

## ***ABSTRACT***

*This study examines the impact of economic factors, institutional quality, and policy uncertainty on the shifting pattern of Foreign Direct Investment (FDI) in ASEAN-5 countries over the period 2012–2023. The variables include GDP Level, economic institutions proxied by the Economic Freedom Index (EFI), interest rates, and Economic Policy Uncertainty (EPU), with FDI share as the dependent variable.*

*The study employs panel data regression using the Fixed Effect Model (FEM) and shift-share analysis. The results show that GDP Level has a positive and significant effect on FDI share, while economic institutions, interest rates, and EPU are not statistically significant.*

*These findings indicate that market size is the main determinant of FDI in ASEAN, whereas institutional and policy uncertainty factors have not yet played a dominant role in explaining FDI distribution across countries.*

*Keywords: FDI, FDI Share, GDP, Economic Freedom Index, Interest Rate, Economic Policy Uncertainty, ASEAN*

