The Impact of Foreign Direct Investment on Inflation and Economic Growth in Egypt

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Abstract:

The attraction of Foreign Direct Investment (FDI) has become a critical concern for economists and policymakers. Emerging and developing countries, particularly Egypt, are engaged in intense competition to attract foreign investments, primarily due to insufficient domestic savings relative to the investment required for development. In this context, FDI serves as an alternative to external loans and grants. Moreover, the inflow of FDI significantly contributes to economic growth and development by improving infrastructure, creating employment opportunities, introducing and localizing advanced technologies, and providing essential financial resources for investment. Additionally, FDI expands the investment base in the host country, enhances the skills and expertise of the local workforce, and fosters job creation.

This study examines the complex relationship between FDI, economic growth, and inflation in Egypt, utilizing the ARDL model based on annual data from 2000 to 2023. The findings indicate a long-term relationship between FDI and GDP growth. The optimal ARDL model (4, 4, 2) was selected based on the data analysis. The results underscore the importance of FDI in driving economic expansion while emphasizing the necessity of sound macroeconomic policies to maximize its benefits. Therefore, the study recommends that policymakers prioritize the development of economic sectors with strong linkages to FDI. Targeted policies should aim to optimize the positive effects of foreign investments on domestic industries by fostering backward and forward linkages, thereby strengthening local supply chains.

Keywords: ARDL, Economic growth, FDI, Inflation, Egypt.

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1. Introduction

Foreign direct investment (FDI) is one of the most important and prominent topics in all countries worldwide, whether developing or developed. This is due to its significant impact on economic growth and development, as well as its role in increasing the productivity of economic projects, which, in turn, positively affects the overall economy. For this reason, most countries have turned their attention to both direct and indirect foreign investment. In an effort to enhance FDI inflows, many nations have undertaken various economic reforms aimed at attracting more multinational corporations and increasing foreign investment flows (Awwad & Majeed, 2024).

The FDI contributes to economic growth and enhances economic development by improving infrastructure, creating job opportunities, and facilitating the transfer and localization of modern technology. It also provides the necessary resources to finance investments and expands the investment base in the host country. Additionally, FDI allows exposure to advanced management, organizational, communication, and marketing practices, enabling the national workforce to acquire higher skills and greater expertise. Furthermore, it helps address unemployment by generating more job opportunities (Sayed et al., 2022; Barkat, 2018).

Empirical research demonstrates that FDI leads to economic growth mainly within developing countries. Borensztein, De Gregorio, and Lee's 1998 study demonstrated that FDI stimulates economic growth through improvements in domestic firms productivity together with the transfer of new technology. Alfaro and Chauvin (2016) demonstrate how FDI promotes financial development while ensuring better access to capital, both being vital elements for economic growth. Blomström & Kokko (2002) and Lipsey (2013) research shows that the effect that FDI has on growth depends on a lot of things, such as the quality of the institutions, the level of human capital, and the economy's ability to accept foreign investments. The development of human capital functions as an essential factor that determines how effectively FDI can drive economic growth. Based on the research by Wright et al. (2001), the resource-based view of the firm shows that skilled labor is essential to getting investment benefits from FDI operations.

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Despite the significant economic importance of FDI and their role in supporting economic growth, they also have some negative impacts that may affect the local economy. One of the most prominent effects is the displacement of a significant portion of local enterprises from production and investment processes. The influx of foreign capital may lead to unfair competition between local and foreign companies, potentially hindering the growth of certain national sectors and weakening their competitiveness. Additionally, these investments may become concentrated in specific sectors while neglecting others, leading to structural imbalances in the economy (Osman et al., 2021). Recently, the government has initiated measures to streamline bureaucracy and administrative obstacles, including the creation of a single point of contact for investors. Additionally, Egypt possesses other key determinants that attract foreign direct investment, including a large market and low-cost labor (Sayed et al., 2022).

While existing literature establishes FDI's ambiguous role in Egypt's macroeconomy, methodological constraints and outdated data limit actionable insights. This review underscores the need for dynamic, context-sensitive models to disentangle FDI's dual impact on growth and inflation. By applying an updated ARDL framework, this research aims to inform policies balancing FDI attraction with macroeconomic stability in Egypt.

