FDI in Central Asia: Uzbekistan

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Abstract

FDI inflows are a significant form of capital flows mostly towards the developing countries and they decisively affect the host country's economic growth, the macroeconomic stability, the infrastructure and the governmental policy. The present paper focuses on the FDI inflows absorbed by the Central Asian countries, studying the case of Uzbekistan that attracts limited amount of FDI contrary to other countries of the region. It is argued that Uzbekistan attracts FDI mostly because of its market size and its adequacy on natural resources; however, the transformations performed failed to further increase the country's attractiveness to foreign investors.

Key – words: FDI, developing countries, Uzbekistan, Central Asia, capital inflows
JEL: F21, O18, O16, R11

1. Introduction

Over the past decades the flows of Foreign Direct Investment (FDI) towards the developing countries increased (Martinez & Jareno, 2014; Othman et. al 2014; Bhatt, 2013; Metaxas & Kechagia, 2013). The countries proceed to political, economic and legal reforms so as to become more competitive when attracting FDI. According to several studies (Arazmuradov, 2012; Paswan, 2013; Arazmuradov, 2015) the Central Asian countries are becoming one of the most significant FDI destinations since they present abundance of natural resources and large population that enhances the market size. Thus, the FDI inflows in Central Asian are investigated taken into consideration that the region presents great interest since it is surrounded and influenced by fast growing economies, including Russia, India and China.

In particular, the present paper focuses on the case of Uzbekistan, located in Central Asia, since it ranks last when regarding to the FDI stock and the estimated FDI inflows (Kenisarin & Andrews – Speed, 2008). Therefore, the article seeks to examine the determinant factors of FDI in the country, the contribution of FDI to the country's growth, the reforms performed by the government of Uzbekistan so as to render the country more attractive to foreign investors and to provide suggestion for improvement of the country's investment environment.

The contribution of the study refers to the fact that we found limited number of studies focusing on Uzbekistan, since the country has not managed to attract significant amount of FDI compared to the rest Central Asian counties. Thus, the paper does not focus on the determinant factors of FDI of the top destination countries but rather on the examination of the reasons that block the capital inflows towards the host country. Moreover, suggestions for the developing countries, such as Uzbekistan, in order to attract more FDI are presented.

2. FDI in Central Asian countries

Central Asian countries have received a significant amount of FDI since the early 1990s despite the fact that they are landlocked economies (Paswan, 2013). The foreign capital inflows in the region have been investigated by several studies. For instance, Akbar et. al (2006) and Doytch and Uctum (2011) that focused on the economic development in the region, argued that the initial economic growth of the region is positively related to the FDI flow received. Nevertheless, it is argued that FDI inflow might not affect significantly the development of the local economies. It is observed that foreign capitals inflow could influence positively the technology transfer and the local productivity; however, it could affect negatively the local competitors. Thus, the FDI impact on the local economies should be taken into consideration when designing policy interventions (Kaditi, 2006).

Moreover, it has been stated that foreign capitals inflows do influence positively the level of productivity in the host economies of the region, but this influence is lower compared to the one deriving from the imports. Hence, it is suggested that imports lead to greater productivity rather than the inflow of foreign capitals. Therefore, both imports and FDI inflows are considered channels of diffusion so that the host countries manage to achieve R&D and human capital accumulation (Krammer, 2010). Regarding, the FDI inwards in the Central Asian countries, it is observed that Russia, Estonia and Azerbaijan receive the greater amount of capitals inflow, contrary to Uzbekistan and Kyrgyzstan (table 1).

Table 1: FDI attracted into Central Asian countries

Rating	Country	Average annual inward FDI for 2002 - 2004	2005	2010
1	Russia	21.164	8.500	17.500
2	Estonia	3.171	485	795
3	Azerbaijan	3.149	1.100	1.500
4	Kazakhstan	2.982	2.025	2.950
5	Ukraine	1.517	2.500	3.988
6	Lithuania	1.209	800	1.560
7	Latvia	759	547	1.030
8	Georgia	334	170	370
9	Belarus	196	520	1.100
10	Armenia	179	200	340
11	Turkmenistan	117	218	517
12	Moldova	112	100	180
13	Tajikistan	113	54	120
14	Uzbekistan	92	200	800
15	Kyrgyzstan	43	123	215

Source: Kenisarin and Andrews – Speed (2008)

Moreover, natural resources have attracted a significant amount of foreign capitals in the region of Central Asia. Thus, despite the investment risk in the region it is observed in the Kazakhstan and Turkmenistan managed to attract most of the foreign capitals among the Central Asian countries. Uzbekistan ranks third among the recipients in the region and it is argued that this is due to the fact that Uzbekistan along with Turkmenistan applied reform strategies later than the other countries (table 2).

