ABSTRACT

The Bogor Goals to be implemented in 2020 is aimed at eliminating barriers to trade and investment, this study aims to define how capital flows move. In investment theory there is a debate between the Neo-Classical theory and Lucas Paradox, so that using derivative variables from the theory is expected to be able to provide answers and solutions for developing countries in order to achieve more effective FDI for the growth of sustainable development.

This study uses secondary data from the World Bank, Transparency International, United Nation Development Program, and Political Risk Services. The regression results produced a Random Effect (REM) model in this study where the model had fulfilled BLUE.

The results of this study reveal that exports and imports and market growth seen from economic growth have a positive relationship with FDI. Exports have an influence because investors see production opportunities to be sold in international trade, imports because investors still use import-based production so that raw materials from outside are needed, and positive economic growth illustrates that the country's market is healthy and can still develop.

Regarding corruption, the quality of human resources, and political stability have no significant relationship with APEC emerging market countries. Although not significant, corruption eradication is able to eliminate inefficiencies that occur, the quality of human resources results show that the lower the quality of human resources describes the cheaper costs to be incurred, and finally with a high level of political stability can reduce uncertainty for investors.

Keywords : FDI, Bogor Goals, Investment, Lucas paradox