The research investigates unknown aspects of how economic expansion interacts with FDI and inflation within Egypt. The point of this study is to look into how FDI affects economic growth by lowering inflation, to find the lowest levels of inflation that don't hurt expansion, and to come up with policy ideas that will make FDI work better. This study uses both econometric analysis of time-series data and qualitative methodological insights to look at changing relationships and give policymakers evidence-based advice. This study initiates with a literature review before detailing the methodology used, then shows the results before offering findings, discussing them, and culminating with policy implications and recommendations.

2.LITERATURE REVIEW AND THEORETICAL FRAMEWORK

This review examines Egyptian economic growth and inflation changes from foreign direct investment through theoretical insights together with empirical data and methodological structures. With regard to Egyptian economic performance does foreign direct investment create an environment that promotes growth along with controlled inflationary levels or does it instead lead to greater macroeconomic instability?

2.1 Theoretical Frameworks and Foundational Studies

2.1.1 FDI and Economic Growth: Competing Perspectives

No definitive conclusion exists about how foreign direct investment affects inflation and economic growth, according to academic studies. Further empirical research must explore this interaction because country-specific economic conditions significantly shape such dynamics. Studies that examine the relationship between foreign direct investment and inflation show a range of contradictory findings. Some research shows that FDI moves in line with rising inflation levels, but other work demonstrates that inflation tends to move in reverse with FDI. Udoh et al. (2012) used a GARCH model as their framework to explore how inflation uncertainty along with exchange rate volatility affected FDI inflows to Nigeria. According to their research data, developing markets benefit from attracting FDI when they sustain low inflation rates because this combination supports economic growth. Through linear Granger causality analysis, the researchers were not able to figure out which of the FDI and inflation metrics causes changes during their study. Based on the assessment by Djokoto (2012), during the period from 1970 to 2009, Ghana demonstrated a negative correlation between FDI flows and inflation.

Several studies conducted in Pakistan have yielded conflicting findings. Hansen and Rand (2006) and Bekhet and Yusop (2009) examined the impact of domestic inflation on FDI and trade. Hansen and Rand (2006) analyzed data from 1990 to 2008 using the Simple Least Squares Method, while Bekhet and Yusop (2009) employed a co-integration test combined with an error correction model. Both studies identified positive relationships; however, these were not statistically significant. The discrepancies between these findings and those of Djokoto (2012) can be attributed to differences in research methodologies.

Multiple empirical research studies demonstrate FDI creates beneficial effects on economic development. According to Coban and Yussıf (2019), economic growth experiences greater impact from FDI compared to domestic investment levels. Borensztein and colleagues (1998) established that FDI promotes economic growth with the condition that educational attainment exceeds defined benchmarks. Research evidence backing the FDI-driven growth theory appears in Zhang's (2001) study, Hansen and Rand's (2006) paper, and Esso's (2010) research, which demonstrate how FDI generates

economic progress in emerging nations. In their study, Herzer and Klasen (2008) refuted prevailing assumptions when they failed to detect a causal relationship between FDI flows and economic growth among data from 28 developing countries.

Research results show extensive evidence that inflation has a harmful impact on economic growth. The underlying research traced back to (Bruno and Easterly, 1998; Sarel, 1996; Khan and Senhadji, 2001; Hossain, 2005; Erbaykal and Okuyan, 2008; Marbuah, 2010; Quartey, 2010; Hossain et al., 2012). All studies verify that inflation negatively impacts economic growth; however, researchers present continuing conflicting views about the direction of causation between inflation and economic growth.

The studies by Sarel (1996) and Bruno and Easterly (1998) demonstrate through empirical evidence that economic growth suffers exclusively when inflation reaches extremely elevated levels, but Sarel (1996) added more detail by specifying that growth begins to suffer harm when inflation surpasses the level of 8%. The works by Hossain (2005), Erbaykal and Okuyan (2008), and Marbuah (2010) show proof that inflation causes outcomes in economic development. According to Ghosh and Philips's (1998) research findings, low inflation levels lead to economic growth, which reveals a convex relationship in nonlinear models when assessing the inflation-economic growth link. The presented evidence demonstrates that inflation and economic growth display a general pattern of inverse relationship. These studies prevent us from establishing a clear causal relationship between them.

In a nutshell, while the examined literature reveals a negative relationship between FDI and inflation, a positive or negative relationship between inflation and economic growth, and a positive relationship between FDI inflows and economic growth, empirical studies do not give us the liberty to conclude strongly on the direction of causal links between these three variables. This implies the threesome relationship is influenced by the specific nature of an economy being studied.

