ABSTRACT

Foreign direct investment (FDI) is an important source of financing economic development in developing countries, including ASEAN countries. Limited domestic economic capacity forces ASEAN countries to seek alternative financing, one of which is through FDI.

This study aims to identify and analyze the factors that influence FDI flows in ASEAN countries in the period 2018-2022. Using a quantitative approach and panel data regression method, this study examines the influence of several factors, namely Gross Domestic Product (GDP), population growth, political stability, economic freedom, tax burden, and inflation on FDI. The data used includes time series data for 5 years (2018-2022) and cross-section of ASEAN countries.

The results are expected to provide insights into the factors that are significant in attracting FDI to the region, as well as provide policy recommendations for ASEAN countries to improve foreign investment attractiveness. The findings of this study can assist policymakers in designing more effective economic development strategies, as well as improving the sustainability of FDI flows that can support regional economic growth.
Keywords: FDI, GDP, Population Growth, Political Stability, Economic Freedom, Tax Burden, Inflation