

Economic and financial factors include economic stability, access to markets, trade and macro policy, illicit competition from smuggling, prices (inflation, interest rate, and exchange rate), access to credit, taxation, incentives, privatisation etc. What impact do these factors have on the present decision to invest, and which are the most important?

Experiences vary, but generally countries have found the strongest stimulants to investment include domestic economic stability, and access to, and size of national and regional markets. Inflation, tax and interest rates have among the strongest negative effects. Investment incentives and privatisation have marginal effect.

Downloads

An updated synthesis publication will be made available shortly via this website. In the meantime, earlier synthesis and country analysis may be obtained on the [private capital flows publications page](#)