing Economy	Seychelles	56	65	48	58	37	86	146	239	179	275
81	Developing Economy	Somalia	0	0	0	-1	21	24	96	141	87	108
82	Developing Economy	Uganda	275	229	249	202	222	380	644	792	729	816
83	Developing Economy	United Republic of Tanzania	282	467	240	527	470	494	597	647	679	645
84	Developing Economy	Angola	879	2146	1643	3505	1449	6794	9064	9796	16581	11672
85	Developing Economy	Botswana	57	31	405	418	391	279	486	495	528	579
86	Developing Economy	Lesotho	31	28	27	42	53	57	89	97	56	48
87	Developing Economy	Malawi	26	19	6	4	-1	52	72	92	9	60
88	Developing Economy	Mozambique	139	255	155	337	245	108	154	427	592	893
89	Developing Economy	Namibia	9	26	8	149	226	348	387	733	720	516
90	Developing Economy	South Africa	888	6789	757	734	799	6647	-527	5695	9006	5365
91	Developing Economy	Swaziland	91	51	47	-61	60	-46	121	37	106	66
92	Developing Economy	Zambia	122	72	82	172	239	357	616	1324	939	695
93	Developing Economy	Zimbabwe	23	4	26	4	9	103	40	69	52	105
94	Developing Economy	Argentina	10418	2166	785	8778	67601	5265	5537	6473	9726	4017
95	Developing Economy	Bolivia, Plur State of	822	832	1044	1026	5188	-288	281	366	513	423
96	Developing Economy	Brazil	32779	22457	16590	37243	103015	15066	18822	34585	45058	25949
97	Developing Economy	Chile	4860	4200	1888	10067	45753	6984	7298	12534	15150	12874
98	Developing Economy	Colombia	2395	2525	2115	3500	10991	10252	6656	9049	10596	7137
99	Developing Economy	Ecuador	720	1330	1275	1626	7081	494	271	194	1006	319
100	Developing Economy	Falkland Islands (Malvinas)	0	0	0	0	58	0	0	0	0	0
101	Developing Economy	Guyana	67	56	44	45	756	77	102	152	178	144
102	Developing Economy	Paraguay	104	85	11	417	1325	54	173	185	320	209
103	Developing Economy	Peru	810	1144	2156	1330	11062	2579	3467	5491	6924	5576
104	Developing Economy	Suriname	-97	-27	-74	0	0	348	323	179	209	151
105	Developing Economy	Uruguay	273	320	175	671	2088	847	1493	1329	2106	1593
106	Developing Economy	Venezuela, Bol Republic of	4701	3683	779	3865	35480	2589	-508	1008	349	-3105
107	Developing Economy	Belize	30	60	25	89	300	127	109	143	170	109
108	Developing Economy	Costa Rica	409	454	662	1324	2709	861	1469	1896	2078	1347
109	Developing Economy	El Salvador	173	279	208	212	1973	511	241	1551	903	366
110	Developing Economy	Guatemala	230	456	110	1734	3420	508	592	745	754	600
111	Developing Economy	Honduras	282	193	176	293	1392	600	669	928	1006	523
112	Developing Economy	Mexico	16586	26776	14745	22 424	97 170	24122	20052	29734	26295	15334
113	Developing Economy	Nicaragua	267	150	204	2198	6775	241	287	382	626	434
114	Developing Economy	Panama	603	405	78	2198	6775	962	2498	1777	2196	1773
115	Developing Economy	Anguilla	38	33	37	11	234	117	142	119	99	46
116	Developing Economy	Antigua and Barbuda	28	44	48	290	644	221	359	338	174	118
117	Developing Economy	Aruba	117	-261	289	145	469	101	565	-127	200	73
118	Developing Economy	Bahamas	250	101	200	586	1606	912	1159	1164	1103	657
119	Developing Economy	Barbados	19	19	17	171	308	128	245	338	267	160
120	Developing Economy	British Virgin Islands	830	222	132	126	32093	-9 090	7549	31443	51742	42100

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
121	Developing Economy	Cayman Islands	6922	4356	2509	1749	24973	10221	14963	22969	18749	17878
122	Developing Economy	Cuba	-10	4	3	2	74	16	26	64	24	24
123	Developing Economy	Dominica	11	12	14	66	282	19	26	40	57	41
124	Developing Economy	Dominican Republic	953	1079	917	572	1673	1123	1085	1667	2870	2165
125	Developing Economy	Grenada	37	59	58	70	364	70	90	152	142	103
126	Developing Economy	Haiti	13	4	6	149	95	26	160	75	30	38
127	Developing Economy	Jamaica	469	614	479	790	3317	682	882	867	1437	541
128	Developing Economy	Montserrat	3	1	2	40	76	1	4	7	13	3
129	Developing Economy	Netherlands Antillesb	-63	-5	8	408	78	42	-22	234	266	117
130	Developing Economy	Puerto Rico	0	0	0	0	0	36	0	0	0	0
131	Developing Economy	Saint Kitts and Nevis	96	88	82	160	505	93	110	134	178	104
132	Developing Economy	Saint Lucia	55	22	31	316	825	78	234	272	161	146
133	Developing Economy	Saint Vincent and the Grenadines	29	21	32	48	500	40	109	131	159	106
134	Developing Economy	Trinidad and Tobago	680	835	791	2093	7008	940	883	830	2801	709
135	Developing Economy	Turks and Caicos Islands	0	0	0	2	4	108	58	97	99	95
136	Developing Economy	Bahrain	364	81	217	552	5906	1049	2915	1756	1794	257
137	Developing Economy	Iraq	-3	-6	-2	0	0	515	383	972	1856	1452
138	Developing Economy	Jordan	787	100	56	615	2284	1984	3544	2622	2829	2430
139	Developing Economy	Kuwait	16	-147	7	37	698	234	121	112	-6	1114
140	Developing Economy	Lebanon	298	249	257	53	4988	3321	3132	3376	4333	4804
141	Developing Economy	Oman	16	83	23	1706	2506	1538	1588	3431	2528	1471
142	Developing Economy	Palestinian Territory	62	20	0	0	932	47	19	28	52	265
143	Developing Economy	Qatar	252	296	631	63	1912	2500	3500	4700	3779	8125
144	Developing Economy	Saudi Arabia	-1884	20	-615	21894	17577	12097	17140	22821	38151	32100
145	Developing Economy	Syrian Arab Republic	270	110	115	374	1699	583	659	1242	1467	1434
146	Developing Economy	Turkey	982	3266	1038	11194	19209	10031	20185	22047	19504	8411
147	Developing Economy	United Arab Emirates	-515	1184	834	751	1061	10900	12806	14187	13724	4003
148	Developing Economy	Yemen	6	136	102	180	1336	-302	1121	917	1555	129
149	Developing Economy	China	40715	46878	52743	20691	193348	72406	72715	83521	108312	95000
150	Developing Economy	Hong Kong, China	61939	23775	9682	45073	455469	33625	45060	54341	59621	52394
151	Developing Economy	Rep of Korea,	5	-4	-15	572	1046	50	-105	67	44	2
152	Developing Economy	Korea, Republic of	8572	3683	2941	5186	37474	7055	4881	2628	8409	7501
153	Developing Economy	Macao, China	-1	160	382	2809	2801	1240	1608	2305	2591	2770
154	Developing Economy	Mongolia	54	43	78	0	182	188	245	373	845	624
155	Developing Economy	Taiwan Province of China	4928	4109	1445	9735	17581	1625	7424	7769	5432	2805
156	Developing Economy	Afghanistan	0	1	1	12	17	271	238	243	300	185
157	Developing Economy	Bangladesh	280	79	52	324	2162	845	792	666	1086	700
158	Developing Economy	Bhutan	0	0	0	2	12	9	6	78	28	15
159	Developing Economy	India	2319	3403	3449	1657	17517	7622	20328	25350	42546	35649
160	Developing Economy	Iran, Islamic Republic of	39	55	276	2039	2474	3136	1647	1670	1615	3016
161	Developing Economy	Maldives	13	12	12	25	119	53	64	91	135	112