Table 2: FDI in 5 Central Asian countries (1996 – 2004)
(US$ million)

Country	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**Total**
Kazakhstan	1.137	1.320	1.143	1.468	1.278	2.861	2.164	2.188	3.282	16.841
Uzbekistan	90	90	140	121	75	83	65	70	180	991
Kyrgystan	47	47	87	38	-7	-1	5	46	116	631
Turkmenistan	108	108	63	125	131	170	276	218	225	1.423
Tajikistan	18	18	25	21	24	9	36	32	272	455

Source: European Bank for Reconstruction and Development, Transition Report Update (London: European Bank for Reconstruction and Development, 2005, p. 19) in Blackmon (2007)

Similarly, according to recent studies, natural resources attract foreign capitals in the agricultural and the manufacturing industry (Doytch & Eren, 2012). In addition, Doytch and Uctum (2011) argued that the manufacturing industry of the region attracts foreign capitals, while it is possible to be led to deindustrialization in case these capitals are attracted by the services sector. Nevertheless, Omri et. al. (2014) supported that there is a positive correlation between the FDI inflow in the region and the increase in CO_2 emissions in the studied area. It is argued that the countries in the Central Asia that attracted the larger amount of foreign capitals had certain common characteristics. Thus, the largest recipients had lower criminality rates, larger market size and less investment risks. Brock (1998) supported that the infrastructure and the educational level of the workforce in the recipient country do not influence significantly the amount of the received foreign capitals. Furthermore, Lankes and Venables (1996) argued that the low risk companies operating in the host country enhance the attractiveness and correlate positively with the FDI inflows.

As for the development aid it has been studied whether it can enhance the amount of the foreign capital inflow in the region. There has been observed a positive relation between the amount of the FDI flows and the employment opportunities in Central Asia. The countries of the region were characterized by absorptive ability and developed infrastructure so as to receive development aid and FDI (Arazmuradov, 2015). Moreover, there has been observed a positive relation between FDI and development aid on the region (Arazmuradov, 2012).

Another factor affecting the FDI inflows in Central Asia refers to the investment policy and the regime of the host economy. Doytch and Eren (2012) argued that FDI investors are attracted by democratic regions and choose to invest their capitals in the manufacturing and the agricultural industry. Moreover, FDI inflow invested in the services industry lead to the improvement of the local workforce educational level.

Finally, some recent studies examine FDI relation to social issues. Bayar (2011) examined the relation between FDI and corruption and argued that the amount of the FDI inflow in the region and the countries' openness to worldwide trade do not have an impact on the level of corruption. Wagstaff and Moreno–Serra (2009) focused their analysis on the role of social health insurance on FDI attractiveness. They argued that an ineffective system of social health insurance could reduce the host economy's competitiveness worldwide and thus render the country less attractive to foreign investors. In addition, it has been argued that FDI inflows might be related to child labor. Thus, it is observed that in the agricultural sector of Central Asia there is a positive relationship between capitals inflow and child labor so as to enhance the local labor market (Doytch et al, 2014). Furthermore, it is also argued that the countries of the region should improve the governmental policy, the transparency and the Rule of law so as to become more stable and to attract more foreign capitals (Paswan, 2013).

2.1. FDI in Uzbekistan

FDI inflows in Central Asian countries, among which Uzbekistan, are influenced by the governance of the recipient country, the economic liberalization and the corruption level. Uzbekistan, along with Tajikistan and Kyrgyzstan, ranks last when regarding to the FDI stock and the predicted FDI inflow (Kenisarin & Andrews – Speed, 2008). Moreover, since 1991 several improvements performed regarding the foreign policy of Uzbekistan. Thus, the government of Uzbekistan promoted the country's independence, as well as its cooperation with other nations, among which Russia, China and the USA, so as to improve its attractiveness. In addition, the foreign policy aimed at minimizing the possibility of conflicts with other countries and at improving the social and the educational infrastructures (Spechler & Spechler, 2010). Nevertheless, according to Blackmon (2007) the government of Uzbekistan has not proceeded to significant steps regarding the improvement of the infrastructure, the legal framework and the taxation system so as to improve its attractiveness in relation to other countries, such as Kazakhstan.

