The Role of Investment Promotion in Attracting FDI: Evidence from the Baltic States

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***Abstract*. The article explores investment promotion effect on FDI flows in a country. The first part of the article analyses the scientific literature on the interconnection between investment promotion and the determinants of FDI. Three Baltic States are chosen for the purpose of empirical analysis. Three main tools for investment promotion are highlighted. In order to determine the impact of FDI determinants on FDI flows and the role of investment promotion among them, three multiple criteria methods are used. The analysis has confirmed the theoretical statements that investment promotion influences FDI flows. Investment promotion has strong effect on FDI on condition that investment promotion is introduced in full.**

***Keywords*: investment promotion, Baltic States, foreign investments, FDI policy, marketing activities.**

I. Introduction

Since the 1980s, foreign direct investments (hereinafter referred to as FDI) have become one of the main financing sources, which stimulate economic growth, especially in emerging market countries or countries in transition. Even after twenty years of enormous FDI flows, scientists still argue over the benefits of FDI to the host country. However, a new attitude towards the benefit of FDI flows has been introduced. Some scientists emphasize that FDI has a positive impact on economic growth in a short-term period only [1]. The ability of the host country to assimilate FDI mainly depends on trade regime, legal system and political stability. It also depends on the bulk of activities, such as problems of balance payment or market size, production related to FDI. On the other hand, the host country may influence inward FDI flows, which depend on the ability to employ foreign capital. It is very important to build FDI strategy properly, to establish FDI policy clearly, as well as set incentives for implementation of FDI policy. For that reason, some measures affecting FDI flows are supposed to be initiated in a targeted industry area or specific regions. Due to the fact that more and more countries implement FDI policies, competition for FDI is growing every year. For that reason the country, which is competing for FDI, expects to become more exclusive than other “competitors”. Usually, fiscal (such as accelerated depreciation, preferential tax rates, and tax exemption and tax credits, including the measures relating to social security contributions and investment reserves), financial (such as grants, preferential loans and loan guarantees) and non-financial (such as promotion, information providing agencies, infrastructure-related assistance, preferential government contracts the provision of certain services, and the establishment of free-trade, enterprise and technology zones) incentives are introduced [2]. Scientific literature [1]-[5] highlights that financial incentives are more effective in attracting FDI than fiscal ones. The incentive measures allow international companies to integrate into the local market faster, to expand production by using local labour, land and capital.

Due to the fact the fiscal measures may have both negative and positive effects on the host country, non-financial investment incentives based on some marketing tools may be implemented. Competition is the subject of marketing, which becomes more and more applicable as part of FDI policy. Usually, marketing is understood at the level of enterprise. The discussion on marketing a country or image of a country has expanded since the 1960s, though marketing a country became interconnected with FDI policy only in the final decade of the 20th century. Marketing tools are used as indirect FDI incentives. Meanwhile, the definition “incentive” is too controversial and the boundaries of business incentives are not always clear. In literature, investment incentives are defined as “support” [6]; [7], “incentives,” “initiative”, as well as “promotion”. For that reason, this paper replaces an incentive by promotion which involves only certain marketing activities, through which the government attracts foreign capital. In the meantime, three types of promotional activities are implemented: image-building, investment-generating, and investment-service activities [8]. To introduce some marketing tools in attracting FDI, most countries establish information development agencies (hereinafter referred to as IDA). The major role of IDA is to provide information to potential local and foreign investors. Hence, through the information provided, IDA tends to create an attractive image of a country in a global market. A positive image of a country created by IDA is usually directed towards a sensitive public sector, which requires the injection of investment. However, the efficiency is only visible in attraction of FDI in supported business sectors. Thus, IDA functions as a principal of marketing tools.

The major aim of this paper is to find out whether investment promotion affects inward FDI, to determine the main factors of FDI, which are mostly influenced by investment promotion. For methodological purposes, the paper is divided into three parts. The first part explores scientific literature on the interconnection between investment promotion and the determinants of FDI. The second part is empirical. First, three cases are analysed, which occurred in the introduction of promotional activities. They are followed by the evaluation of results by multi-criterion methods. The final part consists of a discussion and generalisation of the results.