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
162	Developing Economy	Nepal	0	21	2	12	72	2	-7	6	1	39
163	Developing Economy	Pakistan	305	385	823	1892	6919	2201	4273	5590	5438	2338
164	Developing Economy	Sri Lanka	175	82	197	679	1596	272	480	603	752	404
165	Developing Economy	Cambodia	149	149	145	38	1580	381	483	867	815	539
166	Developing Economy	Indonesia	-4550	-2977	145	8855	24780	8336	4914	6928	9318	4877
167	Developing Economy	Lao People's Democratic Republic	34	24	25	13	556	28	187	324	228	319
168	Developing Economy	Malaysia	3788	554	3203	10318	52747	4065	6060	8595	7172	1430
169	Developing Economy	Myanmar	208	192	191	281	3865	236	428	715	976	579
170	Developing Economy	Philippines	1345	982	1792	3268	12810	1854	2921	2916	1544	1963
171	Developing Economy	Singapore	17217	15038	5730	30468	112633	15460	29348	37033	8588	15279
172	Developing Economy	Thailand	3350	3813	1068	8242	29915	8067	9517	11355	8448	4976
173	Developing Economy	Timor-Leste	0	0	0	0	72	1	8	9	40	50
174	Developing Economy	Viet Nam	1289	1300	1200	1650	20596	2021	2400	6739	9579	7600
175	Developing Economy	Cook Islands				14	34	1	3	0	1	1
176	Developing Economy	Fiji	-16	42	26	284	388	160	370	376	354	114
177	Developing Economy	French Polynesia				69	139	8	31	58	14	10
178	Developing Economy	Kiribati	1	1	1	0	69	5	1	1	3	3
179	Developing Economy	Marshall Islands				5	513	7	6	12	6	8
180	Developing Economy	Micronesia, Federated States of						0	1	17	6	8
181	Developing Economy	Nauru				2	7	1	0	1	1	1
182	Developing Economy	New Caledonia	22	-1	2	70	129	-7	749	417	1673	1146
183	Developing Economy	Niue				0	8	-1	0	0	0	0
184	Developing Economy	Palau				0	97	1	1	3	2	2
185	Developing Economy	Papua New Guinea	96	63	21	1582	2007	34	-7	96	-30	423
186	Developing Economy	Samoa	-2	1	0	9	53	-4	3	3	17	1
187	Developing Economy	Solomon Islands	1	-12	-1	70	150	19	34	64	95	120
188	Developing Economy	Tokelau				0	1	0	0	0	0	0
189	Developing Economy	Tonga	5	1	2	1	21	17	10	28	6	15
190	Developing Economy	Tuvalu	1	1	26	0	0	0	5	0	2	2
191	Developing Economy	Vanuatu	20	18	15	0	0	28	72	57	44	32
192	Developing Economy	Wallis and Futuna Islands				0	0	0	1	1	1	1
193	Developing Economy	Albania	143	207	135	178	332	264	325	656	988	979
194	Developing Economy	Bosnia and Herzegovina	147	130	265	381	606	613	766	2080	932	246
195	Developing Economy	Croatia	1089	1561	1124	2133	1262	1825	3473	5035	6179	2911
196	Developing Economy	Montenegro	12	83	238	0	0	501	622	934	960	1527
197	Developing Economy	Serbia	13	82	237	1360	966	1577	4256	3439	2955	1959
198	Developing Economy	The FYR of Macedonia	175	442	78	95	157	96	433	693	586	201
199	Developing Economy	Armenia	124	88	150	157	217	239	453	699	935	778
200	Developing Economy	Azerbaijan	130	227	1392	3285	3556	1680	-584	-4749	14	473
201	Developing Economy	Belarus	119	96	247	172	164	305	354	1805	2180	1886
202	Developing Economy	Georgia	131	110	165	340	499	453	1170	1750	1564	658

No.	Economy Type	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
203	Developing Economy	Kazakhstan	1283	2835	2590	2092	4113	1971	6278	11119	14322	13771
204	Developing Economy	Kyrgyzstan	-2	5	5	46	175	43	182	209	377	190
205	Developing Economy	Moldova, Republic of	134	146	117	78	154	191	240	534	713	128
206	Developing Economy	Russian Federation	2714	2469	3461	7958	15444	12886	29701	55073	75002	36500
207	Developing Economy	Tajikistan	24	9	36	14	272	43	339	360	376	16
208	Developing Economy	Turkmenistan	126	170	100	100	-15	418	731	856	1277	3867
209	Developing Economy	Ukraine	595	792	693	1424	1715	7808	5604	9891	10913	4816
210	Developing Economy	Uzbekistan	75	83	65	70	1	192	174	705	711	711

