

Impact of the FDI in the Automotive Industry in the European Union Countries

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Abstract

Purpose of the article The current global business environment stimulates investors to expand abroad through FDI, which not only contributes to globalization but also determines countries' macroeconomic performance.

Methodology/methods While using secondary research the authors of the paper identified variables that are examined in the evaluation of FDI influence and after critical review of data availability the authors have created a modified model with the aim to evaluate the impact of automotive FDI inflows on EU Member States macroeconomic performance.

Scientific aim The aim of the paper is to extend current knowledge in this area and to evaluate the impact of automotive industry FDI inflows on EU Member States macroeconomic performance over a ten-year period

Findings The results provided by created model have been in line with the results of similar studies and have verified the positive impact of FDI inflows on macroeconomic performance indicators. This result has been affirmed also by accompanying analysis covering the comparison of automotive industry to other industry sectors.

Conclusions The analysis was performed just in relation to the aggregate macroeconomics indicators. In this respect, a deeper analysis in relation to automotive industry only is needed. Besides, the paper does not cover the part dealing with the negative aspects and risks that are connected with investment maturation and dividends flows. Created model has extended spectrum of models used and available for the assessment of FDI impact on macroeconomic countries' performance. The models itself represents an extension in terms of covering territory, period and examined variables. The results create the basis for following analysis which will include also critical aspects in relation to dividends outflows.

Keywords: Automotive industry, Foreign direct investment, Macroeconomic indicators, EU Member States

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