II. FDI Flows and Adoption of Promotion in the Baltic States

Governments working on FDI promotion policy are supposed to understand the main FDI driving forces and motives for investment in their countries. A classical FDI theory identifies four main reasons, which explain why foreign capital moves from one country to another. They are the following: resource-seeking, market-seeking, efficiency-seeking and capital-seeking [9]. However, other MNCs motives exist as well, such as asset-exploiting and asset-augmenting, which are important in taking a decision on FDI in R&D [10]. Market still remains the main determinant attracting FDI [11]. Other scientists state that market imperfections are not enough to attract foreign capital. According to them, there are other FDI driving forces, such as government promotion programmes [1], [12], [13], protection of intellectual property rights [10], [13] [14], developed infrastructure [10] [11], [15]. In addition, government's policy framework refers to social and political stability, regulations regarding entry and operations, fair competition between foreign and local capital and international agreements on FDI [12]. For that reason, many countries introduce FDI policy. FDI policy is shaped considering the failure of inward FDI in two market sectors. [16], [17]. At the first stage, FDI policy is targeted at the process of investment information as foreign investors tend to explore and compare potential host countries. In general, the attraction of inward FDI is complicated because of MNCs information shortage about the host country. The shortage of information on the host country leads to the image of instability and uncertainty. For example, 48% of the population in the old EU members does not have any information about Lithuania and 33% of the people have a negative attitude about Lithuania. In general, the Baltic States are often mixed with Balkan countries [18].

To speed up the decision of MNCs on investment, local government may interfere in the decision-making process by offering some subsidies or other promotion measures.

At the second stage, FDI policy is oriented towards the intentions of MNCs. In that way, local governments stimulate FDI.

FDI promotion program is to a certain degree implemented in all three Baltic States, starting from IDAs establishment to making the marketing plan, which improves a country's image within the investment community as a favourable location for investment (image-building activities) [19]. The brand of a country is the sum of people's perceptions of a country across six areas of national competence: tourism promotion, export brands, policy decisions, inward investments, cultural changes and the people [20].

For example, Estonia did not introduce targeted fiscal and financial FDI incentives. However, Estonia encourages FDI in the country and treats local and foreign investors equally. Estonian IDA (Enterprise Estonia, hereinafter referred to as EAS) is established to promote business and regional policy, to provide financial assistance, advisory, cooperation opportunities and training for entrepreneurs, research establishments, public and third sector [20]. Estonia presents itself as a positively transforming country, which reflects in the character and business of the country. Estonians characterize their country as a Nordic highly rooted country. Estonians proudly stress their progress and ancient history, high-tech, eastern hospitality and northern conservativeness, a liberal economic environment, and pristine nature. To attract visitors and investors to the country, Estonians loudly state: *"Welcome to Estonia"* [20], [21]. Back in 2009, introducing Estonia as "*smart e-solution country – small but innovative"* , Skype was used to brand the country. [21] The catchwords *"Nordic with a twist*" and *"Ecological Heaven"* [21] are addressed to attract tourists and investors in the tourism sector.

Meanwhile, Lithuania follows Estonian footmarks and associates itself with Nordic countries. Presenting as a north-eastern country with Scandinavian progressive nature, Lithuania highlights its attractiveness. At the same time, being an Eastern European country, it declares its newness, rapidity to develop and introduces itself as an undiscovered country. In contrast to Estonia which established its marketing plan in 2001, Lithuania faces some difficulties in building the image of the country. The truth is that the brand of the country was unclear and unrecognisable. At the very beginning, the brand was built as "*Lithuania is the heart of the Baltic*" and *"the Centre of Europe"* (in tourism sector) [18]. Afterwards, it was changed to "*Lithuania is a brave country*" and with a similar meaning "*Small but sound*" [18]. At present, the Lithuanian investment promotion program covers all three promoting techniques (image-building, investment-generating, investment services). Despite the recommended procedure of implementation of the promotion programme, Lithuania starts with image-building and provision of investments services.

Similarly to Estonia, Latvia presents itself as a liberal country with business friendly environment, which welcomes foreign investors. Hence, it is hardly possible to find Latvian catchwords about it. It looks like Latvia describes itself and builds images indirectly and quietly. At present, Latvia is still working on the national brand strategy. Latvia points out its oneness in tourism sector and describes itself as *"the land that sings"* [22], [23] .