Annexure 2: GDP per Country for the period 2000 to 2009

GDP (current US\$)										
Country Name	Country Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
Afghanistan	AFG		2461666315	4338907579	4766127272	5704202651	6814753581	7721931671	9739337183	11757405533
Albania	ALB	3686649387	4091020249	4449373456	5652325082	7464446950	8376483740	9132562332	10704660840	12968653525
Algeria	DZA	54790058957	55180990396	57053038888	68018606041	85013944728	1.02339E+11	1.17169E+11	1.35804E+11	1.70989E+11
American Samoa	ASM									
Andorra	AND	1133644295	1264760246	1456198796	1917948475	2322163502	2539759286	2823503853	3245411584	3712034267
Angola	AGO	9129180361	8936023212	11431738445	13956268299	19775218958	30632364954	45163239832	60451594399	84178512502
Antigua and Barbuda	ATG	664174062.3	696251839.6	71353320.7	753107394.1	815396281.9	866818503.2	1010881464	1155366646	1203314815
Argentina	ARG	2.84204E+11	2.68697E+11	1.0204E+11	1.29597E+11	1.53129E+11	1.83193E+11	2.14066E+11	2.60769E+11	3.26677E+11
Armenia	ARM	1911563665	2118467913	2376335048	2807061009	3576615240	4900436759	6384457744	9206277479	11662017845
Aruba	ABW	1858659293	1898882758	1911173189						
Australia	AUS	4.16923E+11	3.80428E+11	3.97239E+11	4.68469E+11	6.15276E+11	6.96034E+11	7.49316E+11	8.56816E+11	1.03942E+12
Austria	AUT	1.912E+11	1.90155E+11	2.05955E+11	2.52034E+11	2.89039E+11	3.02921E+11	3.2234E+11	3.72291E+11	4.14671E+11
Azerbaijan	AZE	5272617196	5707618247	6236024951	7275766111	8680511918	13245421881	20982270733	33049380918	46258154820
Bahamas, The	BHS	5528200495	5658890129	5912310096	5942440640	6031700548	6508774909	6875630000	7233960000	7297903886
Bahrain	BHR	7970690894	7928934210	8491183201	9747599583	11235671061	13460198290	15854942951	18473097689	21902892584
Bangladesh	BGD	47124925462	46987842847	47571130071	51913661485	56560744012	60277560976	61901116736	68415421373	79554350678
Barbados	BRB	2558850048	2554187134	2476105824	2694879718	2824000000	3005000000	3190900000	3409200000	3670215313
Belarus	BLR	12736856485	12354820144	14594925393	17825436035	23141587718	30210091837	36961918859	45275711996	60763483146
Belgium	BEL	2.32371E+11	2.32155E+11	2.52452E+11	3.11192E+11	3.6111E+11	3.76617E+11	3.99114E+11	4.5862E+11	5.05374E+11
Belize	BLZ	832072464.7	871840755.4	932676403.2	988199088.3	1056303706	1114874608	1213104430	1276751656	1358700000
Benin	BEN	2254838685	2371785987	2807357351	3557983482	4047438049	4287463884	4734839067	5546177809	6682744914
Bermuda	BMU	3507864000	3660790000	3919849000	4168843000	4464576000	4846147000	5387377000	5860745000	6067898000
Bhutan	BTN	427808817.3	455709385.9	507270767.6	610970025.7	702744043.3	818869145.8	897731525.1	1196077342	1257625055
Bolivia	BOL	8397858206	8141513227	7905485150	8082396474	8773451753	9549196302	11451297466	13120517443	16675015771
Bosnia and Herzegovina	BIH	5505984456	5748990555	6651226179	8370020196	10022840635	10763567750	12254412802	15226731980	18500599161
Botswana	BWA	5632391130	6033896673	6091305297	8086707335	10048660850	10255448713	11255175568	12376435510	13473345713
Brazil	BRA	6.44702E+11	5.53582E+11	5.04221E+11	5.52469E+11	6.6376E+11	8.82185E+11	1.08892E+12	1.36598E+12	1.65263E+12
Brunei Darussalam	BRN	6001153318	5601090584	5843329102	6557333067	7872333197	9531402830	11470703002	12247627895	14393099069
Bulgaria	BGR	12903546576	13868600612	15979194408	20668176666	25283228736	28895083540	33209188725	42113655820	51824867627
Burkina Faso	BFA	2610945549	2812839821	3289645662	4270385659	5108983827	5427438071	5771194545	6766986321	8045823005
Burundi	BDI	709062400.3	662371289.2	628096157.3	595002974	664493918.7	795882875.1	918823350.8	979785001.9	1168900171
Cambodia	KHM	3654031716	3979813388	4284028138	4658246907	5337833256	6293046162	7274424519	8639164917	10351829066
Cameroon	CMR	10075040331	9598224206	10879778069	13621809492	15775357312	16587863738	17956985511	20685921877	23735512829
Canada	CAN	7.24919E+11	7.15424E+11	7.34662E+11	8.65873E+11	9.92227E+11	1.13376E+12	1.27861E+12	1.42407E+12	1.49911E+12
Cape Verde	CPV	531386031.9	550199630	616209203.9	797314309.7	924644653.1	999332627.4	1107887282	1331215014	1550552392
Cayman Islands	CYM									
Central African Republic	CAF	959413050.6	967526420.2	1041975238	1139211629	1269621729	1350047285	1476870078	1696340453	1982983855
Chad	TCD	1385050964	1709344296	1987873833	2736667928	4414969334	5301938221	6099009023	7016297534	8357142857
Channel Islands	CHI	6439703435	6232906290	6663669065	7332244898	8553643354	8827272727	9676172953	11514605842	
Chile	CHL	75210511780	68568293067	67265403373	73989608415	95652734479	1.1825E+11	1.46773E+11	1.64315E+11	1.70741E+11
China	CHN	1.19848E+12	1.3248E+12	1.45383E+12	1.64096E+12	1.93164E+12	2.2569E+12	2.71295E+12	3.49406E+12	4.52183E+12
Colombia	COL	1.00364E+11	98745443240	98229102139	94916590099	1.17188E+11	1.4657E+11	1.62808E+11	2.07411E+11	2.4464E+11
Comoros	COM	20190820.3	220115318.9	251163102.1	324471209	362420491.2	387036433.2	403177193.6	464949228	530138454.7
Congo, Dem. Rep.	COD	4305797176	4691816707	5547714815	5673197494	6569986940	7103539717	8543323220	9977079383	11668379642
Congo, Rep.	COG	3219893817	2794254065	3019985940	3495870613	4648628921	6087004330	7731262789	8343503640	11789245043