Current research within the FDI-inflation-economic growth nexus literature reveals various interpretations regarding the connections between the three components. Most empirical studies in this domain examined panel and cross-sectional data. Analysis of the genuine relationships between these three variables becomes impossible since both cross-sectional and panel data techniques produce sample averages for their data across countries that share

no regional commonalities. able to study the actual relationship between the three variables due to the fact that cross-sectional and panel data average the data for the sample used and apply it across countries from non-related regions. The analysis overlooks unique combinations linking these variables across different nations.

2.2 FDI and Inflation Dynamics

- **Demand-Pull vs. Cost-Push Effects** FDI inflows may fuel inflation through increased aggregate demand (demand-pull) or reduce production costs via efficiency gains (cost-push mitigation). Okon et al. (2023) highlight this duality in emerging markets.

- **Egypt-Specific Context**: : El-Sharabassy (2008) argue FDI in Egypt's energy sector reduced inflationary pressures through infrastructure investments, while FDI in non-tradables (e.g., real estate) exacerbated demand-side inflation.

2.3 Empirical Evidence

2.3.1 Time-Series Analyses and the ARDL Model

- **ARDL Advantages**: Cointegration analysis with mixed integration orders (Pesaran et al., 2001) suits Egypt's volatile macroeconomic data. Studies like Sallam (2021) applied ARDL to Egypt (1970–2019), finding long-run FDI-growth synergy but short-term inflationary risks.

- **Limitations of Traditional Models**: Earlier studies (e.g., OLS, VAR) often ignored structural breaks (e.g., the 2011 revolution, COVID-19), leading to biased estimates.

2.3.2 Critical Gaps and Contradictions

- **Temporal and Structural Omissions**: Most Egypt studies (e.g., Ibrahiem, 2015; Mohamed, 2021) end pre-2021, neglecting post-pandemic FDI trends and inflation shocks (e.g., the Ukraine war, currency devaluation).

- **Sectoral Heterogeneity**: FDI in manufacturing vs. extractive industries may yield divergent outcomes (World Bank, 2022), yet few studies disaggregate FDI data for Egypt.

- **Policy-Transmission Mechanisms**: Limited exploration of how fiscal/monetary policies mediate FDI-inflation-growth dynamics.

3.DATA AND METHODOLOGY

The study uses the growth rate of GDP as a measure of economic growth, FDI, and the Consumer Price Index (CPI) as a measure of inflation in Egypt. The study relied on the database of the Central Bank of Egypt to obtain the basic data for the analysis. The study uses yearly data from 2000 to 2023 and uses the Autoregressive Distributed Lag (ARDL) method to find out how the relationship between foreign direct investment, inflation, and economic growth in Egypt changes over time. We also use the causality tests to understand the relationship between the variables. However, issues arose when applying the Ordinary Least Squares (OLS) method and bivariate Vector Autoregression (VAR) models from previous studies. This could lead to incorrect interpretations and overlook important variables. Therefore, this study employs a trivariate ARDL technique. From a theoretical standpoint, the linkage between inflation and economic growth determined from the Keynesian model is initially positive and becomes negative after some point (Hein, 2017). However, the neoclassical framework assumes that inflation has either a positive or a negative effect on growth. In the above, the endogenous growth theory further goes on to state that inflation impairs both FDI and economic growth. Furthermore, the new growth model posits a bidirectional causal relationship and positive correlation between FDI and economic growth. As such, given these alternative theoretical perspectives, there are empirical questions as to which model of the Egyptian economy is most appropriate.

4. Results and Discussion

This section analyzes the results based on fundamental econometric measurement techniques, examining them across three levels. The first level (preliminary analysis) focuses on testing data stationarity. The study employs the Augmented Dickey-Fuller (ADF) test and the Phillips-Perron (PP) test to determine the order of integration for each variable under investigation. The analysis begins by identifying the integration order—whether the variables are at level form, first differences, or second differences. Determining if the variables integrate of order zero ($I(0)$), order one ($I(1)$), or order two ($I(2)$) is crucial.

The second level, which is the most important part of this study's analysis, uses the ARDL model and the bounds testing method to look at the lag structure between the variables being studied. The heteroskedasticity test, the cumulative sum of squares (CUSUMQ) test, and the cumulative sum (CUSUM) test are some of the diagnostic tests that are done after the estimate is made.

