SocioEconomic Challenges, Volume 6, Issue 4, 2022
ISSN (print) – 2520-6621, ISSN (online) – 2520-6214

ASSOCIATION BETWEEN FACTORS LIKELY TO HAVE AN INFLUENCE ON FOREIGN DIRECT INVESTMENT: THE CASE OF JORDAN

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Type of manuscript: research paper

Abstract: *Objective: The research objective is to discover associations between factors likely to have an influence on multinational corporations' foreign direct investment in Jordan. The scope of the research and its objectives are driven by, first and foremost, the fact that there is increasing interest in MNCs' investments in the MENA region and particularly in Jordan, and second there is a lack of academic research jointly examining the factors behind locational decisions.*

Research Design & Methods: This study has adopted quantitative methods (non-experimental) because we are able to measure the relationship between the set of variables and set of score. The study designed based on of international business literatures that includes economic, legal, social political factors. Questionnaire survey used to collect that data from sample of 50 companies in operate in Jordan and either owned by foreign inventors or are subsidiary of multinational companies.

Findings: the study results indicate mixed views among MNCs because of the current situation and our research results demonstrate that MNCs' location decision is immensely influenced by economic and political factors, and less by both legal and cultural factors. This indicates there is a similarity with other neighboring countries and significant difference from developed economies western countries. In addition, research finding also indicates that some MNCs mitigating their risk exposure by shifting their investments to relatively more stable business environments, such as the Gulf region and Jordan compared with other Levant countries as confirmed by the FT 2014.

Implications & Recommendations: The finding of this research indicate that policy maker in Jordan should concentrate on supporting the macroeconomic environment and maintain its political stability to continue attract FDI.

Contribution & Value Added: The existing MNC theory did not jointly examine the factors influencing location decisions, given the scarcity of national publications in the field of international business in Jordan, this research aims at enriching the national literature in this field.

Keywords: multinational companies, international business, foreign direct investment, location factors.

JEL Classification: F21, F23.

Received: 13.07.2022 **Accepted:** 23.08.2022 **Published:** 31.12.2022
Funding: There is no funding for this research.
Publisher: Sumy State University, Ukraine.
Founder: Sumy State University, Ukraine.

Cite as: Tahat, I.A.M. (2022) Association Between Factors Likely to Have an Influence on Foreign Direct Investment: The Case of Jordan. *SocioEconomic Challenges*, *6*(4), 34-45. https://doi.org/10.21272/sec.6(4).34-45.2022.

Introduction

Jordan’s economy is the smallest in the Levant region, which includes Lebanon, Palestine, Syria, and Jordan. With limited natural resources, the government of Jordan heavily depends on forging aid, with currently the largest budget deficit in its history. This is mainly due to the global economic crisis and the instability in the region, which resulted in a declined inflow of foreign direct investment (FDI) to the country. This has dropped from USD 2.82bn in 2008 to only USD 1.4bn in 2011(Tanmeyah-Jo). Despite this, Jordan still attracts foreign investors because of its strategic location amongst these countries within the region, as at 2019, Jordan has been ranked the second major destination of FDI in MENA after Iraq according to the Financial Times report.

Table 1. Jordan Factsheet

Economic size	$/bn	% World	Mian import and export	Exp%	Imp%
Nominal GDP	34	0.05	Manufacturing Goods	28	25
GDP	40	0.05	Chemicals	24	23
Export Value	14	0.06	Crude material	17	21
			Food and livestock	15	15
Economic Structure	2019/ %	5 Year average	Inward FDI % of GDP	6.01%	
			Import value % of GDP	72%	
Agriculture % of GDP	3	3			
Industrial % of GDP	30	32			
Service % of GDP	67	65			
Real GDP growth	3.2	4.1			

Source: CIA World Factbook, World Bank.

In the last 20 years, the flow of foreign companies settling in Jordan has sharply increased. Their modes of entry to the Jordanian market range from joint ventures to partnerships with local small companies, franchising and licensing or local subsidiaries’ settlement. This increase has also been a result of various political, economic, cultural, and legal factors that influence the location choice decision of MNCs. Results of hard-working government organizations to attract FDI to Jordan such as the Jordanian Investment Board, this board rigorous action came to encourage foreign investors by reforming (company law, monetary policy, Judicial system, dispute settlement, tariff and duty and access to market). Since the Gulf War in 1991, 2003 and September 2001, most investors in MENA started to be risk averse and considered the investment decision as crucially important to value their strategic options, because this region had a rapidly changing and unstable environment.