GDP (current US\$)										
Country Name	Country Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
Costa Rica	CRI	15946443261	16403603009	16844378718	17517535902	18596365934	19964893792	22526464348	26267157320	29663614223
Cote d'Ivoire	CIV	10417006096	10545263560	11486664325	13737489762	15481092869	16363441576	17367306797	19795696265	23414005259
Croatia	HRV	21492679531	23052044813	26524896398	34143409062	41003558916	44821408831	49855078905	59319467681	69911233238
Cuba	CUB	30565800000	31682300000	33590500000	35901100000	38203400000	42643600000	52742700000	58603800000	62704800000
Curacao	CUW									
Cyprus	CYP	9316693766	9678423511	10558381391	13324071623	15822905640	16995655476	18424000903	21835946095	25371874081
Czech Republic	CZE	56720835331	61842323433	75276073339	91357722713	1.09525E+11	1.24549E+11	1.42611E+11	1.74215E+11	2.16085E+11
Denmark	DNK	1.60083E+11	1.60476E+11	1.73881E+11	2.12622E+11	2.44728E+11	2.57676E+11	2.74377E+11	3.11418E+11	3.41467E+11
Djibouti	DJI	551230861.9	572417440.8	591122039.6	622044665.5	666072101.8	708843636.9	768873684	847918929.1	982534421.9
Dominica	DMA	271166661.9	266151847.2	254855551.1	262833328.7	285218513.5	299255555.6	315659259.3	344366666.7	374422222.2
Dominican Republic	DOM	23996656676	24894907435	26570402719	21268012747	22039232610	34004033804	35952845583	41314666869	45498608625
Ecuador	ECU	15941641913	21250000896	24899481000	28635909000	32642225000	37186942000	41705000000	45503600000	54208500000
Egypt, Arab Rep.	EGY	99838540997	97632008051	87850680573	82923680622	78845185709	89685724889	1.07484E+11	1.30473E+11	1.62836E+11
El Salvador	SLV	13134147768	13812744074	14306700000	15046700000	15798300000	17070200000	18653600000	20376700000	22106800000
Equatorial Guinea	GNQ	1254223037	1736112613	2146760325	2952360964	5240842353	8217298404	9603185319	12574935590	18423399315
Eritrea	ERI	633600000	687595191.1	675480057	870232528	1109048051	1098393404	1211186992	1317983740	1380162602
Estonia	EST	5675782345	6240081240	7324477179	9845350163	12031313316	13903289150	16604835553	2138914641	23517187208
Ethiopia	ETH	8179533779	8168590427	7789548644	8556184066	10053969882	12306605473	15164485977	19552720846	26642461516
Faeroe Islands	FRO	1062339944	1154899793	1268445919	1486861879	1683997930	1730894295	1970135199	2278229880	2412859693
Fiji	FJI	1684109743	1660102346	1842691481	2315935753	2727507213	3006725015	3103099942	3379863774	3565203890
Finland	FIN	1.21715E+11	1.24562E+11	1.35085E+11	1.64126E+11	1.88918E+11	1.95626E+11	2.07796E+11	2.45952E+11	2.70479E+11
France	FRA	1.32633E+12	1.3383E+12	1.45203E+12	1.79221E+12	2.05568E+12	2.13656E+12	2.25571E+12	2.58239E+12	2.83179E+12
French Polynesia	PYF	3447543138								
Gabon	GAB	5067838984	4712839681	4931503862	6054886442	7178135733	8665738964	9545984815	11570855623	14532816810
Gambia, The	GMB	420894585.2	417921838.8	369731927.2	367172050.1	400799200.8	461032371	508301859.9	650934673.4	821917808.2
Georgia	GEO	3057453461	3219487823	3395778661	3991374540	5125763952	6411141778	7745401718	10172869674	12795044475
Germany	DEU	1.90022E+12	1.89097E+12	2.01692E+12	2.44221E+12	2.74521E+12	2.78839E+12	2.91856E+12	3.32915E+12	3.63453E+12
Ghana	GHA	4977488790	5309158304	6159567360	7624164926	8871872035	10720345993	20388317032	24632480407	28526922399
Gibraltar	GIB									
Greece	GRC	1.25558E+11	1.31032E+11	1.47389E+11	1.94617E+11	2.30039E+11	2.42276E+11	2.65072E+11	3.10789E+11	3.47042E+11
Greenland	GRL	1068024994	1086170639	1169136691	1426452030	1644951892	1702543477	1738432116	2121759848	1739579594
Grenada	GRD	429579259.8	422328925.3	437249042.9	480225509.8	469329346.1	553861241.8	564437837.6	610316806.5	678487940.5
Guam	GUM									
Guatemala	GTM	19290566570	18702816768	20776640958	21917582105	23965280312	27211230374	30231130543	34113106486	39136286496
Guinea	GIN	3112362568	2892340076	3053354384	3446417029	3666340828	2937072435	2821345794	4209331037	3778260000
Guinea-Bissau	GNB	215455490.3	199034150.8	203613702.2	475221954.6	522654072.4	572851536.6	578517470.2	690721455.9	846854479.4
Guyana	GUY	712667925.1	696281468.8	722460911.6	741929343	785918769.7	824880550.3	1458449635	1740335166	1922600611
Haiti	HTI	3664503846	3507981946	3214632479	2826481072	3660678112	4154243481	4879740568	5971284338	6407707284
Honduras	HND	7105541205	7566501476	7776438041	8233948657	8871111447	9757258851	10917599272	12392440366	13969292165
Hong Kong SAR, China	HKG	1.69121E+11	1.66593E+11	1.63781E+11	1.58572E+11	1.65886E+11	1.77772E+11	1.89932E+11	2.07087E+11	2.15366E+11
Hungary	HUN	47885455754	53190345128	66502083791	84326267610	1.02077E+11	1.10195E+11	1.12791E+11	1.37897E+11	1.55444E+11
Iceland	ISL	8697298234	7922983042	8907207933	10967706062	13233600471	16301846837	16651142959	20428033904	16863767020
India	IND	4.60182E+11	4.77849E+11	5.0719E+11	5.99461E+11	7.21573E+11	8.34036E+11	9.51339E+11	1.24243E+12	1.21378E+12
Indonesia	IDN	1.65021E+11	1.60447E+11	1.95661E+11	2.34772E+11	2.56837E+11	2.85869E+11	3.64571E+11	4.32105E+11	5.10227E+11
Iran, Islamic Rep.	IRN	1.01287E+11	1.15438E+11	1.16421E+11	1.3541E+11	1.63227E+11	1.92015E+11	2.22881E+11	2.86058E+11	3.38187E+11
Iraq	IRQ	25857106736	18936094868	18969591211		25755086059	31316963995	45080072237	56989916308	86530068729
Ireland	IRL	96754681824	1.04819E+11	1.22778E+11	1.58023E+11	1.85437E+11	2.01852E+11	2.22474E+11	2.59189E+11	2.63653E+11

