THE IMPACT OF THE COMPETITIVENESS OF THE EGYPTIAN BUSINESS ENVIRONMENT ON FOREIGN DIRECT INVESTMENTS IN BOTH TOURISM AND FOOD INDUSTRY SECTORS BETWEEN 2007 AND 2017

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Abstract - The impact of Foreign Direct Investment (FDI), on economic growth has always been an important topic for researchers, this role has been studied for so long. Researchers base this impact on many reasons, either through facilitating capital formation for developing countries, transfer of knowledge and technology, jobs creation, encouraging domestic investments which might have a direct affirmative impact on economic growth (Sylwester, 2005, Mengistu &Adams, 2007, Al-Iriani& Al-Shamsi 2007). In this study, the researcher focuses on investigating how the competitiveness of the Egyptian business environment impacts FDI inflows in two sectors namely, tourism and food industry sectors. Whereas, this study focuses on Egyptian business environment as a potential promising business environment for investment. Therefore, the study aims to assess how the competitiveness of the Egyptian business environment, measured through its rank in the Global competitiveness index (GCI), affects food industry and tourism sectors FDI inflows in particular. The results reaveled that labour market efecciency, macro economic variables impacts the foreign direct investments in both sectors.

Keywords - FDI, Competitiveness, Business Environment, Egypt, Tourism, Food industry, Labour Market Efficiency, Macro Economic Variables, Technological Readiness, Infrastructure.