All three Baltic States highlight their access to knowledge skills, in particular Lithuania, which highlights that 40% of the population holds higher education. Latvia hardly works on investment-services activities. LDA (Latvian Development Agency) was established to make it easier to do business in Latvia, as well as provide information about Latvia and form a positive image for investment. Thus, Latvians are proud for being recognized in the international arena. The recognition and membership in the international organization or communities show the level of internationalization. It builds the image of a stable and safe country and eliminates ambiguities and uncertainties about the country.

Let us find out if image-building based on the expected results was to any degree successful. Starting from 1993 till

2007, inward FDI was growing every year in all Baltic States (Fig 1). According to the OECD studies, the Baltic States attracted inward FDI through privatisation. However, the privatisation process was almost finished. Thus, FDI had to be attracted in other ways and in other forms. Lately, the understanding of the Baltic States that privatisation is no more the main factor attracting FDI works on the framework of FDI policy, under which other kinds of FDI might be attracted. Thus, investment promotion programmes had to be introduced. Despite the downward trend of inward FDI, Estonia stays the main FDI recipient (Fig. 1). There is a little difference between Latvia and Lithuania in attracting inward FDI. However, Latvia overtakes Lithuania in attracting FDI.

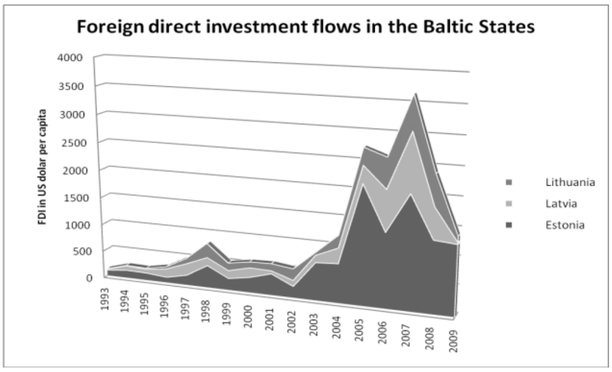

Fig. 1. Foreign direct investment flows in the Baltic States 1993 – 2009 (FDI in US dollars per capita)

Thus, the question arises whether investment promotion guarantees FDI flows and whether it guarantees a positive FDI effect on the host country. Contemporary economic development provides information on the effect of the existing FDIs on the host country. The main characterizing indicator of economic development is a real gross domestic product, which is dropping in respect of the flows of FDI. Hence, the negative FDIs trend may be explained by the economic crisis, which has a strong negative effect on the development of Latvian and Lithuanian economies. The tarnished images of these countries determine low FDI flows.

According to the theory, the countries, which are seeking for investment, compete among themselves. Thus, FDI policy, including investment promotion programme, is introduced. Despite the implemented FDI policy and high flows of inward FDI in 2007, the competitiveness of the Baltic States has been dropping down in the global context since 2007 (Table 1). This could be explained by privatisation as the main source of FDI flows until 2007. The comparison of the trends of FDI flows and global competitiveness index shows an equivalent fluctuation of data. According to the data, Lithuania highly competes with Latvia for FDI as Lithuanian and Latvian GCIs do not show much difference and FDI flows are similar.

TABLE 1

THE GLOBAL COMPETITIVENESS INDEX 2004–2010

	2004	2005	2006	2007	2008	2009	2010
Estonia	5.08	4.95	5.12	4.74	4.67	4.56	4.61
Latvia	4.43	4.29	4.57	4.41	4.26	4.06	4.14
Lithuania	4.57	4.30	4.53	4.49	4.45	4.30	4.38

Kindra et al. (1998) point out that investment promotion does not play such an important role as maintained by Wint and Williams (1990). However, they agree that the promotion programme, especially image building, has the main influence on the effect of the entire promotion programme. Unsuccessful employment of marketing tools quite often results in the inadequate program and reality. Thus, disappointed investors move their capital to another country. For example, there is an inadequacy in the Lithuanian promotion program. Lithuania highlights its friendly environment for FDI in R&D. However, the government's expenditure on the improvement of R&D sectors is the lowest across the Baltic States.

Anyway, there are some other direct and indirect factors influencing FDI flows. Thus, multi-criterion methods are used to determine whether the promotion programme affects FDI.

