ABSTRACT

After the 2008 economic crisis, foreign direct investment in G20 countries continued to fluctuate with an decreasing trend. The G20 countries control more than 80 percent of the world's economy, which is marked by the growth of GNP, control of foreign investment flows, markets, world trade and world population. The stigma that shows that the G20 group is the ruling group of the world economy and the rulers of foreign investment flows does not become a positive value as a attracting factor for investment destinations. However, several determinants of foreign direct investment have different effects depending on the investment motive of the investor. The purpose of this study is to analyze the factors that determine Foreign Direct Investment Inflows in G20 countries.

The type of data used in this research is secondary data. Data is sourced from the World Bank, OECD, and KPMG. The research method used is panel data regression with Fixed Effect Models approach. The variables used are Foreign Direct Investment, Economic Growth, Infrastructure, Population, Inflation, Corporate Income Tax Rates, Trade Performance and Trade Openness.

The results of the study explain that: Economic Growth, Population, Trade Performance and Trade Openness have a positive and significant effect on Foreign Direct Investment Inflows. Infrastructure, Inflation and Corporate Income Tax Rates have no effect on Foreign Direct Investment Inflows.

Keywords : Foreign Direct Investment, Economic Growth, Population, Inflation, Trade Openness