

FDI and industrial upgrade of Albania

Dr. Aurel Koroci
Albanian University, Albania

Abstract

Foreign direct investment (FDI) in developing countries brings economic development and enhances the international competitiveness of domestic enterprises. The entrance of FDI would normally be considered as a prerequisite for the success of the introduction of foreign capital. FDI accounts for the largest and most important proportion of foreign capital in Albania, which undoubtedly plays an important role in the Albania's economic development growth and country. However, as the country continues to taking various preferential policies to promote foreign investment and the good momentum of Albania's economic development, FDI increases, and in this paper we want to evaluate how the FDI has influenced the technological progress of the country. In general, multinational companies have advantages of capital, technology or management-intensive elements, if there is no foreign direct investment, for the host country producing new industries or upgrading of the structure of traditional industries shall be more difficult. The promoted technological progress and management level can lead labor force, labor tools to have productivity growth and can lead directly to changes in the structure of industrial technology. FDI inflows give the "package" of resources, technology and management skills needed not only to help the host country to establish new industries, but also to help host country to promote inter-industry structure within a structural optimization and industrial upgrading. Based on the theory of FDI, this paper through a theoretical analysis and an analysis on data on country's data reaches conclusion that FDI has positive effects on industrial upgrade in Albania.

Keywords: FDI, Albania, industrial upgrade.

Full Text: [PDF](#)



This work is licensed under [Creative Commons Attribution 3.0 License](#).

Academic Journal of Business, Administration, Law and Social Sciences ISSN 2410-3918 (print)

ISSN 2410-8693 (online)

Copyright © IIPCCCL-International Institute for Private, Commercial and Competition law