GDP (current US\$)										
Country Name	Country Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
Isle of Man	IMN	1563667800	1614595291	1897606791	2264911807	2758117365	2915710378	3437450712	4075664785	
Israel	ISR	1.24749E+11	1.23059E+11	1.1301E+11	1.18904E+11	1.26843E+11	1.34247E+11	1.45844E+11	1.6699E+11	2.02101E+11
Italy	ITA	1.09734E+12	1.11736E+12	1.21892E+12	1.50717E+12	1.72783E+12	1.77769E+12	1.86338E+12	2.1162E+12	2.2965E+12
Jamaica	JAM	9008629729	9104515930	9676893929	9398942821	10134991342	11151727459	11989334129	12893737821	14121426277
Japan	JPN	4.66745E+12	4.09548E+12	3.91834E+12	4.2291E+12	4.60592E+12	4.5522E+12	4.36259E+12	4.37794E+12	4.87986E+12
Jordan	JOR	8463892909	8980439920	9584232160	10197756160	11411390547	12588665468	15645466528	17765381660	22696902204
Kazakhstan	KAZ	18291990619	22152689130	24636598581	30833692831	43151647003	57123671734	81003864916	1.04853E+11	1.33442E+11
Kenya	KEN	12691278914	12986519857	13149263399	14903634448	16096109637	18737922545	22502239913	27173670134	30031427403
Kiribati	KIR	68239320.7	63810762.05	74173806.51	93517283.95	102405530.2	108938510.7	109671822.2	127854317.3	132506609.3
Korea, Dem. Rep.	PRK									
Korea, Rep.	KOR	5.33384E+11	5.04586E+11	5.75929E+11	6.43762E+11	7.21975E+11	8.44863E+11	9.51773E+11	1.04924E+12	9.31402E+11
Kosovo	KSV	1849196082	2535333632	2702427047	3355083117	3639953538	3743116980	3915494726	4677361256	5641557748
Kuwait	KWT	37718011469	34890773740	38138801497	47875837662	59440511982	80797945205	1.01561E+11	1.14773E+11	1.48783E+11
Kyrgyz Republic	KGZ	1369691955	1525113501	1605640633	1919012781	2211535312	2459876152	2834168889	3802566171	5139957785
Lao PDR	LAO	1735155219	1768619058	1829660933	2148830164	2507094678	2738209639	3497318142	4262812789	5497625803
Latvia	LVA	7833068425	8313047744	9314784080	11186452601	13761569545	16041840426	19935046397	28765687042	33669367720
Lebanon	LBN	17260364842	17649751244	19152238806	20082918740	21801658375	21838805970	22437147595	25056716418	30079601990
Lesotho	LSO	745832990.1	686484199.5	638601203.3	947163200.8	1234520117	1354859672	1414900687	1581173532	1600614923
Liberia	LBR	560900012.2	543000031.7	559300023.6	410200003.6	459999996.2	530200009.3	611859674.7	734933279.2	842507277.6
Libya	LYB	33896600871	28420321952	19842519685	24062500000	33384615385	44000000000	56484375000	71803278689	93167701863
Liechtenstein	LIE	2483890594	2491800559	2688617885	3070803431	3454374261	3658356378	3988775844	4602346923	4929414915
Lithuania	LTU	11434200000	12159225000	14163949142	18608709857	22551543054	25962254181	30088510798	39103973051	47252926429
Luxembourg	LUX	20269578036	20198926174	22578863166	29158352144	34091250551	37659180222	42552321358	51312004029	58071556744
Macao SAR, China	MAC	6101795437	6187141346	6823847935	7924786815	10250791553	11507945226	14211125553	18598613721	21564640136
Macedonia, FYR	MKD	3586883989	3436961385	3791306758	4629520342	5368441930	5814726241	6373113830	8159825620	9834028813
Madagascar	MDG	3877575177	4529469041	4397127092	5473940630	4363835956	5038577100	5515222624	7342683288	9394736596
Malawi	MWI	1743506520	1716502772	2665159242	2424655976	2625187647	2755429811	3116942711	3458333169	4074143554
Malaysia	MYS	93789738019	92783948533	1.00846E+11	1.10202E+11	1.24749E+11	1.37848E+11	1.56523E+11	1.86642E+11	2.21828E+11
Maldives	MDV	624337143.6	625066369.3	640703125	692421875	776484375	749765625	915390625	1054375000	1260234375
Mali	MLI	2422469641	2629733712	3342815644	4362442243	4874185884	5305318991	5866095675	7146284975	8738080883
Malta	MLT	3893057246	3850924289	4233007168	4994073518	5607279374	5959813557	6462031685	7547856389	8413230936
Marshall Islands	MHL	107573000	110480000	119286000	123788000	133300000	138600000	144600000	151000000	152000000
Mauritania	MRT	1081168278	1121565583	1149656448	1285179087	1547861048	1857837742	2699180938	2837528881	3588611732
Mauritius	MUS	4582562398	4536544699	4767303153	5609931858	6385579078	6283845864	6507112280	7791974522	9641036888
Mayotte	MYT									
Mexico	MEX	5.81426E+11	6.22093E+11	6.49076E+11	7.00325E+11	7.59777E+11	8.48947E+11	9.52276E+11	1.03593E+12	1.09618E+12
Micronesia, Fed. Sts.	FSM	225912798.2	230577191.9	235070329.6	238132902.9	239100000	248300000	251300000	255700000	261800000
Moldova	MDA	1288420223	1480656884	1661818168	1980901554	2598231467	2988172424	3408454198	4402495921	6054806101
Monaco	MCO	2647883820	2671401083	2905973022	3588988601	4110348444	4280072626	4663488363	5974371696	6581080163
Mongolia	MNG	1136896162	1267997923	1396555772	1595297301	1992066759	2523359941	3395917892	4234894168	5623236708
Montenegro	MNE	984279596.4	1159891560	1284504509	1707662608	2073255525	2257181943	2695897629	3668857104	4519731947
Morocco	MAR	37020609825	37724674865	40416114690	49822651702	56948015336	59523857868	65637107776	75226318359	88882967742
Mozambique	MOZ	4248747769	4075057669	4201325196	4666190666	5697991419	6578515376	7096128501	8030015310	9891264915
Myanmar	MMR									
Namibia	NAM	3908501441	3546869555		4934391534	6605804205	7261676364	7980502216	8805815603	8967523025
Nepal	NPL	5494252208	5595578231	6050875807	6330476435	7273933993	8130258976	9074827536	10277619342	12572606353
Netherlands	NLD	3.85075E+11	4.00654E+11	4.37807E+11	5.38313E+11	6.0989E+11	6.38471E+11	6.77692E+11	7.82567E+11	8.73367E+11