In addition, the government of Uzbekistan was characterized authoritarian and thus it came up with difficulty accepting the inflow of foreign capitals. Thus, along with the government of Turkmenistan among the countries of the region, the foreign policy was reformed so as not to face the capitals inflow as propaganda (Anceschi, 2010). Similarly, the autocratic government of Uzbekistan delayed the country's economic, political and religious development, while at the same time the economic development achieved, by controlled the revolutionary actions and collaborated successfully with the domestic institutions (Murtazashvilli, 2012).

Furthermore, the unstable political and financial conditions in Uzbekistan reduced its attractiveness to the western foreign investors. The prices of the war materials remained high despite the increase of the foreign capitals inflow and thus mostly the Russian and the rest Asian countries continue investing their capitals in Uzbekistan. Nevertheless, the government improved its relations with other countries of the region, such as Turkmenistan, but did not manage to restore its relations with the European countries (Kamenka, 2008). Table 3 presents the key social and economic indicators in Uzbekistan so as to take into consideration the difficulties that the foreign investors faced when investing in the country.

Table 3: Key socioeconomic indicators for Uzbekistan

Indicator	Uzbekistan
Population	25,6 million
Per capita GDP	US$ 2.324
Literacy	99,3%
Services within economy	43,8%
Income level	Low income
Human Development Index	0,727
Female economic activity level	62,3%

Source: World Bank, WTO data (2002 – 2004) in Baum & Thompson(2007)

However, several advantages derive for the economy of Uzbekistan when receiving foreign capitals. Following, Yasar and Morrison Paul (2007), during the past decade the economy of Uzbekistan has been significantly improved. The country's development strategy mostly focused on exporting natural resources, such as natural gas and mineral and on importing equipment. Nevertheless, the economy of the country has been little affected by the recent financial crisis since it is not yet directly connected to the worldwide market.

On the contrary, the government of Uzbekistan set an anti – crisis strategy via attracting foreign capitals and improving exports rates (Spechler, 2010). In addition, Uzbekistan applied a staple globalize policy through taking advantaged of its natural resources and managed to attract foreign capitals despite the underdeveloped business climate (Spechler & Spechler, 2009). Table 4 presents the foreign capital trends from 2003 to 2014. It is observed that during this period the total capital investment observed was $23.148. Moreover, the foreign capital inflow resulted in the rise of the job opportunities since 46.225 jobs were created.

Table 4: FDI trends by year in Uzbekistan

Year	Number of projects	Jobs created (total)	Capital investment (total USD million)
2014	5	862	88,30
2013	7	1.127	265,70
2012	11	3.524	4.478,30
2011	15	9.950	7.388,00
2010	13	2.765	867,70
2009	21	5.750	1.342,40
2008	20	3.840	964,70
2007	12	2.026	936,50
2006	12	962	601,40
2005	13	2.616	1.548,70
2004	16	3.234	485,10
2003	31	9.569	4.181,50
Total	176	46.225	23.148,30

Source: fDi Markets (2014).

Uzbekistan has received foreign capital inflows mostly in developing the energy industry so far (Reynoldson, 2005). In particular, the former Soviet countries, among which Uzbekistan, have attracted FDI so as to develop sustainable energy technologies, while they have been economically liberalized. Furthermore, the foreign capitals received have contributed in reducing the poverty rates and protecting the environment. In addition, the economy of Uzbekistan aims at achieving effective water management through attracting FDI (Abdolvand et al, 2014). Similarly, it is argued that Uzbekistan paid significant attention on the use of the recent renewable energy applications. Thus, the government improved the relevant infrastructure so as to apply renewable energy technologies and promoted strategies and actions (Saidmamatov et al, 2014).