4.1 Stationarity Test

Building on the findings of Newbold, and Phillips, the analysis must be conducted using stationary data. If the analysis is performed with non-stationary data, it may lead to spurious regression results. As we already said, the first step is to use unit root tests, specifically the ADF PP test, to figure out the order of integration of the variables and see if there are any unit roots.

This step is still needed even though the bounds testing method doesn't need unit root testing for every variable in the model because it works whether the variables are integrated at I(0), I(1), or cointegrated. The model can only be applied if the variables are jointly integrated at I(0) and I(1) or are mutually cointegrated. The following sections of the paper further explore this issue.

The following two tables present the results of the unit root analysis using the ADF and PP tests. The results of both tests indicate that all variables—GDP, CPI, and FDI—are entirely non-stationary at level form for both tests.

In contrast, the results reveal that all variables under study become stationary at the first difference, indicating an integration of order I(1). Specifically, the dependent variable (GDP) is found to be stationary at the first difference (Tables 1 and 2). Consequently, proceeding with the ARDL model is appropriate, as suggested by Newbold (1974) and Phillips (1986).

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Table 1. The results of ADF test.

Constant & Trend	ADF Statistics	At level		
		GDP	CPI	FDI
With Constant	t-Statistic	-2.93	-1.80	-1.91
	Prob.	0.056	0.36	0.32
		no	No	no
With Constant & Trend	t-Statistic	-2.85	-3.15	-2.21
	Prob.	0.19	0.11	0.46
		No	No	No
Without Constant & Trend	t-Statistic	-1.20	-0.12	-0.45
	Prob.	0.20	0.62	0.50
		no	no	no
At first difference				
With Constant	t-Statistic	-5.26	-3.78	-4.37
	Prob.	0.000	0.009	0.00
		*	*	*
With Constant & Trend	t-Statistic	-4.97	-3.70	-4.25
	Prob.	0.003	0.043	0.014
		*	**	**
Without Constant & Trend	t-Statistic	-5.39	-3.74	-4.38
	Prob.	0.000	0.000	0.000
		*	*	*

Note. (*) Significant at the 1%; (**) Significant at the 5%; (***) Significant at the 10%; (NO) Not Significant. Source: Author's computation using Eviews 12.

Table 2. Result of phillips-perron unit root test

Constant & Trend	PP Statistics	At level		
		GDP	CPI	FDI
With Constant	t-Statistic	-3.000	-1.93	-1.91
	Prob.	0.04	0.31	0.32
		**	no	no
With Constant & Trend	t-Statistic	-2.99	-2.55	-2.21
	Prob.	0.15	0.30	0.46
		no	no	no
Without Constant & Trend	t-Statistic	-1.20	-0.14	-0.45
	Prob.	0.20	0.62	0.50
		no	no	no
At first difference				
With Constant	t-Statistic	-5.26	-3.77	-4.37
	Prob.	0.000	0.009	0.002
		*	*	*
With Constant & Trend	t-Statistic	-4.99	-3.70	-4.24
	Prob.	0.003	0.04	0.015
		*	**	**
Without Constant & Trend	t-Statistic	-5.39	-3.74	-4.38
	Prob.	0.000	0.000	0.000
		*	*	*

Note. (*) Significant at the 1%; (**) Significant at the 5%; (***) Significant at the 10%; (NO) Not Significant. Source: Author's computation using Eviews 12.

4.2 Bounds Co-integration Test

The paper first uses the ADF and PP tests to make sure that the order of integration for each study variable is correct. Then it estimates the F-statistics, which can be seen below in Table 3. If we look at the GDP growth rate as the dependent variable and CPI and FDI as the independent variables, we can see that the alternative hypothesis says there is cointegration, while the null hypothesis says there is no long-term relationship.

Notably, the F-statistic is 3.88, which exceeds all upper bound critical values at the 5% and 10% significance levels. As a result, the paper rejects the null hypothesis and accepts the alternative hypothesis. This proves that the variables being studied have a long-term relationship with the dependent variable.

Table 3. Result of F-Bounds test

Test Statistic	Value	Signif.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	3.885401	10%	2.63	3.35
k	2	5%	3.1	3.87
		2.50%	3.55	4.38
		1%	4.13	5
Actual				
Sample Size	20		Finite Sample: n=30	
		10%	2.915	3.695
		5%	3.538	4.428
		1%	5.155	6.265

Note. k is the number of regressors. Source: Author's computation using Eviews 10.