III. RESEARCH METHODOLOGY AND DATA

To determine the role of FDI determinants on FDI flows and the role of investment promotion among them, three multiple criteria methods are used. However, the paper does not cover the problem of choosing particular multiple criteria methods. The main reason why several different multiple criteria methods are chosen is that they normalize the *values* of the indicator included into the system differently. Hence, it is difficult to determine measures and data for some criteria. For that reason, some data is transformed into indices. OECD methodology for calculating FDI restrictiveness index is adopted to define the indices of investment incentives and investment promotion [25]. The indices of investment incentives and promotion allow evaluating the application of FDI incentives and promotion in various countries under particular conditions. The highest rate is 1, which means that all possible incentives and/or promotion are adopted in all business sectors for all types of FDI.

The lowest possible rate is 0. In this case incentives or promotion are not adopted in any of the business sectors. However, the minimal rate shows the employment of regulatory FDI policy. FDI regulation is understood as a partial investment incentive. For that reason, the minimal but not the lowest rate is set. The lowest rate – 0 is given when a country does not employ any incentives for any FDI type, in any business sector. Each rate is calculated as the sum of all investment incentives or promotion rates of every sector for any FDI type. The rate decreases if the incentive is applicable only for one FDI type (R&D, Greenfield or M&A). The rate decreases if the incentive or promotion is available in one or a few business sectors or applicable in some regions. The rate of each incentive is calculated as follows:

- Not applicable – 0;
- If applicable in all cases, the rate increases by 0.025 point;
- If applicable with some exceptions, the rate increases by 0.015 point;
- If applicable only in particular cases, the rate increases by 0.01 point.

For evaluation of competition, data from the global competitiveness report is used.

Transnationalization index describes the intensity of foreign activity [Palmer, 2002]. It is calculated as follows:

$$TNI = \frac{S_i + E_i}{2}, \quad (1)$$

where TNI – the transnacionalization index, S_i – the foreign sales index, E_i – the foreign employment index.

There is an assumption that four groups of 25 criteria describe FDI flows. The significance of each criterion in attracting FDI is the same (Table 2).

TABLE 2
THE CRITERIA DESCRIBING FDI FLOWS

No.	A general criterion	The criteria of a set
1.	Investment incentives	1. Fiscal incentives
		2. Financial incentives
2.	Investment promotion	1.Information
		2. Image-building
		3. Investment-generating
		4. Investment services
3.	Competition	1.Institutions
		2. Infrastructure
		3. Macroeconomic environment
		4. Health and primary school
		5. Higher education and training
		6. Goods market efficiency
		7. Labour market efficiency
		8. Financial market development
		9. Technological readiness
		10. Market size
		11. Business sophistication
		12. Innovation
		13. Tax rates
		14. Bureaucracy
		15. Inadequately educated labour force
		16. Tax regulation
		17. Corruption
4.	Integration into a global market	1.Foreign employment
		2.Transnacionalization

Thus, if we suppose that the sum of weights is equal to 1, then the weight for each criterion is equal to 0.04.

A. Simple Additive Whitening (SAW) Method

First of all, the decision-making matrix is normalized. The dimension of indices is transformed, thus changing their values without changing the relationship between variables. Multifunctional evaluation supposes combination of mathematical products of two multiplied quantities [26].

$$\sum_{i=1}^{m} w_i = 1 \quad (2)$$

w_i is the weight of *i* element, m – a number of elements (1,…n) n – a number of countries. In this case, m = 25, n = 3

The basis of quantitative multi-criteria methods is the matrix.

$$R = \left\| r_{ij} \right\| \quad (3)$$

The criterion of the method S_j fully reflects the aim of quantitative multi-criteria evaluation methods of integrating the criteria values and weights into a single magnitude [Ginevicius, Podvezko]. The sum S_j of the weighted normalized criteria values is calculated for each j-th. It is found according to the following formula [27]:

$$S_j = \sum_{i=1}^{m} w_i \tilde{r}_{ij} \quad (4)$$

In this case, normalization of the initial data may be made using the formula [27]:

$$\tilde{r}_{ij} = \frac{r_{ij}}{\sum_{i=1}^{m} r_{ij}} \quad (5)$$

The sixth formula is used to minimize the current criteria. In this case, there are five criteria: tax rates, bureaucracy, inadequately educated labour force, tax regulation and corruption (Table 3).

$$\hat{r}_{ij} = \frac{\min\limits_j r_j}{r_{ij}}, \text{ (i=1,…m; j=1,…n)} \quad (6)$$

$$r_{ij} = \frac{r_{ij}}{\max\limits_j r_{ij}}, \text{ (i=1…m; j=1…n)} \quad (7)$$

As mentioned above, it is assumed that all criteria have equal impact on FDI attraction and economic development. For this reason the weight of each criterion is equal to 0.04. As the criteria are evaluated by using SAW, the sum of all criteria is equal to 1.