Another characteristic of Uzbekistan which is expected to attract foreign capital is its cultural and archaeological characteristics. The economy of the country should attract FDI inflow so as to become a top tourist destination. Taking into consideration the limited domestic resources, it is suggested that it is essential for the economy of Uzbekistan to receive foreign capitals in order to develop the tourist industry. Thus, it is argued that an investment strategy should be applied so as attract FDI inflow, providing incentives to the foreign investors, such as low taxation and interest rates and long term land leasing opportunities (Kantarci, 2007).

Similarly, Uzbekistan could take advantage of the tourist industry so as to come up with the globalization challenges and gain economic profits. Baum and Thompson (2007) argued that foreign capitals could be invested in the tourism industry of the country so as to increase its competitiveness, its attractiveness, the human capital accumulation and to improve the workforce skills. Apart from the tourist industry, the service sector has also attracted a significant amount of FDI in the country. According to Estrada et al (2013) over the past decade foreign capitals have been invested in the Uzbekistanian services so as to achieve greater labor productivity and development. Nevertheless, it is argued that more capitals should be invested in order to increase the human capital and to reduce the productivity costs.

In addition, Uzbekistan offers significant motives so as to attract foreign capitals in the textile industry. These incentives were based on the denationalization and privatization strategies promoted by the government of Uzbekistan for the host companies. The companies of Uzbekistan have managed to reduce the production cost rending the production procedure more profitable, compared to other FDI recipients. Thus, the provided motivations have increased the country's attractiveness for FDI (De Coster, 2005).

Finally, the spatial characteristics of the economy of Uzbekistan have been investigated (Hanks, 2000). It is argued that Uzbekistan is expected to attract low level of capitals inflow in the future since the neighboring countries are expected to attract most of the FDI inflow in the region. Thus, the unemployment rates will increase while the standard of living could not be improved. Therefore, a decentralized financial development is suggested. In addition, according to Spechler (2010) the limitations on the operation of the private firms and on the banking loans should be reviewed. In addition, it is observed that the remittances in the countries of the region, among which in Uzbekistan, have increased significantly over the past years. It is estimated that at present the remittances correspond to 10% of the country's GDP and they are higher than the FDI inflow and the foreign aid (Kakhkharov & Akimov, 2015).

3. Overall assessment

The FDI inflows in Uzbekistan are investigated in the present essay. Interesting observations derive regarding the key factors of FDI in the country, which are presented in Table 5.

Table 5: Determinant factors of FDI inflows in Uzbekistan

	Uzbekistan
Government	Authoritarian regime
Political and financial conditions	Unstable political and economic environment
Ownership	Denationalizations and privatizations mostly in the textile industry
Economic development	Achieved moderate economic growth through limiting the revolutionary actions
Socioeconomic indicators	Reduced the poverty rates, increased the productivity rates, achieved environment protection, increased exports, created job opportunities, moderate increase of G.D.P.

Moreover, the case study analysis led to interesting conclusions regarding the type of regime, the political and the financial conditions, the types of ownership, the level of development and the socioeconomic factors. More particularly:

- *Regime*

The governmental regime of Uzbekistan is characterized autocratic. The authoritarian regime could averter the foreign investors since it could be infective. In addition, it could be characterized by lack of transparency and integrity. It is observed that the governmental policy of Uzbekistan did not lead to an effective Rule of Law and therefore it is less possible to fully protect the foreign companies' property rights. Moreover, it could lead to a high risk investment environment and to provide low protection on the foreign investors' assets. This means that the regime of Uzbekistan could lead to more political risks and thus reduce the country's competitiveness in attracting foreign capitals.

Furthermore, there are trade limitations, the government's presence is strong in each economic activity, the access to foreign market is limited, the financial services are underdeveloped and corruption rates could increase. Consequently, high corruption rates could averter the social and the financial growth since the governance could be ineffective. In addition, the ineffectiveness of the governmental policies could lead to bureaucracy and increase further the risk of the financial activities reducing the country's ability to attract foreign capitals. Thus, it is considered essential to fight against corruption so as to achieve higher economic development.

- *Political and financial environment*

Uzbekistan is characterized by an unstable political and economic environment. This means that it is more possible for political coups to be presented, along with the high corruption level mentioned. Also, the political and the economic conditions unstable and thus lack of integrity is observed, while it is less possible for the legal legislation to be applied effectively. Moreover, the citizens of Uzbekistan do not have complete participation rights in the political procedures and hence it is more possible for revolutionary actions to arise. Thus, effectiveness of the financial services and economic imbalance could be presented. This, ineffectiveness along with the political risks observed in the investment environment of Uzbekistan could averter the foreign investors. In conclusion, the higher political risks lead to problematic and ineffective governance and set in danger the protection of the foreign investors' property rights.