GDP (current US\$)										
Country Name	Country Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
New Caledonia	NCL	2682347064								
New Zealand	NZL	51599748518	52872980328	65463945931	86737675644	1.0221E+11	1.10978E+11	1.10563E+11	1.38317E+11	1.17817E+11
Nicaragua	NIC	3936327817	4102656987	4026408421	4102111946	4466767106	4872941602	5230337507	5661593169	6372242897
Niger	NER	1798365123	1945323584	2170481509	2731417756	3052898739	3405135477	3645126126	4290510300	5369911346
Nigeria	NGA	45983600313	47999775243	59116847821	67656023324	87845420492	1.12249E+11	1.46867E+11	1.65921E+11	2.07118E+11
Northern Mariana Islands	MNP									
Norway	NOR	1.68288E+11	1.70923E+11	1.91927E+11	2.2511E+11	2.5858E+11	3.02013E+11	3.36732E+11	3.87536E+11	4.46241E+11
Oman	OMN	19867880550	19949284975	20049414986	21542262852	24673602280	3095071771	36803641389	41901170689	60566970579
Pakistan	PAK	73952374970	72309738921	72306820396	83244801093	97977766198	1.096E+11	1.275E+11	1.43171E+11	1.63892E+11
Palau	PLW	119863000	124656000	119455000	122728000	133560000	145428000	156614000	164289000	166394363.5
Panama	PAN	11620500000	11807500000	12272400000	12933200000	14179300000	15464700000	17137000000	19794000000	23001600000
Papua New Guinea	PNG	3521348155	3081029666	2999542369	3536459120	3927114457	4901584516	5598700444	6329292929	8010370370
Paraguay	PRY	7071265939	6445764901	5045545609	5551643681	6949760483	7473231062	9275210016	12222355341	16873155276
Peru	PER	53290390318	53935760985	56772338815	61346725170	69725009965	79385073422	92303809836	1.07233E+11	1.26823E+11
Philippines	PHL	81026294681	76261998623	81357657790	83908205720	91371236939	1.03066E+11	1.22211E+11	1.4936E+11	1.73603E+11
Poland	POL	1.71276E+11	1.90421E+11	1.9818E+11	2.16801E+11	2.52769E+11	3.03912E+11	3.4167E+11	4.25321E+11	5.29401E+11
Portugal	PRT	1.17014E+11	1.20033E+11	1.31886E+11	1.61416E+11	1.84795E+11	1.91176E+11	2.0106E+11	2.31742E+11	2.51925E+11
Puerto Rico	PRI	61044899840	67897098240							
Qatar	QAT	17759889598	17538461033	19363735706	23533790531	31675273812	43040108650	60496701553	80750821849	1.10712E+11
Romania	ROU	37052636395	40180746113	45824529874	59507345650	75489440362	98913392472	1.22642E+11	1.69282E+11	2.00071E+11
Russian Federation	RUS	2.59708E+11	3.06603E+11	3.4511E+11	4.30348E+11	5.91017E+11	7.64001E+11	9.89931E+11	1.29971E+12	1.66085E+12
Rwanda	RWA	1734921293	1674685046	1640603017	1846148216	2088892750	2581168602	3111203756	3741050578	4712306077
Samoa	WSM	245617503	243336183.7	256677700.1	301905953	374507187.9	412220506.3	441660283.5	493164717.1	578899186.5
San Marino	SMR	773907642.4	815205233.1	879957209.9	1122981525	1317357835	1375416604	1469075398	1687653983	1899809580
Sao Tome and Principe	STP		76460459.6	90713554.54	97993841.02	106764516.4	113808429.6	124185330.7	143497348.6	170904224.8
Saudi Arabia	SAU	1.88442E+11	1.83012E+11	1.88551E+11	2.14573E+11	2.50339E+11	3.1558E+11	3.5663E+11	3.84891E+11	4.76305E+11
Senegal	SEN	4691828357	4877598732	5333863902	6871327280	8040528593	8702730298	9378279041	11334237877	13210074065
Serbia	SRB	6082791506	11390468619	15107552529	19675596592	23710517391	25234408773	29221081587	39385398650	48856609868
Seychelles	SYC	614879764.8	622262057.2	697518248.2	705704816	699800000	883818181.8	967806221.4	1018952363	920991413.9
Sierra Leone	SLE	635876870.1	805663721.3	935823725.6	991113463.1	1096030169	1239397078	1422009798	1663712059	1954828246
Singapore	SGP	94308601813	87701014386	90640573370	95956606174	1.12693E+11	1.25418E+11	1.45332E+11	1.77329E+11	1.89393E+11
Sint Maarten (Dutch part)	SXM									
Slovak Republic	SVK	28700755482	30295516779	34613485790	45804232506	56032071021	61285897276	69057257559	84241814947	98463512524
Slovenia	SVN	19887999964	20389746602	23070243206	29058085347	33724037047	35751727925	38951918416	47314863050	54642842411
Solomon Islands	SLB	435101217.2	400464593	341663053.7	332736306.5	375109694.5	413909879.3	456735444.9	586218381	645796657.5
Somalia	SOM									
South Africa	ZAF	1.32878E+11	1.18479E+11	1.11101E+11	1.68219E+11	2.19093E+11	2.47064E+11	2.61007E+11	2.86169E+11	2.75279E+11
South Sudan	SSD									
Spain	ESP	5.80673E+11	6.09108E+11	6.86247E+11	8.83667E+11	1.0443E+12	1.13017E+12	1.23477E+12	1.44194E+12	1.59391E+12
Sri Lanka	LKA	16330810304	15746224410	17102623876	18881765437	20662525941	24405791045	28267410543	32351184234	40715249700
St. Kitts and Nevis	KNA	326203986.9	342746455.6	351318064	362654126.5	399585548.5	438718510.8	487137028.4	51323324.3	570140740.7
St. Lucia	LCA	707525925.5	687048136	705003691.3	738214801.8	799237022.9	858055540.4	930935634.9	957841412.2	986073137
St. Martin (French part)	MAF									
St. Vincent and the Grenadines	VCT	339014808.8	349459253.1	370055549	386954849.8	420633353.1	445566734.4	497902361.6	555281481.5	583870370.4
Sudan	SDN	12366140066	13362328043	14975626178	17780302167	21684761535	27386699507	36393186004	46533234127	58032057416
Suriname	SUR	892164328.2	763465547.3	1078402171	1271049475	1484318751	1793410616	2132482916	2419307832	3065318761
Swaziland	SWZ	1489618181	1290582262	1174110116	1795877963	2281533677	2523979486	2669670498	2949751597	2836875999