According to the World Bank, there are three tides of globalization. The first occurred between 1870 and 1915. The second wave persisted from 1945 to 1980.The latest trend emerged in the 1980s. Foreign direct investment (FDI) plays an important part of the global economic system. According to UNCTAD (2006), foreign direct investment (FDI) has risen dramatically in replacing the aspects of global commerce. Such developments in the global economy greatly assisted throughout the lowering of exchange and shipping costs. The liberalization of trade regulations, as well as the abolishment of certain obstacles, resulted in an increase in FDI. Foreign direct investment (FDI) is a funds movement which entailed possession and management. According to Rugman and Verbeke (2008), FDI is one stream for the development of the world economy. Foreign direct investment is most discussed in terms of multinational corporations (MNE). Multinational corporations supposed to obtain new markets since they have significant advantages or want to gain localization advantages.

The main objective of this research project is to investigate the influence and relationship among factors that determine the location choice of MNCs in Jordan, by examining the impact of the business environment factors and variables on MNCs' locational choices. The scope of the research and its objectives are driven by, first and foremost, the fact that there is increasing interest in MNCs' investments in the MENA region and particularly in Jordan, and second there is a lack of academic research jointly examining the factors behind locational decisions. This research also aims to support MNCs with empirical evidence in relation to the key factors influencing MNC's FDI location choice in Jordan. This will be achieved by applying existing conceptual theories at national level, which will fill the gap of a lack of research support in the MENA region and enrich the previous studies with new evidence for decision makers.

In summary, the research problematic can be outlined in the following question: is there a relationship among factors that influence MNCs' locational decision in Jordan? In attempt to answer this question this paper divided into five sections, introduction, literature review, methodology, data analysis and conclusion respectively.

Literature review

The Phenomenon of Multinational Corporations (MNCs)

Historical records indicate that international trade started more than 300 years ago, between British and Dutch trading companies. This was followed by US companies taking the lead after World War II and was later continued by Western EU and Japanese firms. Today, MNCs account to more than 50,000 and have over 700,000 affiliates abroad. Therefore, MNC firms' output reached nearly half of the world's industrial production according to the Business insider report in 2011.Market Drivers focus on the attractiveness of the location, or the country specifics such as economic growth indicators and market size. That's because in the era of globalization, firms tend to behave in a manner that reflects their awareness of the long terms objectives to position themselves as the leading brand in global markets. This market driver aims at selling to the next billion consumers and going far beyond the economic principles; targeting higher income levels and shifting to target low class of income in hope to achieve the scales of economics. Today, the poor are no longer seen as passive aid recipients but as a new consumer segment willing to pay for goods and services at appropriate price (Martin Wolf, 2013). Therefore, countries with large populations and low income are seen as profitable marketplaces to achieve economies of scale.

Figure 1. Eclectic paradigm

Source: Dunning (1981).

Locational factors within foreign market (FM) economy might explain why international businesses prefer to directly invest rather than export. The combination of tariff and non-tariff factors is the most influential factor. Servicing FM could be managed by either exporting or local production; tariff limited exporting will promote local production, on other hand-exporting firms can easily exit FM. Hence, hosting country governments are set on the table as major players steering the decision accordingly by imposing trade barriers related to FDI, and tailored with intentions to target exporting foreign firms, to produce locally. Hosting government policies can explain the country's philosophy in different ways. Governments who want more inflow FDI normally relax their regulation to attract foreign investors and via versa. Therefore, government policies are a major influencing factor, and according to Geoffrey Jones 1996, location advantages that influence location decision could be explained by the following factors:

Large spending in physical infrastructure, education, makes the country attractive to foreign firms.

Weak legal system leads to increased investment risk and consequently making the hosting less attractive to risk averse investors.

Economic size, income level and growth as well as the development stage are very important indicators for decision consideration.

Differences in labor cost; in firms where the production makes substantial proportion of the product costs, hence moving the production facility to lower salary irresistible incentive.