- *Ownership*

In Uzbekistan denationalizations and privatizations mostly occurred in the textile industry. In order for these privatizations to be successful there should be reduced the foreign currency exchange limitations and the governmental policies should be more opened to foreign investors so that they invest their capitals in the most attractive privatized companies. Therefore, the governmental control should be reduced so that these privatizations are completed successfully.

- *Economic development*

Uzbekistan country managed to achieve moderate economic development through limiting the revolutionary actions. GDP growth slowed and there was little improvement in the residents' living standards. Thus, the country remained among the poorest in the region, while its economic performance was weakened by the political and governmental ineffective policies. Hence, despite the large size of the country's economy, the governmental policies continue to rely on strong control and interventions, blocking the economy's high level of development.

- *Socioeconomic factors*

In Uzbekistan the poverty rates reduced, while the productivity rates and the exports increased. Job opportunities were created, environmental measures were taken and GDP increased moderately. Nevertheless, the society of Uzbekistan was still characterized by human rights violation, while accessibility to primary education was not guaranteed for every citizen. Thus, it is essential to design and apply social programs, mostly for the vulnerable social groups. In addition, the accessibility to the educational services and the enrolment to the primary education should be guaranteed so as to further reduce the poverty rates. Finally, more environmental strategies should be applied so as to protect the natural resources reserves, while accessibility to health services should be satisfies so as to avoid problems associated with poverty, such as malnutrition and child mortality.

Therefore, taking into consideration the results of the factors affecting the FDI inflows in Uzbekistan, *suggestions* are presented so that the country designs and applies policies and strategies in order to increase their competitiveness and to attract more foreign capitals.

The *first* suggestion refers to further reduction of the poverty rates and to the improvement of the standard of living. Moreover, is should be ensured that the wellbeing of the residents in the rural regions is similar to the one of the residents in the urban areas, while the unemployment rates should be reduced. Therefore, more economic opportunities should focus on the poor residents, as well as provision of financial aid to the vulnerable social groups. In addition, efforts should be made so as to improve the level of education. Thus, the enrolment in primary education should be ensured, along with the improvement of the quality of education provided to the students. Moreover, the educational system of Uzbekistan should be reviewed, educational technologies should be adopted and scholarships should be provided to the economically weak students. The adequacy of specialized students and the accessibility to educational programs are also suggested. Finally, the access to potable water and sanitation should be ensured for every resident in Uzbekistan in both rural and urban regions.

The *second* suggestion refers to the review and the improvement of the social policies in Uzbekistan. Thus, efforts should be made so as to improve the health sector management through realizing new infrastructures, establishing a safe environment for the upcoming generations, focusing on the primary care and ensuring full accessibility to the health services. In addition, special attention should be paid on the maternal and child health, while financial aid could be provided to the deprived families. Moreover, equal access should be guaranteed to every social, health and educational service, while special programs should be designed so as to reduce the unemployment rates and to improve the country’s competitiveness.

The *third* suggestion refers to the improvement of the transportation industry so as to further promote the exports, the competitiveness and the country’s growth taking into consideration that the country does not have access to the sea. Thus, the transportation industry should be reformed so as to ensure the reduction of the transportation costs, the improvement of the operational efficiency and to ensure the reliability of the transportation services. The reconstruction of the transportation system would also increase the performance of the private firms and the spatial development of the country would be achieved.

The *fourth* suggestion refers to liberalization and the openness of the regime so as to increase the financial performance, the efficacy and the transparency of the public services, and to strengthen the market institutions. The improvement of the present authoritarian regime would also enable the amelioration of the investment climate, rending it more favorable and the country more competitive. In order to further improve the financial climate tax benefits could be provided to the investors and more joint ventures should be pursued. In this way the country would manage to reduce the credit risk, to improve the legal system and to improve the performance of the banking system. Thus the improvement of the public administration would promote the further financial liberalization and the sustainable economic development. The administration reforms should also aim at improving the governmental functions and structures. Finally, the modernization of the governmental procedures would promote the reduction of the bureaucracy and the introduction of new technological and communication methods.