B. The Algorithm of TOPSIS

TOPSIS may be applied to both maximizing and minimizing criteria. TOPSIS matrix is calculated as follows [27], [28]:

$$\tilde{r}_{ij} = \frac{r_{ij}}{\sqrt{\sum_{i=1}^{m} r_{ij}^2}}, \text{ i=1,…m; j=1,…n.} \quad (8)$$

TABLE 3

THE DATA OF CRITERIA DESCRIBING FDI FLOWS IN ESTONIA, LATVIA AND LITHUANIA

No.	Criterion	Criterion direction	Estonia	Latvia	Lithuania
1.	Fiscal incentives	Max	0.025	0.0415	0.0270
2.	Financial incentives	Max	0.015	0.0275	0.0415
3.	Information	Max	0.2	0.025	0.025
4.	Image-building	Max	0.2	0.04	0.02
5.	Investment-generating	Max	0.2	0.15	0.1
6.	Investment services	Max	0.2	0.15	0.1
7.	Institution efficiency	Max	4.70	4.07	3.86
8.	Development of infrastructure	Max	4.66	4.33	4.14
9.	Macroeconomic environment	Max	5.31	4.93	4.82
10.	Health and primary schools	Max	6.58	6.27	6.37
11.	Higher education and training	Max	5.26	5.01	4.97
12.	Goods market efficiency	Max	4.98	4.44	4.35
13.	Labour market efficiency	Max	4.7	4.7	4.5
14.	Financial market development	Max	5.1	4.8	4.5
15.	Technological readiness	Max	5.29	3.98	3.99
16.	Market size	Max	3.0	3.2	3.5
17.	Business sophistication	Max	4.65	4.28	4.56
18.	Innovation	Max	3.83	3.19	3.35
19.	Tax rates	Min	5.0	5.3	10.1
20.	Bureaucracy	Min	8.9	14.7	13.8
21.	Inadequately educated labour force	Min	18.2	7.8	9.3
22.	Tax regulation	Min	4.7	11.8	7.2
23.	Corruption	Min	3.7	8.5	10.6
24.	Foreign employment	Max	0.92	0.06	0.53
25	Transnacionalization	Max	0.468	0.583	0.450

where r_j is the normalised value of i- th criterion for j-th object, then the normalised value v_{ij} is calculated as follows:

$$v_{ij} = w_i r_{ij}, \ (i=1,\dots m;\ j=1..n) \quad (9)$$

w_i is the weight of i element. The best variant V^* and the worst variant V^- are calculated as follows:

$$V^* = \{V_1^*, V_2^*, .., V_m^*\} = \{(\max v_{ij} | i = I_1)(\min v_{ij} | i = I_2)\}, \ (10)$$

$$V^- = \{V_1^-, V_2^-, .., V_m^-\} = \{(\min v_{ij} | i = I_1)(\max v_{ij} | i = I_2)\}, \ (11)$$

where I_1 is a set of maximising criteria, I_2 is a set of minimising criteria, v_{ij} is a normalised value of the element. The overall distance (S_j^*) of every considered alternative from the best variant and from the worst variant S_j^- are calculated by n- dimensional Euclidean distance. The formulas are as follows:

$$S_j^* = \sqrt{\sum_{i=1}^{m} (v_{ij} - v_i^*)^2}, \text{ i=1,…m} \quad (12)$$

$$S_j^- = \sqrt{\sum_{i=1}^{m} (v_{ij} - v_i^-)^2}, \text{ i=1,…m} \quad (13)$$

Where v_j^* and v_j^- mean the distance from j-th attribute to the best and worst variant, v_{ij} is the weight normalise value of the j-th attribute. S^* means the degree of similarity between every evaluated variant and the best variant . The smaller S^* the smaller distance to the best variant, the better variant it is.