Based on Dunning paradigm, MNCs invest in foreign countries to take an advantage not available to local firms and suggests that MNCs are driven by four fundamentals key factors: market seeking, resource seeking, efficiency seeking, and strategic seeking. And by FDI, MNCs can obtain sources of competitive advantage at costs and risks that domestic firms are less exposed to. While other Internationalization theories such as Uppsala model, transaction cost theory (TCT), and interactive network approached sought to have relationship with international market entry decision. This is due to Uppsala model basic assumption that firms gradually develop their operational activities in foreign markets, according to their knowledge, according to (Johanson and Vahline, 1977) distance which plays a major role in developing this knowledge, hence firms enter closer markets and in doing so they increase their knowledge and can move to longer distance markets.

In contrast, Uppsala model can distinguish itself form the above models, by regarded information about foreign markets precisely based on experiential knowledge, as an important direction indicator of market entry, as well as the mode of entry to these markets. Although, Uppsala model focuses on the activities of the firm, and both models make and did not clearly mention competition on the foreign markets which means that the importance of experimental knowledge outlined in the model signals the influence of market factors on entry decision as confirmed by Johanson and Vahlne 1999.

Factors Influencing MNC Location Decision

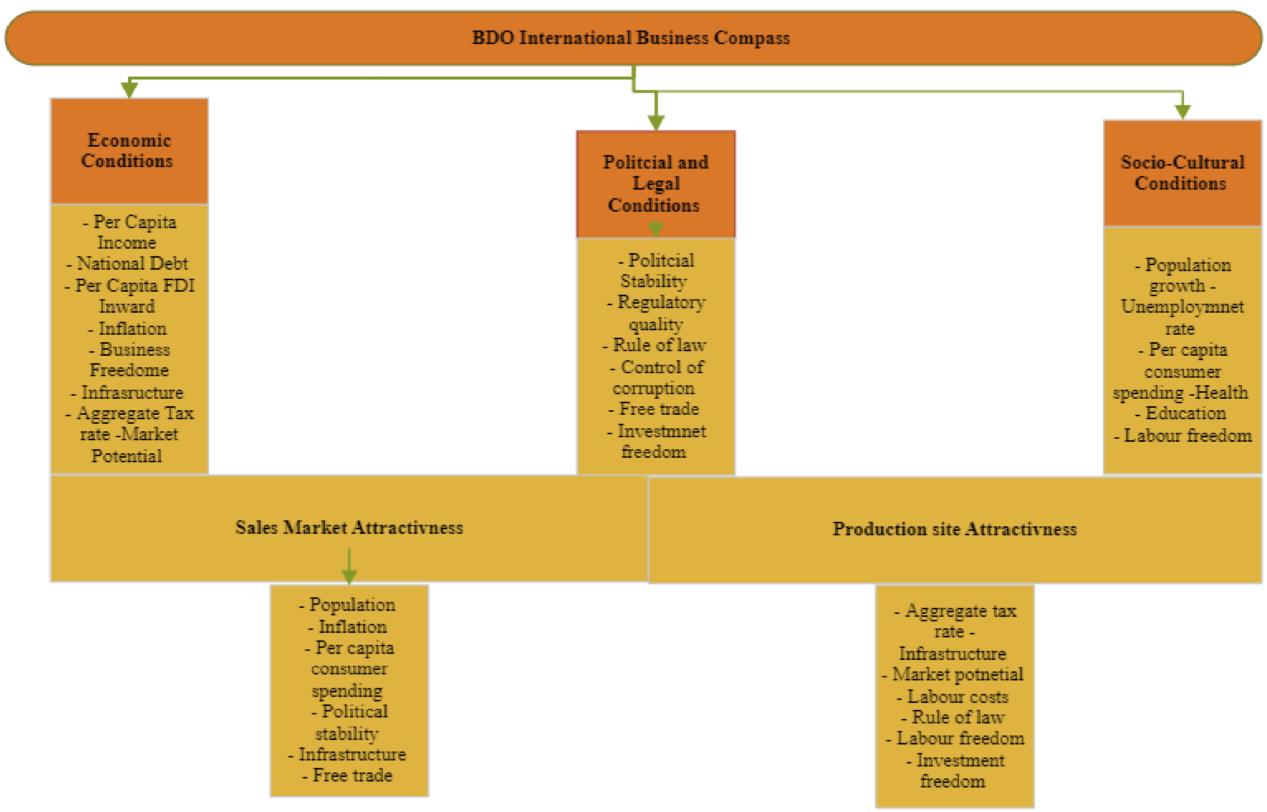

Figure 2. Business environment framework Economic and Financial factors

Source: bdo-ibc.com.