4.3 Auto-Regressive Distributed Lags (ARDL) Models

The paper first checks to see if the variables being studied are cointegrated. So it finds the best ARDL model for all of them and the best lag structure between them. The optimal ARDL model (4, 4, 2) was selected based on the Schwarz Bayesian Criterion. The fact that the coefficient of the constant is negative and statistically significant in Table 4 shows that the ARDL model meets the necessary condition. The following equation and Table 5 present the long-run parameters of the ARDL model. The estimates indicate strong causal effects (at a significance level of less than 10%) extending from CPI and FDI toward GDP growth rate.

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Table 4. Autoregressive Distributed Lag Estimates. ARDL (4, 4, 2) selected

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.925173	0.333317	-2.77565	0.0275
DGDP(-1)*	0.198563	1.137286	0.174594	0.8663
CPI(-1)	-0.00223	0.03212	-0.06939	0.9466
FDI(-1)	-0.14246	0.04604	-3.09431	0.0175
D(DGDP(-1))	-1.20225	0.892813	-1.34658	0.2201
D(DGDP(-2))	-1.27542	0.514024	-2.48125	0.0421
D(DGDP(-3))	-0.67962	0.315631	-2.15321	0.0683
D(CPI)	-0.02665	0.015008	-1.77537	0.1191
D(CPI(-1))	-0.00947	0.023261	-0.40717	0.696
D(CPI(-2))	-0.02849	0.019899	-1.43149	0.1954
D(CPI(-3))	-0.03821	0.017539	-2.1783	0.0658
D(FDI)	-0.09201	0.062759	-1.46603	0.1861
D(FDI(-1))	0.097853	0.058464	1.673726	0.1381

Note. p-values and any subsequent tests do not account for model. Source: Author's computation using Eviews 12.

Table 5. Estimated long run coefficients using the ARDL approach. ARDL (4, 4, 2) selected.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CPI	0.011225	0.188797	0.059457	0.9543
FDI	0.717459	3.99819	0.179446	0.8627
C	-4.65934	26.7363	-0.17427	0.8666

EC = DGDP - (0.0112*CPI + 0.7175*FDI - 4.6593)

Source: Author's computation using Eviews 12.

The paper first estimates the F-bound test and then the Error Correction Model (ECM) to reach long-term equilibrium. Table 6 presents the results of the ECM estimation. As shown, the Error Correction Term is statistically significant with a positive sign. According to the Granger representation theorem (Engle & Granger, 1987; Granger & Weiss, 1983), this shows that the variables have a long-term relationship, which proves that the error correction representation is correct. However, the primary purpose of ECM is to demonstrate the speed of adjustment toward long-run equilibrium. In particular, the ECT value of 0.19 for the GDP growth rate means that every year, about 19% of the difference from equilibrium in the previous year is fixed, bringing Egypt's GDP growth back to its long-term equilibrium level (Table 6).

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Table 6. Short-run dynamic error correction representation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(DGDP(-1))	-1.20225	0.286919	-4.19019	0.0041
D(DGDP(-2))	-1.27542	0.280683	-4.54399	0.0027
D(DGDP(-3))	-0.67962	0.21972	-3.09313	0.0175
D(CPI)	-0.02665	0.010889	-2.44706	0.0443
D(CPI(-1))	-0.00947	0.010165	-0.93171	0.3825
D(CPI(-2))	-0.02849	0.011035	-2.58137	0.0364
D(CPI(-3))	-0.03821	0.013432	-2.84442	0.0249
D(FDI)	-0.09201	0.041849	-2.19853	0.0639
D(FDI(-1))	0.097853	0.042465	2.304303	0.0546
CointEq(-1)*	0.198563	0.042141	4.711931	0.0022
R-squared	0.891595	Mean dependent var		-0.06407
Adjusted R-squared	0.794031	S.D. dependent var		0.587211
S.E. of regression	0.266499	Akaike info criterion		0.499957
Sum squared resid	0.710215	Schwarz criterion		0.997823
Log likelihood	5.000432	Hannan-Quinn criter.		0.597145
Durbin-Watson stat	3.022234			

Source: Author's computation using Eviews 12.

