



## FDI EURASIAN CHALLENGE

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### *Abstract*

Since entrepreneurs have different goals in establishing their direct presence- commercial or industrial- in a foreign country, the aim of this E.I.E.A.D study is to be a handbook for all investors and businessperson approaching the southern Euro-Asian region. With the support of some institutional and dedicated sources - selected upon the quality of their website and on the objectivity of the provided information - the work summarizes the empirical evidence on the determinants of Foreign Direct Investment in some Countries namely Azerbaijan; Armenia; Iran; Israel; Lebanon and Turkey. Along a brief overview of each selected Country, throughout the analysis of local incentives and the current legal and economic forms of FDI within the specific institutional and fiscal frame combined to a look at the main regulations and restrictions, the main core of the study is a comparative analysis based on a clustering of variables:

(1) Competent agencies for FDI and co-financing opportunities
(2) Investment Law (year of approval)
(3).Economic Forms of FDIs
(4) Legal form of FDIs
(5) Access for FDI to land ownership
(6)Fiscal Regime:
(7) Custom Duties Special Zones for FDIs;
(8) Special Status Companies Other incentives
(9) Special Fiscal regime for FDI
(10) Other Incentives
(11) Priority Sectors for FDI
(12)Foreign exchange transactions
(13) Nr of activities/sectors under licensing
(14) Existance of privatization authorities&regulation for national privatization programmes
(15) Bilateral Investment Promotion and Protection Treaties
(16) Customs duties /Free Trade Agreements or Memberships
(17) International Arbitration is accepted YES/NO
(18) Protection of intellectual property
(19) Quality level of local employment Law/Regulation
(20) Ease of access of foreign nationals to work for FDI companies
(21) Completeness and depth of info on FDI Promotion Agency official website

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The methodology adopted to carry out the research follow a regular scheme, as it is shown below for the Category 1 and adopted for all the others:

**ex:**

Category 1: competent agencies for FDI and the co-financing opportunities (Factor 1); the investment law (Factor 2) and the completeness of info available on official Agency Promotion website (Factor 21)

Table 2. Factor 1;2;21

Azerbaijan	Armenia	Iran	Israel	Lebanon	Turkey
1) Competent agencies for FDI and co-financing opportunities: lowest number of competent agencies; level of skill of counterparts; capillarity on the territory					
6	1 (2 divisions)	2 (13 FDI Centers)	1 (3 departments)	1 (4 directorates)	1
2) Investment Law (year of approval): most recent laws					
2000	1994	2002	1959-1984-2005-2010	2001	2003; 2012; 2016
21) Website of Investment Promotion Agency: Completeness, detail of info available, userfriendliness of website, graphics					
<a href="http://www.azpromo.az/">www.azpromo.az/</a> <a href="http://www.mineconomy.am/">www.mineconomy.am</a> <a href="http://www.investiniran.ir/">http://www.investiniran.ir/</a> <a href="http://www.investinisrael.gov.il/">www.investinisrael.gov.il/</a> <a href="http://www.investinlebanon.gov.lb/">www.investinlebanon.gov.lb/</a> <a href="http://www.invest.gov.tr/">www.invest.gov.tr/</a>					

	Azerbaijan	Armenia	Iran	Israel	Lebanon	Turkey
<b>Ranking. 1</b>	5	2	4	2	3	1

Table 3. Ranking Factor 1

	Azerbaijan	Armenia	Iran	Israel	Lebanon	Turkey
<b>Ranking. 2</b>	5	6	3	2	4	1

Table 4. Ranking Factor 2

<b>Ranking. 21</b>	4	5	3	2	1	2
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Table 5. Ranking Factor 21



<b>Total Ranking. 1;2;21</b>	<b>14</b>	<b>13</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>4</b>
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Table 6. Total 1;2;21

Furthermore, by ranking each analytical category, taken as leading discriminant for FDI and combining it to a specific value throughout a specific weighted average system the final summing up not only shows the best performing Country, but it gives an outlook on the importance of each category at its best.

	Azerbaijan	Armenia	Iran	Israel	Lebanon	Turkey
Total Ranking. 1.2.21	14	13	10	6	8	4
<b>Weight 5%</b>	<b>0.7</b>	<b>0.65</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>

Table 26. Weighted category1