Researchers in international business have taken different approach when it comes to examining the potential impact of the environment, on MNCs decision and some argue that internal and external stakeholders had influences over their location decision (Rugman, 2008). However, once decided to go abroad or enter a new market economist, must critically analysis the targeted market. The cost of doing business in a foreign country refers to all these expenses (taxes, licensing, tariffs, and labor costs, extra, which derive from institutions, laws, regulations, customs, and the practices of a foreign country (Kneller et al., 2008). This cost affects all firms doing business in that country, being either local or foreign.

Social And Cultural Factors

Cultural Factors: According to Morrison culture; is the shared, learned values, norms of behavior, mean of communication and other outward expression, which distinguish one group from another? This dimension of culture core concepts difference from one country to another, country have 25% diversity rates and over are nation divers with multicultural. In this context Jordan dose not considered to be divers because 92% of its population are Muslim and Arabic origin.

Religions: regarded the most powerful culture factor, but the question is does religion influence economic outcomes? Hoffmann (2013) studied the impact of religion on economies and found that over 50% of Americans consider religion as very important in their lives. According to (Kumar, 2008) that religion constitutes an important variable for economic and decision-making outcomes. Others found the religious groups could make a big difference on GDP among nations or regions (Argyle, 2000). Hoffmann, (2013) also found that religious value across countries, average attendance is negatively associated with GDP growth.

Cultural distance and MNCs' new locations

The international business environment, controlling for sector and firm-specific characters, have caused academics to suggest that national culture determines managing practices in the context of FDI location (Kessapidou and Varsakelis, 2002). The gap in national culture not only influences the entry mode but also the identify difficulty facing the integration of foreign personal into the organization (Hofstede, 1980; 1988; and Erramilli, 1991). In addition, mixed results are reported in the impact of national culture on performance of FDI. According to Kessapidou (2002) managerial practice existing with the national culture of affiliated firms can be used to report better performance outcomes. However, modern studies found that it is the distance of national culture that enhances the performance of foreign associates (Mardas et al., 1996; Morosini et al., 1998). To measure the distance between cultures, Hofstede (1980), identified four dimensions that explain the differences between work-related value behavior and affect the structure and functioning of firms.

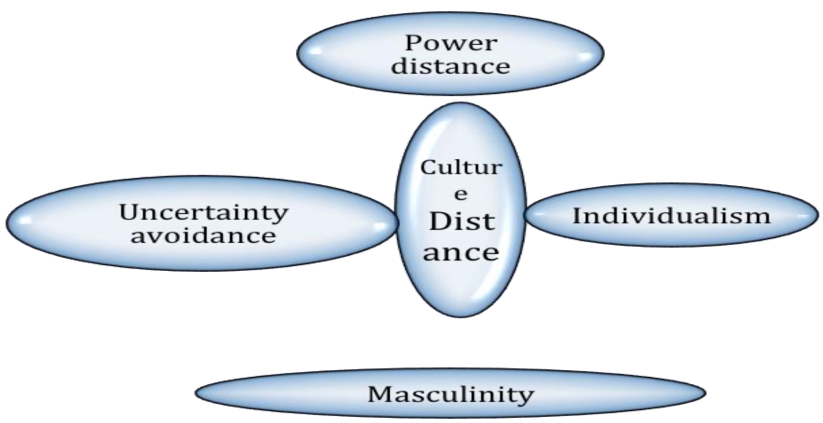

Figure 3. Dimensions of Cultural Distance

Source: Hofstede (1980).

In the above figure Hofstede argues that these four cultural dimensions impact on individuals as well as organizations in the integration process. Power distance and uncertainty avoidance affect the structure and function of firms and might lead to various models in human minds of what a firm should be. In contrast, individualism and masculinity affect human thinking about themselves in firms rather than firms as entities. Literature reports that culture has been a contextual parameter that influences the performance of firms.