GDP (current US\$)										
Country Name	Country Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sweden	SWE	2.4726E+11	2.27359E+11	2.50961E+11	3.14713E+11	3.6209E+11	3.7058E+11	3.99076E+11	4.62513E+11	4.86159E+11
Switzerland	CHE	2.49919E+11	2.5499E+11	2.78621E+11	3.2504E+11	3.62991E+11	3.72476E+11	3.91234E+11	4.34117E+11	5.02447E+11
Syrian Arab Republic	SYR	19325894913	21099833784	21582248882	22396829913	25012613861	28859003831	33332825024	40404985983	52581935484
Tajikistan	TJK	860550294.3	1080774006	1221113795	1554125543	2076148710	2312319579	2830236054	3719497371	5161336170
Tanzania	TZA	10185767294	10383580744	10805631195	11659118661	12825801581	14141919722	14331230929	16825553272	20715098399
Thailand	THA	1.22725E+11	1.15536E+11	1.26877E+11	1.4264E+11	1.6134E+11	1.76352E+11	2.07089E+11	2.46977E+11	2.72578E+11
Timor-Leste	TLS	316200000	277300000	284100000	297800000	309300000	331915908.8	326812745.5	397567776.2	497918858.2
Togo	TGO	1329110396	1328031239	1476122552	1758946963	2061009613	2115154593	2202809611	2523461504	3163383040
Tonga	TON	188628160.9	165865871	180853022.9	207622052.8	238546865.5	259662952.1	294944991.5	305069407.5	348011965.6
Trinidad and Tobago	TTO	8154315708	8824873156	9008273516	11235960523	12884712296	15982284589	18370220924	21738492063	27132936508
Tunisia	TUN	19443277158	19988392299	21047411856	24992239038	28129265355	28967848882	30962208866	35619594067	40844817791
Turkey	TUR	2.66568E+11	1.96005E+11	2.32535E+11	3.03005E+11	3.92166E+11	4.8298E+11	5.309E+11	6.47155E+11	7.30337E+11
Turkmenistan	TKM	2904662605	3534771969	4462028989	5977440583	6838351088	8104355717	10277598152	12664165103	17017140631
Turks and Caicos Islands	TCA									
Tuvalu	TUV	17823324.91	20668617.85	20402781.69	18044012.24	19275460.5	16843978.83	16114283.35	18282479.25	22907951.83
Uganda	UGA	6193246632	5840503703	6178563467	6336696289	7940362663	9237336678	9977209199	11916019463	14440830267
Ukraine	UKR	31261527363	38009344577	42392896031	50132953288	64883060726	86142018069	1.07753E+11	1.42719E+11	1.80355E+11
United Arab Emirates	ARE	70591424756	68676925039	75284685609	88578899739	1.03784E+11	1.33E+11	1.63296E+11	2.0757E+11	2.61348E+11
United Kingdom	GBR	1.47758E+12	1.47089E+12	1.61206E+12	1.86081E+12	2.20249E+12	2.28011E+12	2.44415E+12	2.81097E+12	2.65748E+12
United States	USA	9.8988E+12	1.02339E+13	1.05902E+13	1.10892E+13	1.18123E+13	1.25797E+13	1.33362E+13	1.3995E+13	1.42969E+13
Uruguay	URY	22823255806	20898788420	13606494599	12045627411	13686333822	17362872710	19802235564	23876761050	31176899891
Uzbekistan	UZB	13760374488	11401351420	9687951055	10134453435	12030023548	14307509839	17030896203	22311393928	27917519211
Vanuatu	VUT	280776470.8	267003871	271626880.5	324750468.9	376357455.9	406432100.8	448572250.6	544563540.9	619283529.1
Venezuela, RB	VEN	1.17148E+11	1.2291E+11	92889586976	83622191419	1.12451E+11	1.45513E+11	1.83478E+11	2.26538E+11	3.11131E+11
Vietnam	VNM	31172517272	32506754577	35075432959	39541252948	45439397789	52931104516	60933124863	71111309691	90273764946
Virgin Islands (U.S.)	VIR									
West Bank and Gaza	PSE	4113261233	3332382199	2832538290	3144395543	3606871948	4015865744			
Yemen, Rep.	YEM	9441473355	9459570744	9902721941	11006776814	13873381757	16736795898	19081645677	21656550140	26917363956
Zambia	ZMB	3237716325	3636936436	3716091409	4373861968	5439176260	7178556949	10702206686	11541428666	14640794798
Zimbabwe	ZWE	6606515169	6759128010	6291329827	5658028911	5671234226	5583363612	5203343320	5018218226	4416000000

2009
12044881925
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1097688889
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8541111815
9.24843E+11
3.81084E+11
43019407813
7077192101
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89359767442
3595210913
49271267252
4.71161E+11
1351500000
6638062120
5715300000
1264816920
17339992191
17042403580
11473685551
1.59449E+12
10732435034
48568714012
8140859746
1330790160
10457584204
22185977547
1.33607E+12
1586929006
1980151889
6838983051
1.60859E+11
4.99126E+12
2.35837E+11
535336307.7
11204139345
9579804345

2009
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63435948447
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5.39352E+11
3.31015E+11
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2.21779E+11

2009
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1.15306E+11
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1.09463E+11
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7987432157
152800000
3027018189
8865125545
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276500000
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4141382328
91374705225
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14239629907
1.26923E+11
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4.30645E+11
2.34232E+11
98313183980
1.6111E+11
1.22199E+12
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18476842105
25592939.88
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1.17228E+11
2.30252E+11
2.17315E+12
1.40439E+13
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32816828373
616110011
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97146622928
26365156990
12805027606
5836000000

Annexure 3: GDP categories

The countries have been categorised according to their largest GDP value for the period 2002 to 2009 and the economy group to which they belong.