In addition, Table 8 presents the sectors that received most of the foreign capital inflows in Uzbekistan. It is observed that the minerals and the energy sectors attracted more FDI inflow and that the infrastructure sector in Uzbekistan mostly absorbed foreign capitals in the renewable energy industry.

Table 6: The sectors absorbed FDI inflows in Uzbekistan

Uzbekistan
Mining industry
Agricultural sector
Energy technologies industry, renewable energy industries
Water management technologies
Infrastructure on renewable energy sector, not enough infrastructures in other sectors
Service sector
Textile industry
Tourist, cultural and archaeological industry

Furthermore, compared to the findings regarding the Central Asian countries in total it is argued that FDI contribute to economic growth and that it is important for the host country to have a democratic regime, contrary to Uzbekistan which is characterized authoritarian, as presented in Table 7. Also, most Central Asian economies absorbed FDI in agriculture and manufacturing, while Uzbekistan absorbed most FDI in the mining, agricultural, energy, services, textile and tourist sectors. Nevertheless, in both cases the countries attracted FDI because of their abundance in natural resources. Finally, it is important for the Central Asian countries to develop the Rule of law; however, in the case of Uzbekistan the legal reforms performed were not sufficient so as to attract more FDI, while the Uzbekistanian government applied successful environmental policies compared to the rest countries of the region.

Table 7: FDI inflows Central Asian countries and in Uzbekistan

	Central Asian countries	Uzbekistan
Growth	FDI inflows led to economic growth and increased productivity	FDI led to financial development and reduced poverty rates
Sector	Most FDI in the energy, agricultural and manufacturing industry	Most FDI in the mining, agricultural, energy, services, textile and tourist sector
Natural resources	The countries of the region attracted FDI since they are rich in natural resources reserves	Attracted FDI because of the country's abundant natural resources
Education and infrastructure	They are not considered key factors in attracting FDI	The Uzbekistanian government improved both infrastructures and social services
Regime	Democratic regions attract more FDI	Authoritarian regime
Legal framework	Top FDI destinations developed the Rule of law	The legal reforms performed proved insufficient
Environment protection	FDI increased CO2 emissions in the region	Successful environment strategies applied

4. Conclusions and Recommendations

An increasing amount of FDI is absorbed at present by the Central Asian economies, among which Uzbekistan. Previous studies (Doytch & Uctum, 2011; Yasar & Morrison Paul, 2007) agree that the foreign capitals enhanced the economic development, while the amount of them was not influenced significantly because of the recent financial crisis. The FDI inflows enable the host economies to improve their infrastructure, to offer tax motives to the investors and to achieve macroeconomic stability. In addition, the host countries improve their governmental policy via receiving FDI inflows. The findings support the results of Yasar and Morrison Paul (2007) that in Uzbekistan economic growth is achieved when receiving foreign inflows, which then lead to the reduction of the inequalities in the host country.

In sum, it is argued that the factors that blocked greater amounts of FDI inflows are mostly the authoritarian regime and the underdeveloped legal framework. Furthermore, the country failed to achieve political and financial stability. Nevertheless, the rich natural resources reserves and the successful anti – crisis policy increased the country's attractiveness to foreign investors, along with the efforts for successful cooperation with neighboring fast growth economies. In addition, the country applied successful environmental policies contrary to the rest Central Asian countries (Omri et. al. 2014).

However, the present study is subjected to certain limitations. The first limitation refers to the number of the case studied chosen. There has been performed an analysis limited in the case of Uzbekistan, while future researches could include more countries of different regions. The second limitation refers to the number of the variables chosen. In addition, since the present study focused on one country it is difficult to generalize the findings in other developing countries.

In conclusion it is proposed that Uzbekistan should offer more generous financial, social and governmental incentives to the foreign investors. The further improvement of the political and macroeconomic conditions would improve the country's attractiveness. However, since it is observed that both countries are rich in natural resources, it is proposed that measures should be taken so as to protect the environment and to manage the resource reserves. Furthermore, in order to improve the political stability increased privatization is suggested, as well as price deregulation. In other words, despite the inability of Uzbekistan to improve its attractiveness, it has been observed that the FDI inflows enabled the economic development. Hence, more financial and political measures should be taken so as to improve its rank among the region's top FDI destinations.

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