Academics state that the organizational culture of foreign companies is led by control and management practices and tends to achieve high performance when reinforcing national cultural values. The far go management practices from national culture value, will associated with declines in performance (Datta, 1991). Moreover, Chatterjee (1992), reports that equity also will be affected, when organizations clash or merger.

Legal environment (LE) factors: According to Caves (1993) and Dunning (1998) it is very clear that MNCs are less likely to enter countries that are very far from the home market, with small markets, or those that impose tough limits on FI. A significant factor that can affect the extent to which mergers can be beneficial rom its intangible assets advantages is the legal environment of the country, which the target company operates. Pantzalis et al, (2008) they argue that (LE) and internationalization have negative and positive effects on location decision. Also find that (LE) could be an obstruction to FDI strategy such takeover, in targeted country. This obstruction could be the result of either weak enforcement of the role of the law or increase in agency costs. Hence, its direct implication means the risks for MNCs operating in that country is they may face shortages in cash flow due to the lack of credibility of law enforcement in the targeted country.

In contrast, positive effects of the legal system of the target firm's country could exist in certain situations. In states with a lack knowledge of LS, information asymmetry among the firms and external market may be the result of higher agreement costs. In fact, these external market contracts are less costly when transactions take place, for instance such as transferring tangibles assets, while firms operate in hosting countries which have no experience in their legal systems. In conclusion, during the internationalization's process MNCs realize the positive impacts in country where legal systems are different from the home country of the investors. This result agrees with Rossi and Volpin's (2004) finding, that takeovers are likely to be from countries with solid investor protection than their object country.

Political stability: level of democracy; Most studies into MNC location preferences concentrate on related advantages to the host country, and political and economic risks for investors (Jakobsen and Soysa, 2006). Government intervention is an important matter when building a theory of democracy and FDI. We agree that the institutional environment is important for MNCs decisions on location, which influenced by issues other than just corruption and independent legal systems. Academics have found that levels of democracy increase FDI as well as the domestic investment because simply democracy strengthening the rule of the law and reducing the probability for government interventions in MNCs (Olson, 1993, Henize,2000; Jensen 2003). On other hand World trade data shows that (autocratic) China has higher levels of FDI inflow compared with democratic East Asian countries. This indicates that some investors attract by non-democracy political system in the host country.

Corruption: Countries with high levels of FDI are not randomly selected to become a host country (Barassi and Zhou, 2011) but they have been selected by the MNC. Empirical research has found that corruption has a very high negative impact on FDI, therefore corrupt countries are less attractive for MNCs, and MNCs management assumed corruption would hurt its wealth accumulation.

Terrorism: This is another salient variable in the political environment, and there were limited numbers of articles written about terrorism before 9/11. However, IB considers terrorism to have direct and indirect effects. Firstly, loss of life, and wealth, as well as destroying public infrastructure. Secondly it is likely to have a larger impact, reducing demand, increasing IB transaction costs, and reducing FDI, and new government laws and procedures are likely to enlarge the threats study found that terrorism has had a negative impact on capital inflows throughout the world in last three decades. Lee and Powell (1999) argue that FDI is faced with high political terrorism risks in host countries as well as spillover to neighboring countries. Political instability in host countries: first, declines in profit because sales and export are constrained, second production is stopped or slow, and in some cases, facility damaged and destroyed. Figure 5, confirms the above literature, showing the level of FDI inflows in Egypt after the political turmoil in 2011, significantly dropped to -0.2 (from 3.55) after the start of uprising against their president and his regime.