The criterion C_i^* of the method TOPSIS is calculated by the formula:

$$C_i^* = \frac{S_i^-}{(S_i^* + S_i^-)}, \quad (14)$$

note that $0 \le C_i^* \le 1$, when $C_i^* = 0$, $S_i = S^-$, when $C_i^* = 1$, $A_i = A^*$

Rank alternatives according to C^* in a descending order. The larger C^*, the better variant it is, and the variant which has the maximum C^* is the best.

C. MCDM-23 Method

MCDM-23 method starts from the development of value evaluation scales and value normalization. A ten-point rating system of 4–10 is applied, where10 – excellent, 9 – very good 8 – good 7 – good enough, 6 – satisfactory, 5 – hardly acceptable, 4 – unacceptable. Since it is accepted that all the indicators in determining the significance of state-level economic development are the same, all maximising criteria are evaluated by giving 10 points, and all minimising criteria are evaluated by giving 4 points. Then, the simple additive weighting is used to aggregate the scores into one score [29]. Qualitative or quantitative values of indicators are transformed into scores. Formula (15) is used when indicators are maximised, and formula (16) is used when indicators are minimised.

$$B_n = B_{n,\min} + (R_{n,\max} - R_n) \times \tan\alpha \tag{15}$$

$$B_n = B_{n,\max} + (R_n - R_{n,\min}) \times \tan\alpha \tag{16}$$

$$tax\alpha = \frac{B_{n,\max} - B_{n,\min}}{R_{n,\max} - R_{n,\min}} \tag{17}$$

Where B_n is the value of n-th indicator, $B_{n,\min}$ is the minimal value of n-th indicator in points (scale), $B_{n,\max}$ is the maximum value of n-th indicator in points, R_n is the value of n-th indicator in units, $R_{n,\min}$ is the minimal value of n-th indicator in units, $R_{n,\max}$ is the maximal value of n-th indicator in units [29]. The final step is to aggregate scores, analyse results and make decisions.

D. Results

The results of the calculation are presented in the table below (Table 4). According to all three methods, the investment promotion programme implemented by Estonia is most successful compared to other two Baltic States.

TABLE 4

THE RESULTS OBTAINED IN MULTI-CRITERIA EVALUATION OF FDI FLOWS

Method	Estonia	Latvia	Lithuania
SAW	0.89922	0.78162	0.81028
Rank	*1*	*3*	*2*
TOPSIS	0.6232	0.30602	0.50184
Rank	*1*	*3*	*2*
MCDM-23	7.867	6.294	6.807
Rank	*1*	*3*	*2*
Average rank	**1**	**3**	**2**

Thus, Estonia obtains higher values of aggregated factors, which confirm that investment promotion has influence on FDI. Estonia does not provide targeted fiscal and/ or financial incentives. However, treating local and foreign investors equally, Estonia justifies its national brand – "*Welcome to Estonia*" [20], [21].

Two other countries Latvia and Lithuania face some difficulties in introducing investment promotion. Thus, unfinished and often changing Lithuanian national brand and promotion strategy is one of the reasons why investors may overtake Lithuania and choose another country for FDI. Again, Latvia, similarly to Lithuania, is still in the period of investment promotion creation. The low value of aggregated indicators shows the relation between promotion and FDI flows and proves that investment does reflect FDI. Latvia and Lithuania attract a similar amount of FDI, and if it is exact, Latvia attracted more FDI than Lithuania in the same period. However, Latvia's rank is lower than Lithuania's. Higher or similar level of FDI flows may be explained by other factors affecting FDI flows. Comparing Latvia and Lithuania, these factors are the following: goods market efficiency, labour efficiency, fiscal incentives, institution efficiency, and development of infrastructure, financial market development, lower tax rates, lower inadequately educated labour force level, and level of corruption.

IV. CONCLUSIONS

Scientists distinguish various reasons explaining the country's ability to attract FDI, such as market, location, and internationalization. Due to the fact that countries compete for FDI, the problem of FDI attraction arises. It is considered which incentives are the most effective in FDI attraction. Currently, marketing tools and the national brand are taken into account. There are three main groups of marketing tools relevant for FDI attraction in a country: image-building, investment-generating, and investment-service activities.