Country Name	Economy Type	GDP Category					
		1	2	3	4	5	6
Albania	Developing Economy			1			
Algeria	Developing Economy				1		
Angola	Developing Economy				1		
Antigua and Barbuda	Developing Economy		1				
Argentina	Developing Economy					1	
Armenia	Developing Economy			1			
Australia	Developed Economy						1
Austria	Developed Economy					1	
Azerbaijan	Developing Economy				1		
Bahamas	Developing Economy			1			
Bahrain	Developing Economy			1			
Bangladesh	Developing Economy				1		
Barbados	Developing Economy		1				
Belarus	Developing Economy				1		
Belgium	Developed Economy					1	
Belize	Developing Economy		1				
Benin	Developing Economy			1			
Bermuda	Developed Economy			1			
Bhutan	Developing Economy		1				
Bosnia and Herzegovina	Developing Economy			1			
Botswana	Developing Economy			1			
Brazil	Developing Economy						1
Bulgaria	Developed Economy				1		
Burkina Faso	Developing Economy			1			
Burundi	Developing Economy		1				
Cambodia	Developing Economy			1			
Cameroon	Developing Economy			1			
Canada	Developed Economy						1
Cape Verde	Developing Economy		1				
Central African Republic	Developing Economy		1				
Chad	Developing Economy			1			
Chile	Developing Economy				1		
China	Developing Economy						1
Colombia	Developing Economy					1	
Comoros	Developing Economy	1					
Congo	Developing Economy			1			
Costa Rica	Developing Economy				1		
Côte d' Ivoire	Developing Economy			1			

Croatia	Developing Economy				1		
Cuba	Developing Economy				1		
Cyprus	Developed Economy			1			
Czech Republic	Developed Economy					1	
Denmark	Developed Economy					1	
Djibouti	Developing Economy		1				
Dominica	Developing Economy	1					
Dominican Republic	Developing Economy				1		
Ecuador	Developing Economy				1		
Egypt	Developing Economy					1	
El Salvador	Developing Economy			1			
Equatorial Guinea	Developing Economy			1			
Eritrea	Developing Economy		1				
Estonia	Developed Economy			1			
Ethiopia	Developing Economy				1		
Fiji	Developing Economy		1				
Finland	Developed Economy					1	
France	Developed Economy						1
Gabon	Developing Economy			1			
Gambia	Developing Economy	1					
Georgia	Developing Economy			1			
Germany	Developed Economy						1
Ghana	Developing Economy				1		
Greece	Developed Economy					1	
Grenada	Developing Economy	1					
Guatemala	Developing Economy				1		
Guinea	Developing Economy		1				
Guinea-Bissau	Developing Economy	1					
Guyana	Developing Economy		1				
Haiti	Developing Economy			1			
Honduras	Developing Economy			1			
Hong Kong, China	Developing Economy					1	
Hungary	Developed Economy				1		
Iceland	Developed Economy			1			
India	Developing Economy						1
Indonesia	Developing Economy					1	
Iraq	Developing Economy				1		
Ireland	Developed Economy					1	
Israel	Developed Economy					1	
Italy	Developed Economy						1
Jamaica	Developing Economy			1			
Japan	Developed Economy						1
Jordan	Developing Economy			1			
Kazakhstan	Developing Economy				1		

Kenya	Developing Economy				1		
Kiribati	Developing Economy	1					
Korea, Republic of	Developing Economy						1
Kuwait	Developing Economy				1		
Kyrgyzstan	Developing Economy		1				
Lao PDR	Developing Economy			1			
Latvia	Developed Economy				1		
Lebanon	Developing Economy				1		
Lesotho	Developing Economy		1				
Liberia	Developing Economy	1					
Libya	Developing Economy				1		
Lithuania	Developed Economy				1		
Luxembourg	Developed Economy				1		
Macao, China	Developing Economy			1			
Madagascar	Developing Economy			1			
Malawi	Developing Economy		1				
Malaysia	Developing Economy						1
Maldives	Developing Economy		1				
Mali	Developing Economy			1			
Malta	Developed Economy			1			
Marshall Islands	Developing Economy	1					
Mauritania	Developing Economy		1				
Mauritius	Developing Economy			1			
Mexico	Developing Economy						1
Micronesia	Developing Economy	1					
Moldova	Developing Economy			1			
Mongolia	Developing Economy		1				
Morocco	Developing Economy				1		
Mozambique	Developing Economy			1			
Namibia	Developing Economy			1			
Nepal	Developing Economy			1			
Netherlands	Developed Economy						1
New Zealand	Developed Economy				1		
Nicaragua	Developing Economy			1			
Niger	Developing Economy		1				
Nigeria	Developing Economy						1
Norway	Developed Economy						1
Oman	Developing Economy				1		
Pakistan	Developing Economy				1		
Panama	Developing Economy			1			
Papua New Guinea	Developing Economy			1			
Paraguay	Developing Economy			1			
Peru	Developing Economy				1		
Philippines	Developing Economy				1		

Poland	Developed Economy					1	
Portugal	Developed Economy					1	
Qatar	Developing Economy				1		
Russian Federation	Developing Economy						1
Rwanda	Developing Economy		1				
São Tomé and Principe	Developing Economy	1					
Saudi Arabia	Developing Economy					1	
Senegal	Developing Economy			1			
Seychelles	Developing Economy		1				
Sierra Leone	Developing Economy		1				
Singapore	Developing Economy					1	
Slovakia	Developed Economy					1	
Slovenia	Developed Economy					1	
Solomon Islands	Developing Economy	1					
South Africa	Developing Economy					1	
Spain	Developed Economy						1
Sri Lanka	Developing Economy					1	
St. Kitts and Nevis	Developing Economy	1					
St. Lucia	Developing Economy	1					
St. Vincent and the Grenadines	Developing Economy	1					
Sudan	Developing Economy					1	
Suriname	Developing Economy		1				
Swaziland	Developing Economy		1				
Sweden	Developed Economy					1	
Switzerland	Developed Economy					1	
Syrian Arab Republic	Developing Economy					1	
Tajikistan	Developing Economy		1				
Tanzania	Developing Economy			1			
Thailand	Developing Economy					1	
Togo	Developing Economy		1				
Tonga	Developing Economy	1					
Trinidad and Tobago	Developing Economy					1	
Tunisia	Developing Economy					1	
Turkey	Developing Economy						1
Turkmenistan	Developing Economy			1			
Tuvalu	Developing Economy	1					
Uganda	Developing Economy			1			
Ukraine	Developing Economy					1	
United Arab Emirates	Developing Economy					1	
United Kingdom	Developed Economy						1
United States	Developed Economy						1
Uruguay	Developing Economy					1	
Uzbekistan	Developing Economy					1	
Vanuatu	Developing Economy	1					

Venezuela	Developing Economy					1	
Vietnam	Developing Economy				1		
Yemen	Developing Economy				1		
Zambia	Developing Economy			1			
Zimbabwe	Developing Economy			1			
TOTAL		17	26	45	44	26	17