Figure 1 shows the CUSUMQ, and Figure 2 demonstrates the CUSUM. The study gets these numbers by estimating the model many times at a 5% significance level to make sure the data is stable. The CUSUM and CUSUMQ plots stay within the 5% confidence interval, which shows that the parameters stayed the same over the time series period. This also means that the estimated coefficients were stable.
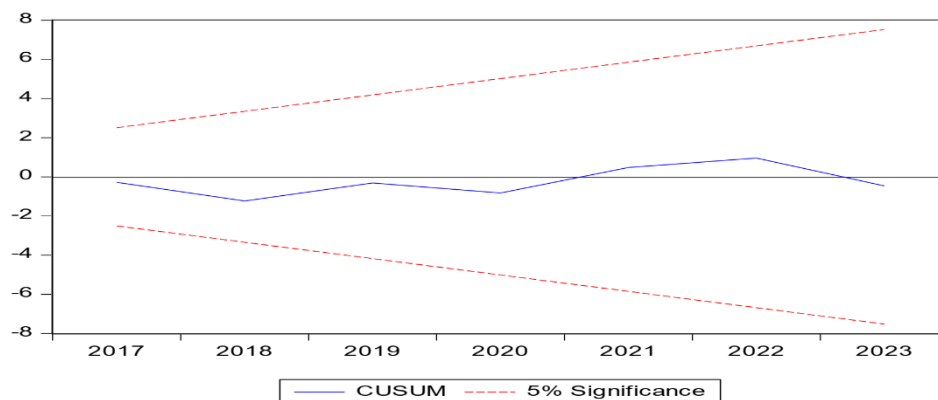

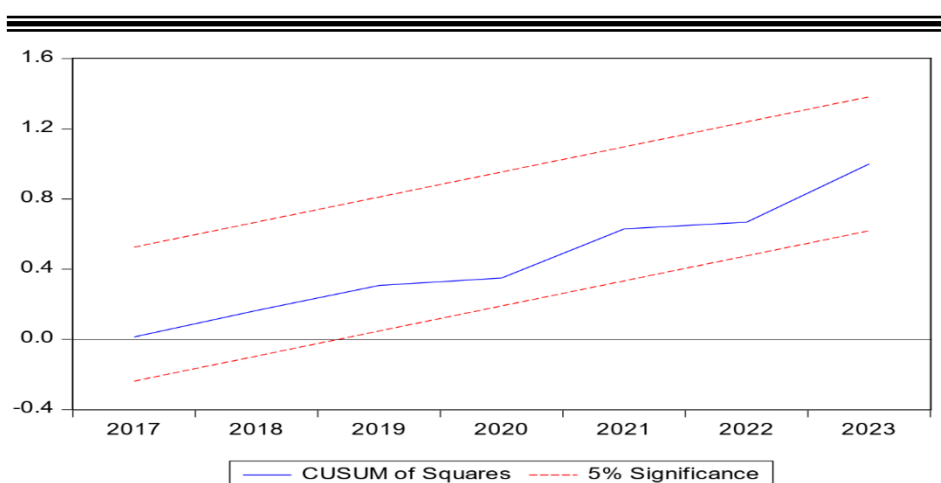Figure 1. Plot of cumulative sum of squares of recursive residuals

Figure 2. Plot of cumulative sum of recursive residuals.

5. Conclusions and recommendations

FDI plays a pivotal role in accelerating economic growth in developing economies by facilitating capital inflows, transferring advanced technologies, and enhancing managerial expertise. Over the years, extensive research has examined the impact of FDI across various economic dimensions, including innovation, human capital development, employment, and productivity. The Egyptian experience underscores the potential of FDI as a catalyst for economic progress, particularly in key sectors such as manufacturing, telecommunications, and infrastructure. However, challenges such as political instability, regulatory inefficiencies, and a shortage of skilled labor have constrained the full realization of FDI's benefits.

This study investigates the intricate relationship between FDI, economic growth, and inflation in Egypt, employing the ARDL model based on annual data from 2000 to 2023. The results show that there has been a long-term link between FDI and GDP growth. The optimal ARDL model (4, 4, 2) was selected based on the Schwarz Bayesian Criterion, and the estimated error correction term of 0.19 means that every year, about 19% of deviations from equilibrium are fixed. The results also confirm the positive relationship between economic growth represented by GDP and FDI. Moreover, there is a positive relationship between CPI and economic growth. Moreover, the results highlight the importance of FDI in driving economic expansion while emphasizing the need for sound macroeconomic policies to optimize its benefits.

