

ABSTRACT

THE EFFECT OF CORRUPTION PERCEPTION INDEX, POLITICAL STABILITY, INFLATION AND TRADE OPENNESS ON FOREIGN DIRECT INVESTMENT IN 11 DEVELOPING COUNTRIES IN ASIA 2012-2023

By

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Abstract This study analyzes the impact of the Corruption Perceptions Index, Political Stability, Inflation, and Trade Openness on Foreign Direct Investment (FDI) in 11 developing countries in Asia from 2012 to 2023. Using panel data regression with the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) approaches, the results show that the Corruption Perceptions Index and Political Stability have a positive and significant effect on FDI, while Inflation has a negative effect. Trade Openness also has a significant positive effect on FDI. Simultaneously, all independent variables significantly influence FDI. These findings suggest that policies promoting transparency, political stability, and economic openness can attract more foreign investment.

Keywords: *Foreign Direct Investment, Corruption Perceptions Index, Political Stability, Inflation, Trade Openne*

ABSTRAK

PENGARUH INDEKS PERSEPSI KORUPSI, KESTABILAN POLITIK, INFLASI DAN KETERBUKAAN PERDAGANGAN TERHADAP INVESTASI ASING LANGSUNG PADA 11 NEGARA BERKEMBANG DI ASIA TAHUN 2012-2023

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Penelitian ini menganalisis pengaruh Indeks Persepsi Korupsi, Stabilitas Politik, Inflasi, dan Keterbukaan Perdagangan terhadap Investasi Asing Langsung (FDI) di 11 negara berkembang di Asia periode 2012–2023. Menggunakan data panel dan regresi dengan pendekatan Common Effect Model (CEM), Fixed Effect Model (FEM), dan Random Effect Model (REM). Penelitian ini memperoleh hasil bahwa Indeks Persepsi Korupsi dan Stabilitas Politik berpengaruh positif dan signifikan terhadap FDI, sedangkan Inflasi berpengaruh negatif. Keterbukaan Perdagangan juga menunjukkan pengaruh positif yang signifikan terhadap FDI. Secara simultan, keempat variabel independen memiliki pengaruh signifikan terhadap FDI. Hasil ini menunjukkan bahwa kebijakan yang meningkatkan transparansi, stabilitas politik, serta keterbukaan ekonomi dapat menarik lebih banyak investasi asing.

Kata Kunci: Investasi Asing Langsung, Indeks Persepsi Korupsi, Stabilitas Politik, Inflasi, Keterbukaan Perdagangan