ABSTRACT

This study investigates the impact of economic variables—such as market size, exchange rates, trade, and natural resources—on the inflow of foreign direct investment (FDI) into oil-rich countries. Specifically, we focus on the United States, Russia, China, Canada, Saudi Arabia, and the United Arab Emirates.

Using panel data obtained from secondary sources (including the IMF, Worldbank, UNCTAD, and BP Statistics), the studies employ GDP, cumulative exports and imports, exchange rates, oil reserves, and oil production as proxy variables for market size, trade, exchange rate dynamics, and natural resources. The chosen approach for estimation is Fixed Effects regression.

The results reveal that market size, trade, oil production, and oil reserves significantly influence FDI inflows in oil-rich nations. Interestingly, the exchange rate does not play a significant role in reducing FDI inflows in these countries.

Keywords: foreign direct investment, determinants, natural resources, panel data models.

JEL Classification: E22, E44, P48, C33.