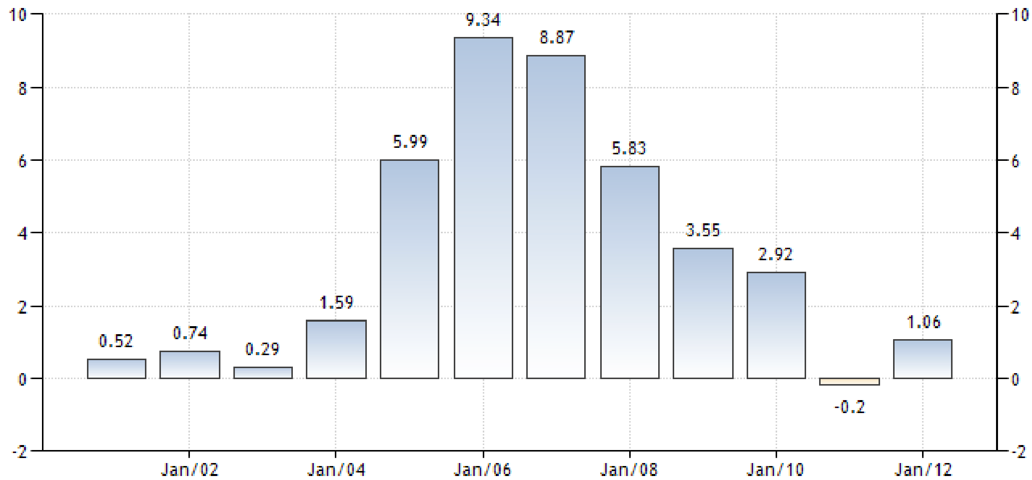

Figure 4. Egypt Net FDI inflows

Source: Tradingeconomics.com.

Fielding (2003) agrees that political instability during the second Palestine (Intifada) had significant effects on Israeli investment. Form my personal experience, to add here that political instability and social unrest goes far beyond what most students think and causes the currency to fall as well as increases the volatility in exchange rates (Kutan, Zhou, 1996, Chang, 1996).

Research methodology

This study has adopted quantitative methods (non-experimental) because we are able to measure the relationship between the set of variables and set of score (Creswell, 2014). This study involves survey questionnaires and carries out research on secondary data to clarify the content of the research results. This was critical to examine the data from the survey to address the key factors in relation to business environment factors, which affect MNCs' location decisions and potential impacts on their performance.

The influencing factors for MNCs in deciding the new location are dominated by environmental factors (EF), which will affect the companies once they start operating in a targeted location and in some cases even before they start operating, such as the establishment process. Overall, those factors include derivatives of economic, legal, social, cultural, and political factors. Therefore, production or service facilities are located to take the advantage of the above factors. To formulate a useful strategy, MNCs should understand their environment. This tactic might include any one of the early-cited location decisions that affect the revenues of firms as whole. According to Neellankavil 2007, the survey research technique is the most used in international research and acts as credible source of information because the respondents provide information through a structured questionnaire, which deal with participants' interests in terms of the degree of the agreement and play active role, which is required a certain degree of communication. Surveys account for most methods employed, representing 82.4% from of all articles reviewed (Bryman, 2006).

It is common to find that only special purpose surveys can provide the information needed (Fowler, 2009). In addition to meeting needs, surveys selected for this study because when can be related to the research objectives and provide us with comparable information from all respondents, which will be translated into meaningful statistical data.

The Sample Frame: Sample selection of MNCs operates in Jordan according to the percentage of their foreign share revealed that 24 companies from Amman Stock Exchange data which they with more than 40% of their capital from FDI. Includes the three major Jordanian economic sectors (Service 60%, manufacturing 30% and industrial 10%). And 26 no listed companies. 31 respondents received out of total sample of 50 companies in operate in Jordan and either owned by foreign inventors or are subsidiary of multinational companies.

Table 2. Variables Groups

Variables	Research
Potential market size	Tong and Walter 1980, Terpstar and Yu 1988, Li and Guisinger 1992, Rolfe et al 1993, Yurimoto and Masui 1995, Oum and Park 2004, Fosfuri 2004.
Potential economy growth	Tong and Walter 1980, Schneide and Frey 1985, Edward 1990, Tsai 1994, Lispsey 1999, Husmann and Arisa 2000, Oum and Park 2004.
Political stability	Schneide and Frey 1985, Sethi et al 2002, Ahmed et al 2002, Rugman 2008, Kutan et al 2006.
Tax and tariff	Dunning 2000, Caves and Mehra 1986, De Mooij and Edrveen 2006.
Culture distance	Kougt and Singh 1988, Larimo 1996, Datta and Erley 1994, McGill 1995, Kessapidou and Versakelis 2002.

