
Business environment in Egypt, an attractive or expelling environment for FDI: an economic perspective

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Keywords

Protectionism, Exchange rate, FDI, political instability

Abstract

Purpose – The purpose of this paper is to examine whether the Egyptian business environment is attractive or expelling for FDI investors, by analyzing the effect of political instability and exchange rate volatility.

Design/methodology/approach – The paper uses a combination of qualitative and quantitative research approaches, reassessing a case study and distributing questionnaires to collect the data.

Findings – The paper reveals that exchange rate volatility and political instability were negatively related to FDI inflows in the Egyptian market.

Practical Implications – The current paper will suggest some recommendations to enhance practitioners, such as the Egyptian government, Multinationals, and other business stakeholders. Furthermore, help foreign investors in understanding the Egyptian context.

Research Limitations – By choosing only two variables to test the FDI determinants (political instability and exchange rate), other variables that have been neglected might have affected the business environment.

Originality/Value – This study argues that the impact of the exchange rate volatility and political instability on the FDI inflows in the MENA region, specifically the Egyptian market was not much investigated. Therefore, this paper will help in showing the impact of some of the economic and political variables on the Egyptian Business Environment.

Research Type – Research Paper