Based on these findings, the study puts forth the following recommendations:

- Enhanced sectoral productivity and FDI integration: Policymakers should prioritize the development of economic sectors that exhibit strong linkages with FDI. Targeted policies should try to make the most of the positive effects that foreign investments have on domestic industries. This can be done by encouraging backward and forward linkages, which makes local supply chains stronger.

- Regulatory and Institutional Reforms: Streamlining regulatory frameworks, enhancing transparency, and reducing bureaucratic inefficiencies are essential to improving Egypt's investment climate. A stable and predictable legal environment will bolster investor confidence and attract higher-quality FDI inflows.

- Macroeconomic Stability and Inflation Control: Maintaining stable fiscal and monetary policies is critical for creating a conducive environment for FDI. Controlling inflation within an optimal range will mitigate economic volatility, ensuring a sustainable growth trajectory and reinforcing investor trust in the Egyptian economy.

- Technology Transfer and Knowledge Spillovers: Strengthening linkages between foreign firms and domestic enterprises is crucial for fostering innovation and productivity growth. Policies should incentivize multinational corporations to engage in knowledge-sharing, skills development, and research collaborations with local businesses and academic institutions.

- Comprehensive FDI Strategy for Sustainable Growth: The Egyptian government should adopt an integrated policy framework that combines macroeconomic stability, institutional modernization, and proactive investment strategies. A long-term vision that aligns FDI with national development priorities will ensure that foreign investments contribute to inclusive and sustainable economic growth.

In conclusion, while FDI remains a significant driver of economic progress in Egypt, maximizing its benefits requires a holistic approach that integrates economic, institutional, and policy reforms. By addressing structural challenges and fostering a business-friendly environment, Egypt can enhance the developmental impact of FDI, ensuring long-term economic resilience and prosperity.

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تأثير الاستثمار الأجنبي المباشر على التضخم والنمو الاقتصادي في مصر

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المستخلص

أصبح جذب الاستثمار الأجنبي المباشر (FDI) محل اهتمام الاقتصاديين وصانعي السياسات، وتواجه البلدان الناشئة والنامية، وخاصة مصر، تنافس قوي لجذب الاستثمارات الأجنبية المباشرة .ويرجع ذلك بشكل كبير إلى عدم كفاية المدخرات المحلية مقارنة بالاستثمار اللازم لتمويل التنمية .وفي هذا السياق، يعمل الاستثمار الأجنبي المباشر كبديل للقروض والمنح الخارجية .علاوة على ذلك، فإن تدفق الاستثمار الأجنبي المباشر يساهم بشكل كبير في النمو الاقتصادي ويعزز التنمية الاقتصادية، من خلال تحسين البنية التحتية، وخلق فرص العمل، وإدخال وتوطين التقنيات المتقدمة، وتوفير الموارد المالية الأساسية للاستثمارات .بالإضافة إلى ذلك، يساعد الاستثمار الأجنبي المباشر على توسيع قاعدة الاستثمار في البلد المضيف، ويعزز مهارات وخبرات القوى العاملة المحلية، ويولد المزيد من فرص العمل.

تبحث هذه الدراسة في العلاقة المعقدة بين الاستثمار الأجنبي المباشر والنمو الاقتصادي والتضخم في مصر، باستخدام نموذج ARDL بناء على البيانات السنوية من 2000 إلى2023 .وتظهر النتائج أن هناك علاقة طويلة الأجل بين الاستثمار الأجنبي المباشر ونمو الناتج المحلي الإجمالي. واعتمدت الدراسة على نموذج ARDL (٤، ٢، ٢) بناء على البيانات .وتسلط النتائج الضوء على أهمية الاستثمار الأجنبي المباشر في قيادة التوسع الاقتصادي مع التأكيد على الحاجة إلى سياسات اقتصادية كلية لتحقيق أقصى قدر من فوائده .واستنادا إلى نتائج الدراسة، توصي الدراسة واضعي السياسات بإعطاء الأولوية لتنمية القطاعات الاقتصادية التي تظهر روابط قوية مع الاستثمار الأجنبي المباشر . وينبغي للسياسات المستهدفة أن تحاول تحقيق أقصى استفادة من الآثار الإيجابية للاستثمارات الأجنبية على الصناعات المحلية، ويمكن القيام بذلك من خلال تشجيع الروابط الخلفية والأمامية، مما يجعل سلاسل التوريد المحلية أقوى.

الكلمات الدالة: نموذج ARDL - النمو الاقتصادي- الاستثمار الأجنبي المباشر- التضخم- مصر.