Results and Discussion

The descriptive statistical analysis in table (16) shows that the grand mean of score of above 3.104 from the range of 5 making up to 62%. This indicates that economic factors (for example GDP size and growth, INF, and exchange rates) in Jordan have a high influence on FDI locational decisions taken by the MNC managers and there is an inconsistency and volatility of these economic factors, which explains the hesitation of MNC foreign investors to invest in Jordan. This result is consistent with FDI literature which says that high levels of economic uncertainty will tend to have lower growth rates and may also appear less encouraging to foreign investors (Lensink and Morrissey, 2001). While legal factors variables grand mean 1.9 within range of 5, this indicates that legal factors are still a matter of concern for MNCs in locational decisions due to that fact that they negatively affect MNC locational decisions, so decision maker might reject the pan to directly invest.

Cultural factors variables grand mean 1.77, which is less likely to play a major role in locational decisions, but political factors seem the most significant in managerial decisions, so the result shows that grand mean is 4.34 within range of 5, the highest score among all the factors. This means that when MNCs approach Jordan to invest they are greatly concerned about the impact of the political situation and stability since it is likely to impact on their investment.

Table 3. Descriptive statistic results

Variables	Mean	SD	Variance	Minimum	Maximum
VAR001	3.5	1.3	1.6	1.0	5.0
VAR002	3.0	1.6	2.5	1.0	5.0
VAR003	3.3	1.5	2.4	1.0	5.0
VAR004	2.8	1.4	1.9	1.0	5.0
VAR005	3.0	1.4	1.9	1.0	5.0
VAR006	3.3	1.7	2.9	1.0	5.0
VAR007	3.4	1.6	2.7	1.0	5.0
VAR008	3.3	1.7	30.0	1.0	5.0
VAR009	3.6	1.7	2.7	1.0	5.0
VAR010	3.1	1.4	2.0	1.0	5.0
VAR011	3.0	1.7	2.9	1.0	5.0
VAR012	2.9	1.6	2.7	1.0	5.0
VAR013	3.2	1.7	2.8	1.0	5.0
VAR014	3.2	1.8	3.3	1.0	5.0
VAR015	3.0	1.6	2.4	1.0	5.0
VAR016	3.1	1.9	3.1	1.0	5.0
VAR017	2.6	1.4	2.0	1.0	5.0
VAR018	2.7	1.8	3.1	1.0	5.0
VAR019	2.5	1.5	2.2	1.0	5.0
VAR020	4.0	1.0	1.0	1.0	5.0
VAR021	4.2	0.3	0.7	1.0	5.0
VAR022	4.5	0.9	0.8	1.0	5.0
VAR023	4.5	0.0	0.0	1.0	5.0
VAR024	4.5	0.0	0.0	1.0	5.0

Source: Author analysis.

For the political factors, the results show that MNCs mangers largely agree that these factors immensely influence their decisions, and it is notable that x23 and x24 received 100% consistency results, at 0.0 standard deviation in relation to economic, legal, and cultural variables, where vast majority of variables had standard deviations exceeding 1.37. The political factors reactively affecting Jordan, according to free duty trade organization report that current political events (the Iraq crisis) have negatively impacted export levels because Jordan supplies Iraq with manufacturing products such as soft drinks, household food products, oil, clothing, and electrical supplies. Also, free duty market supply Iraq with estimated annual turns over of JD 600 million, equivalent to USD 5140m each year only on cars. This figure fell by 40% during the and second and third quarter of 2014.

Regression Model Result

Table 4. Influencing factors correlation

Correlations							
			ECO	LE	CUL	POL	LOGFDIINFLOW
Spearman's rho	ECONOMIC	Correlation Coefficient	1	.809**	.761**	-.493**	-0.069
		Sig. (2-tailed)	.	0	0	0.005	0.739
		N	31	31	31	31	
	LEGAL	Correlation Coefficient	.809**	1	.883**	-.497**	-0.224
		Sig. (2-tailed)	0	.	0	0.004	0.27
		N	31	31	31	31	
	CULTURE	Correlation Coefficient	.761**	.883**	1	-.476**	-0.241
		Sig. (2-tailed)	0	0	.	0.007	0.235
		N	31	31	31	31	
	POLITICS	Correlation Coefficient	-.493**	-.497**	-.476**	1	0.063
		Sig. (2-tailed)	0.005	0.004	0.007	.	0.759
		N	31	31	31	31	
	LOGFDIINFLOW	Correlation Coefficient	-0.069	-0.224	-0.241	0.063	1
		Sig. (2-tailed)	0.739	0.27	0.235	0.759	.

