

ABSTRACT

This study aims to analyze the impact of market size, wage rate, labor force, inflation and natural resources (nickel production) on FDI inflows from the six nickel producing countries (consisting of Australia, Brazil, Canada, Philippines, Indonesia, and Russia). First, the author uses panel data analysis with pooled least square models collected from 2017 to 2021 to estimate the estimation results of these countries. Second, the panel data analysis uses the common effect model to obtain the optimal regression results for the regression. The results show that the level of wages, labor, and natural resources (nickel production) are the three main factors that have a significant effect in influencing FDI inflows. Meanwhile, the market size and inflation variables produced results that did not have a significant effect on FDI inflows. Then, to improve the five sectors, the governments of the six largest nickel-producing countries should improve the quality and number of workers, control inflation, and create new rules or policies specifically to increase GDP and also manage the nickel that has been produced.

Keywords: FDI, nickel producing countries, panel, OLS