All Baltic States, to a certain degree, introduce investment promotion. However, only Estonia implements investment promotion in full, which involves only marketing tools. Lithuania and Latvia are still working on FDI policy and investment promotion.

Three multi-criteria methods are applied to understand if investment promotion guarantees FDI flows and if it guarantees a positive FDI effect on the host country. According to the results, only Estonia successfully implements investment promotion, which improves the theoretical statement that investment promotion and national brand do have effect on FDI attraction, since Latvia and Lithuania have not completely introduced the investment promotion programme. The images of these countries are unclear and unrecognisable. Thus, some other factors influence inward FDI. These factors are as follows: goods market efficiency, labour efficiency, fiscal incentives, institution efficiency, and development of infrastructure, financial market development, lower tax rates, lower inadequately educated labour force level, and level of corruption.

In general, it can be stated that the investment promotion programme introduced in full affects FDI flows in a country.

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Agne Šimelytė. TĀI loma investīciju veicināšanas piesaistē: pierādījumi no Baltijas
Rakstā izskatīta investīciju veicināšanas iedarbība uz tiešo ārvalstu investīciju plūsmu valstī. Pirmajā daļā veikta zinātniskās literatūras analīze investīciju veicināšanas un TĀI izšķirošo faktoru savstarpējo sakarību jautājumos. Empīriskās analīzes veikšanai izraudzītas trīs Baltijas valstis. Igaunijā radīti vienādi apstākļi gan ārzemju, gan vietējiem investoriem darbības uzsākšanai. Igaunija ir vienīgā no Baltijas valstīm, kas izmanto visus trīs investīciju veicināšanas līdzekļus. Atšķirībā no Igaunijas, Lietuva saskaras ar problēmām investīciju programmu izstrādē un realizācijā. Tas īpaši redzams valsts tēla veidošanas procesā. Savukārt Latvija, līdzīgi kā Lietuva, nav realizējusi TĀI veicināšanas programmu un izveidojusi valsts zīmola aprakstu. Rakstā izcelti galvenie investīciju veicināšanas līdzekļi. Daudzkritēriju metodes lietotas, mēģinot noteikt TĀI izšķirošo faktoru iedarbību uz TĀI plūsmu, kā arī investīciju veicināšanas lomu starp tiem. Analīze apstiprina teorētiskos pieņēmumus, ka investīciju veicināšana tiešām atstāj iespaidu uz TĀI piesaisti. Taču, tikai pilnībā īstenojot investīciju veicināšanas programmu, investīciju veicināšanai būs tiešām liela loma.

Агне Шимялите. Роль поощрения инвестиций по привлечению ПИИ: опыт стран Балтии
ПИИ политика правительства страны и применяемые меры поощрения открывает пути для лучшего интегрирования МНК в местный рынок, также для расширения производства при использовании местной рабочей силы, земли, капитала. В научной литературе и на практике широко используются налоговые и финансовые стимулы для привлечения ПИИ. Одна из нефинансовых мер – поощрение инвестиций – косвено влияет на привлечение ПИИ и повышение осведомленности страны в глобальном рынке. В Балтийские страны начато осуществлять программу поощрения ПИИ. Эстония не применяет налоговых финансовых мер. Вместо этого, как для иностранных, так и для местных инвесторов, созданы одинаковые условия для установления и развитие бизнеса. Эстония является единственной из трех стран Балтии, в которой использованы все три меры поощрения инвестиций. Литва сталкивается с проблемами в разработке и реализации программ поощрения инвестиций. В Литве нет сформированного правильного и четкого описания имиджа страны. Однако, Латвия, как и Литва, не реализовала инвестиционную программу поощрения ПИИ, а также не имеет сформулированного описания бренда страны. В статье изучается воздеиствие поощрения потоков иностранных инвестиций в стране. В первой части проведен научный анализ отношений между поощрением инвестиций и ПИИ. В статье выделены основные меры по поощрению инвестиций. Используются многокритериальные методы для установки определяющего влияния на потоки ПИИ и роль инвестиционного поощрения межлу ними. Анализ подтверждает теоретические предпосылки, что поощрение инвестиций на самом деле имеет влияние на привлечение ПИИ. Все-таки, только при полном выполнении программы поощрения инвестиций, роль поощрения ПИИ становится по-настоящему эффективной.