

Foreign Direct Investment as a Factor of Economic Empowerment of the European Union

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Abstract: *At the end of the 20th and beginning of the 21st century, the role of the European Union in foreign direct investment flows has increased, but also the growing role of transnational companies from EU countries in the world economy is noticeable. Cross-border corporate takeover has become the dominant form of movements in foreign direct investments. The main role in this process had the European Union countries, such as suppliers, as well as recipients of foreign direct investment. Excluding flows within the European Union, this regional integration refers to approximately 40 % of all outbound foreign direct investment in the last decade.*

The undisputable fact is also, that the global financial crisis has affected, among other things, reduction of foreign direct investment in the European Union, but also increase of regional disparities, at the global and lowers regional level.

This fact committed authors of this paper to ask a question – is there any inconsistency or gap in the distribution (or allocation) of foreign direct investment in EU countries, taking into consideration that there is a significant gap in the inflows and outflows of foreign investment between industrialized countries and developing countries?

In order to answer the question, the paper provides an overview of trends in foreign direct investment in the European Union, stating data and rating in terms of impact of FDI on the economic growth in general, and in the countries of the European Union in particular.

Keywords: *Foreign direct investment (FDI), inflows, outflows, EU.*