Source: Author.

Note: **. Correlation is significant at the 0.01 level (2-tailed).

The regression result from table 17 yields some insights into the factors that influence MNC locational decisions. First, it is evident that economic factors are positively correlated with legal and cultural factors and significant at a 0.01% level. More importantly the economic factor is negatively correlated with FDI inflow to Jordan, which means any deterioration in the Jordanian economy will slow or stop FDI investments into Jordan. This reality is supported by the recent decision of HSBC to sell all its assets in Jordan, Bahrain, and Lebanon late in 2013. They reported that the core of their global strategy was to assess each location in terms economic development, profitability, efficiency, as well as crime. Therefore, because the MENA region was witnessing major changes and instability they were forced out of these countries. In addition, legal and cultural factors have a negative correlation with FDI inflow to Jordan, at -0.224%, -0.241% respectively.

Conclusion

Studies on MNCs and FDI location choice indicate that there are links between the location choice of MNCs, FDI location and determinant factors such as economic policies, political stability, legal systems, and cultural distance. The result of answering the key question of this research demonstrates that MNCs' locational decisions in Jordan are immensely influenced by economic and political factors, and less influenced by both legal and cultural factors. The results of the research also reflect the major view of MNCs in Jordan resulting from two major events represented in this study. First, the 2007/8 global financial crisis which is still affecting some regions within the EU and MENA. Indeed, with the credit crunch, many MNCs have adopted new strategies and reformed their operations across the globe, and some of them have become risk averse and more considerate of the host country's environment before taking a decision to set up business. Second, since the Arab spring started in late 2010, our research results indicate large shifts in the region and a decline in FDI into the region because investors have either postponed or cancelled pre-planned projects.

In addition, our research indicates that some MNCs manage their risk exposure by relocating their investments to relatively stable environments, such as the Gulf region and Jordan that is stable compared with Levant countries as confirmed by the FT 2014. Jordan has been ranked second after Iraq in attracting FDI, receiving 11.3% of the total FDI into the MENA region.

As changes are taking place with the current developments in Iraq, this might redraw the map of political power in the Middle East, because the Islamic state of Iraq and Syria (ISIS) are strengthening their reposition, disrupting major oil company producers in Iraq, and increasing instability in the whole region. Despite this, the business activity between MENA countries and other parts of the world is still occurring, but some businesses have been forced to relocate and others, such as HSBC, closed. However, because most investors in Jordan are from within the MENA region, this leaves no option for them but to bear large costs and risks if they are to maintain their position in the market. The reaction of investors in Jordan is in line with the research findings and the academic literature. As the instability of the country increases risk, this becomes less attractive to FDI, and investors who are risk takers continue to invest but at a lower scale, while less risk averse investors relocating their investments or awaiting further signals.

Limitations And Recommendation Further Research

The limitations of this study are in the methodology and data availability. Objectives have been formulated in line with MNCs' motivation and their FDI location determinants in Jordan. The result is relevant to Jordan. However, future research should focus on each sector as an individual project and compare the results, rather than generalizing the results to all sectors. Meanwhile, the lack of official data in Jordan has had an influence on this research which led us to pursue a survey collection method and design the quantitative methodology rather than qualitative.

Acknowledgment: The author report there are no conflict of interest and no funding associated with this research.

Author Contributions: conceptualization: Ibrahim Tahat; methodology: Ibrahim Tahat; software: Ibrahim Tahat; validation: Ibrahim Tahat; formal analysis: Ibrahim Tahat; investigation: Ibrahim Tahat; resources: Ibrahim Tahat; writing original Ibrahim Tahat; draft preparation: Ibrahim Tahat; writing-review and editing: Ibrahim Tahat; visualization: Ibrahim Tahat; supervision Ibrahim Tahat.

Conflicts of Interest: Author declares no conflict of interest.

Data Availability Statement: Not applicable.

Informed Consent Statement: Not applicable.

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