

**CORRUPTION AND ITS EFFECT ON FOREIGN DIRECT INVESTMENT  
IN ASIA PASIFIC+15 COUNTRIES**

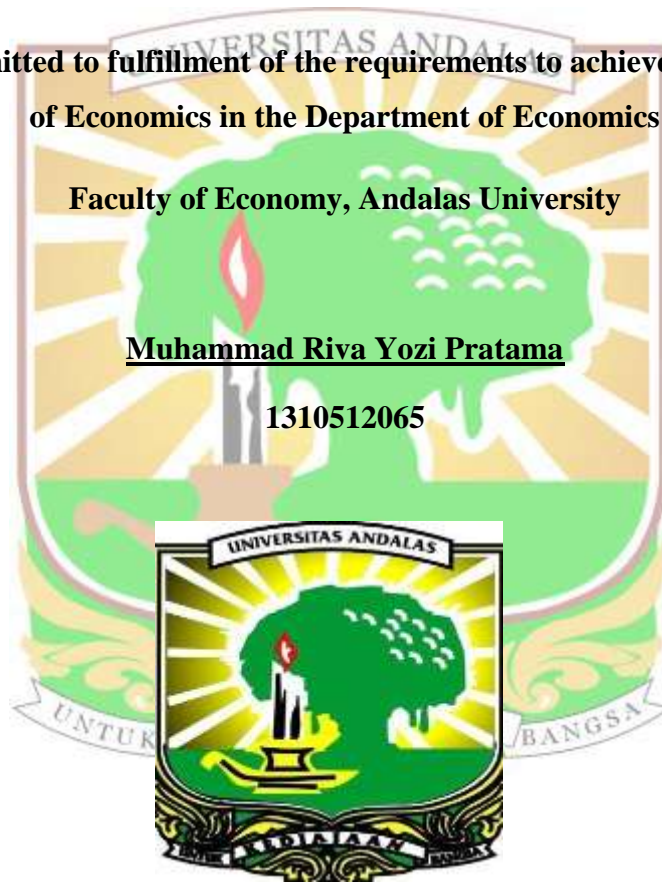
**THESIS**

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of Economics in the Department of Economics**

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# **Corruption and its effect on Foreign Direct Investment in ASIA PASIFIC+15 Countries**

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## **ABSTRACT**

The purpose of this research is to see the effect of corruption on Foreign Direct Investment in fifteen ASIA PASIFIC Countries. Corruption in this research measured by Corruption Perception Index (CPI) as well as Foreign Direct Investment measured by FDI Inflow. This research also use another independent variable such as GDP Growth, Number of Trade, Government Expenditure, and Gross Capital Formation. The methodology which is used in this research is panel data with cross section of ffteen countries from developed and developing countries and time series data from 2006-2015. its hyphothized in this research that corruption which measured by CPI has a positive relationship with foreign direct investment. The research shows that Corruption which measured by CPI has a positive relationship with FDI. This finding means the more cleaner countries from plactical corruption will attract more foreign direct investment. In the end, this research give an implications that the government in Asia Pasific Countries should put more efforts on their anti corruption program in order to attract more FDI, reduce inequality and strenghten the economic development.

**Keywords:** *Corruption, Foreign Direct Investment, GDP Growth, Number of Trade, Goverment*

*Expenditure and Gross Capital Formation, Panel Data*